

International Management Behavior

Global and Sustainable Leadership

Eighth Edition

Now in its eighth edition, this is the textbook for current and future global leaders wanting to lead competently and sustainably in their business practices.

Fully updated, the authors build on their forty years of teaching, researching, and working with managers worldwide to bring students the latest developments in global business practice.

Now including end-of-chapter reflection questions to guide topic comprehension, and directed further resources to assist individual research, this edition also sees the return of Ivey Business School, and IMD cases in the book.

This edition also includes a new conception of mindful global leadership as the integrating framework for execution of global strategy, highlighting the importance of a holistic approach to working across cultures and distance.

Combining a wealth of theoretical knowledge with real-world examples from diverse cultures, countries, and industry sectors, the practical guidance and well-chosen examples throughout the book bring key concepts to life.

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CAMBRIDGE

Cambridge University Press
978-1-108-47328-6 — International Management Behavior
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Frontmatter
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EIGHTH EDITION

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CAMBRIDGE
UNIVERSITY PRESS

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University Printing House, Cambridge CB2 8BS, United Kingdom
One Liberty Plaza, 20th Floor, New York, NY 10006, USA
477 Williamstown Road, Port Melbourne, VIC 3207, Australia
314-321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre, New Delhi - 110025, India
79 Anson Road, #06-04/06, Singapore 079906

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning and research at the highest international levels of excellence.

www.cambridge.org

Information on this title: www.cambridge.org/9781108473286

DOI: 10.1017/9781108637152

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First published 2019

A catalogue record for this publication is available from the British Library

Library of Congress Cataloging in Publication data

Names: Lane, Henry W., 1942– author. | Maznevski, Martha L., author.

Title: International management behavior : global and sustainable leadership / Henry W. Lane, Northeastern University, Boston, Martha L. Maznevski, Western University.

Description: 8th edition. | Cambridge, United Kingdom ; New York, NY : Cambridge University Press, 2019. | Includes index.

Identifiers: LCCN 2018018890 | ISBN 9781108473286 (hbk)

Subjects: LCSH: International business enterprises – Management. | Organizational behavior. | Culture.

Classification: LCC HD62.4 .L36 2019 | DDC 658/.049–dc23

LC record available at <https://lccn.loc.gov/2018018890>

ISBN 978-1-108-47328-6 Hardback

ISBN 978-1-108-46114-6 Paperback

Cambridge University Press has no responsibility for the persistence or accuracy of URLs for external or third-party internet websites referred to in this publication, and does not guarantee that any content on such websites is, or will remain, accurate or appropriate.

To all the friends who have helped me learn about their cultures, and my own.
Henry (Harry) W. Lane

To Julianna, Katie, Andrea, Arielle and Alexander, to help them inspire the next generation.
Martha L. Maznevski

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Preface

The real voyage of discovery consists not in seeking new landscapes,
but in having new eyes.

Marcel Proust

Welcome to the eighth edition!

International management has evolved since we published the seventh edition in 2014, and we've crafted this edition with a fresh look. We've revised and updated the content significantly, adding new chapters, concepts, and examples to illuminate the complexity of today's environment. Most importantly, we've woven a thread of mindfulness – situation awareness and a process orientation – throughout the book. We have also brought teaching cases back into the book, to facilitate its use as a textbook in courses on international or cross-cultural management.

Developing Global Leaders: Research-Grounded, Pragmatically Tested

We have developed, refined, and tested the perspectives in this book for over forty years with undergraduates, graduate students, and practicing executives of all levels around the world. By combining conceptual knowledge and contextually based skill-building, this book provides an effective learning package. In addition to drawing on the up-to-date research of experts in the business and management fields, we have conducted our own research on the issues and skills relevant to international management, and also on how best to train global managers.

Management Focus

In this book we take the perspective of a practicing manager, someone faced with situations and who needs to act. We therefore provide a problem-solving approach to international business. International business activities are complex situations in which both business factors and cultural factors are

simultaneously embedded, and need to be managed together. The skills needed to cross boundaries cannot be isolated from management realities, and appreciating various and multiple influences on behavior can make a difference in outcome and performance.

Behavioral Focus

This book emphasizes that the human element in managing effectively across cultures is just as important as, and sometimes more important than, the technical or functional elements. However, most managers develop stronger technical or business skills than the behavioral boundary-spanning, interpersonal and cultural skills. They need to complement these strong technical backgrounds with behavioral skills; if they don't, they may never get the opportunity to use the business or technical skills.

Process Focus

Related to the behavioral focus is the process focus – behaving, interacting, learning, and moving forward to meet objectives. This perspective is an important contributor to success in a global market. In other words, leading well in an international setting is not just about having the right characteristics or competences; it's about the dynamics of knowing how to adapt quickly and effectively. Often, good international management is less about “finding a solution or making a decision” and more about “identifying and embarking on a process.”

Intercultural Focus

The material in this textbook focuses on the interaction between people of different cultures in work settings. This intercultural orientation is distinct from a comparative approach, in which management practices of individual countries or cultures are examined and compared. While we do often report on cultural comparisons, we focus on what happens at the intersection. This is the boundary that provides both the greatest challenges and the most interesting opportunities.

Culture-General Focus

This book is intended for a wide variety of managers and international staff who must function effectively in a global environment; therefore, we do not

concentrate deeply on particular cultures, countries, or regions. A culture-general perspective provides a framework within which country-specific learning can take place more rapidly as necessary. It helps to know what questions to ask and how to interpret the answers received when conducting business globally or helping others to do the same. It helps the learner become more effective at learning and adapting to other cultures. We do provide specific examples of cultures, countries, and regions: not enough to take the place of in-depth culture-specific training for people who are assigned to a particular place, but enough to enhance the impact of that training.

Outline of the Book: Following the Challenges and Opportunities

The four parts of this book follow the main categories of challenges and opportunities we see international managers experiencing most frequently. Each part closes with a series of teaching cases that apply the concepts of the section to management practice.

Part I looks at “The New Global Context” of international management behavior. The first chapter, “Global Leaders in the Twenty-First Century,” looks carefully at the business and leadership context of today’s globalization, and identifies general leadership competences needed for leading in this complexity. Chapter 2 examines the importance of “Mindful Global Leadership.” This chapter explores the role of people who manage others in a global environment, and what makes this different from “regular” management. It introduces the concepts of mindfulness, global mindset, a global leadership competences model, and a set of principles for leading. These concepts set the organizing framework for the rest of the book. In Chapter 3, “Understanding Culture,” we identify why culture is such an important element of the international management context, and develop a set of tools for describing and comparing cultures.

Part II consists of three chapters that look at “Leading People across Contexts.” Chapter 4, “Interpersonal Skills for International Management,” provides a model for interacting effectively across cultures and illustrates it with many examples. Chapter 5 looks at “Leading Global Teams,” including virtual teams and broader networks of teams. “Talent Management” is the subject of Chapter 6, where we look at how organizations select, prepare, and support global leaders.

In Part III, we turn to the relationship between management behavior and company performance. Chapter 7, “Executing Global Strategy: Foundations,” discusses the principles of organizational design, drawing on a model of

organizational alignment. The framework explains how aligned organizations are more likely to execute strategy effectively and perform well. Chapter 8, “Executing Global Strategy: Applications,” illustrates a repertoire of organizational types from large, matrixed multinational enterprises to small born-global start-ups. Because global leaders are almost constantly involved in influencing organizational change, Chapter 9 provides guidance for “Leading Change in Global Organizations.”

Part IV, “Integrity and Sustainable Performance,” looks at the relationship between leaders, their organizations, and society. Chapter 10 focuses on “Competing with Integrity” as individual decision-makers with “Personal Integrity.” Chapter 11 takes this to the organizational level with “Corporate Sustainability.”

Chapter 12 provides a conclusion for the book, with our reflections about global leadership journeys.

The chapters combine our own research and experience and that of many others. While we do not provide a review of all the research in the field (other resources do that well), we focus on the research and frameworks that provide the most immediate practical guidance for managers, and present it in ways that have proven to be helpful for practice. We provide many examples throughout the book to help readers see how others have applied the lessons, and generate ideas for applying the ideas and behaviors themselves. Most of our examples come directly from the experience of managers we’ve worked closely with, and we’ve tried to capture the flavor, feeling, and tempo of these people and the places in which they live and work. They may not be recognized as leaders who capture headlines in the press, but through their experiences we are able we provide more behavioral and reflective insights. We find they are great role models.

Acknowledgments

The eighth edition of this book is a major revision of material from previous editions and includes many new changes.

We start by acknowledging Joseph J. DiStefano's historical contribution to this book and to our careers by including his name on the cover. In 1975, Professor DiStefano interviewed Professor Lane who was doctoral candidate at the Harvard Business School, and recruited him to Canada. He became a colleague, co-author, and friend. Professor DiStefano started one of the first cross-cultural courses anywhere in 1974 at the Ivey Business School (at the time the Western Business School) which was the genesis of this book. Professor DiStefano was the Chair of Professor Maznevski's PhD thesis committee. In January 2000, Professor DiStefano joined IMD in Lausanne, Switzerland, and recruited Professor Maznevski to IMD in 2001. In 2016 Professor Maznevski returned to the Ivey Business School where this book has its roots.

Another person at the University of Western Ontario (now Western University) who became a colleague, co-author, and friend, Professor Don Simpson, deserves special recognition for introducing Professor Lane to Africa and helping him begin his "voyage of discovery" into the reality of functioning in other cultures and doing business internationally.

We have appreciated the support for our work on international business shown by our colleagues and research associates over the years at the Ivey Business School, Northeastern University, University of Virginia, and IMD.

Both of us owe a special debt to our professors, colleagues, and friends who shaped our interests and knowledge at Ivey. We are grateful to: Deans J. J. (Jack) Wettlaufer, C. B. (Bud) Johnston, Adrian Ryans, and Larry Tapp; Professors Jim Hatch, Terry Deutscher, and Ken Hardy; the directors of Research and Publications at the Ivey Business School; and especially the donors of the Donald F. Hunter professorship (a Maclean Hunter endowment) and the Royal Bank professorship, which provided extra time for Professors Lane and DiStefano to undertake much of the initial work in developing this text. We all recognize the special contribution and mentorship of the late Professor Al Mikalacki who taught us so much about change.

In 1994, Professor Lane assumed responsibility for Ivey's Americas Program and that same year he began working with IPADE in Mexico and is very appreciative of the wonderful colleagues and friends he has made there over twenty years who not only have contributed to his education about Mexico and Latin America, but also made it enjoyable to spend time there learning. In September 1999, Professor Lane moved to the D'Amore-McKim School of Business at Northeastern University as the Darla and Frederick Brodsky Trustee Professor in Global Business. Professor Lane is grateful for their support and friendship.

In 1994, Professor Maznevski moved from Ivey to the McIntire School of Commerce at the University of Virginia. She thanks her colleagues there, in particular Dean Carl Zeithaml. The commitment of the school to making its programs global provided substantial support for her involvement in developing material for this book. Dean Zeithaml sponsored, both financially and with his enthusiasm, the first ION conferences and the genesis of a great network of colleagues which still influences our work and the field today.

In 2001, Professor Maznevski moved to IMD, and her learning and this book have been greatly influenced by her experiences there. She thanks her colleagues for their collaboration and learning adventures. As Program Director of large general management programs, the full-time MBA, and many programs for companies, she worked with senior executives from around the world, and accompanied them on their global development journeys.

To this list of acknowledgments we need to add a large number of people and institutions from around the world who have broadened and informed our experience: managers in both the public and private sectors; colleagues at other universities and institutes; companies who have provided access to their operations for the purpose of writing cases; and a number of former students and research assistants who worked with us to develop material for this and previous editions. Among the former research assistants, a special note of thanks is due to Professor Bill Blake of Queen's University and to Professor Lorna Wright of York University. We would like to thank David Ager, Dan Campbell, Celia Chui, Karsten Jonsen, and David Wesley for their substantial contributions. Other previous doctoral students who contributed to the intellectual tradition in international business at Ivey and to our learning include Paul Beamish, Neil Abramson, Shawna O'Grady, Terry Hildebrand, Iris Berdrow, Sing Chee Ling, and Jonathan Calof. As the newest additions to the research assistant team, Ali Beres and Gena Zheng provided strong support on this edition.

The restructuring that has taken place in the publishing industry adds considerably to this list of acknowledgments. A series of acquisitions and

reorganizations has led to experience with six publishers and nine editors during the writing of the eight editions. All were strong believers in, and advocates for, this book and we value our relationship with all of them. Sincere thanks go to all those who helped along the way and particularly to Rosemary Nixon at Blackwell then Wiley. A major change with this edition is a new publisher, Cambridge University Press and new editor, Valerie Appleby, who has worked hard to make the eighth edition a reality. We want to recognize Jane Adams and Lisa Pinto of CUP's Textbook Development Department for their work preparing the book for publishing, and we look forward to a continuing and productive relationship with them. And in this context, we thank Professor Paul Beamish at Ivey and Professor Bert Spector at the D'Amore-McKim School of Business at Northeastern University for introducing us to Valerie and to Cambridge University Press.

We also express our appreciation to colleagues who have provided the publishers, and us, with helpful critiques. To Nick Athanassiou, Bert Spector, Chris Robertson, Jeanne McNett and Andy Savitz we say a special thanks for the reviews, suggestions, and editing which shaped this, and earlier, editions. We thank Professor Joerg Dietz for his contribution as a co-author of the sixth edition.

Students and managers who have worked with our materials, and colleagues who have adopted the book and have written to us with thanks and suggestions, all have helped us and others learn. To them we add our gratitude. Professor Lane would acknowledge, in particular, Professors Nick Athanassiou, Sheila Puffer, Alexandra Roth, David Wesley, and Tricia McConville who have used this book at Northeastern and the executives who have shared their experiences with us or have facilitated access to case situations: Ken Clark, Gail Ellement, Ted English, Charles Forsgard, Astrid Nielsen, Philipp Röh, and Ron Zitlow. Professor Maznevski thanks all the many executives in programs at IMD who have shared their stories and challenges, and new colleagues and students at Ivey who have pilot tested the development of new ideas and materials. We thank the reviewers for the eighth edition whose helpful comments are reflected in these pages.

We both warmly thank our friends and colleagues at ION, the International Organizations Network. This group has greatly facilitated and inspired our work, helped us make new friends and create new knowledge, and is always fun.

Last, but hardly least, we thank our families who have supported our learning and the publishing of what we have learned. This has meant time away from home, time spent alone writing, and time and energy devoted to the many visitors and friends from around the world who have shared our homes. All

xvi **Acknowledgments**

have been critical to our development. Our spouses, Anne and Brian, have been more than patient; they have contributed significantly to our understanding and commitment, as have our children and grandchildren. We thank them all for their love and assistance.

Notwithstanding this lengthy list of personal acknowledgments, we close with the usual caveat that we alone remain responsible for the contents of this book.