

Transformative Organizations

A Global Perspective

Editor

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26 Concluding Comments on Transformative Organizations

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In each cultural context, members develop their own set of practices and values to address issues such as the relationship of individuals to groups, distribution of power and resources among members of groups, and choice of priorities among different goals. As firms in each society interact with the changing environment, they must find ways to balance and integrate divergent cultural approaches they encounter in the new context. They must also decide whether principles, practices, and strategies that make sense in the first cultural context are equally relevant to the new context. As they build organizations that span spatial and temporal boundaries, they must consider a diverse set of cultural variables that shape the attitudes and motivations of their varied constituencies.

Perlmutter (1969) underscored the costs of mentoring geocentric managers who were historically trained through living and working in several nations. In his 1969 article on the evolution of multinational corporation, he noted, 'The economic rewards, the challenge of new countries, the personal and professional development that comes from working in a variety of countries and cultures are surely incentives, but companies have not solved by any means the human costs of international mobility to executives and their families.' Since the 1970s, a substantial body of knowledge has accumulated to help improve managers' familiarity with multiple cultural contexts. Under the Human Relations Area Files project initiated by Murdock (1972), a vast amount of literature on each community was pulled together in a central database. Subsequently, two major studies—Hofstede (1980) and Trompenaars (1993)—were published with cross-cultural data on selected cultural dimensions. Additional large-sample insights into the cultural differentials have been provided by the studies of Schwartz (1994) and Inglehart (1997).

The GLOBE (Global Leadership and Organizational Behavior Effectiveness) research program has further sharpened and refined the cultural knowledge to support the development of cultural management as a disciplined training methodology (House et al., 2003). In the GLOBE program, the cultures of the world have been classified into 10 cluster groups: Anglo, Latin America, Latin Europe, Nordic Europe, Germanic Europe, Eastern Europe, Confucian Asia, Southern Asia, Middle East, and Sub-Sahara Africa.