

International OB

East–West Differences: It’s Perceptual

As you read this book, you’ll find we often compare how organizational behavior concepts and theories work in the East (particularly Asia) and the West (particularly the United States). Given the size, economic power, and value differences between them, the comparison makes sense.

Nowhere are their OB differences clearer than in perception. First, Asians are less likely to commit the fundamental attribution error. Specifically, Japanese are less likely to show a bias in attributing a person’s behavior to internal factors rather than external or situational forces.

Second, and related, Asians appear to focus more on the context or environment than on the person. When researchers showed Chinese and U.S. participants a photo with a focal object (like a train) with a busy background, using eye-tracking devices they found U.S. subjects were more likely to focus on the focal object, whereas Chinese were more likely to look at the background. As one researcher, University of Michigan’s Richard Nisbett, concluded, “If people are seeing different things, it may be because they are looking differently at the world.”

These differences may even be rooted in our brain architecture. Using brain scanning devices (fMRI), Denise Park of the University of Illinois found that when Singaporeans were shown pictures where either the foreground or background was varied, their brains were less attuned to new foreground images and more attuned to new background images than those of U.S. subjects. This suggests that the tendency to focus on the person or the context is rooted deep in the “hard wiring” of our brains.

Finally, Cornell’s Qi Wang has found that culture affects what we remember as well. When asked to remember events, U.S. subjects recall more personal detail and their own personal characteristics, whereas Asians recall more about personal relationships and group activities.

As a set, these studies provide striking evidence that Eastern and Western cultures differ in one of the deepest aspects of organizational behavior: how we see the world around us.

Source: Based on T. Masuda, R. Gonzalez, L. Kwan, and R. E. Nisbett, “Culture and Aesthetic Preference: Comparing the Attention to Context of East Asians and Americans,” *Personality and Social Psychology Bulletin* 34, no. 9 (2008), pp. 1260–1275; Q. Wang, “On the Cultural Constitution of Collective Memory,” *Memory* 16, no. 3 (2008), pp. 305–317; D. C. Park, “Developing a Cultural Cognitive Neuroscience of Aging,” in S. M. Hofer and D. F. Alwin (Eds.), *Handbook of Cognitive Aging* (Thousand Oaks, CA: Sage Publications, 2008), pp. 352–367; and C. West, “How Culture Affects the Way We Think,” *APS Observer* 20, no. 7 (2007), pp. 25–26.

Class Exercise

In 1995 Bud Light’s advertising agency began working on the concept of standardizing advertising across all global markets of the product. They created an advertisement that contained no words by presenting a concept in visual context. Without words, the problem of translation to a different language and logistic of production were reduced.

One of the early global markets was the Chinese market. Because of cultural perceptions, the result in China was very much different from what the agency expected.

1. Divide into groups of three to five people.
2. View the ad as an individual or as a group. <http://www.youtube.com/watch?v=-BwPz574MA>
3. Discuss in the group how differences in culture might result in differences of interpretation.
4. If you decide there is a possibility of misinterpretation, what would you suggest as a solution to meet the advertiser's goals while ensuring more similar interpretations globally?
5. Present your conclusion to the class to open discussion to each group's interpretations.

Note: This is a real situation. When the ad was played in China, it was early in Bud Light's marketing efforts so the people were not totally aware of the product. When the Chinese saw the ants carrying the "brown bottle" and going vertical in their nest, followed by the pounding earth, they thought it was a pesticide killing the ants (predominant use for brown bottles in Chinese culture). To overcome the misinterpretation, the modified version of the ad ended with a pan down shot to the underground ant nest showing them partying at what looks like a bar or nightclub. This ensured that the viewers knew they were partying and not dying.

Source: David L. Sturges, personal observation, Corporate Communication Conference, Madison, NJ. 1996.

Myth or Science? “Is There Really A Black Swan?”

Wall Street trader and NYU professor Nassim Nicholas Taleb is famous for his best-selling book *The Black Swan*. The title comes from John Stuart Mill’s philosophical position that just because all swans we have seen are white doesn’t prove there is no such thing as a black swan (there are black swans, though Europeans had not seen one until they were discovered in Australia in 1697). Taleb uses the term black swan to denote rare but highly consequential events we often fail to appreciate and argues that the subprime meltdown, the financial sector collapse, and global recession all represent such occurrences.

Taleb is correct, of course, that there are black swans. Outlier events often define the course of organizations. Yet they are generally hard to predict and difficult to manage because they are rare. Long-Term Capital Management, the hedge fund founded by Nobel laureates, did quite well until, like many investment firms, it found itself surprised by “shocks” its complex models had not considered. Once its returns went negative, like many funds, it experienced a flight-to-liquidity crisis and is no more.

How is Taleb’s black swan useful? Taleb argues we are too focused on, and too confident about, future predictions. “What is surprising is not the magnitude of our forecast errors,” he writes, “but our absence of awareness of it.” Danger is especially great when times are good and volatility is low because, like the turkey fed every day until Thanksgiving, we discount the possibility of calamitous shocks.

According to Taleb, we should recognize the importance of what we don’t know—the “unknown unknowns”—rely less on our financial models, weigh risk more, and resist the temptation to rationalize past black swan events as predictable. “Trying to model something that escapes modelization is the heart of the problem,” he says.

Source: Based on N. N. Taleb, *The Black Swan: The Impact of the Highly Improbable* (New York: Random House, 2007); “Fear of the Black Swan,” *Fortune* (April 14, 2008), pp. 90–91; and R. Langreth, “Black Swan Bets,” *Forbes* (January 15, 2009), www.forbes.com.

Class Exercise

A rising theory that includes the concepts inherent in the Black Swan is Chaos Theory. Originally a mathematical concept, it recently has been applied to events in organizational operational environments. One of the most public applications was the movie *Jurassic Park*.

1. Form groups of three to five students.
2. Read the essay at <http://www.directessays.com/viewpaper/11610.html>
3. Have the group discuss the ramifications of the Black Swan or Chaos Theory on the university operational environment.
4. Have the groups present to the class.

Note: William Haney in his book *Communication and Interpersonal Relations*, Richard D. Irwin, Inc., 1979, suggested one of the earliest applications of this concept to

organizational behavior. There he talks about a barrier to communication called “allness,” defined as situations based on two assumptions. 1) It is possible to know and say everything about something, and 2) What I am saying (or writing or thinking) includes all that is important about a subject. This means that it is common for people communicating to assume they know everything about the topic. No recognition is acknowledged that unknown facts exist which can have tremendous effects on the situation. The result can be catastrophic events caused by the failure to communicate.

One of the best public examples of this is the television show *All in the Family*. Allness was a frequent basis for the show’s humor. As an example, view <http://www.youtube.com/watch?v=kCB0xJhSz44>.

An Ethical Choice

Is It Wrong to Rationalize?

The self-serving bias lets us claim credit for our successes but avoid responsibility for our failures. A related concept, rationalization, lets us construct explanations for our behaviors that may be inaccurate or self-serving.

When are rationalizations right and wrong? The easy answer is that rationalizations are right when they're factually correct—we should explain our behavior accurately, acknowledging that luck or others' help may explain our success and that some failures are our own fault.

But even our perceptions of fact may be self-serving. In one experiment, individuals rated the desirability of owning various objects and were told they could take home one of two objects they rated the same. After the subjects had made their choice, the researchers found they perceived the object they chose as much more desirable than the one they didn't—even though minutes before they had rated them equally desirable.

How can you avoid rationalizing? Here are some guidelines:

1. First, **admit you have a problem** (as do we all). Several studies of physicians reveal that while they deny the influence on their prescribing behavior of gifts and meals from pharmaceutical representatives, such contacts do influence them. It's hard to analyze the ethicality of our behavior if we don't start by being honest with ourselves.
2. **Don't rely on public disclosure and accountability to shame people out of rationalizing.** That may only exacerbate self-serving biases because they make people more defensive. We may only succeed in burying the rationalization so it's harder for everyone to see.
3. **Let yourself off the hook.** Everyone rationalizes at one time or another. Our tendency to rationalize may be biological—even monkeys show evidence of self-serving attributions. As one review concluded, "Bias is not a crime, is not necessarily intentional, and is not a sign of lack of integrity; rather, it is a natural human phenomenon."

Source: Based on J. Shepperd, W. Malone, and K. Sweeny, "Exploring Causes of the Self-Serving Bias," *Social and Personality Psychology Compass* 2, no. 2 (2008), pp. 895–908; D. M. Cain and A. S. Little, "Everyone's a Little Bit Biased (even Physicians)," *JAMA: Journal of the American Medical Association* 299, no. 24 (2008), pp. 2893–2895; and J. Tierney, "Go Ahead, Rationalize. Monkeys Do It, Too," *New York Times* (November 6, 2007), pp. S1–S2.

Class Exercise

1. Divide the class into groups of three to five students each.
2. Have the students view the video <http://www.youtube.com/watch?v=iP7v62zD6b8> as a group or individually.
3. Discuss the application of rationalization.
4. Ask if anyone wants to relate a situation they rationalized. What were the ramifications of rationalization? What would they have done differently to accomplish a different outcome?

Point/CounterPoint

When In Doubt, Do!

Point

Life is full of decisions and choices. The real question is not “To be, or not to be” but rather “To do, or not to do?” For example, “Should I confront my professor about my midterm grade?” “Should I buy a new car?” “Should I accept a new job?” “Should I choose this major?” Very often, we are unsure of our decision. In such cases, it is almost always better to choose action over inaction. In life, people more often regret inaction than action. Take the following simple example:

Say you carry an umbrella and it doesn’t rain, or you don’t carry an umbrella and it does rain. In which situation are you worse off? Would you rather experience the mild inconvenience of the extra weight of the umbrella or get drenched? Chances are you’ll regret inaction more than action. Research shows that after we make a decision, we indeed regret inaction more than action. Although we often regret actions in their immediate aftermath, over time these regrets decline markedly, whereas regrets over missed opportunities increase. Suppose you finally decide to take a trip to Europe. You have an amazing time, but a few weeks after you get back, your credit card bill arrives—and it isn’t pretty. Unfortunately, you have to work overtime and miss a few dinners out with friends to pay off the bills. A few months down the road, however, you decide to reminisce by looking through your photos from the trip, and you can’t imagine not having gone. So, when in doubt, just do!

CounterPoint

It’s just silly to think that, when in doubt, you should always act. People will undoubtedly make mistakes following such simple advice. For example, you’re out of work, but you still decide to purchase your dream car—a BMW, fully loaded. Not the smartest idea. So why is the motto “Just do it” dangerous? Because there are two types of regrets: hot regret, in which an individual kicks herself for having caused something bad, and wistful regret, in which she fantasizes about how else things might have turned out. The danger is that actions are more likely to lead to anguish or hot regret, and inaction is more likely to lead to wistful regret. So the bottom line is that we can’t apply simple rules such as “just do it” to important decisions.

Act	State	
	Rain	Shine
Carry Umbrella	Dry (Except for Feet)	Inconvenience
Don’t Carry Umbrella	Miserable Drenching	Unqualified Bliss

Class Exercise

1. Divide the class into four groups.
2. Assign two of the groups the Point perspective and two the CounterPoint perspective.

3. Ask students to spend some time developing the philosophies represented in the two perspectives on the topic of carrying a camera with them when going out shopping.

Act	State	
	Event happens	No event happens
Carry Camera	Get pictures that may be important	Inconvenience
Don't Carry Camera	Miss documenting event	Unqualified Bliss

4. Select a Point group and a CounterPoint group to debate the two perspectives in front of the class.