

PhD Seminar: National Culture and Management

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Office Hours: Monday 11:30 AM - 12:30 PM or by appointment

Class Hours: Tuesday, 11:30 – 2:30 (August 22-October 3), Fisher 700

Class Location: Fisher 700 - MHR seminar room

Objective

The aim of the seminar is to introduce students to culture as a major force in international business and management, in the context of a global economy. In this class we define national culture, review its various classifications, assess its role in management theory and application, and discuss a variety of theoretical, conceptual, methodological, empirical and practical issues relating to the measurement and application of culture in the world of business. While our primary focus is national culture, we review its interface with other levels of culture (e.g., industry, individual). In particular, we focus on the complex task of capturing, assessing and mapping the many facets of the cultural encounter, its antecedents, contexts, processes, and outcomes.

We discuss applications of culture and cultural differences in a variety of management functions, including strategy, organization behavior, and human resource management (and, at times, in other business areas such as finance and marketing). We use real life

application grounds such as cross-cultural negotiations, international expansion, and cross-border alliances/ mergers & acquisitions, and reference specifics such as strategy formulation and expatriate selection. Case studies are used in this class not only in the conventional sense of illustrative examples but also as an opportunity for theory application and testing. Please refer to the instructions re case analysis in this syllabus, in particular, the two final points.

As in other doctoral seminars, this seminar is set so you can learn as well as “learn how to learn”. This symbolizes and facilitates your transition from a student to a scholar. This means that basic knowledge and absorptive capacity are now taken for granted, and the emphasis shifts to new knowledge creation. Consequently, while you have to demonstrate capabilities for critical thinking, creativity, and written / verbal communication, you also need to go beyond existing work, creating something of your own, and, last but not least, demonstrate that you are able to implement, articulate, and take the idea all the way to the academic marketplace.

Readings

While I will be providing select references as well as disciplinary mapping and guidance regarding literature search, selecting relevant readings is your responsibility. You have to define the boundaries of the relevant literature and use it appropriately, i.e., only in reference to your topic. Please refrain from using unnecessary literature as you no longer need to impress upon the instructor that you are well read; however, at the same time, you will be criticized for not citing *relevant* literature. Remember that your contribution will be judged vis-à-vis the extant knowledge. I will of course provide assistance and guidance as necessary but the primary responsibility is your own.

Teaching Format

All doctoral seminars imply a scholarly discussion, with students taking a proactive role in debate and discussion. You already know not to expect the instructor to disseminate all the knowledge or provide all the answers. Now you are the one who have to fully enact the scholarly role and drive the discussion pertaining to your topic and your chosen area of expertise. Remember that you are expected to eventually become an expert if not *the* expert in this area. In this role, you have to engage others, be open to criticism, and lead a constructive debate with knowledge creation results.

Student Evaluation

You will be evaluated on the basis of two elements (with equal weight for each):

Class Participation: While class participation may be difficult to measure, it is a key ingredient in this type of seminar. Class attendance does not equate participation

especially in this advanced seminar. Rather, participation means taking an active role in class discussions, presenting new ideas creatively (e.g., not only telling us what you have read, but also how does it fit into broader themes), as well as taking the lead in developing a theory-driven topic within context, as international business requires.

Project Presentation and Paper: Each participant will select a topic on which he / she will present and submit a written paper by the end of the term which will serve as a basis for eventual journal submission. Therefore, the expectation is that the paper will reach *a newness and quality potential appropriate for major journal submission*. It is your responsibility to take advantage of the class to bring the manuscript to that level. This means that unlike in a job talk where you seek to impress the audience with your knowledge and clear delivery, you should use this class as a platform on which to raise difficult and problematic issues for which you are seeking answers rather than as a stage from which to “market” your accomplished work.

Students will write a case-based paper that will explain and illustrate the role of culture in a cross-border business phenomenon of their choice, e.g., negotiations, contractual alliance, equity alliance, cross-shareholding, merger/ acquisition; the phenomenon may be current (ongoing), past (e.g., a failed merger/ acquisition), or future tensed (e.g., cultural due diligence prior to a transaction). Once you have identified relevant theories, you will also have to analyze what is the theoretical positioning of culture in those theories, and how does it affect research layout and findings.

Case Preparation for Class Analysis and Discussion

The following are general guidelines that are especially relevant for using case studies as a research instrument and not only as a teaching tool (note, in particular, #6 & #7).

1. Read the case quickly, noting the major issues and a general sense of the layout. Read to get a sense of who the protagonist(s) is/are and what their situation is like. Ask yourself how the case might fit into the assigned materials or previous sessions.
2. Reread the case carefully, annotating, highlighting and distinguishing important information, omissions, and questions raised by the reading.
3. Decide the most important issues then answer assigned questions, if any. If no questions are assigned, propose and answer your own.
4. Evidence shows that the most useful learning method is to follow individual with group learning. Once you have mastered the material on your own, discuss the case with classmates before class to test out your ideas, brainstorm and further your understanding of the issues.
5. Prepare notes to guide your class participation, including: answering assigned questions, summary of main issues, subsequent questions raised by the reading, assumptions made by the case writer and/or the protagonist(s), similarities and

differences to other cases, possible approaches or solutions to the case problem.

6. Remember the theory base: This is a high-level course and you should focus on the theory implications of the case discussed. For instance, do the events in the case correspond to theoretical predictions? If not, why? Is there published empirical research to support the predictions of a theory as illustrated in this case? Is there anything in the case that can be used to feedback into the theory? Is there a combination of theories that together provide a better explanation of case's events?
7. Put things in context: A potential detriment of the case approach is that students are swayed by the idiosyncrasies of an individual case and generalize to the broader population. Remember that cases, while real-life, are not necessarily representative of other situations, industries, firms and business environments. One way to put things in context is to look at industry competitors or the activities of the same company in other markets; another is to seek updates and additional information beyond what the case provides; a third is to turn to theories, especially those focus on context.

Class Schedule and Assigned Readings / Cases

Guiding text: Ronen, S., and Shenkar, O., **Navigating Global Business: A Cultural Compass**, Cambridge University Press, May 2017

Culture: Basic Concepts

Readings:

1. Boyacigiller, N., Kleinberg, J., Phillips, M.E. & Sackmann, S. 2007. Conceptualizing culture. Elucidating the Streams of Research in International Cross-Cultural Management. In O. Shenkar and B.J. Punnett, **Handbook for International Management Research**, 99–167.

Kick-Start Question: What role does culture play in business?

Levels of Analysis and the Dimensions of National Culture

Readings:

1. Shenkar, Luo & Chi, *International Business*, 3rd Edition, Routledge 2015, Chapter Six

Illustrative Case: Sealed Air (A&B) **HBS 9-305-095 revised March 23, 2006; HBS 9-398-097 revised 1998**

Culture and Theory

I The Cultural Relativity of Organization Theories

Readings:

1. Hofstede, G. 1993. Cultural Constraints in Management Theories, **Academy of Management Executive**. 7.1: 81-94
2. Hofstede, G. 1996. An American in Paris: The Influence of Nationality on Organization Theories. **Organization Studies**, 17(3): 525-537

II The Positioning of Culture in Organization Theories

National Culture Variations

Readings:

1. Ronen, S., and Shenkar, O. Mapping World Cultures: Cluster Formation, Sources, and Implications, *Journal of International Business Studies*, 44, 9, 2013, 867-89.7

Kick-Start Question: What underlies variations in national culture?

Culture Application Grounds: Cross-Border Alliance / Mergers

Readings:

1. Weber, Y., Shenkar, O., and Raveh, A. (1996). National and corporate cultural fit in mergers / acquisitions, *Management Science*, 42, 8, 1215-1227.
2. Salk, J.E. and Shenkar, O. Social identities in an international joint venture: An exploratory case study, *Organization Science*, 12 (2), 2001, 161-178

Kick-Start Question: What is the relation between culture and strategy?

Illustrative Case: Transeuropa Corporation (A) **INSEAD (ECCH) 493-026-1, 1993**

From Distance to Friction: Measuring/ Managing Cultural Differences

Readings:

1. Shenkar, O. (2001). Cultural distance revisited: towards a more rigorous conceptualization and measurement of cultural differences. *Journal of International Business Studies*, 32 (3), 519-535
2. Shenkar, Oded, Luo, Yadong and Yeheskel, Orly, From Distance to Friction: Substituting Metaphors and Redirecting intercultural research, **Academy of Management Review**, 33 (4), 2008, 905-923. Special Theory Forum on “International Management: Critique and New Directions”.
3. Li, Chengguang, Brodbeck, Felix C, Shenkar, Oded, Ponzi, Leonard J., and Fisch, Jan Hendrik, Embracing the foreign: Cultural Attractiveness and Country Reputation,

Foreign Direct Investment, and Cross-Border Acquisition Performance, **Strategic Management Journal**, 38, 4, 2017, 950-971.

4. Koch, Pamela, Koch, Bradley, Menon, Tanya, and Shenkar, Oded, Cultural Friction in Leadership Beliefs and Foreign Invested Enterprise Survival, **Journal of International Business Studies**, 47, 4, 2016, 453-470

Illustrative Cases: Sealed Air Taiwan (A) **HBS 9-305-094, revised March 23, 2006**

Sealed Air Taiwan (B) **HBS 9-399-059, revised April 17, 2001**

Culture and Strategy

Readings:

1. Schneider, S. C., & De Meyer, A. 1991. Interpreting and responding to strategic issues: The impact of national culture. **Strategic Management Journal**, 12(4): 307-320.
2. Makino, S., & Neupert, K. E. 2000. National culture, transaction costs, and the choice between joint venture and wholly owned subsidiary. **Journal of International Business Studies**, 31(4): 705-713.
3. Hennart, J. F., & Larimo, J. 1998. The impact of culture on the strategy of multinational enterprises: does national origin affect ownership decisions? **Journal of International Business Studies**, 515-538.

Culture and other Business / management Functions

1. Brock, D. M., Shenkar, O., Shoham, A., & Siscovick, I. C. 2008. National culture and expatriate deployment. **Journal of International Business Studies**, 39(8): 1293-1309.
2. Schuler, R. S., & Rogovsky, N. 1998. Understanding compensation practice variations across firms: The impact of national culture. **Journal of International Business Studies**, 159-177.
3. Kwok, C. C., & Tadesse, S. 2006. National culture and financial systems. **Journal of International Business Studies**, 37(2), 227-247.
4. Lim, Jongha, Makhija, Anil K., and Shenkar, Oded, The Asymmetric Relationship between National Cultural Distance and Target Premiums in Cross-Border M&A, **Journal of Corporate Finance**, 41, 2016, 542-571.

Methodological Issues

Readings:

1. McSweeney, Brendan. 2002. Hofstede's model of national cultural differences and their consequences: a triumph of faith-a failure of analysis. **Human relations**, 55(1): 89-118

2. Lenartowics, T., & Roth, K. 2001. Does subculture within a country matter? A cross-culture study of motivational domains and business performance in Brazil. **Journal of International Business Studies**, 305-325.
3. Taras, V., Steel, P. and Kirkman, B.L. 2016. Does country equate with culture? Beyond geography in the search for national boundary. **Management International Review**, 56, 455-487.