L6 XAN 302 MAC

MANAGING ACROSS CULTURES
M A C
Semester II
2014-2015

Mandatory Website Registration for Students

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MAC GENERAL WEBSITE

L5 XAN 3022014

HOME ASSIGNMENTS, IN-CLASS PAPERS & FINAL EXAMS ARCHIVE (LIST IN SECTION 7 TO SECTION 11)

MODALITÉS D'ÉVALUATION

DEUX MODALITÉS D'ÉVALUATION

• **CONTRÔLE CONTINU INTEGRAL : Evaluation en TD qui** inclut :

- une **note de participation orale 30% (**class recap, 3 à 5mn/étudiant + class participation)
- un **devoir** à mi-semestre en classe pendant le TD : **35%** (article de presse, *article-based question* à laquelle il est répondu en 400 mots max) **le 6 mars 2015**

corrigé le **13-20 ou 27 mars 2015**

- un **devoir** en classe pendant le TD **35%** (article de presse, *article-based question* à laquelle il est répondu en 400 mots max) **l'avant dernier cours de chaque semestre** (10 avril 2015) **Correction** 17 avril 2015.

Obligation de présence à la correction des deux DST.

• **DISPENSE D'ASSIDUITÉ Examen Contrôle Terminal** 1h en janvier, 1h en mai,
Epreuve de rattrapage de l'un ou des deux semestres en juin sur support écrit (article de presse), 30 mn préparation et 10mn passage oral.

La dispense d'assiduité s'obtient par dérogation accordée par la Directrice du LEA, c/° secrétariat de Malesherbes. : isabelle.legrenzi@paris-sorbonne.fr
(Dérogation qui doit être sollicitée **à l'avance** et **en aucun cas la veille de l'examen** en écrivant aux enseignants qui ne sont pas habilités à l'accorder**)**

AUCUN COURS les 27 février, le 24 avril, 1er mai, 8 mai (vacances/jours fériés)
DERNIER COURS le 17 avril 2015 (PRÉSENCE OBLIGATOIRE)

One–on-one sessions : Ceux qui souhaitent une aide personnelle prennent contact avec
Rebecca Loxton
rebecca.loxton@paris-sorbonne.fr
qui reçoit alors les étudiants de manière individuelle pour des *one-on-one sessions* (30 mn par étudiant, à partir du 1er février 2015 jusqu'à fin avril 2015).

REMEDIAL WORK SESSIONS : Lara Warburton lara_warburton@yahoo.co.uk
CONVERSATION FRIENDS : Barbara Le Lan <barbara.lelan@wanadoo.fr>

SEMESTRE 6 Topics

I – ETHIQUE DE L'ENTREPRISE ET RESPONSABILITE SOCIALE (CORPORATE SOCIAL RESPONSIBILITY & ETHICS)
II - INTERCULTURALITE (L'IMPACT DE LA CULTURE NATIONALE SUR L'ENTREPRISE)
III – CULTURE DU CONSOMMATEUR ET ETHIQUE DE L'ENTREPRISE (ETHICAL CONSUMERISM & SUSTAINABLE DEVELOPMENT)

LECTURE CONSEILLÉE:
Schneider, Susan. Barsoux, Jean-Louis. *Managing Across Cultures*, London: Prentice Hall- Pearson Education, 1997. (There are three volumes available for students at the Clignancourt Library: Reference number: 658.3 SCH).

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BUSINESS ETHICS AND MANAGEMENT

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ethix
BUSINESS. TECHNOLOGY. ETHICS.

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Nine Good Reasons to Run a Business in an Ethical Manner

October 1, 2009 No Comments »

9. Litigation/Indictment Avoidance

Without strong ethical values companies easily drift to the legal edges— dangerous territory where bending and breaking the law leads to lawsuits and indictments.

8. Regulatory Freedom

When citizens and governments are aggravated by irresponsible, unethical business behavior, greater regulation and bureaucratic red tape is the result.

7. Public Acceptance

Companies that tolerate unethical practices in today's transparent era, will almost certainly be exposed, then boycotted and punished in the marketplace.

6. Investor Confidence

Today's investors will avoid a company that is not responsible and ethical. Recent market declines have partly resulted from concerns about unethical accounting practices.

5. Supplier/Partner Trust

In an era of virtual corporations, partnerships, and extended enterprise, no company is self-sufficient. Successful partnerships are built on trust and trustworthiness.

4. Customer Loyalty

Quality, cost, availability, and other factors are not enough to maintain customer loyalty. Customers are also looking at the reputation of the company.

3. Employee Performance

People produce best in an open, creative, ethical environment. Companies that have a poor reputation have difficulty attracting and retaining top talent.

2. Personal Pride

Company leaders and employees can take genuine pride in their accomplishments knowing they didn't bend rules, cut corners, or hurt people to accomplish their goals.

1. It's Right

Acting ethically is more than a tool for achieving results. Unless leaders are committed to do the right thing regardless of consequences, ethics may be seen as manipulative.

Categories: Ethix Tools

Ethix is an online publication of the Center for Integrity in Business in the School of Business and Economics at Seattle Pacific University. *Ethix* provides illustrations of business ethics challenges through positive examples of best practices and exemplary leadership. More»

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America's Most Hated Companies

By Alexander E.M. Hess and Douglas A. McIntyre January 14, 2015 6:35 am EST

Read more: America's Most Hated Companies - General Motors (NYSE:GM) - 24/7 Wall St. http://247wallst.com/special-report/2015/01/14/americas-most-hated-companies/#ixzz3OtPg666T
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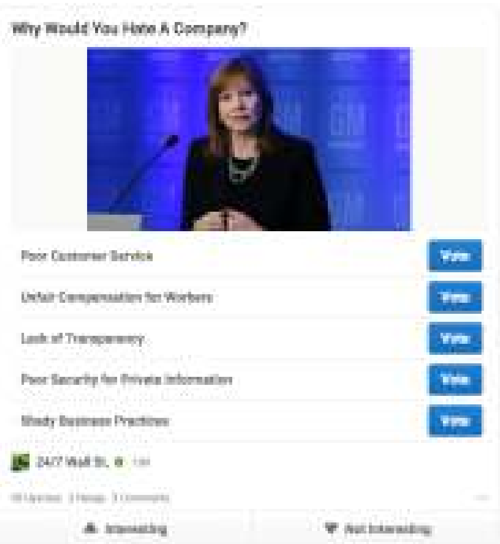
To be truly hated, a company must alienate a large number of people. It may irritate consumers with bad customer service, upset employees by paying low wages, and disappoint Wall Street with underwhelming returns. For a small number of companies, such failures are intertwined. These companies managed to antagonize more than just one group and have become widely disliked.

The most hated companies have millions of customers. With such a large customer base, it is critical to keep employees happy in order to promote high-quality customer service. Poor job satisfaction among employees can lead to unsatisfied customers. McDonald's and Walmart have risked alienating workers, and therefore also customers, by not adequately addressing protests against their employees' low wages. While pay may be low enough to put some workers below the poverty line, executives at these companies often make millions. The total compensation of McDonald's CEO Donald Thompson, for example, was nearly $9.5 million in 2013 and nearly $13.8 million in 2012.

Click here to see America's most hated companies

Layoffs, or even the prospect of layoffs, can also contribute to low employee morale. Sprint announced it would cut 2,000 jobs late last year. Workers at Comcast can reasonably expect layoffs should its planned merger with Time Warner Cable receives government approval.
Many of the most hated companies angered the public because of quality issues with their products.. Comcast has long been one of the worst companies in America in terms of customer service and satisfaction. Another example is the General Motors recall scandal. GM announced a recall in early 2014 due to faulty ignition switches in a number of its cars, now believed to have cost 42 people their lives. The company's problems were compounded by the realization that it had known about the defect for over a decade.



Nothing harms the long-term reputation of a company in the eyes of investors more than a steep drop in its share price. In the past 12 months, shares of Sprint have fallen by more than 50%, as hopes for a tie-up with rival T-Mobile were dashed while the company had little success in retaining customers.

It is worth noting that some of the companies on the list may have performed very poorly by some measures but relatively well by others. A few of the most hated companies have had good stock performances. Others have relatively satisfied customers. All of these factors were taken into account in compiling the final list.

Several companies from last year list have improved their public perceptions enough to be removed from this year's list. For example, J.C. Penney is in the midst of a modest turnaround. Abercrombie & Fitch's controversial long-time CEO Michael Jeffries resigned last December. However, the retailer still has problems attracting teenage customers.

To identify the most hated companies in America, 24/7 Wall St. reviewed a variety of metrics on customer service, employee satisfaction, and share price performance. We considered consumer surveys from a number of sources, including the American Customer Satisfaction Index (ACSI) and Zogby Analytics. We also included employee satisfaction based on worker opinion scores recorded by Glassdoor.com. Finally, we reviewed management decisions and company policies that hurt a company's public perception.

These are America's most hated companies

1. General Motors Company (NYSE: GM)
General Motors spent much of 2014 on the defensive, as it had to deal with a number of serious recalls. In the most serious incident, the company disclosed an ignition switch defect that could cause a vehicle's engine to stall and its airbags to fail while it was in motion. The defect triggered the recall of 2.6 million cars and has been linked to 42 deaths. The company reported it had recalled a total of 34 million cars for a number of defects and incurred more than $2.7 billion in recall-related costs in the first nine months of 2014.
The public fallout from this recall was enormous. GM set aside $400 million to cover damage claims for victims of the faulty ignition switches, while the U.S. Department of Transportation fined the company $35 million — the most it legally could. Even worse, GM employees had known about the defect as early as 2001.

Reuters uncovered last April that the company avoided fixing the problem in 2005, despite the fact that replacement switches would have cost just 90 cents each. During the fallout, CEO Mary Barra told Congress, "I never want anyone associated with GM to forget what happened. I want this terrible experience permanently etched in our collective memories. This isn't just another business challenge."

ALSO READ: America's Best Run Companies

2. Sony Corp (NYSE: SNE)
Sony had perhaps the most difficult holiday season of any company. News broke in November that the company's film division, Sony Pictures Entertainment, had been hacked in response to one of its upcoming films, "The Interview." The hackers, reportedly from North Korea, were offended by the movie's portrayal of North Korea and its dictator Kim Jong-un. Among other information, the hackers leaked unreleased Sony movies, executive salary data, and personal email correspondence between major Hollywood figures. A number of these emails revealed petty disputes and derogatory comments about race from top figures at the company.

After being hacked — and after a number of major theaters said they would not show the movie — Sony initially decided not to release the film. However, it later reversed course, prodded by criticism from, among others, President Barack Obama. In addition to the debacle surrounding "The Interview," Sony's PlayStation Network was also hacked during the holiday season.

Sony's problems have not been limited to hacking attacks. Sony has regularly reported annual losses for years, and restructuring announcements have become an almost annual event. So far, however, years of expensive restructuring initiatives have been unfruitful. The company's smartphone division has also taken a hit, with Sony's smartphones losing market share while failing to sell profitably. Sony shares trading on the New York Stock Exchange have declined more than 30% in the past five years, even as American and Japanese stocks have rallied significantly, with the S&P 500 up approximately 80% in that time.

3. DISH Network Corp (NASDAQ: DISH)

More than 20% of respondents on the Zogby Analytics survey rated DISH Network poorly, one of the highest percentages of any company reviewed. Also, DISH Network has fared worse than most companies on the ACSI in recent years, albeit in an industry that largely received extremely low ratings.
In the wake of heated and ongoing contract negotiations between DISH Network and Fox, DISH customers can no longer watch Fox News or business channels. The blackout has likely had a negative impact on DISH's customer satisfaction, at least among Fox News viewers who subscribe to DISH. This is hardly the first carriage dispute for DISH in recent years. Other such disputes resulted in long blackouts of AMC Networks and Turner Networks, as well as a brief outage of CBS-owned channels.
Customers are not the company's only critics. Past and present DISH employees gave the company an average score of just 2.7 out of 5 on Glassdoor.com, with employees frequently disapproving of upper management.

4. McDonald's Corporation (NYSE: MCD)
Low wages are a major flashpoint for McDonald's, with many workers arguing they deserve better pay. Pay at the company is generally quite low, with the average crew member reporting wages of $8.25 an hour, and the average cashier reporting wages of $8.41 an hour.
Fast-food workers protested against low wages at the end of 2013. Protests specifically aimed at McDonald's wage practices continued into 2014. Notably, employees and labor advocates protested outside McDonald's Oak Brook, Illinois campus during its annual shareholder meeting.

The company's labor issues may increase after the National Labor Relation Board's (NLRB) recent ruling that the company is a joint employer alongside its franchisees. In effect, this ruling means that the company is liable for labor violations at its franchisees' restaurants.
Apart from labor issues, the company has struggled to appeal to customers in recent years. No fast-food company received a lower customer satisfaction score in 2014, according to the ACSI. McDonald's has also had to deal with a major drop in sales, with four straight quarters of same-store sales declines in the United States. McDonald's has announced plans to simplify its menu to help stem the decline.

5. Bank of America Corporation (NYSE: BAC)
Fair or not, Bank of America remains deeply unpopular. The banking giant received an ACSI score of just 69, well below the industry average of 76, and an indicator that customers are highly unsatisfied with the bank. Worse still, the company received the highest share of poor reviews of any business in Zogby Analytics' 2014 customer service survey.

Its inability to satisfy customers is not the bank's only problem. After the bank discovered an accounting error in April, the Federal Reserve forced it to suspend both its share buyback program and its planned dividend increase. The bank also reached an agreement with the Justice Department to pay a record $16.65 billion settlement related to its mortgage practices leading up to the financial crisis. This was just the latest in a series of multi-billion dollar mortgage-related fines the bank has paid in recent years.
Bank of America's share price has been effectively flat over the last five years, even as the S&P 500 has risen by almost 80%.

ALSO READ: The World's Most Innovative Companies

6. Uber
Fast-growing Uber, an app-based car service, was one of the most talked-about companies in 2014. Some of the coverage surrounding Uber focused on the company's growing popularity and heady valuation. However, few companies have engendered as much controversy as Uber has.
In some cases, outrage has come from established cab drivers. Uber has regularly encountered opposition from regulators in the U.S. and Europe. Regulators in a number of U.S. cities, as well as France, Netherlands, and China have banned or challenged the legality of the company's ride-sharing offerings, which allow anyone with a car to work as a driver. The company also suspended operations in Spain following similar opposition.

Even Uber drivers have protested the company's policies, including fare cuts aimed at improving its ability to compete with established cab companies and other startups, such as rival Lyft. Customers, too, have complained about Uber, especially the practice of "surge pricing," which involves raising fares when demand for rides is particularly high. Some critics have compared decried the practice as price gouging, and New York's City Council is currently considering a cap on fares.
The company also came under fire for the actions of several executives. Last November, one executive told a BuzzFeed reporter he had been tracking her car — without consent — as she arrived to interview him. That same month, another executive suggested to a BuzzFeed editor that Uber should consider digging up personal information about members of the media critical of the company.

7. Sprint Corp (NYSE: S)
Sprint has been disappointing many customers for years. In the six quarters through September 2014, Sprint lost nearly 2.6 million postpaid subscribers — customers who have a phone contract and typically are more lucrative for the company. This marked the 11th straight quarter of net decline in subscribers. As a result, many employees lost their jobs, as Sprint eliminated some 2,000 jobs in an effort to cut costs.

One reason that customers may be willing to jump ship from Sprint may be dissatisfaction with its customer service. Nearly 21% of Sprint customers reported a poor experience to Zogby Analytics, the worst rating among cellular carriers and a higher percentage than of all but three other companies reviewed in any industry.
In 2013, Japanese telecommunication company SoftBank purchased a majority stake in Sprint for $22 billion. SoftBank wanted to merge Sprint with T-Mobile US but called off the plan after it became clear U.S. regulators would oppose any tie-up. Investors cannot be happy — shares of Sprint have fallen by half in the 12 months.

ALSO READ: 9 Cars That Disappeared in 2014

8. Spirit Airlines Incorporated (NASDAQ: SAVE)
Spirit Airlines offers a remarkably unpleasant experience in an industry already known for long lines, invasive security screens, hidden fees, lost possessions, and delays. Services and amenities that are bundled into a ticket's price on most airlines are sold separately on Spirit, which charges for putting a bag in the overhead compartment or for bottled water. Yet, according to a 2014 report by Bloomberg Businessweek, "Despite the prevalence of fees, Spirit says its total price is still lowest, at $102.02 on a length-adjusted basis, compared to $125.65 at Southwest and $152.97 at Delta."
Many Spirit customers appear to be willing to sacrifice a bit as far as quality goes in order to fly at a better price. Still, in a 2013 study on the airline industry, Consumer Reports wrote that "bottom-ranked Spirit Airlines received one of the lowest overall scores for any company we've ever rated." The U.S. PIRG Education Fund, a consumer advocacy group, also noted that Spirit was the most complained-about airline from 2009 through 2013, with roughly three times more complaints per 100,000 passengers than any other airline.

The company has actually embraced its image as the nation's most hated airline. In Spirit's "State of the Hate Report" published last summer, the company documented negative opinions among airline customers. Spirit seems to have tapped into a market of consumers who choose low price at the expense of service. Even Spirit's NASDAQ ticker symbol, SAVE, evokes thriftiness. As spokesperson Paul Berry told 24/7 Wall St., "The one thing consumers tell us is most important is price. We compete on price."

9. Wal-Mart Stores, Inc. (NYSE: WMT)
Few companies received a lower rating than Walmart for customer satisfaction, according to the ACSI. Walmart's scores were low even relative to other discount and department stores, as well as relative to other supermarkets. Walmart was the worst performer in both industries.
Walmart is the largest private employer in America, with roughly 1.4 million associates just in the United States. It is also often cited as one of the largest companies paying front-line workers extremely low salaries. That may partially explain why the company received such low marks from employees on Glassdoor.com, just a 2.8 out of 5.

According to a 2014 report from Americans for Tax Fairness, the company's low wages mean U.S. taxpayers must cover the cost of keeping its employees on social safety net programs such as food stamps and Medicaid.
In many ways, Wal-Mart controversies reveal the differing opinions many Americans have on a variety of issues. For example, Walmart sells products at low prices nationwide but is often accused of hurting local businesses where it builds stores.

ALSO READ: States With the Best (and Worst) Schools

10. Comcast Corporation (NASDAQ: CMCSA)
Comcast received exceptionally low customer satisfaction scores for both its Internet and television services. Comcast's scores in each category were so low that they actually stood out in their industries, which are among the worst for customer satisfaction according to the ACSI. The company also had the second worst customer service of any company in America, according to a survey from Zogby Analytics. A recording of a company customer service representative who refused to assist a customer in cancelling his service — and that went viral last year — is one indication of Comcast's poor customer service.
Consumer outrage with Comcast extended beyond just dissatisfaction with its service. When the company announced early last year that it intended to merge with rival Time Warner Cable, consumers were angered at the prospect of even less competition in an industry that is already notoriously unfriendly to consumers.
Other industries have also been critical of the company's operations as an Internet service provider (ISP). Notably, video streaming company Netflix has accused ISPs of deliberately slowing customers' internet performance to extract fees from content providers.
Tags: Bank of America Corp (NYSE:BAC), Comcast Corp (NASDAQ:CMCSA), DISH Network Corporation (NASDAQ:DISH), General Motors (NYSE:GM), McDonald's (NYSE:MCD), Sprint Nextel (NYSE:S), SPIRIT AIRLINES INC (NASDAQ:SAVE), Sony Corp (ADR) (NYSE:SNE), Wal-Mart Stores (NYSE:WMT)
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http://247wallst.com/special-report/2015/01/14/americas-most-hated-companies/ printed on January 15, 2015

24/7 Wall St. picked eight companies as the best run in American because they had extraordinary numbers based on three key measures in the past year: earnings per share, revenue and share price. To be considered for the list, companies ultimately also had to convince investors that they had very bright futures. The eight companies highlighted here have track records of seizing opportunities, excelling in their industries and outperforming the expectations set by investors.

1. Southwest Airlines Co.
> **Industry:** Airlines
> **Revenue (last 12 months)**: $18.4 billion
> **1-year share price change**: 118.8%

Some of Southwest's strong performances can be attributed to overall positive industry trends: fuel costs have declined; the U.S. economy has improved; industry consolidation has allowed airlines to pack planes more efficiently; and passengers flew more last year than they did in 2013. Moreover, Southwest has outperformed where it matters most — profitability. On a trailing 12 month basis, the airline's operating margins were better than those of the three national legacy carriers: American Airlines, United Continental, and Delta Air Lines.

2. Edwards Lifesciences
> **Industry:** Healthcare equipment
> **Revenue (last 12 months):** $2.2 billion
> **1-year share price change**: 103.2%

For heart valve maker Edwards Lifesciences, 2014 was a banner year, as its share price more-than doubled. The company received approval from the Food and Drug Administration in June to release its newest device, Sapien XT, a transcatheter aortic valve replacement (TAVR) device. For many high-risk patients, the less invasive

TAVR procedure is more suitable than open heart surgery. In the first nine months of 2014, Edwards' sales of transcatheter heart valves rose by 29%, driven by the launch of the Sapien XT in the U.S. and Japan, as well as by the release of the newer Sapien 3 in Europe.

3. Marriott International
> **Industry:** Hotels, resorts, and cruise lines
> **Revenue (last 12 months):** $13.5 billion
> **1-year share price change:** 62.9%

Marriott International shares rose substantially in 2014 on the back of an extremely strong year for the company. In the third quarter of 2014, Marriott's occupancy rate and average daily rate per room were both well above the prior year's figures. This led to a 9.4% year-over-year increase in revenue per available room (RevPAR), extending a multi-year growth trend following a massive decline in RevPAR during the Great Recession. Higher revenues have also driven up profits. Through September, diluted earnings per share were up more than 23% in 2014 from the year before. According to a recent report from Barclay's, Marriott is among the leading hotel chains in adding new units. Barclay's also noted that both franchisees and lenders prefer Marriott to most other hotel franchisors. The majority of hotels operating under one of Marriott's brands are franchised.

4. The Kroger Company (NYSE: KR)
> **Industry:** Food retail
> **Revenue (last 12 months)**: $106.5 billion
> **1-year share price change:** 61.8%

Kroger has had an extremely strong year. Identical supermarket sales, which tracks sales at supermarkets open five quarters without a relocation or an expansion, were up 4.7% year-over-year in the first nine months of 2014, and up 5% excluding fuel.

New, aggressive initiatives have been a major factor in Kroger's recent success. Kroger has made a number of successful management decisions, including the acquisition of grocer Harris Teeter, and the expansion of its natural and organic offerings, including its private label brand Simple Truth. According to a report from Morgan Stanley, "Kroger is well positioned to benefit from health and wellness offerings, [the] Harris Teeter merger, and [an] increased digital focus." Kroger is among the largest employers in America. It had more than 375,000 associates as of September, when it announced plans to expand headcount by 20,000.

5. Under Armour
> **Industry:** Apparel, accessories, and luxury goods
> **Revenue (last 12 months)**: $2.9 billion
> **1-year share price change**: 58.2%

Through the first three quarters of 2014, revenues at Under Armour rose by almost one-third, to nearly $2.2 billion. The company also said in October that it expected revenues to break $3 billion for the first time in its history in 2014. According to The Wall Street Journal, Under Armour surpassed Adidas earlier this year as the number two sportswear company in the U.S. But to catch frontrunner Nike, Under Armour will have to grow substantially — Nike's most recent quarterly revenues totalled $7.4 billion. Still, Nike is likely feeling some pressure, especially given Under Armour's recent success with women. When Yahoo Finance chose Under Armour its 2014 Company of the Year, it also mentioned its growing women's line. Similarly, when Advertising Age named Under Armour its 2014 Market of the Year, it focused on its highly successful directed-to-women marketing campaign.

6. O'Reilly Automotive
> **Industry**: Automotive retail

> Revenue (last 12 months): $7.1 billion
> 1-year share price change: 51.4%

In a retail landscape where many companies have opted to shrink their store base, O'Reilly Automotive has thrived by expanding it. The company spent aggressively to grow its two target markets: do-it-yourself customers and do-it-for-me customers. According to Morningstar, "O'Reilly holds a considerable lead over [its] rivals thanks to its expertise, customer relationships, and extensive infrastructure lead." These investments have paid off. Revenue was up 9% year-over-year in the third quarter of 2014, while comparable sales rose by 6.2% from the same quarter the year before. Bottom line growth was even better, as diluted earnings per share rose by 22% in the third quarter, the 23rd consecutive quarter in which diluted EPS rose by more than 15% year-on-year.

The company actually managed to capitalize from the weak economy of the recent years as many Americans have had to replace car parts to extend the life of their cars rather than buy new ones. However, not all of O'Reilly's success came from industry tailwinds. According to R.W. Baird, "O'Reilly has a superior mousetrap in auto part retail," with "superior customer service, better part availability, and a favorable mix of commercial business."

7. Lam Research Corporation
> Industry: Semiconductor equipment
> Revenue (last 12 months): $4.7 billion
> 1-year share price change: 51.3%

Lam Research makes the equipment that semiconductor manufacturers use in chip production. With ever shrinking chip sizes, Lam's equipment is critical in fabricating integrated circuits at a microscopic scale. Lam has definitely benefited from growth in the semiconductor industry, which World Semiconductor Trade Statistics estimated grew by 9% in 2014. Gartner estimated in October that manufacturers have increased spending by 11.4% in 2014 and will increase spending by another 8.8% this year, with outsize growth among memory chip makers. Stifel Nicolaus analyst Patrick Ho wrote in a December note that he believes Lam is among the companies that will best take advantage of this growth

8. Facebook, Inc.
> Industry: Internet software and services
> **Revenue (last 12 months)**: $11.2 billion
> **1-year share price change:** 47.8%

Perhaps no company's CEo has been in the spotlight as much as Facebook's Mark Zuckerberg has. At just 30 years old, Zuckerberg and the story of the birth of his social network were already the subject of a major Hollywood movie. Zuckerberg also spent part of 2014 meeting with heads of state in the United States, Japan, India, and Indonesia. Yet, in his role as the head of a public company, Zuckerberg has been remarkably successful. Last year, Facebook dispelled concerns about its ability to generate mobile revenues. And its 2012 decision to buy mobile photo-sharing app Instagram now appears extremely prescient In addition, Facebook was also one of the nation's best to work for, according to its rating on career site Glassdoor.com As of the most recent quarter, Facebook increased daily active users by 19% year-over-year and mobile daily active users by 39%. Further, 66% of advertising revenues came from mobile, thus effectively eliminating any doubts about the viability of the company's mobile strategy. On a trailing 12-month basis, Facebook's revenues rose by 63%. Company margins, too, expanded considerably.

Tags: Edwards Lifesciences Corp (NYSE:EW), Facebook (NASDAQ:FB), Lam Research Corp (NASDAQ:LRCX), Southwest Airlines (NYSE:LUV), Marriott International, Inc. (NYSE:MAR), O'Reilly Automotive, Inc. (NASDAQ:ORLY), Under Armour (NYSE:UA)
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http://247wallst.com/special-report/2015/01/05/americas-best-run-companies/ printed on January 15, 2015

No Guarantees: The "Fall" of Johnson & Johnson? ***February 22, 2011*** ***[1 Comment »]*** ***by David W. Gill***

Johnson & Johnson's recent troubles are such a downer for those of us who have held the company up as a paragon of virtue for decades. J & J competitor Merck lost its halo earlier this decade with its shameless promotion of Vioxx when it knew of clear risks but buried this fact while frolicking in boatloads of cash extracted from its gullible customers. In the auto industry, Toyota's problems over the past couple years are similarly a difficult pill to swallow for long-time admirers. What troubles? In a nutshell, it is a loss of quality and safety for customers who had come to trust implicitly in the drugs (or automobiles) produced by these companies.

Can it be that Toyota continued to sell its cars while knowing about braking or acceleration defects? How could they do this? The story is not completely written yet, and it seems that at least some of the "sudden acceleration" problems were actually caused by driver error. Other flaws requiring huge Toyota recalls suggest, however, that there has indeed been slippage on the commitment to quality. This becomes an ethical issue, not just an engineering or financial one, when harm is threatened to customers or when quality or performance promises are broken. The best explanations so far are that, in its obsessive quest to overtake GM as the largest auto manufacturer in the world, Toyota began putting quantity over quality and lost its way, at least temporarily.

The Johnson & Johnson story is one of massive product recalls over the past year, following customer complaints, and leading to a serious shattering of public confidence in their products from Tylenol to Rolaids to Sudafed to Motrin to contact lenses and hip implants. This has not been a story of one or two isolated problems but a systematic, companywide breakdown. How can this be? Since 1943, J & J has operated by a famous "credo" mission and values statement that puts the safety and well-being of patients and customers above everything else. Long before other companies in pharmaceuticals or other industries adopted such statements, Johnson & Johnson was out in front.

Johnson & Johnson has recognized its problem and taken steps to improve factory cleanliness, inspections, and overall quality and safety. They could hardly do otherwise. Back in 1982, when seven Chicago-area people died from poisoning traced to Tylenol, J & J made history by pulling its drug off every shelf in America instantly, no matter what the cost to the company. It turned out to be a case of criminal tampering that had nothing to do with J & J. But it led to improvements in tamper-resistant packaging for drugs, among other things. And J & J's aggressive response to protect its customers won a huge amount of trust and admiration everywhere. So the recent "fall" is extremely disappointing.

The initial commentaries from those close to J & J have pointed the finger at cost-cutting measures that reduced or decentralized staffing and oversight, and delayed equipment repair and replacement. Others have suggested that J & J lost sight of its credo in its pursuit of profits. In any case, there is a lot of work ahead for J & J to restore its culture and values, improve operations — and then hope for reputational recovery.

One of the lessons here is that there are just no guarantees that **"once ethical, always ethical" or "once reliable, always reliable**." Corporate reputations, like corporate cultures, have momentum but no assured permanence. Arthur Andersen was probably the most highly thought of, ethical, excellent accounting firm in the world. But in the 1990s, they all-too-quickly lost their way and gave in to corrupt schemes at Waste Management, Enron, and elsewhere, and were forced out of business altogether. No guarantees.
Jim Collins, in his little book *How the Mighty Fall and Why Some Companies Never Give In* (2009), identifies five stages of decline in the fall of the great companies: (1) hubris born of success (arrogance, entitlement), (2) undisciplined pursuit of more (overreaching, obsessed with growth), (3) denial of risk and peril (blaming, refusal to face facts), (4) grasping for salvation (panic, desperation, silver bullets, and star CEO recruits), and finally (5) capitulation to irrelevance or death. Marianne M. Jennings, in her book *The Seven Signs of Ethical Collapse* (2006), points to (1) pressure to maintain the numbers, (2) fear and silence in the culture (3) a "star CEO surrounded by young sycophants" incapable of dissent, (4) a weak board," (5) a failure to recognize and root out conflicts of interest (family, financial, etc.), (6) a claim of "innovation like no other" (i.e., we are doing things our way because no one else has figured it out as well as us yet), and (7) a justification that goodness in one area (e.g., corporate philanthropy) atones for evil in another (corporate "crookery").We can't see all of these factors at work in either J & J or Toyota, but some of it is certainly relevant. For all leaders of organizations it is probably worth reviewing the analyses of corporate decline and fall by Collins, Jennings, and others at least once a year. Nobody, and no company, is invincible — especially when we think otherwise.

David W. Gill was co-founder of IBTE and author of Benchmark Ethics, a regular article in the first 32 issues of Ethix. After eight years of writing, speaking, teaching, and consulting in the Bay Area of California, he joined the faculty of Gordon-Conwell Theological Center (South Hampton, Mass.) in 2010, where he is also director of the Mockler Center for Faith and Ethics in the Workplace. David Gill | Johnson & Johnson | Toyota Categories: Essay, Issue 74

PC WORLD
BUSINESS CENTER
DirectRevenue to pay $1.5M in adware settlement
19 February, 2007 08:19

DirectRevenue has agreed to pay a $1.5 million fine for distributing adware.

Robert McMillan (IDG News Service)

A New York company has agreed to pay US$1.5 million to settle charges that it infected victims' computers with adware.
In addition to the fine, DirectRevenue has agreed to stop sneaking its adware onto victims' PCs and to provide a "reasonable and effective" way for consumers to remove the software, the U.S. Federal Trade Commission (FTC) said in a statement, released Friday.
DirectRevenue bills itself as a legitimate online advertising company, but its business practices have come under government scrutiny before. Last April, the New York Attorney General sued the company, claiming that its free games and browser enhancements secretly contained spyware that would track the victim's online activity and deliver pop-up ads for related products.
DirectRevenue could not be reached immediately for comment Friday, but it has called the New York lawsuit "baseless," saying that it has changed its business practices and that its products are not spyware.
"Mislabeling our products as 'spyware' does a disservice not only to our company, but also to the public by creating an atmosphere of hysteria, confusion and inaccuracy," the company states on its Web site.
Not all FTC commissioners agreed with the settlement. According to the FTC statement, Commissioner Jon Leibowitz felt that DirectRevenue got off easy.
"The US$1.5 million in monetary relief... is a disappointment because it apparently leaves DirectRevenue's owners lining their pockets with more than US$20 million from a business model based on deceit," he said.
Antispyware researcher Ben Edelman agreed that the FTC should have gone after a bigger settlement. "Sure they pay a couple million dollars to the FTC, but they keep tens of millions -- so they'd profitably do it again if they got the chance," he said via e-mail. "This is the wrong message for the FTC to send."

Adware vendor DirectRevenue has gone out of business
25 October, 2007 09:15

Robert McMillan (IDG News Service)

Notorious adware maker DirectRevenue has closed shop.

The company, which was recently doing business as Best Offers, gave no reason for its sudden closure, which was announced on its Web site. "Best Offers and Direct Revenue have ceased operations. To service legacy consumers we are maintaining this page of uninstall instructions, an uninstall software tool, and an e-mail based support service." E-mail sent to the Gmail address listed on the company's Web site was returned as undeliverable.

DirectRevenue was founded in 2002, but it managed to make a lot of people unhappy during the course of its short life. Its software, which was often installed without user consent, would bombard victims with unwanted pop-up ads and was difficult to remove. The company was fined US$1.5 million by the U.S. Federal Trade Commission in February and it was also sued by the New York attorney general. Critics called the FTC fine a slap on the wrist, however, as the company is thought to have made more than US$20 million from its questionable business practices.

"This is a business that never should have existed," said Ben Edelman, a critic of the company who is an assistant professor at the Harvard Business School. "They never did anything useful for users and merely preyed on victims too trusting or hurried to protect themselves from DirectRevenue's attacks." Company management had recently positioned Best Offers as a legitimate software company, and Edelman said that he did not know if they were planning on continuing in business under a different name.

"The people behind this company walked away with tens of millions of dollars," he said. "They've got the money. If they're smart they'll take it and run."

IDG COMMUNICATIONS

http://www.pcworld.idg.com.au/article/print/197804/hounded_by_spyware_charges_direct_revenue_shuts_down/Hounded by spyware charges, Direct Revenue shuts down

PC WORLD
BUSINESS CENTER

Microsoft joins malware, ad teams to fight click fraud

The company says click fraud is rampant in the US$32 billion online advertising industry

Jeremy Kirk (IDG News Service) 30 November, 2012 03:47

Microsoft is linking malicious software analysts with online advertising fraud experts in an effort to disrupt click fraud, a scam where advertisers pay for worthless clicks.

The Microsoft Malware Protection Center (MMPC) will work with the online forensics team within Bing Ads, the company's online advertising system formerly known as adCenter, wrote Nikola Livic, a MMPC software developer.
Large data sets on malware will be correlated with clicks on advertising in order to detect potentially fraudulent behavior, Livic wrote.
"We are taking two relatively disparate domains of expertise and tools, namely malware and online advertising, and creating prevention systems and processes for identifying the entire chain of benefactors of click-fraud malware," Livic wrote. "In this way, we're stopping the flow of illicit money at the adCenter level."
Microsoft cited statistics from NSS Labs, a company that evaluates and tests security systems, that some 60 to 70 percent of malicious software has been engineered to do some form of click fraud.
"To date, we have identified three malicious software families monetizing in this manner and have recouped those ill-gotten gains from the benefactors," Livic wrote.

Click fraud hurts advertisers since they end up paying for clicks that do no result in customers or even potential customers. Fraud is also a touchy area for advertising networks, who stand to benefit financially from more clicks but could lose business if fraud rises.

Microsoft cited some surprisingly high statistics to support its contention that click fraud is "rampant" in the online advertising business, which was worth US$32 billion in 2011. The company drew data from a research paper presented in August at the ACM Special Interest Group on Data Communication conference in Helsinki.
The paper, written by two researchers who work for Microsoft Research and one from the University of Texas at Austin, sought to estimate click fraud by measuring the number of users who clicked on an ad to those who eventually ended up on the advertiser's website. They studied ten ad networks, including those run by companies including Google, Microsoft and Facebook. None of those companies released specifics about click fraud on their networks for use by the researchers.

There are many unknowns that make measuring click fraud hard, the researchers wrote. Ad networks do not know the false negative rate of their detection systems, or when they fail to detect a fraudulent click, which results in an underestimation of click fraud. Third-party analytics companies do not allow their systems to be scrutinized, which causes ad networks to claim they overestimate click fraud, according to the paper.
The researchers said they found "incontrovertible evidence of dubious behavior for around half of the search ad clicks and a third of the mobile ad clicks." Overall, around 22 percent of clicks on ads were fraudulent, Livic wrote.
Google and Facebook have periodically faced accusations that click fraud is more prevalent on their networks than the companies admit. Google says that there are less than 10 percent of clicks on AdWords, its search-engine based advertising product. *Send news tips and comments to jeremy_kirk@idg.com. Follow me on Twitter: @jeremy_kirk*

IDG COMMUNICATIONS

http://billhoney.blogspot.com/2010/01/iron-law-of-social-responsibility.html

The Iron Law Of Social Responsibility Sunday, January 24, 2010

I taught for years with a text book that devoted a chapter the what the author called, "The Iron Law of Social Responsibility." The author traced social legislation and the legislative reaction to public outcry over different social abuses: child labor was outlawed after several disastrous fires, long hours resulted in legislation mandating the 40 hour week; and the list goes on.

The author's thesis was that it took a certain level of public outcry before the weak willed legislators could overcome the influence of their conservative backers, and pass legislation that abolished the evil.
Recently there has been a lot of publicity on two related events: the shortage of credit for small business development and the speculation by banks in exotic securities with cheap government money provided to them to preserve their liquidity (and supposedly to enable them to begin lending to small businesses again).

When banks and wall street firms were joined after repeal of the statute of long standing forbidding banks from engaging in underwriting and other brokerage activities, banks began diverting depositors' funds from historic lending activities to purchasing packages of mortgages, derivatives, etc., that were supposed to yield more income than historic lending practices. We all know the mortgages and derivatives and other exotic financial instruments the banks were buying went south, and with it went lending to small businesses. Normal lending and financial channels were closed, and the economy seemed headed for a major nosedive before President Obama stepped in and rescued the banks.

Now the bankers have repaid the service by continuing the same speculative purchases that led them to ruin - except for the "too big to fail" principle that resulted in the government pumping billions of dollars into banks in an effort to unclog the lending sources and to prevent the collapse of big banks (small banks were allowed to fail).The Volcker regulation that is about to be enacted will prevent banks from investing in the same securities they trade in for their customers. The object is to discourage speculative investments and push a return to traditional lending practices (needed to jump start new and expanding businesses and the resultant opportunties for employment).

A corrollary effect will be to prevent banks from hawking to investors the same securities their investment departments are rushing to unload, including the practice of selling a security to a customer and simultaneously investing in a short sale of the same security. If you sense a lack of personal integrity and a conflict of interest, good for you.

President Obama jawboned in favor of increased and renewed lending. He called for a return to traditional lending values. It was a clash between a higher calling and personal greed. Guess which won.

The multi-billion dollar bonus pools of the large banks may suffer a hit if the high flying rates of return from the more speculative investments aren't there. We have a peculiar situation where the upside is big returns and big bonuses, and the downside is a return to government money and big bonuses.

The Iron Law of Social Responsibility worked this time, but when the facts are submerged in a surge of new corporate spending on ads that disclaim responsibility for investing depositor money in high flying investments and spinning the facts into a fantasy land of those that got it are always right and those that don't got it are always wrong, we may not see the same public outcry stiffen the backs of legislators sufficiently to enable social legislation again. The power of false advertising will mute the public outcry against corporate excesses that used to lead to The Iron Law of Social Responsibility. Yes, that is a comment on the recent Supreme Court decision. Posted by William C. Honey at 10:50 AM

II. ORGANIZATIONAL CULTURE & CHANGE MANAGEMENT

the hofstede centre
Strategy ~ Culture ~ Change

Means oriented vs Goal oriented

The means oriented versus goal-oriented dimension is, among the six dimensions, most closely connected with the effectiveness of the organization. In a means oriented culture the key feature is the way in which work has to be carried out; people identify with the "how". In a goal oriented culture employees are primarily out to achieve specific internal goals or results, even if these involve substantial risks; people identify with the "what".

In a **very** means oriented culture people perceive themselves as avoiding risks and making only a limited effort in their jobs, while each workday is pretty much the same. In a **very** goal oriented culture, the employees are primarily out to achieve specific internal goals or results, even if these involve substantial risks.

Internally driven vs externally driven

In a **very** internally driven culture employees perceive their task towards the outside world as totally given, based on the idea that business ethics and honesty matters most and that they know best what is good for the customer and the world at large. In a **very** externally driven culture the only emphasis is on meeting the customer's requirements; results are most important and a pragmatic rather than an ethical attitude prevails.

This dimension is distinguishable from means versus goal orientation because in this case it is not impersonal results that are at stake, but the satisfaction of the customer, client or commissioning party.

Easy going work discipline vs strict work discipline

This dimension refers to the amount of internal structuring, control and discipline.

A **very** easy-going culture reveals loose internal structure, a lack of predictability, and little control and discipline; there is a lot of improvisation and surprises.

A **very** strict work discipline reveals the reverse. People are very cost conscious, punctual and serious.

Local vs professional

In a local company employees identify with the boss and/or the unit in which one works. In a professional organization the identity of an employee is determined by his profession and/or the content of the job. In a **very** local culture employees are very short term directed, they are internally focused and there is strong social control to be like everybody else.

In a **very** professional culture it is the reverse.

Open system vs closed system
This dimension relates to the accessibility of an organization. In a **very** open culture newcomers are made immediately welcome, one is open both to insiders and outsiders, and it is believed that almost anyone would fit in the organization.
In a **very** closed organization it is the reverse.

Employee oriented vs work oriented
This aspect of the culture is most related to the management philosophy per se.
In **very** employee oriented organizations members of staff feel that personal problems are taken into account and that the organization takes responsibility for the welfare of its employees, even if this is at the expense of the work.
In **very** work oriented organizations there is heavy pressure to perform the task even if this is at the expense of employees.

Degree of acceptance of leadership style
This dimension tells us to which degree the leadership style of respondents' direct boss is being in line with respondents' preferences. The fact that people, depending on the project they are working for, may have different bosses doesn't play a role at the level of culture. Culture measures central tendencies.

Degree of identification with your organization
This dimension shows to which degree respondents identify with the organization in its totality. People are able to simultaneously identify with different aspects of a company. Thus, it is possible that employees identify at the same time strongly with the internal goals of the company, with the client, with one's own group and/or with one's direct boss and with the whole organization. It is also possible that employees don't feel strongly connected with any of these aspects.

NATIONAL CULTURAL DIMENSIONS

http://geert-hofstede.com/national-culture.html

DISCUSS *"Culture is the collective programming of the mind distinguishing the members of one group or category of people from others"*

DIMENSIONS OF NATIONAL CULTURE
The values that distinguished countries from each other could be grouped statistically into four clusters. These four groups became the Hofstede dimensions of national culture:

- **Power Distance (PDI)**
- **Individualism versus Collectivism (IDV)**
- **Masculinity versus Femininity (MAS)**
- **Uncertainty Avoidance (UAI)**
- A **fifth Dimension** was added in 1991 based on research by **Michael Bond** who conducted an additional international study among students with a survey instrument that was developed together with Chinese employees and managers. That Dimension, based on Confucian dynamism, is **Long-Term Orientation (LTO)** and was applied to 23 countries.
- In 2010, research by **Michael Minkov** allowed to extend the number of country scores for this dimension to 93, using recent World Values Survey data from representative samples of national populations. In the 2010 edition of Cultures and organizations, a **sixth dimension** has been added, based on Michael Minkov's analysis of the World Values Survey data for 93 countries. This new dimension is called **Indulgence versus Restraint**. On 17 Jan 2011, Geert delivered a webinar for SIETAR Europe called 'New Software of the mind' to introduce Cultures & Organizations 3rd ed.

CULTURE ONLY EXISTS BY COMPARISON
The country scores on the dimensions are relative - societies are compared to other societies. Without make a comparison a country score is meaningless.

These relative scores have been proven to be quite stable over decades. The forces that cause cultures to shift tend to be global or continent-wide. This means that they affect many countries/companies at the same time, so that if their cultures shift, they shift together, and their relative positions remain the same. The country/companies scores on The Hofstede Dimensions can also be found to correlate with other data about the countries/companies in question.
Some examples: Power distance is correlated with income inequality in a country.
Individualism is correlated with national wealth.
Masculinity is correlated negatively with the percent of women in democratically elected governments. Uncertainty avoidance is associated with the legal obligation in developed countries for citizens to carry identity cards.
Long-term orientation is correlated with school results in international comparisons.

NATIONAL CULTURES AND CULTURAL INDICES/DIMENSIONS

Brief summary of Hofstede's critique

In-built western bias (e.g. the dimensions are chosen from a western point of view)	Baskerville 2003 Magala 2004, Osland & Bird 2000
Static, essentialistic concept of (national/organisational) culture (e.g. the unit of the analysis being a territorially unique nation-state)	Baskerville 2003 & 2005, McSweeney 2002, Magala 2004, Myers & Tan 2002, Tayeb 1994, Wildavsky 1989
National culture determinism preventing seeing other forms of identity (e.g. studies demonstrate respondents identifying more with age or gender)	Baskerville 2003, Gooderham & Nordhaug 2001, Harrisson & McKinnon 1999, McSweeney 2002, Myers & Tan 2002
A variety of methodological problems (e.g. Questionnaires measure self-representation, not practice; bipolarisation of cultural dimensions; 'unzipping' of dimension shows other results).	Harvey1997, Osland &bird 2000, McSweeney 2002
The target of the critic is not as much Hofstede as the simplified and uncritical use by others of his concepts.	Søndergaard 1994, Williamson 2002, Bhimani 1999, Osland &bird 2000

Power Distance (PDI)
This dimension expresses the degree to which the less powerful members of a society accept and expect that power is distributed unequally. The fundamental issue here is how a society handles inequalities among people. People in societies exhibiting a large degree of power distance accept a hierarchical order in which everybody has a place and which needs no further justification. In societies with low power distance, people strive to equalise the distribution of power and demand justification for inequalities of power.

Individualism versus collectivism (IDV)
The high side of this dimension, called Individualism, can be defined as a preference for a loosely-knit social framework in which individuals are expected to take care of themselves and their immediate families only. Its opposite, Collectivism, represents a preference for a tightly-knit framework in society in which individuals can expect their relatives or members of a particular in-group to look after them in exchange for unquestioning loyalty. A society's position on this dimension is reflected in whether people's self-image is defined in terms of "I" or "we."

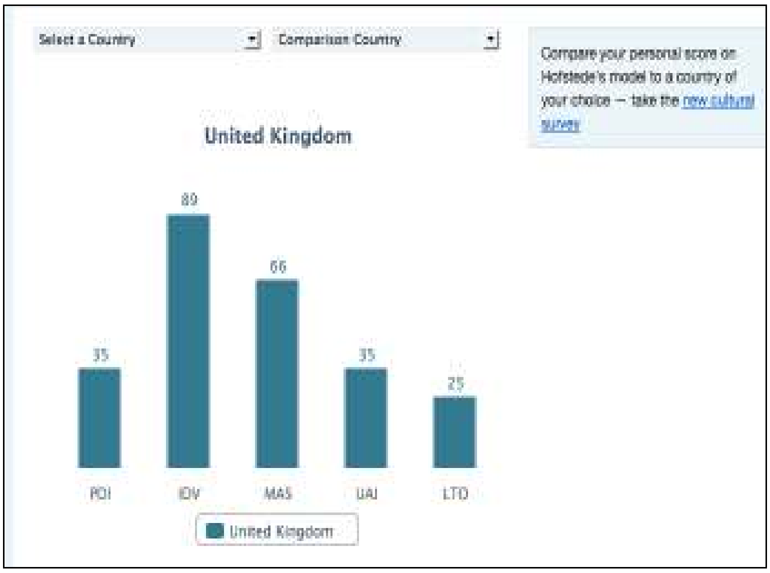
Masculinity versus femininity (MAS)
The masculinity side of this dimension represents a preference in society for achievement, heroism, assertiveness and material reward for success. Society at large is more competitive. Its opposite, femininity, stands for a preference for cooperation, modesty, caring for the weak and quality of life. Society at large is more consensus-oriented.

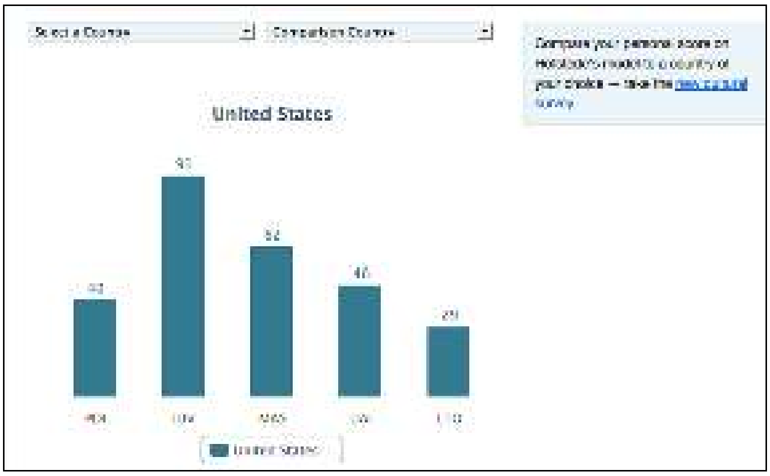
Uncertainty avoidance (UAI)
The uncertainty avoidance dimension expresses the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity. The fundamental issue here is how a society deals with the fact that the future can never be known: should we try to control the future or just let it happen? Countries exhibiting strong UAI maintain rigid codes of belief and behaviour and are intolerant of unorthodox behaviour and ideas. Weak UAI societies maintain a more relaxed attitude in which practice counts more than principles.

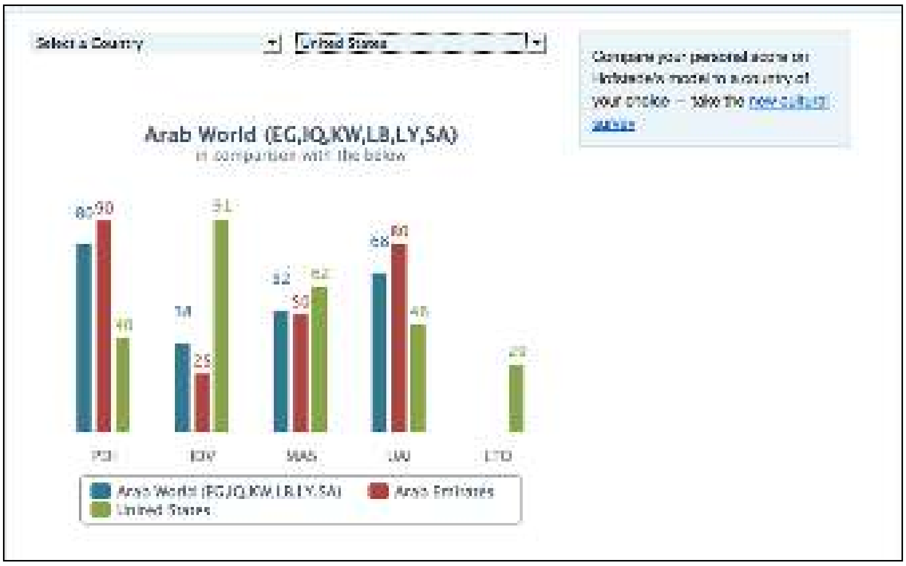
Long-term versus short-term orientation (LTO)
The long-term orientation dimension can be interpreted as dealing with society's search for virtue. Societies with a short-term orientation generally have a strong concern with establishing the absolute Truth. They are normative in their thinking. They exhibit great respect for traditions, a relatively small propensity to save for the future, and a focus on achieving quick results. In societies with a long-term orientation, people believe that truth depends very much on situation, context and time. They show an ability to adapt traditions to changed conditions, a strong propensity to save and invest, thriftiness, and perseverance in achieving results.

Indulgence versus Restraint (IND)
Indulgence stands for a society that allows relatively free gratification of basic and natural human drives related to enjoying life and having fun. Restraint stands for a society that suppresses gratification of needs and regulates it by means of strict social norms.

http://geert-hofstede.com/dimensions.html

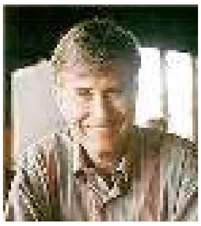





Select a Country
United States
Compare your personal score on Hofstede's model to a country of your choice — take the new cultural survey
Arab World (EG,IQ,KW,LB,LY,SA)
in comparison with the below
80 90 40
38 25 91
52 50 62
68 80 46
29
PDI
IDV
MAS
UAI
LTO
Arab World (EG,IQ,KW,LB,LY,SA)
Arab Emirates
United States


Select a Country
United Kingdom
Compare your personal score on Hofstede's model to a country of your choice — take the new cultural survey
United Kingdom
in comparison with the below
35 90 35
89 25 89
66 50 66
35 80 35
25 25
PDI
IDV
MAS
UAI
LTO
United Kingdom
Arab Emirates
United Kingdom

The New York Times



Dr. Richard Nisbett and his colleagues have found that people in different cultures think not just about different things, but think differently.

How Culture Molds Habits Of Thought

By ERICA GOODE August 8, 2000

NEW YORK- For more than a century, Western philosophers and psychologists have based their discussions of mental life on a cardinal assumption: that the same basic processes underlie all human thought, whether in the mountains of Tibet or the grasslands of the Serengeti.
Cultural differences might dictate what people thought about. Teenage boys in Botswana, for example, might discuss cows with the same passion that New York teenagers reserved for sports cars.
But the habits of thought -- the strategies people adopted in processing information and making sense of the world around them -- were, Western scholars assumed, the same for everyone, exemplified by, among other things, a devotion to logical reasoning, a penchant for categorization and an urge to understand situations and events in linear terms of cause and effect.

Recent work by a social psychologist at the University of Michigan, however, is turning this long-held view of mental functioning upside down. In a series of studies comparing European Americans to East Asians, Dr. Richard Nisbett and his colleagues have found that people who grow up in different cultures do not just think about different things: they think differently.
"We used to think that everybody uses categories in the same way, that logic plays the same kind of role for everyone in the understanding of everyday life, that memory, perception, rule application and so on are the same," Dr. Nisbett said. "But we're now arguing that cognitive processes themselves are just far more malleable than mainstream psychology assumed."
A summary of the research will be published next winter in the journal *Psychological Review*, and Dr. Nisbett discussed the findings Sunday at the annual meetings of the American Psychological Association in Washington.

In many respects, the cultural disparities the researchers describe mirror those described by anthropologists, and may seem less than surprising to Americans who have lived in Asia. But the new work is stirring interest in academic circles because it tries to define and elaborate on cultural differences through a series of tightly controlled laboratory experiments. And the theory underlying the research challenges much of what has been considered gospel in cognitive psychology for the last 40 years.

In the broadest sense, the studies -- carried out in the United States, Japan, China and Korea -- document a familiar division. Easterners, the researchers find, appear to think more "holistically," paying greater attention to context and relationship, relying more on experience-based knowledge than abstract logic and showing more tolerance for contradiction. Westerners are more "analytic" in their thinking, tending to detach objects from their context, to avoid contradictions and to rely more heavily on formal logic.
In one study, for example, by Dr. Nisbett and Takahiko Masuda, a graduate student at Michigan, students from Japan and the United States were shown an animated underwater scene, in which one larger "focal" fish swam among smaller fishes and other aquatic life.

Asked to describe what they saw, the Japanese subjects were much more likely to begin by setting the scene, saying for example, "There was a lake or pond" or "The bottom was rocky," or "The water was green." Americans, in contrast, tended to begin their descriptions with the largest fish, making statements like "There was what looked like a trout swimming to the right." Over all, Japanese subjects in the study made 70 percent more statements about aspects of the background environment than Americans, and twice as many statements about the relationships between animate and inanimate objects. A Japanese subject might note, for example, that "The big fish swam past the gray seaweed." "Americans were much more likely to zero in on the biggest fish, the brightest object, the fish moving the fastest," Dr. Nisbett said. "That's where the money is as far as they're concerned."

But the greater attention paid by East Asians to context and relationship was more than just superficial, the researchers found. Shown the same larger fish swimming against a different, novel background, Japanese participants had more difficulty recognizing it than Americans, indicating that their perception was intimately bound with their perception of the background scene. When it came to interpreting events in the social world, the Asians seemed similarly sensitive to context, and quicker than the Americans to detect when people's behavior was determined by situational pressures.

Psychologists have long documented what they call the fundamental attribution error, the tendency for people to explain human behavior in terms of the traits of individual actors, even when powerful situational forces are at work. Told that a man has been instructed to give a speech endorsing a particular presidential candidate, for example, most people will still believe that the speaker believes what he is saying. Yet Asians, according to Dr. Nisbett and his colleagues, may in some situations be less susceptible to such errors, indicating that they do not describe a universal way of thinking, but merely the way that Americans think.

One of the most striking dissimilarities found by the researchers emerged in the way East Asians and Americans in the studies responded to contradiction. Presented with weaker arguments running contrary to their own, Americans were likely to solidify their opinions, Dr. Nisbett said, "clobbering the weaker arguments," and resolving the threatened contradiction in their own minds. Asians, however, were more likely to modify their own position, acknowledging that even the weaker arguments had some merit.

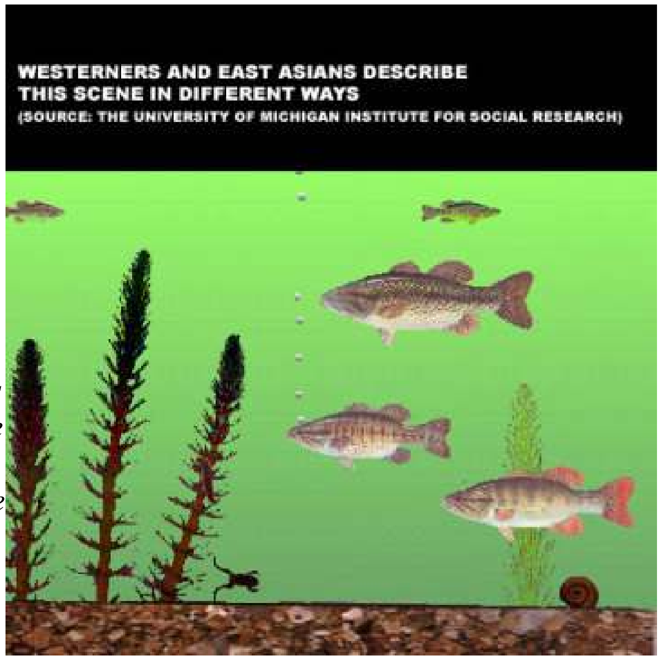
In one study, for example, Asian and American subjects were presented with strong arguments in favor of financing a research project on adoption. A second group was presented both with strong arguments in support of the project and weaker arguments opposing it. Both Asian and American subjects in the first group expressed strong support for the research. But while Asian subjects in the second group responded to the weaker opposing arguments by decreasing their support, American subjects increased their endorsement of the project in response to the opposing arguments.

In a series of studies, Dr. Nisbett and Dr. Kaiping Peng of the University of California at Berkeley found that Chinese subjects were less eager to resolve contradictions in a variety of situations than American subjects. Asked to analyze a conflict between mothers and daughters, American subjects quickly came down in favor of one side or the other. Chinese subjects were more likely to see merit on both sides, commenting, for example, that, "Both the mothers and the daughters have failed to understand each other."

Given a choice between two different types of philosophical argument, one based on analytical logic, devoted to resolving contradiction, the other on a dialectical approach, accepting of contradiction, Chinese subjects preferred the dialectical approach, while Americans favored the logical arguments. And Chinese subjects expressed more liking than Americans for proverbs containing a contradiction, like the Chinese saying "Too modest is half boastful." American subjects, Dr. Nisbett said, found such contradictions "rather irritating."
How much of this East-West difference is a result of differing social and religious practices, different languages or even different geography is anyone's guess. But both styles, Dr. Nisbett said, have advantages, and both have limitations.
And neither approach is written into the genes: many Asian-Americans, born in the United States, are indistinguishable in their modes of thought from European-Americans.

THE SITUATIONAL PRESSURE: A cross-cultural experiment

[…] Social psychologists have begun looking more specifically at the significance of culture. In a revealing study by Takahiko Masuda and Richard Nisbett, for example, students at Kyoto University and the University of Michigan were shown animated underwater scenes containing images of various undersea objects, such as rocks, small fish, plants, and a "focal fish."
The focal fish was larger, brighter and faster moving than the others–the sort of characteristics that would, according to conventional understandings, make them more salient to the observer. After viewing the scenes, students were asked to describe what they saw. Predictably, American students spoke immediately of the focal fish (e.g., "a trout, moving off to the left") and only later added references to its surroundings. The Japanese students, on the other hand, tended to begin by describing the context (e.g., "It looked like a pond").
During the course of their descriptions, students from both universities made roughly equal references to the focal fish, but the Japanese participants made over sixty percent more references to contextual elements and twice as many references to relationships with inanimate aspects of the environment (e.g., "the big fish swam past a rock").



According to Nisbett, such evidence confirms the hypothesis that members of some cultures are more inclined to take in the world as if through a wide-angle lens, whereas members of other cultures tend to see the world as if through a zoom. Nisbett argues that this distinction across cultures has ancient roots and may even help explain why the Chinese made connections that Aristotle and Galileo, with their telescopic vision, missed:
The Greeks' focus on the salient object and its attributes led to their failure to understand the fundamental nature of causality. Aristotle 's focus was exclusively on the object, with no attention paid to the possibility that some force outside the object might be relevant.
But the Chinese saw the world as consisting of continuously interacting substances, so their attempts to understand it caused them to be oriented toward the complexities of the entire 'field,' that is, the context or environment as a whole. The notion that events always occur in a field of forces would have been completely intuitive to the Chinese. The Chinese therefore had a kind of recognition of the principle of 'action at a distance' two thousand years before Galileo articulated it. They had knowledge of magnetism and acoustic resonance, for example, and believed it was the movement of the moon that caused the tides, a fact that eluded even Galileo. Thus, the tendency goes beyond perception of non-human objects and is revealed as well in how "Easterners" and "Westerners" conceptualize and construe social contexts.

A compelling explanation for these findings is that when subjected to different situational influences–that is, different cultures– people develop differences in how they perceive behavior. In other words, situation, not dispositional factors such as biology or race, makes the difference.
SOURCE : https://thesituationist.wordpress.com/2008/01/29/deep-capture-part-viii/
@THE UNIVERSITY OF MICHIGAN INSTITUTE FOR SOCIAL RESEARCH

Watch Korean documentary

[EBS] DOCUFRIME EAST AND WEST Part 1 - NOUNS AND VERBS 동과서 1.flv
EBS DOCUFRIME EAST AND WEST Part 2 - SEE AND BE 동과서 2부.flv

RECRUITMENT AND SELECTION

From *Managing cultural Differences*, Economist Intelligence Unit (2003)

Approaches to selection vary significantly across cultures. There are differences not only in the priorities given to to technical or interpersonal capabilites, but also in the ways that candidates are tested and interviewed for the desired qualities.

In Anglo-Saxon cultures, what is generally tested is how much the individual can contribute to the tasks of the organization. In these cultures assessment centers, intelligence tests and measurements of competencies are the norm. In Germanic cultures, the emphasis is more on the quality of education in a specialist function. The recruitment process in Latin or Far Eastern cultures is very often characterized by ascertaining how well that person 'fits in' with the larger group. This is determined in part by the elitism of higher educational institutions, such as the 'grandes écoles' in France or in the University of Tokyo in Japan, and in part by their interpersonal style and the ability to network internally. If there are tests in Latin cultures, they will tend to be more about personality, communication and social skills than about the Anglo-Saxon notion of 'intelligence'.

Though there are few statistical comparisons of selection practices used across cultures, one recent study provides a useful example of the impact of culture. A survey conducted by Shackelton and Newell compared selection methods between France and the UK. They found that there was a striking contrast in the number of interviews used in the selection process, with France resorting to more than one interview much more frequently. They also found that in the UK there was a much greater tendency to use panel interviews than in France, where one-to-one interviews are the norm. In addition, while almost 74 percent of companies in the UK use references from previous employers, only 11 percent of the companies surveyed in France used them. Furthermore, French companies rely much more on personality tests and handwriting analysis than their British counterparts.

Many organizations operating across cultures have tended to decentralise selection in order to allow for local differences in testing and for language differences, while providing a set of personal qualities or characteristics they consider important for candidates.

Hewitt Associates, a US compensation and benefits consulting firm based in the MidWest has had difficulties extending its key selection criteria outside the USA. It is known for selecting 'SWANS' : people who are Smart, Willing, Able and Nice. These concepts, all perfectly understandable to other Americans, can have very different meaning in other cultures. For example, being able may mean being highly connected with colleagues, being sociable or being able to command respect from a hierarchy of subordinates, whereas the intended meaning is more about being technically competent, polite and relatively formal. Similarly, what is nice in one culture may be considered naive or immature in another. It all depends on the cultural context .

Some international companies, like Shell, Toyota, and L'Oréal, have identified very specific qualities that they consider strategically important and that support their business requirements. For example, the criteria that Shell has identified as most important in supporting its strategy include mobility and language capability. These are more easily understood across cultures because people are either willing to relocate or not. There is less room for cultural misunderstandings with such qualities.

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International HR: Different strokes

By Tara Craig on 24 Nov 2008 in Employment Law Features, Global HR

As global workforces become the norm, HR must manage an increasingly diverse range of cultures. What difficulties do they face and how can they overcome them?

The advent of satellite TV and the internet has whittled away at national cultures to the extent that we may have begun to assume that everyone lives, acts and even works in a similar way. But that's not always the case. Global workplace furniture manufacturer Steelcase recently surveyed its European clients' ways of working, and the results, if not entirely unexpected, certainly provide food for thought.

The British are individualistic, self-controlled, class conscious and natural team workers, according to Steelcase. The Germans, however, are more conservative, place a greater emphasis on privacy and prefer a formal, hierarchical workplace. The Italians are hierarchical and bureaucratic, insisting on face-to-face meetings and preferring manager-led processes, whereas the French are more egalitarian and participative. At French meetings, it isn't uncommon for everyone to talk at the same time – yet decisions are still generally made by senior people. Italian meetings, which rarely start or end on time, involve lots of emotion and noise, but no-one expects decisions to be reached until much later.

Behaviours

And if the differences between our European neighbours are so stark, what of our colleagues in Asia and the US? Just as we accept that people bring their personalities to work, so we have to recognise that they also bring their cultures and associated outlooks and behaviours with them.
As global workforces become the norm, it's rare to find a company that doesn't recruit from a range of international backgrounds. And it's usually the HR team's responsibility to manage across this increasingly diverse range of cultures.
The potential pitfalls are legion – religious beliefs, language and cultural differences, professional behaviour, even the different ways a single company may have operated in various regions. And you don't have to work overseas to feel the impact of other cultures in the workplace. The most important factor in dealing with any workforce is information and communication. It needs to be timely, accurate and equally accessible to all members of staff.

If a company gets this wrong and it hits the headlines, it can be very damaging to their reputation – as last year's press reports on Domino's Pizza Group highlighted.
The company's UK operation, like many catering firms, has a multinational workforce, and this left it in a sticky spot when it was alleged that some of its foreign staff had so many deductions from their salary that by the end of the month they had negative wages.

Lack of consistency

Jane Roberts, head of HR at Domino's Pizza, admitted that a lack of consistency and communication led to the situation. "One of the problems was that we relied on our franchisees to manage, train and regulate the 12,000 employees who work in-store under the Domino's brand and this, combined with the language issue, created some inconsistencies," she explains. Domino's tackled its multicultural problems by launching a multilingual intranet, which is accessible to all staff. But tackling language barriers is only one aspect of integrating different cultures in the workplace.

Accountancy giant KPMG recently merged its UK, Germany, Switzerland and Spain operations. The company now has more than 23,000 partners and staff working from 75 offices across the four countries.And bringing together four diverse workplaces has had its moments, says Keith Dugdale, director of global recruitment at KPMG. He recalls UK staff having to teach their new German colleagues that when they referred to something as 'interesting', it wasn't necessarily a compliment. And appraising staff or giving feedback were also approached sufficiently differently by the two cultures to be potential minefields. Dugdale is a great advocate of cross-cultural working and believes that having, for instance, Japanese staff who will understand how Japanese clients think, is invaluable. KPMG is proud of its corporate identity but, says Dugdale, is also keen to maintain elements of individual employees' culture, too.

Lend a helping hand

Learning from existing members of staff is one of the fastest and most accurate ways of getting new arrivals up to speed, according to communications company Burson-Marsteller.

While KPMG follows the more traditional route of providing inductions for both employees and spouses, Burson-Marsteller encourages its employees to help each other, and has implemented a cross-border mentoring scheme. Paul Herrick, head of HR for Europe at the firm, explains: "We started by offering mentoring to a group of managers who piloted a global competency model.

"Having a clear picture of the areas each manager wanted to develop, we matched them with senior colleagues from another market who are considered to be role models in those areas."

The scheme has, so far, been a great success. "It's really working well where both mentor and mentee belong to the same practice area. They immediately understand each other's reality and have common business issues to share," Herrick says.

Thorny issues

Kate Seeley, workforce planning and staffing director at computer giant Hewlett-Packard (HP), sees cross-cultural working as a way of life, and says the employee base should reflect the company's marketplace. HP insists on hiring people who are adaptable, and who show trust and respect to others, says Seeley. "HP's values are very strong, so staff have a strong sense of belonging, regardless of their own cultural background. We promote inclusiveness, and we're good at staying in touch with people once they've been posted abroad. We support their families too."

But it's easy to forget just how much perceptions can vary from culture to culture. According to Dugdale, remuneration is one of the thorniest issues with multicultural workforces, with different cultures having very different ideas of what does and doesn't constitute a benefit.

Dugdale also points out the importance of the 'social space', where staff have the opportunity to interact outside work, and stresses that employers keep in mind the different ways cultures socialise. While reluctance to follow your team to the pub may put you at a slight disadvantage in the UK, turning down a similar invitation would simply not be countenanced in Japan. This is something that staff need to be made aware of, whether they are heading overseas or welcoming a foreign colleague into their team. It is the organisation's – and most likely HR's – responsibility to make sure all staff take on board any potential cultural issues or sensitivities. This could take the form of briefings, inductions or even online training. And it should be ongoing. New members of the team should have the opportunity for regular meetings and assessments of how they are fitting in.

Preparation is key

And while each company will approach the cross-cultural issue differently, the key to benefiting from the knowledge and experience of all of your staff is preparation. People need to know what to expect, so new recruits should be fully briefed on all aspects of the company. And don't 'ghettoise' your employees – they need to mix with other cultures, and be comfortable doing so. It's inevitable that people, particularly if abroad, will gravitate towards compatriots, but encourage them to mix. While much of this will be up to their line

managers, HR still has a role to play – training courses in particular provide a good opportunity for team members to get to know one another.
Recruitment is, of course, fundamental to effective multicultural working, and an area where HR can exert considerable influence. As Seeley says, recruiting people who have respect for one another's culture is a great first step.
CROSS-cultural working is here to stay, and the sooner we all embrace it, the better.

10 tips for managing a cross-cultural team

1. Adopt a 'cultural lens'. Be prepared to set aside tried and tested management techniques that may have served you well in the past.
2. Invest in managing new starters' expectations. Allow more time for team formation, induction and establishing goals.
3. Build relationships across cultures. Find time for face-to-face meetings and social activities. However intermittent, time together is of great value.
4. Communicate across cultures. Keep in contact and always check that your communications are understood in the way that you intended.
5. Encourage participation in cross-cultural teams. Vary your communication styles and methods. Using visuals can help overcome language barriers.
6. Motivate cross-cultural teams. Focus both on team and individual goals. Remember that rewards and incentives can be seen very differently.
7. Manage performance across cultures. Take extra care introducing performance management systems, as one size does not fit all.
8. Raise cultural awareness and understanding. Bring people from different cultures together for specific projects and assignments to promote greater understanding.
9. Manage cross-cultural conflict. Help people clarify their assumptions. Even understanding what the issue is can be difficult.
10. Encourage ethical standards in cross-cultural teams. Ways of conducting business can vary across geographies, so provide clear company guidelines and be ready to deal with any ethical issues in a timely manner.

Source: Sharon Varney, research associate, Roffey Park Institute

Why Diversity Could Be Your Job-Search Edge

by | March 31, 2009

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If you've clicked on this article, you have an interest in diversity -- and building on that interest may be a great way for you to stand out from the crowd, regardless of your race or ethnicity.

Strong relationships are based on a concurrence of ideals, interests and ethics. Employers are looking for employees who will fit in with their interests and direction. You're most likely to get a job in a company that mirrors your style and how you think.

When executives catch on to an effective new management trend, they become passionate about it. There's a good reason -- significant new disciplines can become competitive factors that make or break a company. Within the past five years, diversity has generated the same type of enthusiasm companies had when supply-chain management and total-quality management were first introduced. Employers who have recognized the bottom-line results have made diversity a top-down imperative with aggressive measurement and goals.

Why? For people of color, household income, education and their share of the total population have increased dramatically in the past 10 years. The growth rate of multiethnic households also is increasing. Instead of being easy to ignore, these markets are becoming key consumer segments, driving growth and sales in many industries.

As with any new strategic direction, not all companies are going to catch on. There always will be those that come late to changes in the marketplace -- that's why less than half of the companies that were included in the Fortune 500 in 1980 exist today.

So how does this help you? If you're seeking a job in a company that values diversity, you can become a diversity champion. Regardless of your race or ethnicity, it will show that you are on board with the strategic direction the company has taken.

First, you'll need to know whether diversity is a priority for the employer. It's easy to learn about a company's values through its Web site. Questions to ask include:

1. Is there a link to diversity or diversity-related information on the home page (or at least within one click of the home page)?
2. Does a simple search for the keyword "diversity" yield relevant results?
3. Is the diversity information up-to-date?
4. Does the site use multicultural images?

5. Does the site offer diversity information in its career area?
6. Does the site offer information for diverse suppliers?
7. Does the site highlight company activities that assist diverse communities?

If your research yields no diversity interest, you may want to consider walking away -- especially if you're a diversity enthusiast. Diversity is like a canary in a coal-mine -- if a company is oblivious to the substantial and dramatic changes in the U.S. marketplace, what else is it ignoring? This isn't a good sign.

When you're job hunting, your cover letter, resume or interview responses should emphasize factors that correspond to the employer's diversity interests and involvement. For instance, you might:

- Reveal association membership, committee or charity work that identifies you as a diversity champion.
- Share diversity experiences, such as training sessions or workshops you attended for previous employers.
- Discuss volunteer work that demonstrates community involvement or good citizenship.
- Link these to your profession and help the company understand that in addition to being, for example, a great accountant, you also are a team player, an asset to cross-company projects and a positive role model.
- Help your interviewers understand how your "cultural competence" will help you play a role in connecting with today's consumers, co-workers, suppliers and investors.

If you like the concept of diversity, but don't have any experience in the area, get involved by reading books, volunteering or taking a course. Remember that most companies and people also are at the beginning of their journey to understanding and using diversity as a business opportunity.

Please note that I'm stressing experience and insights, regardless of your race. All races and ethnicities have members who are culturally incompetent. Employers know that they have to continue to hire and promote white employees. If you put yourself in an employer's shoes, however, you can see that it's more efficient to hire people who already "get it." As an analogy, would you hire someone who wasn't using e-mail?

Keep in mind that diversity will be a competitive edge for you -- but it won't win the battle on its own. Even companies known for promoting diversity value competency over everything else. But if you bring up the subject at the appropriate moment, at the right company, championing diversity can give you a competitive edge.

-- Mr. Visconti is a partner and co-founder of DiversityInc Media LLC, a publishing company based in New Brunswick, N.J.

Filed Under: Job Search

@ http://www.vault.com/blog/job-search/why-diversity-could-be-your-job-search-edge

LEA PARIS – SORBONNE ABU DHABI
L5 X AN 302
MANAGING ACROSS CULTURES
Thursday MARCH 20, 2014

Article-Related Question: *Read this article. Then explain why* the Guardian.co.uk website *has* « A guide to exporting to Japan | Guardian Small Busines Network ». Is it relevant to business practices ? Why ? *While accounting for the document, please make sure you mention its nature, its source, the context or the occasion(s) for the article and the topic. Write a 400-450 word essay. Do not quote from the article, rephrase as much as possible.*
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A guide to exporting to Japan

A big part of trading overseas is knowing how to adapt to the customs of a specific country. **Jon Card** investigates the business culture in Japan

Guardian Professional, Tuesday 5 March 2013 09.19 GMT

If you decide you want to start doing business in Japan, it's important to be aware of their customs. Photograph: Jeremy Woodhouse/Photodisc/Getty Images

Japan might seem like a remote destination with a culture quite dissimilar to ours. But in fact the UK has much in common with the Japanese, another island people. Respect flows both ways in business. Business reports from Japan tend to focus heavily on the negative. The country's "lost decades" of economic decline, which began in the early 1990s, are often referred to. More recently, the earthquakes of 2011, and their effect on the country's nuclear energy infrastructure, added fear to a tale of decline. But entrepreneurs looking to enter this huge and profitable market would be best advised not to dwell upon such issues. For Japan is still the world's third largest economy and a big importer. It has a population of 128 million people, high living standards and a taste for British goods and brands. Therefore, for exporters of premium and quality goods it can be an excellent place to do business.

Formalities

Japan's business culture is very formalised and subject to many protocols. It's easy for an outsider unaware of the appropriate etiquette to cause offence accidentally. Gaining advice in advance is a sensible precaution.

Greg McCray is the chief executive of Acal Energy, a hydrogen fuel cell company based in Cheshire, which is expanding into Japan. McCray also spent over a decade trading with Japan at a previous company and has learned much about doing business there. "Japanese businesses are very formal, you don't walk in and start telling jokes. You wear a suit and tie, follow protocol and respect the hierarchy of the business," he says.

Relationships

Japanese businesses like to get to know their partners well. In the past, the *keiretsu* system – which referred to the tight-knit relationship between connected companies – dominated the economy. This is not so much the case any more, but its legacy continues. "Relationships are important in any business, but none more so than in Japan," advises McCray. Entrepreneurs will need to spend a lot of time getting to know their buyers and partners, who will ask many questions, far more than is usually the case between British companies. Introductions should be considered as a compliment and a vital first step to making a deal. Nonetheless, the pace of agreeing and signing a contract can be slow.

Consensus

Seniority is an important part of Japanese culture and this is particularly true in business. The head of the company must be treated with respect. But while Japanese businesses are hierarchical, they also like to operate with the approval of the majority. Nick Hines is the chief executive of the Institute of Diplomacy and Business, which advises companies on trading overseas. He says Japanese businesses combine a mixture of hierarchical leadership with consensus. "Japanese businesses are hierarchal by nature, but there is also culture of consensus which can involve many people," he says. Therefore, it is important for entrepreneurs to pay the boss his dues, but then to wait while he convinces his own people.

Politeness

Rather like the British, the Japanese place a lot of value on politeness. During discussions with trading partners, they are especially keen not to offend the other party. The concept of "loss of face" is important to understand. Rather than saying 'No', the Japanese are more likely to say something would be 'difficult'. While they are happy to tell you what they like, they also tend to avoid outright criticism.

Lost in translation: Five faux pas to avoid

Entrepreneurs have been known to fail spectacularly in Japan by inadvertently causing offence. Here's a few faux pas to be aware of:

1. **Business cards**

   Receiving and giving business cards is taken very seriously, so don't just stick them in your pocket or drop them on the table. Ensure you take time to look at them and thank the provider.

2. **Nose blowing**

   People from Japan are particularly sensitive about nasal discharge. Nose blowing in the boardroom could cause outright revulsion. The habit of putting a used tissue back in your pocket is also beyond the pale for the Japanese. If you have a cold, then cancel the meeting.

3. **Yes and No**

   The polite Japanese often say "yes" but rarely "no". So don't mistake politeness for a confirmation of an order and understand that the worst thing they can say really is "no".

4. **Closing the deal**

   Pressure selling is not appreciated, so allow the Japanese to take their time. However, once a deal is made, it can last for years, if not decades.

5. **Loss of face**

Always show your contact true respect, avoid causing embarrassment and never go behind their back even when progress in negotiations is slow. Causing loss of face can poison relations indefinitely.

Selling to Japan: Beaumont Organic

Hannah Beaumont founded organic clothing company Beaumont Organic in 2008 at the age of 24. She began trading with Japan the following year. Sales to Japan now represent around 50% of its revenues. "We won best textile product at the National Organic Awards and gained a lot of press attention. A Japanese buyer who was in the country at the time contacted us and wanted to sell our products," Beaumont says.

After the products had been tried, Beaumont went out to Japan to get to know her contacts better and meet key staff at the department stores. UK Trade and Investment, the government agency that supports British exporters, also assured her the distributor had a good reputation and she agreed to an exclusive deal. "The distributor is responsible for everything in Japan from pricing to sales and marketing. We basically contact them to tell them the goods are ready, they buy off us in bulk and take them to Japan."

Beaumont enjoys working with her Japanese distributor, but says that Japanese business culture is very formal, efficient. Initially, there tends to be many questions. "As long as you are prepared to communicate with them it is fine. Japanese businesses are quite demanding and there were lots of emails and questions to answer." Finally, Beaumont says there's a great market in Japan for British businesses that sell quality products. " They do value quality and British products as well as brands that look British sell well over there."

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III. ETHICS IN THE WORKPLACE

Definition of an Ethical Dilemma

Blog: Business Ethics

By Carter McNamara on December 10, 2010

Perhaps too often, business ethics is portrayed as a matter of resolving conflicts in which one option clearly appears to be the clear and right choice. For example, case studies are often presented in which an employee is faced with whether or not to lie, steal, cheat, abuse another, break terms of a contract, etc. However, ethical dilemmas faced by managers are often more real-to-life and highly complex with no clear guidelines, whether in law or often in religion.

Doug Wallace, Twin Cities-based consultant, explains that one knows when they have a significant ethical conflict when there is presence of a) significant value conflicts among differing interests, b) real alternatives that are equality justifiable, and c) significant consequences on "stakeholders" in the situation. An ethical dilemma exists when one is faced with having to make a choice among these alternatives.

Real-to-Life Examples of Complex Ethical Dilemmas

- "A customer (or client) asked for a product (or service) from us today. After telling him our price, he said he couldn't afford it. I know he could get it cheaper from a competitor. Should I tell him about the competitor — or let him go without getting what he needs? What should I do?"
- "Our company prides itself on its merit-based pay system. One of my employees has done a tremendous job all year, so he deserves strong recognition. However, he's already paid at the top of the salary range for his job grade and our company has too many people in the grade above him, so we can't promote him. What should I do?"
- "Our company prides itself on hiring minorities. One Asian candidate fully fits the job requirements for our open position. However, we're concerned that our customers won't understand his limited command of the English language. What should I do?"
- "My top software designer suddenly refused to use our e-mail system. He explained to me that, as a Christian, he could not use a product built by a company that provided benefits to the partners of homosexual employees. He'd basically cut himself off from our team, creating a major obstacle to our product development. What should I do?"
- "My boss told me that one of my employees is among several others to be laid off soon, and that I'm not to tell my employee yet or he might tell the whole organization which would soon be in an uproar. Meanwhile, I heard from my employee that he plans to buy braces for his daughter and a new carpet for his house. What should I do?"
- "My computer operator told me he'd noticed several personal letters printed from a computer that I was responsible to manage. While we had no specific policies then against personal use of company facilities, I was concerned. I approached the letter writer to discuss the situation. She told me she'd written the letters on her own time to practice using our word processor. What should I do?"
- "A fellow employee told me that he plans to quit the company in two months and start a new job which has been guaranteed to him. Meanwhile, my boss told me that he wasn't going to give me a new opportunity in our company because he was going to give it to my fellow employee now. What should I do?"

DON'T PRY

Land of the free? Americans are enviably well protected by their constitution against their governments acting like Big Brother. At work it is a different, more disturbing story. A survey by the Conference Board, America's leading business think-tank, of a representative cross-section of 400 companies in the United States, Canada and Europe shows that American bosses are often less respectful of their employees' rights to privacy than are bosses elsewhere.

Only a few American companies go so far as to forbid their employees to court or marry fellow employees or the employees of competitors — prohibitions that "are virtually non-existent" in Canada and Europe. Corporate restrictions on off-duty political activities are also rare. But on a slew of other questions many American companies are too nosy in poking into their employees' lives and too permissive in granting access to the information they uncover.

American companies are more likely than Canadian or European ones to search cars, lockers, desks and offices, and to examine briefcases and handbags when employees enter or leave the building. The monitoring of computer or telephone communications and the videotaping of on-the-job conduct are also more widespread in the United States. Personnel files are protected in Canada by the Privacy Act, a law that gives employees access to the data their companies hold on them. In Europe nearly two-thirds of companies say their managers have access to the records only of employees who work directly for them. The need-to-know criterion of American firms is less strict — many, for instance, let their legal departments look through staff files.

The way things are going, the contents of these files will get ever more intimate. American companies want to know more about their employees' physical and psychiatric condition, about how much alcohol they drink and what drugs they take. Two-thirds of them told the Conference Board that a lack of such information had seriously hampered their efforts to curb medical costs.

American bosses dislike being such Nosy Parkers. Many admit that searches and electronic surveillance are ineffective, even counter-productive. Why do it, then? The arguments used to justify such unAmerican behavior are not trivial. Firms point to the increasing reluctance of the former employers of job applicants to provide reliable references. If a company gives out too much information, it risks a defamation suit from its former employee, so do independent referees who reveal uncomfortable facts about job applicants.

Legal actions alleging "negligent hiring" are another hazard. Most are brought by a business or person harmed by an incompetent worker. The plaintiffs accuse an employer of putting others at risk by finding out too little about its employees. Changes in the labour force are also cited. With unemployment low and fewer youngsters entering the job market, companies say they have to protect themselves better.

None of this excuses the boss behaving like Big Brother. The electronic surveillance of employees degrades both the watcher and the watched. So do random urine tests to detect drug or alcohol use — extreme invasions of privacy that can perhaps be justified for professional athletes or H-bomb button-pushers, but for few others. A company has no business poking in the handbags or the desks of its employees.

Companies will run risks by showing more respect for the privacy and dignity of their employees, but the risks can be limited by better hiring practices. Experienced interviewers- and rigourous tests can weed out the dishonest, addicted, work-shy or incompetent. Referees who expose lies in CVs can be protected from litigation by a standard form that all applicants would have to sign. In the end, prevention is better than cure — and much better than suspicion and mistrust.

The Economist, October 1990

UK Trade & Investment

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Thursday, 18 Oct 2012

Bribery and Corruption: More Resources
Bribery Act 2010 – A Quick Start Guide for Business
Bribery Act 2010 – More Information
Business Anti-Corruption Portal
Advice and Assistance from UK Overseas Posts

Bribery and Corruption

Bribery is illegal and has no place in British business, at home or abroad. It is an offence for UK nationals and bodies incorporated under UK law to bribe anywhere in the world.
From 01 July 2011 the Bribery Act makes it an offence for commercial organisations carrying on a business in the UK to fail to prevent bribery on their behalf by employees and other associated persons.
UK enforcement is increasing, with a number of UK nationals and companies recently fined or imprisoned for their involvement in overseas corruption.
Overseas corruption also hurts honest companies and raises the costs of doing business. Surveys regularly show that a significant number of UK companies have lost business to a bribing competitor or turned down overseas opportunities due to overseas corruption.

So, what can Overseas Business Risk do for me?

We can give you practical advice and tools to manage the risks of overseas corruption in an increasingly complex global marketplace.

• The Overseas Business Risk country pages include up-to-date information on bribery and corruption in over 90 markets.
• Information on the Bribery Act 2010 is set out below and more is available on the Ministry of Justice website
• You can gain further advice and help on managing the risks of overseas corruption from UK Overseas Posts.

Bribery Act 2010

The Bribery Act 2010 came into force on 01 July 2011 and, following extensive consultation with business, has published the Bribery Act guidance. The intention of the guidance is to provide commercial organisations with the information they need to put in place to prevent bribery on their behalf. Alongside the full guidance, there is also a quick start guide which it is hoped will be particularly useful to SMEs.
The Director of the Serious Fraud Office and the Director of Public Prosecutions have published guidance on their approach to prosecutorial decision-making in respect of offences under the Act. During the consultation period, there was particular interest in a number of areas:

- **Hospitality and Promotional Expenditure** - The Bribery Act does not prohibit hospitality, and the Ministry of Justice guidance confirms that hospitality is allowed as long as it is reasonable and proportionate. The independent prosecution authority guidance confirms that excessively lavish hospitality is an important consideration in the decision on whether to prosecute. Other public interest factors include whether the hospitality was not clearly connected with a legitimate business activity, or was concealed..
- **Facilitation payments** – UK law has never provided an exemption for facilitation payments (small bribes to secure routine government action). The Bribery Act does not change that position. We believe they also undermine corporate anti-bribery procedures and confuse the anti-bribery message to employees and business partners. The Ministry of Justice guidance makes clear that payments specifically permitted or required under local law are not bribes (e.g. as part of a transparent fast-track scheme for business visas). The Ministry of Justice guidance also makes clear that, where payments are made in response to immediate threats to life or limb, the general common law defence of duress may be available. Furthermore, the independent prosecution authority guidance makes clear that they will have regard to the public interest in prosecution of facilitation payments particularly where they are paid, for example, where the payer was in a vulnerable position because of the circumstances where the payment was demanded (e.g. demands by armed militia at roadblocks). View guidance on facilitation payments from the Serious Fraud Office and to read more on facilitation payments, please visit the SFO website.

Further resources

The UN has recently launched a new initiative called Tools and Resources for Anti-Corruption Knowledge (TRACK). This includes a legal library containing laws, jurisprudence and other information on anti-corruption authorities from over 175 States worldwide, indexed and searchable according to each provision of the UN Convention Against Convention (e.g. official embezzlement, prohibitions against bribery, procurement, etc).

BBC NEWS

Tuesday, 10 July, 2001, 16:00 GMT 17:00 UK

How ethical...How profitable?

Combining a clear conscience with profit is becoming easier, given the growing number of ethical options open to investors – from "green" financial advisers to ethical funds.
Long seen as a marginal activity for those with a passion for open-toed sandals and flowing kaftans, ethical investing is beginning to enter the mainstream.

On Tuesday, the global index group FTSE, launched a green index for the first time, called FTSE4Good.
FTSE4Good has been developed with two worthy organisations – the United Nations Children's Fund (Unicef) and the Ethical Investment Research Service (EIRIS).

Already dubbed "FTSEfeelgood" within the industry, it excludes companies whose core business are either in armaments, tobacco production, gambling or nuclear power.

There have been other significant developments as well. Since last year, all pension funds have been required to state whether they consider ethical, social and environmental issues when they make investment choices.

Pension fund members can obtain this information by contacting their scheme's administrator or trustees.
And since April 2001, there have been ethical stakeholder pensions.
.There is also a growing band of Independent Financial Advisers (IFAs) who specialise in ethical investment.

The Ethical Investment Research Service (EIRIS) has a directory of ethical IFAs. To qualify for a listing, they must either put more than £100,000 or 40% of their business into ethical funds in the last financial year.
Investors who want to chance the stock market, but with a clear conscience also have a growing number of options. There is now about £2.2bn under management in ethical funds and about 45 funds to choose from.

Stephen Hine of EIRIS says: "Organisations now recognise that people have their own personal concerns about the environment and society, and this can be reflected in how they invest."

How ethical?

Oil companies have been included within the new FTSE4Good index, which may not meet everyone's definition of ethical.
But this is not uncommon with ethical investments. Just how socially conscious a fund actually is will vary widely.

While most funds will exclude firms with interests in oppressive regimes, tobacco, vivisection, nuclear power, gambling and pornography – others will include sectors such as oil, banking, pharmaceutical and chemicals.

Funds which have stringent exclusions and run by a dedicated team of researchers who are there to weed-out any polluters or pornographers, are classed as "Dark green funds".
Less than one fourth of funds on the market are dark green.
Instead, there are a growing number of so-called "Light green funds". These invest in sectors that are often shunned by darker green funds.

For example, light green funds might invest in oil companies or banks. They justify this by saying that they have demonstrated social and environmental commitments elsewhere, for example in local community projects or through charity work.
"Medium green funds" are stricter than light green funds, but these will have some exposure to oil companies, banks and pharmaceuticals.

Principle before profit?
Investing ethically does not mean putting principles before profit.
Even funds which are classed as dark green can perform well.
For example, Jupiter Environmental Opportunities is a dark green fund.

Over the last five years it has grown by 68%, whereas the average growth in its sector Global Growth, which includes non-ethical funds, has only increased by 32.9%.
Scottish Widows Environmental Investors, a light green fund, has grown by 114% over the last five years.

However, its sector UK All Companies, has only gone up by 54% over the same period. Past performance is not necessarily a guide to the future, but the examples show that you can make a profit if you choose the right fund.

> "It is generally not true to say t ethical funds perform worse th conventional funds. We have some very good performance those that are perceived to be green
>
> Richard Hunter of IFA Holden Meehan

Richard Hunter of Holden Meehan, a leading ethical IFA says:
"It is generally not true to say that ethical funds perform worse than conventional funds.
"We have seen some very good performance from those that are perceived to be dark green. This is not over one year but over a longer five year period."

SHOPPERS PUT PRICE BEFORE ETHICS

Wednesday, 18 October, 2000, 04:53 GMT

Shoppers have a variety of criteria

By BBC Consumer Affairs Correspondent Karen Bowerman

Most shoppers claim they are influenced by ethical considerations –but a new survey suggests the reverse is true.

When asked, most shoppers claim that they buy eco-friendly detergents, toiletries which are not tested on animals and products made by companies which pay their workers fairly.

But a Mori survey commissioned by the Co-operative Bank, reveals us for what we are - a nation of consumers who leave our consciences at home when we head for the high street.

Research suggests 80% of us claim we shop or invest money ethically, but in fact only 30% of us practise what we preach.

Despite good intentions, and assuming price and quality are the same, most people still did not put ethical concerns at the top of their agenda.

More than half of those questioned said if they were asked to choose between two similar products they would be swayed by a company's customer service.

Forty-one per cent said convenience would influence their decision, while 26% said they go for a brand name.
Only 14% said they would consider a company's impact on the environment - while a similar number would be persuaded to choose a product because of a company's social policies.

Consumer types

The research identifies five groups of consumers with different ethical attitudes.

- 49% "do what I can" consumers - price more important than ethics
- 22% "look after myself" consumers - no interest in ethical shopping
- 18% "conscientious" consumers - shop ethically if they can
- 6% "brand" consumers - motivated by fashion
- 5% "Global Watchdogs" - ethics are crucial

It seems people are still not completely committed to ethi consumerism and ethical investment, because they do not know enough about it.

They feel companies fail to inform them about their ethical and social policies. That is even though 51% believe their criteria influence company policies.

Cynical observers claim the only kind of ethical consumerism that has really taken off is organic and GM-free food – and that seems to be because consumers feel there is a direct benefit to themselves.

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Anti-capitalist protestors: the ultimate global watchdogs

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MANAGING ACROSS CULTURES

Examen Septembre 2013

Durée 1H

Article-Based Question:

In the context of the article below, explain the following comment: « charities have realised that companies could play a role in the eradication of poverty in emerging markets. » *Please, provide a structured answer which includes the source, the nature of the article, the occasion for the article, and remember you should not quote but rephrase. Extensive quoting from the article will be marked down. (no more than **400** words)*

FINANCIAL TIMES ft.com/management

http://www.ft.com/intl/cms/s/0/e296676e-8ce5-11e2-8ee0-00144feabdc0.html#axzz2QeIuY3jp

March 18, 2013 5:30 pm

FROM BOYCOTTS TO BUSINESS BRIEFS

By Louise Lucas

A strange alchemy is under way. As big business stakes claims to being more charitable, charities are becoming more business-minded – and employing rather uncharitable language to whip multinationals into shape. Thus while organisations such as BP, GlaxoSmithKline, Unilever or Clifford Chance promote their role in creating a fairer world – "We passionately believe in the power of the private sector to improve people's lives . . ." they and others wrote recently in a letter to the *Financial Times* – charities have been busy exposing corporate failings elsewhere in lengthy reports that compile forensic detail.

Top food and drink companies were blasted last month by Oxfam for "a veil of secrecy [that] hides human costs"; and Associated British Foods came under fire from ActionAid for exploiting loopholes to avoid paying taxes that it claimed would have sent 48,000 Zambian children to school. There is a long history of non-governmental organisations policing corporations – think Barclays Bank in South Africa in the apartheid era, or BP in Nigeria – but it is "definitely increasing" says Robert Blood, founder of Sigwatch, which tracks and analyses activist campaigns for NGOs.

And the tactics have changed. "Like all political institutions, NGOs have to be effective and they have discovered over time [that] one of the best ways to achieve real change is to put pressure on corporations," he says. They do this by playing businesses off against each other or by embarrassing management into switching policies. Thus Oxfam's report offered (with caveats) praise to Unilever, the Anglo-Dutch maker of Flora margarine and Dove shower gel, while flagging up failings at Associated British Foods (ABF), owner of Primark, the high street discount retailer. Reports by ActionAid have highlighted tax issues in Africa – which the companies concerned, including SABMiller and ABF, reject.

Acting as corporate watchdog may seem a long way off for pleasant, cardigan-wearing ladies selling second-hand clothes in Oxfam shops on behalf of African babies, but charities have realised that companies could play big role in the eradication of poverty in emerging markets. "Companies are so powerful in these countries, not least because governments don't have very tight regulations, so they have freedom to behave however they want to," says Barbara Stocking, until recently chief executive of Oxfam GB.

Corporate power also stems from scale. Emerging markets now frequently account for a significant slice of revenues: in the case of the Western food and drink industry, emerging markets make up 30-50 per cent of sales. Also, the companies source substantial volumes from poorer parts of the world: cocoa in the Ivory Coast, or coffee in Latin America and Vietnam, and palm oil in southeast Asia.

ActionAid, like Oxfam, believes consumers have become more concerned about poor behaviour by corporations. Thanks at least in part to the financial crisis, says Beverley Duckworth, director of policy, the public is more interested in issues such as tax avoidance and in linking them to poverty and how companies conduct themselves. “The driver from our perspective is poverty and injustice, so the work we do is always about being rooted in the communities we work with and our job is to bring these issues to the attention of the public and then put pressure on the government to act, in this case to change international tax rules,” says Ms Duckworth.

Nestlé, no stranger to being challenged by NGOs on issues ranging from baby milk to palm oil, ran into a row in Ethiopia in 2002 when it – legitimately – claimed compensation over a plant that had been nationalised in the 1970s. However, the Swiss- based food group’s attempt to add on interest charges as well raised hackles, particularly as it was demanding payment against the backdrop of an extreme drought and food crisis. Oxfam pointed the finger; Nestlé dropped its additional charges.

Also in Ethiopia, Starbucks’ marketing fell foul of Oxfam when it opposed the government’s efforts to trademark the names of local coffee bean varieties such as Sidamo and Harrar. It did not want to shell out for the right to use the Ethiopian names in selling coffee, but following an Oxfam media campaign, Starbucks backed down.

Mr Blood says many companies are becoming quicker to react to this kind of criticism. “Corporate management is changing faster than public opinion,” says Mr Blood. “Companies are acutely sensitive of how they look to the rest of the world.”

The crucial difference with past campaigns is that the aim is to change regulatory structures as well as company policies and there is less call for the kind of boycotts that charities famously called for against Nestlé in response to the sales of baby formula in the developing world.

Instead, charities now want consumers to articulate what they want, if only by clicking the “like” icon on Facebook. Button pushers “may not be doing something dramatic”, says Ms Stocking. “But they’ve noticed and want to do something.”

Ms Duckworth describes cases such as the Zambian tax issue as “catalysers for change, putting pressure on individual companies to be responsible and play fair and also building pressure on governments to take action.”

Sometimes, rather than triggering change, a charity report triggers a tit-for-tat row over misinterpretation or accuracy of facts. ABF, for example, was criticised by both the ActionAid and Oxfam reports for poor corporate citizenship, but rejected the points.

“The idea that ABF would use a ‘veil of secrecy’ in order to hide the ‘human cost’ of its supply chain is simply ridiculous,” the company, whose holding include Twinings Tea, said. “The company has worked hard for many years, over a wide geography, at all levels of the supply chain to ensure its suppliers meet the highest ethical standards . . . Where issues are found, they are appropriately resolved.”

But ABF and its peers can expect charities to remain on their case, wink-ling out and highlighting issues. Not least, says Mr Blood, because no one else is doing so: governments in emerging markets have more pressing matters and cash-strapped consumers are increasingly more worried about shopping to their own budget than helping those in far-off countries.

“NGOs like Oxfam and Christian Aid are going for the one source of power that’s still left, and that’s corporations,” says Mr Blood. “It’s fascinating, not least because NGOs are waking up to the fact that large corporations are their ally, not enemy.”