21

A Parcel to Spain: Reconciling Cultural and Managerial Dilemmas Caused by the Implementation of Corporate Culture Instruments

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1 Possible answers

1.1 What do you think about the corporate values of Pharmatix? What is striking about them? Compare them with the findings of Mercier in Table 21.1.

Surprisingly, the corporate values communicated are relatively general and universal, referring neither directly to the company's activities nor the specific culture of an organization. There is only one corporate value of Pharmatix ("excellence") that is linked to business and economic performance. This was already demonstrated by Mercier (2001): corporate values were divided into two categories, one relating to *business performance* and including items such as "value creation", "innovation" or "excellence", and the other relating to *social relationships* and encompassing values such as "respect", "trust" or "integrity". Interestingly, value categories referring to social relationships predominate by far.

Formalized corporate value	Category	Occurrence in %
Respect for other people	Social	55
Respect for customers	Social/performance	55
Trust	Social	40
Value creation	Performance	35
Responsibility	Social	30
Teamwork	Social	27
Protecting the environment	Social	27
Integrity	Social	25
Professionalism	Social	25
Innovation	Performance	22
Excellence	Performance	22
Quality	Performance	22
Commitment	Social	22

Table 1: Occurrence of values in large French companies (Mercier 2001: 67, translation)

1.2 What is the main dilemma the HR director is facing in relation to the marketing manager? What are the underlying value orientations? Refer to the cultural dimensions of Hampden-Turner and Trompenaars:

a) What may be the most important value orientations that could drive the attitude/decision of the HR manager?
b) What may be the value orientations behind the attitude/behaviour of the marketing manager?

The main dilemma between the HR director Markus Schmidt and the marketing manager Maria Müller is how to view the universality of the laws and global codes of conduct of the headquarters within the company and how much to respect them in certain circumstances, or even find exceptions to them. It is indeed important to consider how the normative instrument of the code of conduct is adapted or "interpreted" in working situations.

For this reason, the value orientations or cultural dimensions of *universalism* and *particularism* seem to be relevant: *universalistic* behaviour is generally rule-oriented, helps create equity and does not tolerate exceptions. This equity pertains to rules and prohibitions, for example, as well as to the application of codes of conduct. Breaches of the rules destabilize the system and are therefore punished. This seems to be the value orientation of the HR director, because he insists on following the code of conduct, regardless of the special circumstances of what can be seen as just an incident. And hence he is not ready to make any exception.

In contrast, a *particularistic* orientation places more value on the personal responsibilities with respect to the special circumstances of certain situations and with respect to people that one supports or opposes. This is because the abiding concept is that rules and regulations are not hard and fast, or can even be somewhat vague and abstract representations, and therefore do not apply to everyone. They may be interpreted by individuals according to the given situation. Exceptions are thus tolerated and are an expression of personal freedom and creativity or flexibility. This seems to be the value orientation of the marketing manager, because although she does respect the general rules as a whole, she also needs to be flexible and practical in her action considering her workload and main business focus.

1.3 Try to resolve the conflict and reconcile cultural differences by using the dilemma theory, in particular:

a) the four options and
b) the five steps to reconciliation.

Use the reconciliation grid to visualize your answers.

a) Four options for dealing with the dilemma

Options	HR director (Schmidt)	Marketing manager (Müller)
1. Ignore other cultures	Totally *universalistic*, "the law is the law" principle. No personal exception possible. The employee will be fired because she broke a law by not respecting the code of conduct she had signed (legal aspects).	Totally *particularistic.* Only my personal situation counts; rejection of any general rule; an exception for me must be made.
2. Abandon your standpoint	Totally *particularistic.* Considering the personal situation of the employee, an exception will be made. Forget the rules!	Totally *universalistic.* I am guilty and the law must be enforced. No personal exception can be made here. So I must resign.
3. Compromise	Take the worst from both worlds and lose values and identity on both sides. Take a negative approach in mixing *universalism* and *particularism* and find a lukewarm compromise only for this particular case, neglecting to use the dynamics created to further settle the case for the future. Likely to make both sides unsatisfied and frustrated. A feeling of a missed opportunity afterwards.	
4. Reconcile	Take the best from both worlds while respecting values and identity. Go further than the compromise and read between the lines: what was the message in the employee's attitude? See the case as an opportunity to create something new, take a positive approach in mixing *universalism* and *particularism*. For a synergetic solution it is of importance that the protagonists can build on a commonly accepted sense which has been (re)created by a shared frame of reference that makes it possible that solutions are accepted by all the parties involved. To find the best solutions for everyone, a collective social negotiation process should take place.	

Table 2. Four options for dealing with the dilemma

We can see that individual members of one and the same culture are influenced to varying extents by the value orientations typical of that culture. One can also argue that the HR director is more influenced by universalism because it is inherent in the function he has: amongst other things, to ensure compliance with corporate rules/the code of conduct. On the other hand, the marketing manager has a more pragmatic approach to her work, which leads her to behave in a way which does not comply with the code of conduct.
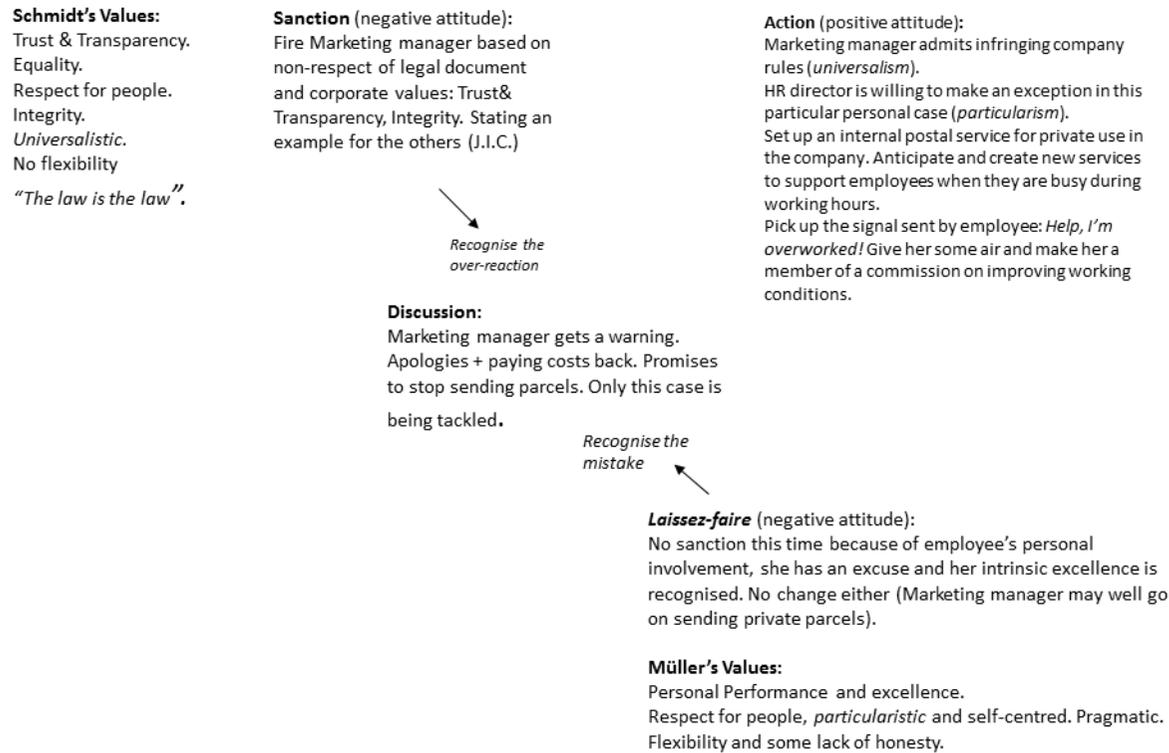
Schmidt's Values:
Trust & Transparency.
Equality.
Respect for people.
Integrity.
Universalistic.
No flexibility

"The law is the law".

Sanction (negative attitude):
Fire Marketing manager based on
non-respect of legal document
and corporate values: Trust&
Transparency, Integrity. Stating an
example for the others (J.I.C.)

*Recognise the
over-reaction*

Discussion:
Marketing manager gets a warning.
Apologies + paying costs back. Promises
to stop sending parcels. Only this case is
being tackled.

Action (positive attitude):
Marketing manager admits infringing company
rules (*universalism*).
HR director is willing to make an exception in this
particular personal case (*particularism*).
Set up an internal postal service for private use in
the company. Anticipate and create new services
to support employees when they are busy during
working hours.
Pick up the signal sent by employee: *Help, I'm
overworked!* Give her some air and make her a
member of a commission on improving working
conditions.

*Recognise the
mistake*

Laissez-faire (negative attitude):
No sanction this time because of employee's personal
involvement, she has an excuse and her intrinsic excellence is
recognised. No change either (Marketing manager may well go
on sending private parcels).

Müller's Values:
Personal Performance and excellence.
Respect for people, *particularistic* and self-centred. Pragmatic.
Flexibility and some lack of honesty.

Figure 1: The reconciliation grid

b) Five steps to reconciliation

Step 1: Eliciting the dilemma

- Specify who the dilemma holder is**:** in this case it is Markus Schmidt, the Human Resource Director of Pharmatix dealing with that parcel sent to Spain by Maria Müller, a marketing manager.
- Make the dilemma explicit as perceived by Markus Schmidt using the following phrasing:
  On the one hand we need/want to…; while on the other hand we also want/need to…
  On the one hand I want to reach global consistency and enforce the company rules which all employees need to accept and comply to (unity); while on the other hand I also want to keep some flexibility locally and treat people differently to respond to specific needs (diversity).
- Identify which of the seven dimensions as presented in the book (Chapter 21, 3.2) are involved here. A quick review of the seven dimensions shows that *universalism vs. particularism* is the best fit for the issue at stake here because it involves universal laws opposed to local circumstances and possible expectations. Other dimensions could also apply here: *specific vs. diffuse* in terms of the behaviour of both protagonists or *individualism vs. communitarianism* considering the individual action of Ms Müller as opposed to the global community rules enforced by Mr Schmidt.

Step 2: Charting the dilemma

- Label both axes on a grid with the dimension you chose.
- Follow the standard vertical/horizontal convention. *Universalism*, i.e. respect for global rules, comes on the vertical axis and *particularism*, i.e. exception and local situation, comes on the horizontal axis.

Step 3: Stretching the dilemma

Think of the *positives* of Position 1 (*universalism* and rules). Possible advantages of choosing a universalistic attitude respecting rules are:
- Emphasizing unity at all levels, global and local, one company feeling everywhere through global consistency
- Implementing standardized HR processes, simplicity of procedures, a cost-cutting approach
- Treating all employees in the same way everywhere, regardless of rank, position, background, local contexts
- Avoiding uncertainty, diffuseness or ambiguity
- Achieving global consistency in all areas, incl. ethical matters
- Radiating a truly multinational image to all stakeholders

Think of the *positives* of Position 2 (*particularism* and exceptions). Possible advantages of choosing a particularistic approach towards local flexibility are:
- Emphasizing diversity on a local level
- Showing local flexibility and adaptability in HR processes due to exceptional situations
- Recognizing the great work performance of local employees
- Achieving short-term profit by keeping status quo and well-being in a "no fuss" attitude
- Expressing empathy with local employees
- Supporting local employment and community development

Think of the *negatives* of Position 1 (*universalism* and rules). Possible disadvantages of choosing a universalistic attitude respecting rules are:
- Ignoring diversity and exceptions on a local level
- Producing rigidity by sticking to universal HR processes
- Lacking empathy and support of local employees
- Blocking local exceptional achievements or initiatives on all levels
- Frustrating local employees in their particular developments
- Losing focus for possible local innovation and sustainability actions

Think of the *negatives* of Position 2 (*particularism* and exceptions). Possible disadvantages of choosing a particularistic approach towards local flexibility are:
- Ignoring corporate unity and global consistency
- Lack of compliance with the national law of HQ
- Creating precedents and hence in the longer term social and ethical problems
- Producing many local contexts (little kingdoms) that lead to anarchy
- Blocking implementation of universal ethical and sustainable developments, actions and initiatives
- Frustrating local employees in their work and expectations due to the absence of general rules and HR standards (why-him-and-not-me attitudes of envy)
- Losing global focus while being a part of a multinational company

Step 4: Finding epithets

Find descriptive, funny, stigmatizing, labels for the two positions (1,10 and 10,1) and the intermediate one (compromise 5,5). As a reference use the positive and negative aspects listed in Step 3.
- Suggestions for graphic or symbolic illustrations for the two opposite positions: rule vs. exception, global vs. local, universal values and standards vs. local values and standards, we vs. I, business life vs. private life, etc.
- Suggestions for slogans: *dura lex, sed lex* (= *the law is harsh, but it is the law*) vs. *tutti quanti* (= *a bit of everything*).
- Suggestions for the compromise (5,5): *United we stand, divided we fall*. It seems like you have no alternative.

Step 5: Reconciling the dilemma

Combine the strengths of Position 1 with those of Position 2 and vice-versa.
Think of a solid reconciliation going further than the mere compromise.
Suggest actions to be taken in view of the proposed reconciliation:

- Suggestions for a *compromise*: dealing with this incident only. On the *universalism* side: a warning to the employee for breaking the rule and on the *particularism* side some acknowledgement of the foul with payment of the costs. Also, giving a promise not to do it again. This results on both sides in a loss of identity and values leading to a lose-lose situation. Although such an outcome could be seen as valuable and feasible in many cases, it is far too limited in its impact. Both parties can go further than that for a real win-win situation.
- Suggestions for *reconciliation* of the dilemma rule vs. exception: while you need to comply with universal company rules, you also need to go beyond the compromise and look for the limits of what is globally and locally acceptable and take a positive approach in maintaining respect for the rules and creating flexibility and a new work environment for the employees. Offering not only a balance between work and private life, but also creating some facilities (a post office) for the personnel for basic shopping at or near the company premises.
- Other suggestions for reconciliation: seeing the employee's attitude as a signal for being overworked (sound HR processes rule out working 60 hours/week for an employee: it is not sustainable). Giving this employee some air by reducing her workload, adapting her job description accordingly. Also, making her a member of a commission on improving working conditions for local employees.
- More suggestions for reconciliation: creating local best practices out of this incident while also respecting universal company rules (*diversity through unity*) and enabling implementation of those also on a global level (*unity through diversity*). Developing centres of excellence on HRM areas that radiate all through the company and beyond, reaching out to all stakeholders. By creating a positive, dynamic and evolving process towards reconciliation of this dilemma, you set the basis for a sustainable win-win context respecting values, codes and practices on both sides. This ambition in the HRM domain can be best illustrated by the slogan: *We can find common ground only by moving to higher ground (Jim Wallis)*. Write it in the balloon of the reconciliation position 10,10. Another possible slogan for this balloon is: *Share our similarities, celebrate our differences (M. Scott Peck)*.

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