

**Principles of Management**  
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**Lecture - 26**  
**Styles of Management - I**

In this lecture today, I will be discussing about global comparative and quality management issues. We will be discussing about why organizations go global, what are the various forms of global organizations, and then we will discuss about the challenges and opportunities in the global business and internationalization of business; what are the strategies adopted by firms.

So, with this background, I will discuss about the learning objectives, the nature, purpose and types of international business operations. Then, why there is an increasing importance of international business?

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Learning Objectives	
1.	Nature, purpose, and types of international business operations.
2.	Increasing importance of International Business.
3.	Culture and country differences and its implications on managing. Managing Cultural differences.
4.	Understand country alliances that form trade blocs
5.	Understand differences in managing in selected countries.
6.	Managerial practices in USA, Japan, China etc.
7.	How to train and maintain international employees.
8.	Global Management practices, Contributions to quality management, Baldrige Quality Award, ISO 9000, European Quality Award.

And, its impact on managing, cultural differences, managing business and understand country alliances that form trade blocs, then we will discuss about the differences in managing with some specific examples with USA, Japan, China, India etcetera.

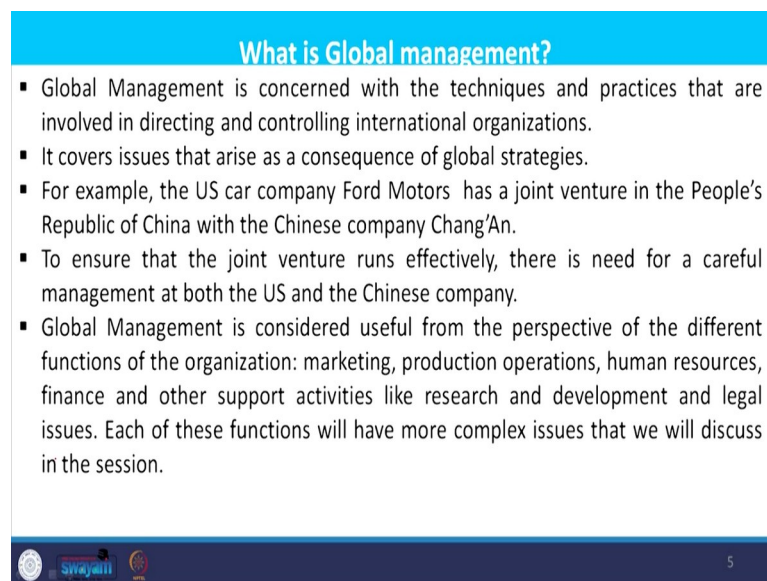
And how to train and maintain international employees, what global management practices and how the firms can be more competitive in global world, through adoption

of quality management practices, Malcolm Baldrige National Quality Award, ISO 9000 and its relevance and European Quality Award models.

And, first we will discuss about why managers need to know global management practices. So, what is global management practice? What is global management? I will discuss in details. Global management is concerned with the techniques and practices which are involved in directing and controlling international organizations. So, it covers issues that arise as a consequence of global strategies.

For example, if a US car company Ford Motors has a joint venture with a company in People's Republic of China. So, what strategy will the Chinese company adopt the home country nationals or will they have a different management strategy? So, we will discuss in more details. To ensure that the joint venture runs effectively, there is a need to have a careful management practice to have a both at US and the Chinese companies.

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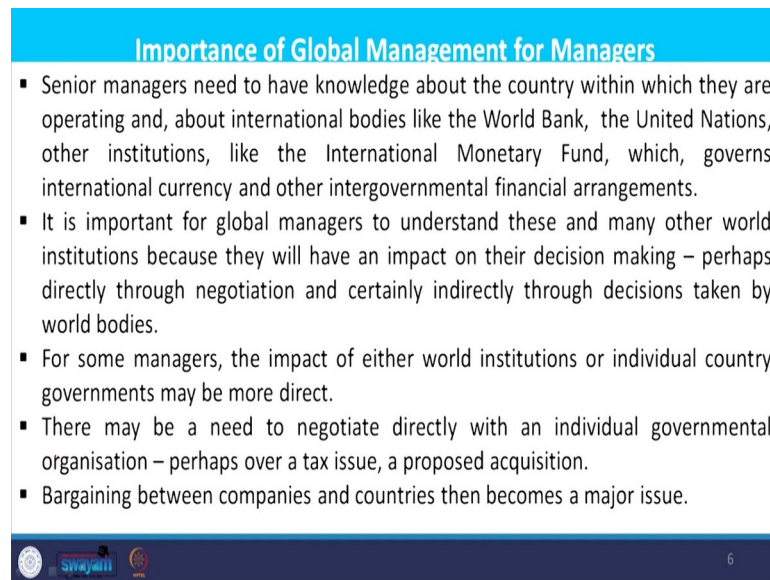
**What is Global management?**

- Global Management is concerned with the techniques and practices that are involved in directing and controlling international organizations.
- It covers issues that arise as a consequence of global strategies.
- For example, the US car company Ford Motors has a joint venture in the People's Republic of China with the Chinese company Chang'An.
- To ensure that the joint venture runs effectively, there is need for a careful management at both the US and the Chinese company.
- Global Management is considered useful from the perspective of the different functions of the organization: marketing, production operations, human resources, finance and other support activities like research and development and legal issues. Each of these functions will have more complex issues that we will discuss in the session.

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Global management is considered useful from the perspective of different functions of the organization: marketing, production, operations, human resources, finance and other support activities, like research and development and legal issues. Each of these functions will have complex issues that we will discuss in this section.

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### Importance of Global Management for Managers

- Senior managers need to have knowledge about the country within which they are operating and, about international bodies like the World Bank, the United Nations, other institutions, like the International Monetary Fund, which, governs international currency and other intergovernmental financial arrangements.
- It is important for global managers to understand these and many other world institutions because they will have an impact on their decision making – perhaps directly through negotiation and certainly indirectly through decisions taken by world bodies.
- For some managers, the impact of either world institutions or individual country governments may be more direct.
- There may be a need to negotiate directly with an individual governmental organisation – perhaps over a tax issue, a proposed acquisition.
- Bargaining between companies and countries then becomes a major issue.

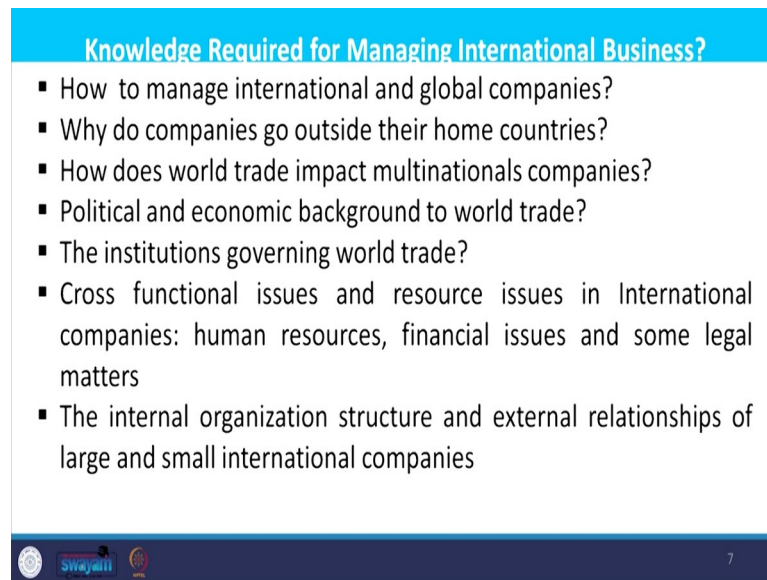
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Importance of global management for managers: senior managers need to have knowledge about the country, within which they are operating and about the international bodies like the World Bank, the United Nations, or other institutions like International Monetary Fund, which governs international currency and other intergovernmental financial agreements.

It is important for global managers to understand these and many other important institutions because, they will have an impact on their decision making, perhaps directly through negotiations and certainly indirectly through decisions taken by the world bodies. So, for managers the impact of either world institutions or individual country government may be more direct.

There may be a need to negotiate directly with an individual governmental organization perhaps over a tax issue, a proposed acquisition. So, bargaining between companies and countries, then become a major issue.

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**Knowledge Required for Managing International Business?**

- How to manage international and global companies?
- Why do companies go outside their home countries?
- How does world trade impact multinational companies?
- Political and economic background to world trade?
- The institutions governing world trade?
- Cross functional issues and resource issues in International companies: human resources, financial issues and some legal matters
- The internal organization structure and external relationships of large and small international companies

Swajathi 7

So, what is the knowledge required for managing international business? How to manage international and global companies? Why do companies go outside their home countries? How does world trade impact multinational companies? What are the political and economic backgrounds to world trade? The institutions governing world trade.

Cross functional issues and resources which is required in international companies like human resource, financial issues and some other legal matters. The internal organizational structure and external relationship of large and small international companies.

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**What Is International Management?**

- Management concepts and techniques employers use to manage the challenges of their international operations
- Focuses on three main areas:
  1. Management in global corporations
  2. Management of expatriate employees
  3. Compare management practices in variety of countries

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So, with this we will discuss in details what is international management; international management concepts. So, management concepts and techniques employers use to manage the challenges in an international organization focuses on three main issues. 1 is management in global corporation, the 2nd one management of expatriate employees, compare management practices in different countries.

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**International Management and Multinational Corporations**

- The International management focuses on the operation of International firms in the host countries.
- It is concerned with managerial issues related to flow of people, goods, and money with ultimate aim of managing better in situations that involve crossing national boundaries.
- Environmental factors affecting domestic firms are more critical for international corporations operating in foreign countries.
- Managers in International organizations face different environmental challenges (political, legal, economic, educational, and cultural factors).
- These factors influence the functions of managers and the enterprise.

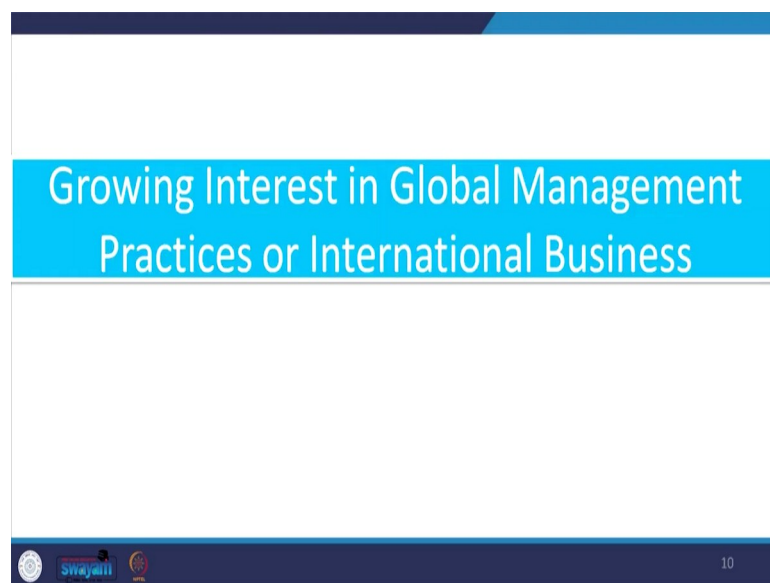
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International management and multinational corporations. So, international management focuses on operation of international firms in the host countries. It is concerned with

managerial issues related to flow of people, goods and money with ultimate aim or objective of managing efficiently and effectively in situations that involve crossing national boundaries.

Environmental factors affecting domestic firms are more critical to international corporations operating in foreign countries. Managers in international organizations face different environmental challenges: political, legal, economic, educational and cultural factors. These factors influence the functions of managers and the enterprise.

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Why there is a growing interest in global management practice or international business.

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**Changing dynamics of the world: Challenges and Opportunities**

The world is changing in dramatic ways, and as a manager, you're in the best position to take advantage of these changes.

Challenges	Opportunities
<ul style="list-style-type: none"><li>▪ Increasing Concern for the Environment</li><li>▪ Greater Personalization and Customization</li><li>▪ Faster Pace of Innovation</li><li>▪ Increasing Complexity</li><li>▪ Increasing Competition for Talent</li></ul>	<ul style="list-style-type: none"><li>▪ Becoming More Connected</li><li>▪ Becoming More Global</li><li>▪ Becoming More Mobile</li><li>▪ Rise of the Creative Class</li><li>▪ Increasing Collaboration</li></ul>

Swajathi

There is a changing dynamic in the world; there are some challenges and opportunities thrust upon. The world is changing in a dramatic way and as a manager; you are in the best position to take advantage of these changes. There are of course, some challenges like increasing concern of the environment, greater personalization and customization, faster pace of innovation, increasing complexity, competition, increasing competition for talent and also there are some opportunities at the same time.

Becoming more connected with information technology, with mobile phone and with various other sources of getting connected with others. Becoming more global and we can say that with advent of mobile phone people are able to connect with each other, with various networking facilities there is more connection.

Rise of a creative class and various options to share knowledge across borders, increasing collaboration. So, there are opportunities as well as challenges in the changing dynamics of business world. Greater personalization and customization.

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**Greater Personalization and Customization**

- Companies sell their products globally:
  - a. Customised to meet vastly different needs,
  - b. Cultural sensitivities, and
  - c. Income levels.
- Even something simple such as Tide detergent can come in hundreds of variants (powders, liquids, tablets), additives (whiteners, softeners, enzymes), fragrances (mountain fresh, floral), and package (from family/economy sizes).
- Customization and the growing numbers of products mean managing more services and more products.

 Swajati 

Companies sell their products globally which was earlier not possible, customized to meet different needs and preferences of people across the globe so, there is requirement for cultural sensitivity, and income levels of people are different.

Even something simple such as Tide detergent can come in different variants in hundreds of different variants like in form of powder, in the form of liquid, sashes, tablets, whitener, softeners, enzymes, fragrances, packaging as family pack and economy pack and so on. Customization and growing number of products, means managing more services and more products.



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What are global products in local markets available? Can products like detergent or say consumer durables or it could be watches and so on. So, there are different types of products with different tastes and preferences. So, there is a growing need for globalization, or internationalization of the company's faster pace of innovation.

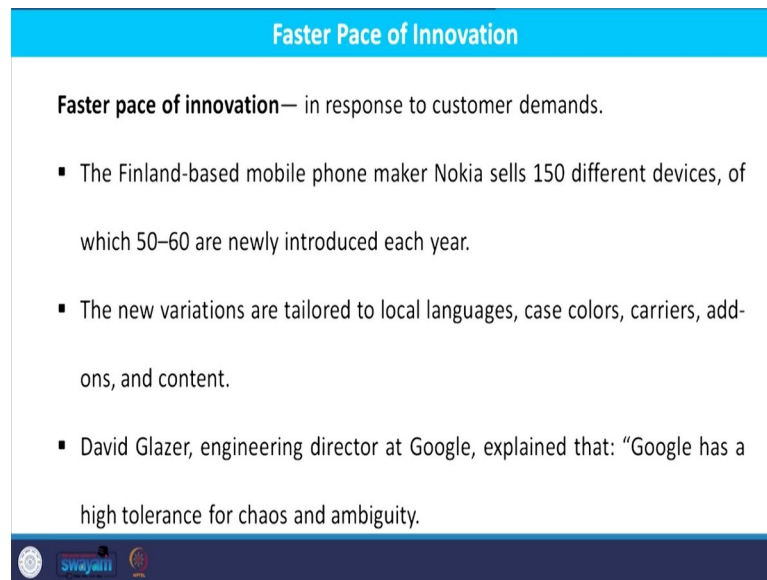
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### Increasing Complexity

- To be sustainable, customization, and innovation are important, and as a result the companies face growing complexity.
- For example: Nokia's 50–60 new phone models a year all have 300–400 components, some of which contain millions or hundreds of millions of transistors. Those components have to arrive at the right manufacturing location (Nokia has 10 worldwide) from whichever country they originated and arrive **just in time to be manufactured**.

In response to consumer demands, the Finland based mobile phone maker Nokia, sells 150 different devices of which there are 50 to 60 newly introduced product each year.

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**Faster Pace of Innovation**

**Faster pace of innovation**— in response to customer demands.

- The Finland-based mobile phone maker Nokia sells 150 different devices, of which 50–60 are newly introduced each year.
- The new variations are tailored to local languages, case colors, carriers, add-ons, and content.
- David Glazer, engineering director at Google, explained that: “Google has a high tolerance for chaos and ambiguity.

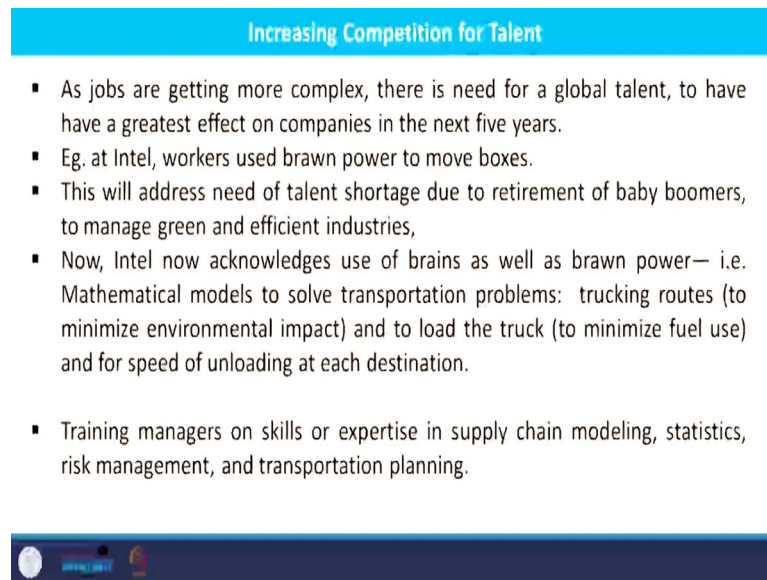
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The new variations are tailored to local languages race, color and so on. Similarly, Google, David Glazer, engineering director at Google explained that Google has a high tolerance for chaos and ambiguity. Google is a search engine which keeps on innovating every day. So, they are serving the needs of diverse range of people, they are serving the needs of people of different preferences.

To be sustainable, customization and innovation are important. And, as a result the companies are growing, companies face growing complexity to be sustainable, customization and innovation are important. And as a result, the companies are facing growing complexity.

For example, Nokia's 50 to 60 phone models a year, will have 300 and 400 components. Some of which contain millions of or hundreds of millions of transistors, these components have to arrive at the right manufacturing location. So, Nokia has 10 different locations worldwide, from whichever country they originated and arrived just in time to be manufactured.

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The slide has a blue header with the title "Increasing Competition for Talent". Below the header is a bulleted list of five points. The first point discusses the need for global talent due to increasing job complexity. The second point gives an example of Intel workers using brawn power. The third point mentions the need to address talent shortages from retiring baby boomers. The fourth point notes Intel's shift to acknowledging brain power and the use of mathematical models for transportation problems. The fifth point mentions training managers in supply chain modeling, statistics, risk management, and transportation planning.

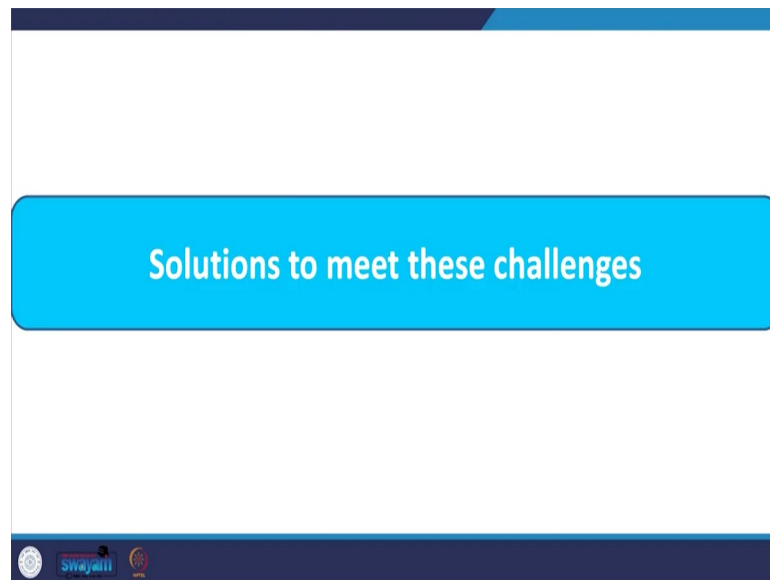
- As jobs are getting more complex, there is need for a global talent, to have have a greatest effect on companies in the next five years.
- Eg. at Intel, workers used brawn power to move boxes.
- This will address need of talent shortage due to retirement of baby boomers, to manage green and efficient industries,
- Now, Intel now acknowledges use of brains as well as brawn power— i.e. Mathematical models to solve transportation problems: trucking routes (to minimize environmental impact) and to load the truck (to minimize fuel use) and for speed of unloading at each destination.
- Training managers on skills or expertise in supply chain modeling, statistics, risk management, and transportation planning.

Increasing competition for talent: there is also a need for search for global talent. To work in the globally competitive industries, to work in the multinational companies, there is a search for globally competitive talent who can work in different positions efficiently and effectively as jobs are getting more complex. There is need for a global talent to have a greatest effect on companies in the next five years.

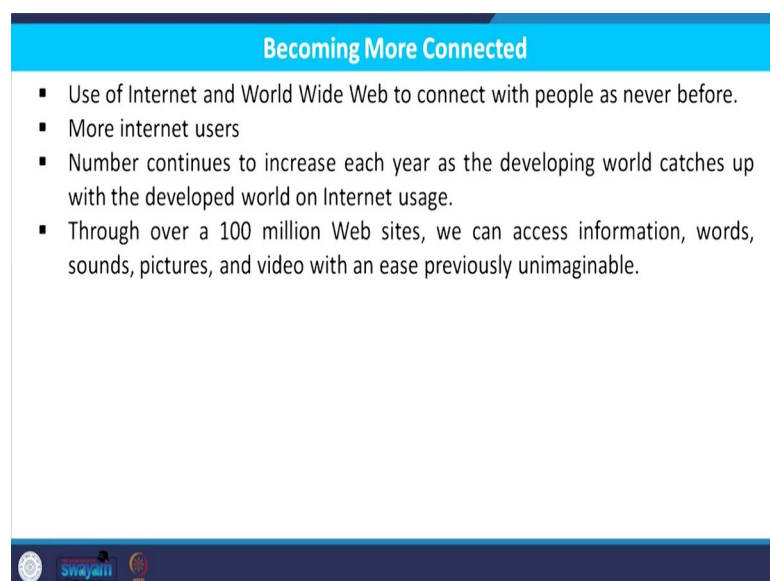
For example, at Intel workers used brown power to move boxes; this will address need of talent shortage due to retirement of baby boomers. To manage green and efficient industries, now Intel acknowledges use of not only brawn power, but the brain power. Using mathematical models to solve transportation problems, trucking routes, trucking routes to minimize environmental impact and to load the truck to minimize fuel use, and for speed of unloading at each destination.

Training managers on skills or expertise in supply chain modeling, statistics, risk management, transportation planning is used. So, these skills are now required across the global companies, the skills of supply chain statistical modeling, risk management and transportation planning.

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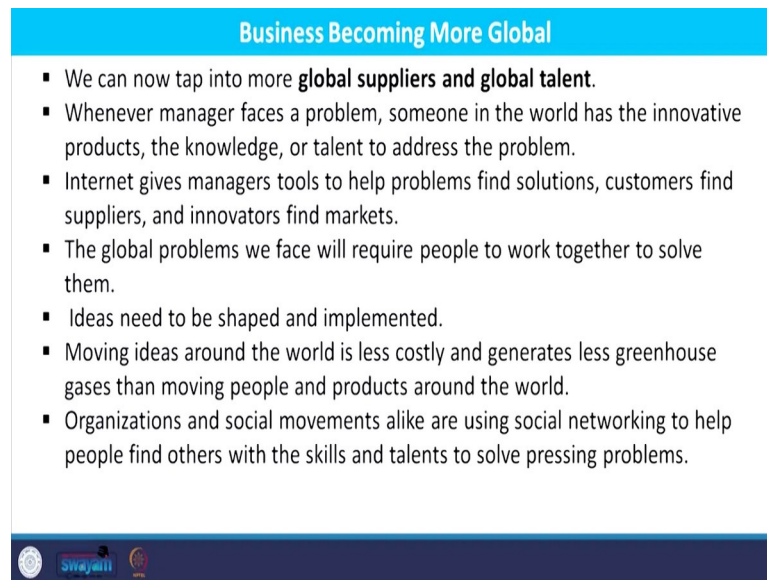


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What are the solutions to meet these challenges? Becoming more connected, then how we can become more connected? Use of internet and worldwide web to connect with people as never before. Through over a 100 million websites, we can access information, words, sounds, picture, video, with an ease previously unimaginable.

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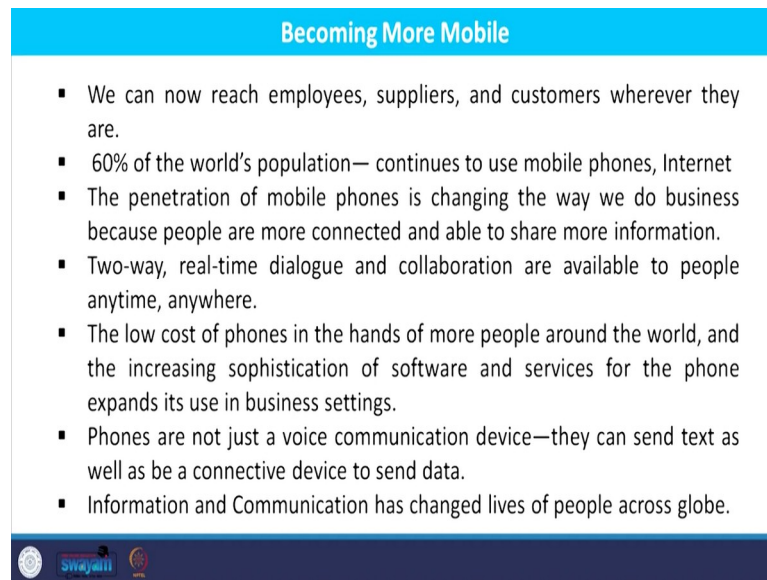
**Business Becoming More Global**

- We can now tap into more **global suppliers and global talent**.
- Whenever manager faces a problem, someone in the world has the innovative products, the knowledge, or talent to address the problem.
- Internet gives managers tools to help problems find solutions, customers find suppliers, and innovators find markets.
- The global problems we face will require people to work together to solve them.
- Ideas need to be shaped and implemented.
- Moving ideas around the world is less costly and generates less greenhouse gases than moving people and products around the world.
- Organizations and social movements alike are using social networking to help people find others with the skills and talents to solve pressing problems.

Second point is business is becoming more global, we can now tap into more global suppliers and global talent. Whenever manager faces a problem, someone in the world has the innovative product, the knowledge or talent to address the problem. Internet gives managers tools to help problems find solutions, customers find suppliers and innovators find markets.

The global problem we face will require people to work together to solve them. Ideas need to be shaped and implemented. Moving ideas around the world is less costly and generates less greenhouse gases than moving people and products around the world. Organizations and social movements alike are using social networking to help people find others with the skills and talents to solve pressing problems.

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The slide has a blue header with the title "Becoming More Mobile". Below the header is a white box containing a bulleted list of seven points. At the bottom of the slide is a dark blue footer bar with three logos: a circular logo on the left, the word "swajali" in the center, and a circular logo on the right.

- We can now reach employees, suppliers, and customers wherever they are.
- 60% of the world's population— continues to use mobile phones, Internet
- The penetration of mobile phones is changing the way we do business because people are more connected and able to share more information.
- Two-way, real-time dialogue and collaboration are available to people anytime, anywhere.
- The low cost of phones in the hands of more people around the world, and the increasing sophistication of software and services for the phone expands its use in business settings.
- Phones are not just a voice communication device—they can send text as well as be a connective device to send data.
- Information and Communication has changed lives of people across globe.

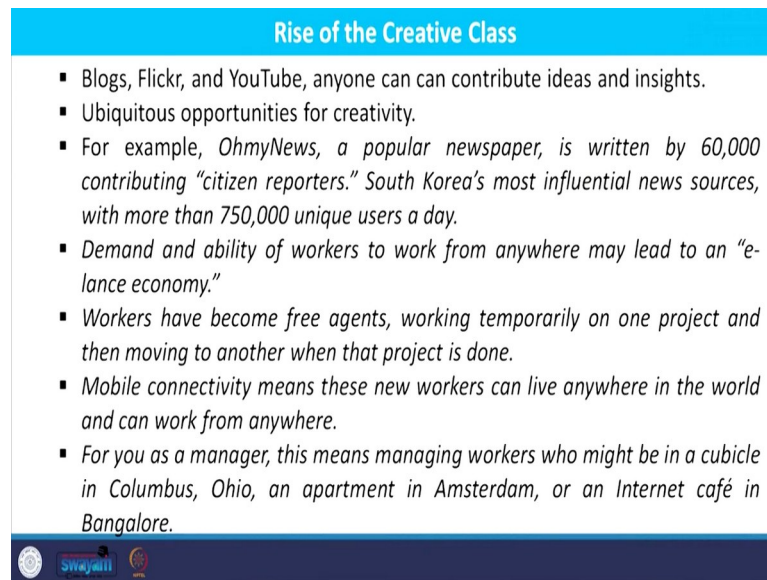
Becoming more mobile, how we are becoming more mobile. We can now reach employees, suppliers, customers wherever they are. 60 percent of the world population continues to use mobile phone, internet. The penetration of mobile phone users is changing the way we do business. Because, people are more connected and are able to share more information.

Two-way real-time dialogue and collaboration are available to people anytime anywhere. The low cost of phones in the hands of more people around the globe and increasing sophistication of software and services for the phones expands its use in the business settings. Phones are not just voice communication device; they can also send text and will be connected to send the data.

Information and communication have changed or transformed the lives of people across the globe. So, that is how becoming more global is one of the opportunities, rise of the creative class. There is also an increasing creative class, blogs, Flickr and YouTube, anyone can contribute their ideas and insights through these platforms, ubiquitous opportunities for creativity or there are ample of opportunities for an individual to be more creative.

A newspaper, for example, OhmyNews popular newspaper is written by 60000 people contributing as citizen's reporters, South Korea's most influential news source with more than 750000 unique users a day.

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**Rise of the Creative Class**

- Blogs, Flickr, and YouTube, anyone can contribute ideas and insights.
- Ubiquitous opportunities for creativity.
- For example, *OhmyNews*, a popular newspaper, is written by 60,000 contributing "citizen reporters." South Korea's most influential news sources, with more than 750,000 unique users a day.
- Demand and ability of workers to work from anywhere may lead to an "e-lance economy."
- Workers have become free agents, working temporarily on one project and then moving to another when that project is done.
- Mobile connectivity means these new workers can live anywhere in the world and can work from anywhere.
- For you as a manager, this means managing workers who might be in a cubicle in Columbus, Ohio, an apartment in Amsterdam, or an Internet café in Bangalore.

Swajathi

So, in a world where there is creativity, where the people can share ideas not restricted to a national boundary or geographical boundary, with the help of rising use of information technology or the social networking site, there increases the opportunity to be more creative, to be more connected, demand and ability of workers to work from anywhere.

Now, people can work from anywhere any time which may lead to e-lance economy; not a freelance economy. So, workers have become free agents working temporarily on one project and then moving onto another project once the work is done. So, mobile connectivity means these are these new workers can live anywhere in the world and can work from anywhere.

So, this working from anytime anywhere concept has also helped the global companies at the time of pandemic. When, there is a requirement to contain the disease to contain the spread of disease, there is a requirement for people to maintain social distance to avoid social interaction.

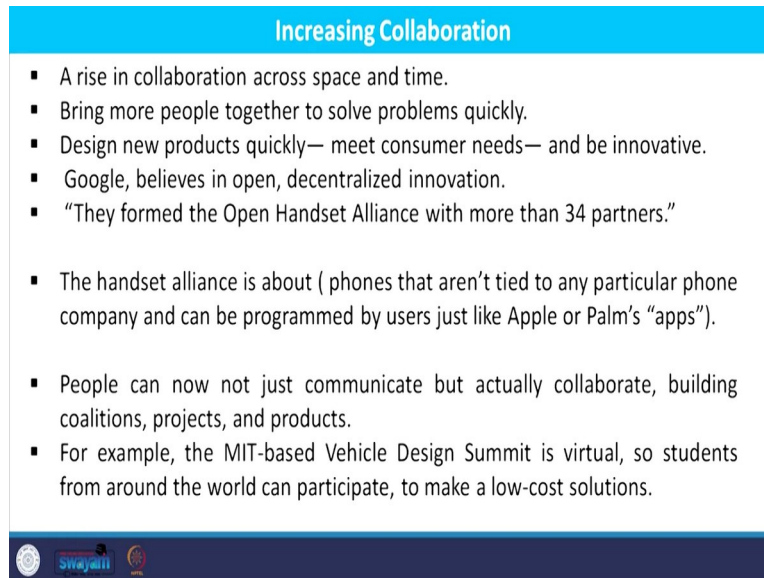
So, people can also take it as an opportunity; those who are working in global companies they can work from their home. So, e-lance has also been an opportunity for global companies.

For you as a manager this means managing workers, who might be in a cubicle in Columbia, Ohio an apartment in Amsterdam, or an Internet cafe in Bangalore. So, it is



very easy to manage people working at different parts different locations across the globe.

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**Increasing Collaboration**

- A rise in collaboration across space and time.
- Bring more people together to solve problems quickly.
- Design new products quickly— meet consumer needs— and be innovative.
- Google, believes in open, decentralized innovation.
- “They formed the Open Handset Alliance with more than 34 partners.”
- The handset alliance is about ( phones that aren’t tied to any particular phone company and can be programmed by users just like Apple or Palm’s “apps”).
- People can now not just communicate but actually collaborate, building coalitions, projects, and products.
- For example, the MIT-based Vehicle Design Summit is virtual, so students from around the world can participate, to make a low-cost solutions.

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Now, next we will discuss about how we can increase collaboration, or increasing collaboration is also an opportunity for global business. A rise in collaboration across space and time, being more people connected or being more. Bring more people together to solve problems quickly. Design new products quickly meet consumer needs and be innovative.

Google believes in open, decentralized innovation; they formed the open handset alliance with more than 34 partners. The handset alliance is about phones that are not tied to any particular phone company, and can be programmed by users just like Apple or Palm apps. People can now not just communicate, but actually collaborate building coalitions, projects and products. For example, MIT based vehicle design summit is virtual, so, students from across the world, they can participate to make a low-cost solution.



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**Top business trends with greater impact on business over the next five years**

1. Competition for talent will intensify, become more global.
2. Centers of economic activity will shift globally, regionally.
3. Technological connectivity will increase.
4. Ubiquitous access to information will change economics of knowledge.
5. Demand for natural resources will grow, as will strain on environment.
6. Population in developed economies will age.
7. Consumer landscape will change, expand significantly.
8. Role, behavior of business will come under increasing scrutiny.
9. Organizations will become larger, more complex.
10. New global industry structures will emerge (e.g., private equity, networked).

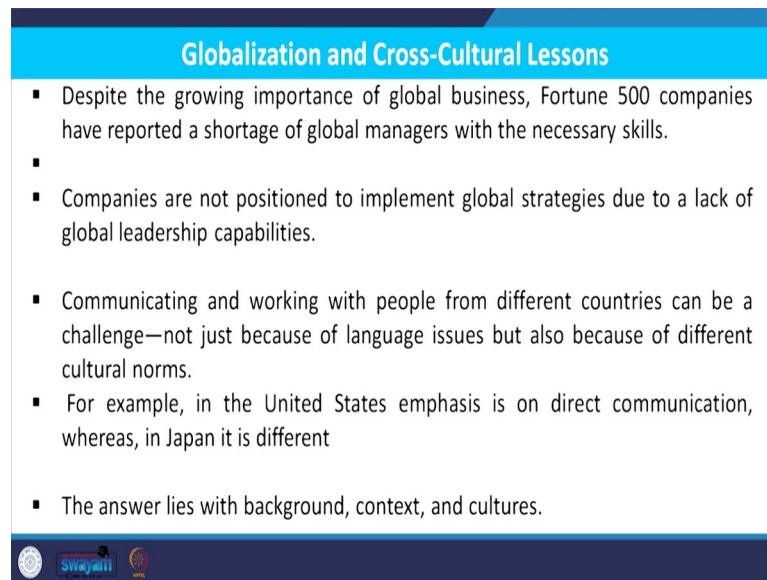
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So, top business trends with great impact on business over the next five years. Competition for talent will intensify and become more global. Centers of economic activity will shift globally regionally. Technological connectivity will increase. Ubiquitous access to information will change economics of knowledge.

Demand for natural resource will grow, as will strain on environment. Population in developed economies will age. Consumer landscape will change, expand significantly. Role, behavior of business will come under increasing scrutiny. Organizations will become large, more complex.

New global industry structures will emerge for example, private equity or networked organizations. So, with this what we have discussed is in a global economy, there are some challenges and opportunities. So, managing in a global environment is very difficult so, despite the global globalization. Now, we will discuss about globalization and cross-cultural lessons.

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**Globalization and Cross-Cultural Lessons**

- Despite the growing importance of global business, Fortune 500 companies have reported a shortage of global managers with the necessary skills.
- 
- Companies are not positioned to implement global strategies due to a lack of global leadership capabilities.
- Communicating and working with people from different countries can be a challenge—not just because of language issues but also because of different cultural norms.
- For example, in the United States emphasis is on direct communication, whereas, in Japan it is different
- The answer lies with background, context, and cultures.

Despite the growing importance of global business, Fortune 500 companies have reported a shortage of global managers with necessary skills required for performing effectively in the global business. So, companies are not positioned to implement global strategies due to a lack of global leadership capabilities.

Communicating and working with people from different countries can be a challenge, not just because of the language barrier or language issues but also because of the cultural norms differing cultural norms. So, communicating and working with people from different countries can be a challenge not just because of language issues, but also because of different cultural norms.

For example, in United States, emphasis is on direct communication whereas, in Japan it is different or Japanese emphasize on nonverbal communication. So, the answer lies with the background, the context and culture.

So, the companies which are working are having their businesses across globe, they need to have understood the culture of the country, where there having the business the context the background, the language adaptability, the communication style and various aspects of the organization various aspects of the culture.

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## The Global Environment

- In the past, managers have viewed the global sector as closed.
  - ❖ Each country or market was assumed to be isolated from others.
  - ❖ Firms did not consider global competition, exports.
- Today's environment is very different.
  - ❖ Managers need to view it as an open market.
  - ❖ Organizations buy and sell around the world.
  - ❖ Managers need to learn to compete globally.

4-27

What is a global environment? In the past, managers have viewed global sector as closed. Each country or market was assumed to be isolated from the others, there was no flexibility or there was no free flow of trade across the globe. Firms did not consider global competition, exports. Today the business environment is completely different. Managers need to view the market as an open market organization, buy and sell across the globe across the world.

Managers need to learn to compete globally, competitive world competition is intense. And, those companies will be able to succeed and survive, those who have adopted the world class global practices, global management practices, who have adapted to the cultural sensitivity of the market who have understood. The language of different countries and where the managers have been trained to adopt the management practices which are world class.

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**The Global Marketplace**

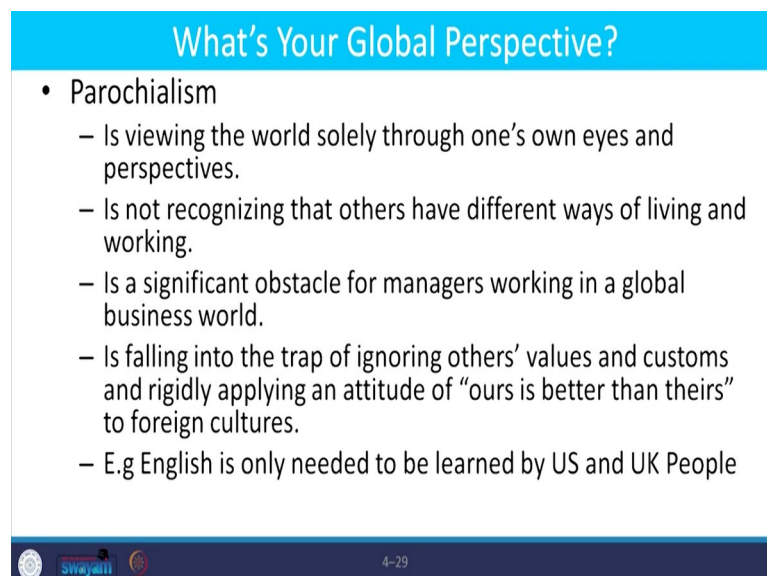
- Opportunities and Challenges
  - Coping with the sudden appearance of new competitors
  - Acknowledging cultural, political, and economic differences
  - Dealing with increased uncertainty, fear, and anxiety
  - Adapting to changes in the global environment
  - Avoiding parochialism

4-28

So, what are the opportunities and challenges in the global market place? Coping with sudden appearance of new competitors; yes, when the world market is open, there would be competition from different companies in a business, there are many companies who are operating in a particular industry.

So, coping with sudden appearance of new competitors, acknowledging cultural political and economic differences is important, dealing with increasing uncertainty fear and anxiety, adapting to changes in the global environment and avoiding parochialism.

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**What's Your Global Perspective?**

- Parochialism
  - Is viewing the world solely through one's own eyes and perspectives.
  - Is not recognizing that others have different ways of living and working.
  - Is a significant obstacle for managers working in a global business world.
  - Is falling into the trap of ignoring others' values and customs and rigidly applying an attitude of "ours is better than theirs" to foreign cultures.
  - E.g English is only needed to be learned by US and UK People

4-29

What is your global perspective? What is parochialism? I will discuss about the parochialistic viewpoint; **parochialism is viewing the world through your own lens or through your own eyes and perspective**. Managers view the world market or the world from their own perspective, it is not recognizing that others have a different way of living and working.

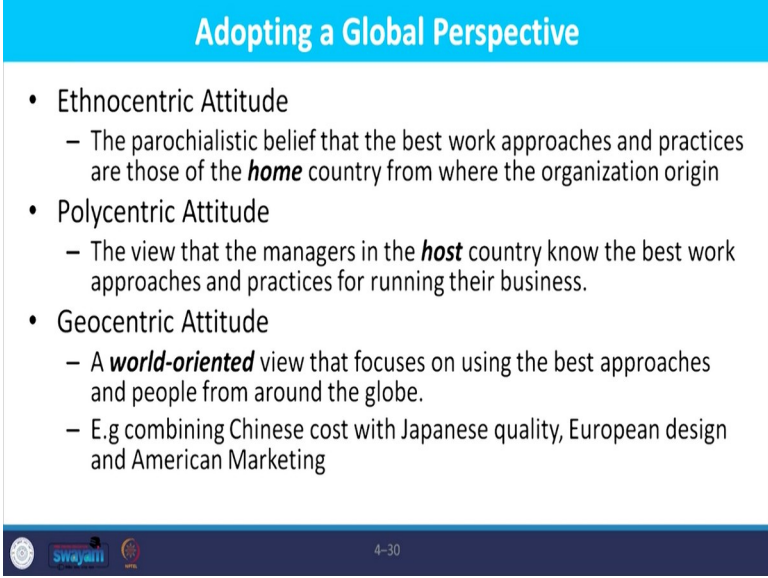
So, earlier the managers perceived the business world from their own perspective, they did not differentiate any kind of variation, in culture, in the business operations in different countries. So, managers never recognized that others have different ways of living, their different practices adopted in different workplaces.

It is a significant obstacle for managers working in a global business world. Those who ignored the individual differences in culture, in working practices, and standards of living, they have not understood that the world has changed. And this becomes a significant barrier for managers working in global firms' global organizations.

The managers not being able to differentiate between the working style or living standards of living, ways of living or lifestyles of different countries, lifestyles of people in different countries. So, falling into the trap of ignoring other values and customs and rigidly applying an attitude of ours is better than the foreign culture. *So, parochialism basically means people ignore differences between the way of living of people of different culture, and the working practices, their cultural differences, which becomes an obstacle for managers working in global business world.*

And they also assume that their working practices, their value system, their custom is better than the others. So, this than the foreign cultures. English is only needed to be learned by US and UK people is one example of parochialistic attitude or parochialism.

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The slide is titled "Adopting a Global Perspective" in a blue header. It lists three types of attitudes with their descriptions and examples. At the bottom, there are logos for Swajathi and a page number 4-30.

- Ethnocentric Attitude
  - The parochialistic belief that the best work approaches and practices are those of the **home** country from where the organization origin
- Polycentric Attitude
  - The view that the managers in the **host** country know the best work approaches and practices for running their business.
- Geocentric Attitude
  - A **world-oriented** view that focuses on using the best approaches and people from around the globe.
  - E.g combining Chinese cost with Japanese quality, European design and American Marketing

So, adopting a global perspective, there are different attitudes which global firms have ethnocentric attitude, polycentric attitude, geocentric and regiocentric attitude. Ethnocentric attitude is the parochialistic belief, that the best work approaches and practices are those of the home country. And, where the organization has its origin or the home country practices are assumed to be the best practices.

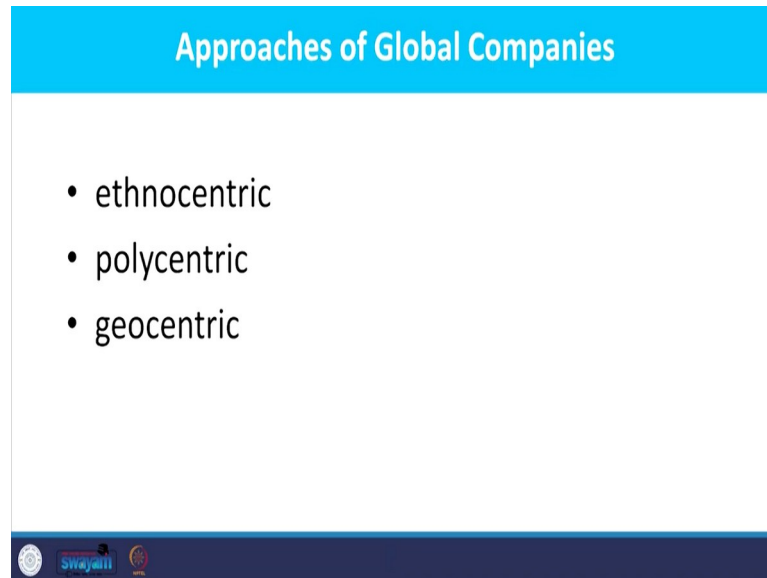
Polycentric attitude is the view that managers in the host country know the best approaches and practices for running their business, some managers have polycentric attitude; the view that the host country nationals, the host country knows the best work approaches and practices for running business.

Geocentric attitude is a world-oriented view or a holistic or a global perspective or globally accepted attitude a world-oriented view that emphasizes on the best approaches and people from around the globe. So, their attitude is basically to incorporate the best management practices, available across the globe to identify the best talent across the globe. And hire the best talent across the globe in their companies.

So, ethnocentric, polycentric, geocentric attitude are adopted by adopted differently by different multinational companies. For example, geocentric attitude for example, combining Chinese cost with Japanese quality, European design with American marketing and there is also another attitude which is called regiocentric. Where, the

emphasis is on hiring people from a particular geographic region, adopting the management practices of a particular geographical boundary or region.

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So, these are the approaches which the global companies adopt, one is ethnocentric, polycentric, geocentric and some companies do also adopt regiocentric attitude. So, we will discuss about the values and international staffing policies in ethnocentric, polycentric and geocentric. We will discuss about the approaches of global companies and the values and international staffing policies of these companies.

Ethnocentric companies will make sure the home countries attitude, management style, knowledge evaluation criteria, etcetera prevail through filling key management jobs with parent country nationals. Polycentric companies believe that only the host country managers can understand the culture and behavior of the host country market.

And the foreign subsidiary should be managed by host country nationals. Polycentric companies believe that only the host country managers can understand the culture and behavior of the host country market. And the foreign subsidiary should be managed by host country nationals and home office with parent county nationals.

Then geocentric companies believe that best managers for the firm could be located anywhere. So, they look at all the management for potential and staff, on the basis of

choosing the best people, best talent, for key positions regardless of their nationality. In the next lecture, we will discuss about types of international organizations.

In this section, we discussed about importance of global management for managers, knowledge required for managing international business. What is international management? Then, growing interest in global management practice or international business. We discussed about the challenges changing dynamics of business world the challenges and opportunities.

And, then several other factors, we discussed we further discussed about what are the opportunities and solutions, solutions to meet these challenges, and rise of creative class, becoming more mobile business, becoming more global, becoming more connected. And, further we classified the top business strengths with greater impact on business over the next 5 years.

And, how to manage in a global environment, globalization, and cross cultural issues, the global environment, the global market place, and the global perspective with parochialistic views, and how multinational companies can adopt, a global perspective, ethnocentric attitude, polycentric attitude, geocentric attitude.

So, with this I conclude this lecture here, in the next lecture I will discuss about the types of multinational organizations or types of international organizations.

Thank you.