Cross-cultural entrepreneurship: Entrepreneurship at the Interface of Cultures

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Business ethics, management styles and entrepreneurship

Content
1. Examples of value related management problems
2. Values at the crossroads: past, present, inside and outside
3. Communitarianism and individualism, hierarchy and egalitarianism
4. Voluntarism, sequential time management, attitude to labor
5. Universalism and particularism
6. Civil society versus gated networks
7. Choices in doing business once again
8. The role of religion
Six important parameters for business cultures

1. **Collectivism** (in-group) – **individualism** (singled out): either the group or individual is more important.

2. **Hierarchy** (power distance) – **egalitarianism** (dialogue): decisions are taken top-down or more bottom up.

3. **Uncertainty avoidance** (tradition, fatalism) – **voluntarism** (initiative): difficult to get out of one’s comfort zone (losing face) or individual judgment (and risk, or rewards)

4. **Synchronic** (everything at once) – **sequential** (planning)

5. **Status by position/tradition** – **status by achievement/labor**

6. **Particularist** (gated networks) – **universalist** (equal access, law enforcement): get something done via friends/relations or via rules and procedures
6. Universalism versus particularism

Every body is dealt with according to general rules, implying equal access,

Or:

Treatment according to personal relationships, privilege, clientelism, patronage

Within an individual company or organization, but also within society in general

Not only a value, but also embodied in institutions
Universalism versus particularism

• In every culture not black and white, but a continuum: old boys network, established relationships, continuity and reliability versus open competition, tendering.

• Relationship with the distinction between low context – high context, or specific and diffuse

• Relationship with distinction between neutral behavior and affectionate

• Anonymous trust versus selective trust

Not everyone can be trusted. I think we all have to be very selective about the people we trust.

– Shelley Long
Governance models: family or social contract

Family lineage and clan existence: establishing a tradition, connection between the generations, a spiritual body through time.

Individuals, supposedly contracting with each other to maintain a society to mutual benefit, according to universal rules.

Old myth versus new myth