According to the EEOC,

All employees who work in the U.S. or its territories . . . are protected by EEO laws, regardless of their citizenship or work authorization status. Employees who work in the U.S. or its territories are protected whether they work for a U.S. or foreign employer.36

So if you are in the United States or a US territory, you are covered by US EEO laws.

But what about Americans working outside the United States? According to the EEOC, “U.S. citizens who are employed outside the U.S. by a U.S. employer—or a foreign company controlled by a U.S. employer—are protected by Title VII, the ADEA, and the ADA.” However, “U.S. employers are not required to comply with the requirements of Title VII, the ADEA, or the ADA if adherence to that requirement would violate a law of the country where the workplace is located.”37 Finally, if you are employed by a foreign company in a country other than the United States, the laws of that country would apply, so you would not have the protection of US EEO laws in such a case.

The United States also has a law specifically addressing corruption and bribery by US national companies while operating in other countries. The Foreign Corrupt Practices Act (FCPA) *bars US–based or US–listed companies from bribing foreign officials in exchange for business.* The FCPA also requires companies to keep accurate books and records concerning their foreign operations. However, it is sometimes hard to tell the difference between a legitimate business expense and a bribe.38 So global companies need to clarify the difference in their code of ethics, top managers must set a good example, and penalties for unethical and illegal behavior must be enforced.

SHRM

C:17

Foreign Corrupt Practices Act

Remember that different countries have different employment laws that must be obeyed. So think about the complexity facing the HR executive working for a multinational company doing business in more than 100 countries! Thus, multinationals need HR legal specialists in each country.

International Ethics

Recall our discussion of ethics in [Chapter 15](https://jigsaw.vitalsource.com/books/9781544320601/epub/OEBPS/ch0015.xlink.xhtml) in which we noted that ethics are based on societal values, principles, and beliefs. This creates some issues for businesses operating in multiple countries. Different countries’ cultures have different values and beliefs and therefore will have different ethics—at least to some extent—as what is considered ethical in one country may not be considered ethical in another country. Whose ethical perception should be followed in situations in which the values in one country conflict with those in another? How do employees know how they are expected to act?

The answer to this question should be found in the company code of ethics. Remember that this code is the document that is used “to project the values and beliefs of the organization to their employees.” So even though the company culture may not exactly match the culture of a country where they are doing business, the company has laid out a set of principles that employees can apply to a situation to determine whether they are acting ethically according to the organization’s desires. But how does that word *culture* affect the employees in the company? Let’s take a look.

National Culture

Recall that we discussed organizational culture in [Chapter 2](https://jigsaw.vitalsource.com/books/9781544320601/epub/OEBPS/ch0002.xlink.xhtml). All of that information also applies to national culture, but national culture is even more powerful in many cases. It is what people have known their entire lives, and like the old adage about a fish in water not knowing that there *is* any other possible environment, people who have lived their lives in one culture many times don’t even realize that there *are* other options for values, beliefs, and culture. This view of the world is called parochialism— *a narrow-minded view of the world with an inability to recognize individual differences.* Managers in global organizations cannot survive with a parochial view of the world.

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Joshua LOTT/AFP/Getty Images

Ursula Burns, CEO of **Xerox**, has helped Xerox become one of the world’s most ethical global companies. This requires an understanding of the values in other cultures and how they affect behavior.

Thus, employees from different countries do not see the world in quite the same way because they come from different national cultures.39 Understanding national culture is important because it affects nearly every aspect of human behavior,40 making cultural sensitivity an important skill.41 For the MNC, all the workplace diversity exists, plus national culture as well.42 Therefore, capability to manage such cultural diversity has become one of the most important skills for global leaders.43

Differences in national culture influence the effectiveness of different managerial behaviors, so if you are going to have to manage in an international setting, you will need to understand the cultures that you are dealing with. For instance, singling out and praising an individual worker in Japan is tantamount to yelling at an American employee on the shop floor and telling them that the report they wrote looked like it was written by a third-grader. Japan, as a highly collectivist culture (we will discuss this momentarily), does not single out the individual for either praise or discipline in a public setting.

SHRM

F:13

Cultural Competence

HOFSTEDE’S MODEL OF NATIONAL CULTURE. Let’s look at the first way that we can classify country cultures in order to determine how to train managers to successfully work with employees in that culture—*Hofstede’s model of national culture*.

SHRM

C:3

Individual Versus Group Behavior

Geert Hofstede is a trained psychologist who was hired in the 1960s by **IBM** (at the time, one of the few really global companies in the world with about 100,000 employees in more than 70 countries) to help them identify cultural differences within countries in which they operated.44 His data allowed him to develop a model of national culture that is still widely used today. He originally identified five dimensions—each of which allows a country culture to be plotted along a continuum. He later added another dimension, but we will stick with the original five, since that is the model that most people know about. Each dimension was measured on a scale of 0 to 100, with 100 being the highest exhibition of that dimension. (More countries were added to Hofstede’s model in later years, resulting in some scores moving above 100.) Let’s look at the dimensions of the model in [Exhibit 16-2](https://jigsaw.vitalsource.com/books/9781544320601/epub/OEBPS/ch0016.xlink.xhtml#ex16.2).45 These cultural dimensions continue to be studied.46

WORK  
APPLICATION 16-4

*Give an example of cultural diversity you have encountered, preferably at work.*

After reading through the exhibit, you are probably saying to yourself, “So what?” What is the value in knowing that Russian culture is oriented toward the short term, Japan is highly masculine, and India is moderately collectivist? The *value* in the model is in knowing how significant the differences are between two countries’ cultures. The greater the difference in the two cultures on each of the dimensions, the more difficult it is to bring employees from one culture into the other. For instance, if you compare China and the United States, you will find that China has high power-distance, low individualism, and a fairly low level of uncertainty avoidance and is long-term oriented.47 The United States is moderately low in power-distance and very high in individualism, has a moderate level of uncertainty avoidance, and is reasonably short-term oriented. This means that a manager coming from China to run a facility in the United States is going have some difficulty adjusting to the culture (unless they have previously been exposed to it) without significant culture-adaptation training by the organization. Similarly, putting employees from these two cultures together to accomplish any task is likely to fail unless they are given cultural training before working together. The HR department is typically charged with cross-cultural training of employees who will be working outside their native culture. (On a side note: If you ever get bored and want to watch a pretty good movie about extreme culture clash, watch a film from the 1980s called *Gung-Ho* with Michael Keaton. You will quickly see why cultural differences matter in business.)

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Exhibit 16-2  HOFSTEDE’S MODEL OF NATIONAL CULTURE

*Sources:* The Hofstede Centre; home.sandiego.edu/~dimon/CulturalFrameworks.pdf.

GLOBE. As Hofstede’s research became dated, Project GLOBE confirmed his dimensions are still valid today and extended and expanded his five original dimensions into nine. The project includes hundreds of companies and includes more countries. GLOBE stands for *Global Leadership and Organizational Behavior Effectiveness*, and it is an ongoing cross-cultural investigation of leadership and national culture. The GLOBE research team uses data from hundreds of organizations in more than 62 countries to identify nine dimensions in which national cultures are diverse. See [Exhibit 16-3](https://jigsaw.vitalsource.com/books/9781544320601/epub/OEBPS/ch0016.xlink.xhtml#ex16.3) for a list of the dimensions with examples of country ratings.48 Notice that some of the GLOBE dimensions have the same or similar names as Hofstede’s five dimensions. As shown, through cross-cultural comparisons, there are differences,49 especially between Eastern and Western cultures.50

p.585

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