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Cultural Value Effects on Management Style

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As our world becomes increasingly more "global" and interconnected, creating an effective team structure has essentially been deemed a necessary skill for all international business managers to possess. Nevertheless, while the idea of teams may have presented itself as a universal construct in companies worldwide, the way that each team functions and the most effective ways in which teams should be managed varies by location and culture. Within the confines of this document, you will find a discussion on cultures' impact on teams in the "top five countries to do business in" (Denmark, the United States, Canada, Singapore, and New Zealand) as well as illustrations of how truly essential a knowledge of cultural differences and a repertoire of adjustable styles of management are to international business professionals worldwide.

Denmark

Located in Northern Europe and bordering Germany, Denmark is seen as the number one country in which to conduct business (Gage, 2009). Low levels of corruption and crime, high emphasis on accomplishments, and the straight-forward manner in which business is carried out can be seen as a few of the contributing factors to achieving such status. Although Danish is the predominant language, the secondary language in Denmark is English, allowing Denmark to efficiently communicate with different countries and cultures. Danes are seen as proud, independent individuals, yet they value the opinions of those they work with. (Conaway, p. 134-5) This viewpoint has a high impact on Danish culture and the manner in which business is conducted, affecting how organizations are managed and how workers cooperate. Low power distance, high uncertainty avoidance, and a moderate sense of individualism are all cultural values evident in the business structure, management style, and team workings in Denmark.

While most common business entities in Denmark are personally owned, private limited companies, partnerships, and public limited companies ("Doing Business in Denmark," 2009), the majority of companies are small-to-medium sized. As a result, companies in Denmark have the comparative advantage of flexibility, allowing them to adapt quickly to changes in market conditions ("Business in Denmark," 2010). The pragmatic style of business and the "flat" management style are two additional attributes that describe the business structure in Denmark ("Danish Business Structures," 2010).

In Denmark, there is not a hierarchical style of management, where the business decisions are made by top management without considering the opinions of employees. On the contrary, managers find it important to seek consensus without imposing their own views. This ideal follows the egalitarian style valued in Denmark. Danish managers are seen as coaches, promoted to such status because of their skills and are looked upon for guidance and support. For the Danes, "a good manager is somebody who encourages…who delegates to competent colleagues, and who communicates clearly and unambiguously" ("Danish Management Style," 2010). As a result, an individual who approaches a Danish co-worker with a domineering attitude would be seen as rude, arrogant and "unlikely to be given the necessary levels of support and local assistance" ("Danish Management Style," 2010).

To complement the flexibility of company management in Denmark, the Danish labor force is also known to be one of the most flexible in Europe. The labor market has also been known as the most efficient and secure ("Business in Denmark," 2010). The high level of education and skills possessed by the Danes are a couple of the reasons they have been able to receive such recognition. The values of education and skills are further demonstrated in the way teams operate within Danish businesses.

The strong sense of individuality, valuing ability and accomplishments over rank, and the need for consensus are all factors in the operations of teams in Denmark. In order for a team to work properly and successfully, it is important that all team members be seen as equals, without one member being more dominant than others. When all members feel valued and are included in the decision making process, the team can perform more efficiently ("Danish Teams," 2010).

United States

The United States of America is situated on the continent of North America. There are 50 states in the U.S., 48 of which form the neighboring United States. The U.S. borders Canada to the north and Mexico and the Gulf of Mexico to the south. In addition to the 50 states, the U.S. has numerous territories located in the Caribbean and the Pacific Ocean. The main capital of the United States is in Washington D.C. The United States is shaped by many cultures, which are exemplified by the diverse population. The population is composed of the following: 82.1 percent English, 10.7 percent Spanish, 3.8 percent Indo-European, 2.7 percent Asian and Pacific Islanders, and 0.7 percent other ethnicities. The key religions in the USA today are the following: Protestant 52 percent, Roman Catholic 24 percent, Mormon two percent, Jewish one percent, Muslim one percent, other ten percent, none ten percent. ("North America: United States," 2010).

As part of conducting business in the United States, Americans may come across as being overly friendly. However, this behavior is not an attempt to establish long-term relationships with those they are doing business with; rather, it is seen as part of business. Americans are into casual themes and more conversations about private relationships than many European cultures. Americans will often ask personal questions at an early period in a relationship, which may be perceived by some people as disturbing ("American Communication Style," 2010).

Businesses in the USA are enormously varied but tend to have several characteristics in common. Their company is an entity in its own right and exists separately from its employees. Members come and go, accomplish necessary tasks, and leave when they are no longer required for the comfort of the organization. The relationship in the USA between the employer and employee is very limited, where sentiment and feelings are not involved. The employer tends to be strict and somewhat cold when it comes to relationships. The CEO of an American organization has a lot of power under the company and, compared to other countries, senior management is more invested in the personnel at the top of the hierarchical structure ("American Business Structures," 2010). In the United States, "accountability within the company tends to be vertical and easily observable. Americans like to know exactly where they stand, what are their responsibilities, and to whom they report" ("American Business Structures," 2010).

American management style can be described as individualistic, which means that managers are responsible for the decisions made in their respective area. Although some decision may be discussed in an open form, the consequence of the decision lies on the boss ("American Management Style," 2010). As a result, American managers are more likely to ignore the ideas of their subordinates, which can discourage them from expressing their own ideas. In American culture, titles, such as president, vice- president, etc., carry value and importance. However, titles are not a proper reflection of the importance the individual has within the company. Importance is linked to the term *power*, the ability to control others, and the responsibility that takes for a manager to guide its employees to a profitable path ("American Management Style," 2010).

American groups are as effective as those all over the world. They come together to perform a specific task and get the best result in the shortest period of time. Groups in America set goals and deadlines and arrange periodical meetings to make sure they are on course. American groups are controlled by a leader and a board of subordinates. They make decisions based on votes and the best opinion (in this case, the one chosen by the group) is the one that will be presented to the CEO ("American Teams," 2010). America is a group-oriented culture where identity is very important; however, being part of a group is essential. Members of a group have to show enthusiasm and work in unison ("American Teams," 2010).

Canada

Despite the close proximity between the United States and Canada, there are several differences when it comes to culture and the manner in which it affects business. Canadians speak either English, French (which is the predominant language in Quebec), or both, with approximately 60 percent of the population being English speakers and 24 percent French speakers. The English-speaking Canadians are very respectful and rarely interrupt when someone else is speaking. However, the French-speaking Canadians interrupt each other often when they are speaking. Canada has an energetic economy with a population of over 30 million people. It has a number of international companies and an extremely successful export industry ("Background to Business in Canada," 2010).

A shareholder can decide from a selection of business structures when looking to manage in the Canadian market. When deciding on the kind of structure to take on when conducting business in Canada, it is important to think of the nature and array of the business, the degree of liability required, financing requirements, and taxation issues. The following recap some of the major general types of business structures existing for carrying on big business in Canada: (Canada, 2008)

Contractual relationship: A foreign company can enter contractual relationships to provide goods or services to the Canadian market, without setting up a business in Canada.

Cooperative: A cooperative is an enterprise or business jointly owned by an association of members who pool their resources to satisfy common needs and interests. A cooperative is usually made up of one or more types of members.

Corporation: A corporation is the most common form of business structure used in Canada. A corporation is a legal entity that is separate from its stakeholders and management. Corporations have rights, obligations, powers, and privileges similar to individuals. Stakeholders own the corporation, but they are not personally responsible for debts.

Joint Venture: A joint venture exists when two or more parties enter an agreement to put in resources (capital, skills, and services) to a common business venture.

Partnership**:** A partnership is formed when two or more persons join their resources in a business to make a profit. In a partnership, all of the partners can participate in management of the business, but they have unlimited liability for the debts and obligations incurred by the other partners.

In Canada, managers are "not expected to manage in an authoritarian or paternalistic manner, but are, nonetheless, expected to be decisive" ("Canadian Management Style," 2010). Managers are willing to consult with others when decisions need to be made. They also expect participation from all concerned parties. Management style could be characterized as informal and friendly, with managers preferring to be seen as one of the team players rather than as lone wolves who stand distant from everyone else. The final decision remains, though, firmly with the manager; speedy decision-making is respected by all. Failure to consult broadly could lead to a feeling of dissatisfaction among team members who will feel that the manager is acting in an authoritarian way ("Canadian Management Style," 2010).

In order to function efficiently in Canada, teams must have an idea of the objectives and goals trying to be reached. It is also important that each team member be aware of what is expected from him or her, so that each individual can make a contribution. In Canada, "people expect to be appreciated for the contribution they bring to the team, and the manager desires to reflect this in the team members**"** ("Canadian Teams," 2010). Therefore, they have respect and trust each other to achieve their goals and can succeed in all the objectives established by the corporation. Consequently, "people prefer to be given outline guides and broad instructions rather than to be micro-managed by the boss as an ongoing process. Such constant notice from the boss might be construed as interference or even as a lack of trust in the capabilities of the team member" ("Canadian Teams," 2010).

Singapore

A modern economic giant, Singapore is known as one of Asia's most modern cities. Culture flourishes throughout the city, blending Malay, Chinese, Arab, Indian, and English cultures and religions (*Singapore Expats, 2010*). Singapore has a booming trade and tourism industry that can be utilized year round because of its tropical climate. The cleanliness found in Singapore cannot be found anywhere else in the world. Laws, such as no chewing gum in public, show the gravitas of cleanliness. Singapore owes its original development to the free trade policy that attracted foreign direct investment from all over the world. The capital's mass industrialization placed it where it is today economically and led the country to being home to the world's second busiest port. Singapore boasts exceptional infrastructure as well as low rates of unemployment, with the average per capita income being $12,000 ("Singaporean Management Style," 2010). Singaporeans practice "kiasu", which is the concept to only want the best without missing out on any opportunities. When it comes to dealings with business executives, Singaporeans would rather leave the room without notice than to show any emotion.

The government of Singapore allows 100 percent foreign-owned businesses, which makes it an attractive market for foreign direct investment ("Your Guide to Establish a Business in Singapore," 2004). Singapore has a variety of business structures, such as sole proprietorships, general partnerships, limited partnerships, limited liability partnerships, private limited companies, branch offices and representative offices, providing many opportunities for doing business with plenty of options to limit liability.

Companies in Singapore revolve around status and tend to use a hierarchical structure. Managers tend to be older because, like the rest of Asia, age is a sign of wisdom. Managers expect to be respected by their subordinates, because the notion is that managers are where they are because they are qualified and can efficiently make decisions for the company. Managers develop personal relationships with their subordinates as well as potential business partners and clients. Singaporeans prefer to develop a relationship with a person before doing business with him or her. It is common for Singaporeans to feel like they are doing business directly with the person, instead of the entire country. It is necessary to show good character and respect to be able to do business with companies in Singapore. Promotions within companies are strictly based on performance and merit, not on connections, though it is normal for managers to take paternal roles toward subordinates ("Intercultural Management – Singapore," 2010).

Decisions within companies in Singapore are based on the consensus of company superiors. Singaporeans are very group-oriented, as long as there is a sense of harmony in the environment ("Once You're Here: Doing Business in Singapore," 2010). Singaporeans working together on certain projects tend to be very close and have relationships that extend beyond the boardroom.

New Zealand

New Zealand has a unique and dynamic culture. Business improvement is a continuous process that is shaped by the environment in which a firm operates. When dealing with many companies around the world, the strategies we choose to focus on should be based on the structural characteristics that have been influenced by the culture of the country we are negotiating with.

New Zealanders are known to be reserved but friendly once they have gotten to know a person, but it is important for foreigners to not be too forward or overly friendly with them. English is the official language when doing business, but efforts are being made to keep the native Maori language alive. The influence of Māori, Pacific Island, European, and Asian cultures makes the arts in New Zealand colorful, unique, and vibrant. The native language has been part of their culture since the earliest inhabitants came to the Islands. Difference between the "Kiwis" and other nations cause variations in the way they handle their business processes ("New Zealand- Culture, Etiquette, and Customs," 2010).

Like Americans, New Zealanders are very individualistic and self-oriented. They value an egalitarian society and care a great deal about the equality of people. Honesty and forthrightness are emphasized because they respect everyone for who they are and have little regard for wealth and status. Compared to some countries, the business atmosphere is very fast paced (Conaway, p. 337).

The Kiwis tend to have a collaborative management style, promoting participation from all team members. A manager asking employees for their input is not unusual. They respect people who are honest, direct, and demonstrate a sense of humor and trust people unless there is a reason not to. Do not make promises you cannot keep or offer unrealistic prices. Kiwis do not generally trust people who have to oversell. Since New Zealand is not a bargaining culture, they do not want to haggle with numbers or prices; when negotiating, therefore, it is good to come with realistic proposals ("New Zealand – Culture, Etiquette, and Customs," 2010).

Though a diverse and multicultural people, they share many common qualities, including friendliness, individuality, invention, and self-reliance. Their place in the South Pacific and their love of the outdoors, sports, and the arts make New Zealanders and their culture unique in the world.

Concluding Remarks

Although located in different portions of the world, the five countries we briefly discussed have a number of characteristics which make them similar, as well as unique. Denmark, the United States, Canada, and New Zealand all are homes to individualistic populations and are also likely to look for some sort of consensus among the members of their teams. Nevertheless, while these four countries share the aforementioned attributes, they differ in other areas evidenced by the fact that whereas managers in the U.S. tend not to be interested in forming long-lasting friendships with their workers, managers in New Zealand are extremely friendly and more trusting. Singapore is arguably the most different of the five. This is evident in the fact that its businesses are hierarchical in structure, and individuals with the highest status tend to be those who are oldest. Additionally, a managerial title in this country is also accompanied by an unspoken mandate of respect. Consensus in Singapore is among supervisors, rather than among team members, and harmony is a leading factor of importance. Differences in these countries also arise in terms of how managers are viewed. In Denmark, managers are viewed as coaches; in Singapore, however, managers are seen more as paternal figures.

Despite the many differences each of these countries possesses, they do have one strong similarity in common: they are all viewed as the top places to do business; as such, it can be assumed that, regardless of their management styles and strategies, they each work to their own advantage in their own, unique way. Keeping the aforementioned in mind, it is of the utmost importance that any international business manager visiting or venturing to do business in these countries clearly understand and have a style that is compatible with each country's business standard. Using authoritarian methods are not likely to yield positive results in Canada, just like a highly participative style that includes lower workers in all decision-making is not likely to be especially successful in Singapore. As such, in order to be an international manager, it is important to take note of your environment and adjust accordingly to better identify with the culture and conduct business successfully.

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