Chapter 1
Culture and Managers in a Globalised World

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ABSTRACT

The dynamic nature of the management function in global business today and the realisation that what works effectively in one country may not be as efficient in another has led management scholars and practising managers in continuous efforts to enhance their understanding of this environment and its effects to managers. This chapter explores management across cultures. The discussion starts with the origin and definition of cross cultural management; then it is focused on the study of the International Human Resources Management (IHRM). The final part discusses the profile of the international managers and the competencies needed to cope with the multiple challenges they are faced with in overseas assignments.

INTRODUCTION

The dynamic nature of the management function in global business today and the realisation that what works effectively in one country may not be as efficient in another has led management scholars and practicing managers in continuous efforts to enhance their understanding of the complex globalised business environment and its effects to managers. This is sought through the systematic study and exploration of management across cultures (cross cultural management); especially when this focuses in the study of managers and employees often falls in the field of the international human resources management (IHRM). This chapter explores management and managers in from an international business perspective. It is organised in three thematic areas: first, the importance of culture and cross cultural management in relation to international managers is explored; then a critical review of the key IHRM approaches is

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provided in order to understand the management influences from the global business environment; the third part discusses the overall profile and managerial competencies required for international managers. The interaction of culture and IHRM with the global/local contexts provides a better understanding of the current and future managerial challenges from a global perspective (Figure 1).

PART 1: CROSS CULTURAL MANAGEMENT

After forty years of research, cross-cultural management today is well established in the international management literature; nevertheless, scholars argue that is not a clearly demarcated discipline of management (Søderberg & Holden, 2002). Adler & Gundersen (2008) argue that cross cultural management studies the behaviour of people and organisations in different countries and cultures around the world; they also suggest that cross cultural management expands the scope of domestic management and encompass the international and multicultural spheres. It can be argued that two streams of research appear in literature in terms of cross-cultural management. The first originates from early research in international business heavily relied in context sensitive disciplines such as anthropology, sociology and political science (Shenkar, 2004). The rapid expansion of international business since the early 1980s shifted research in hard disciplines such as international economics and strategy (Pudelko, Tenzer & Harzing, 2015). As a result, the international business literature has focused on the understanding of economic activities and quantitative analysis rather than the local and regional cultural aspects that affect

Figure 1. The Globe project dimensions