

# Developments in Business Simulation & Experiential Exercises, Volume 8, 1981

## USING THE SELF-REFERENCE CRITERION TO SIMULATE CULTURE IN "INTERNATIONALIZED" BUSINESS COURSES

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The analysis of cultures and the impact of cultural differences is particularly difficult to examine in the classroom. The Self-Reference Criterion (SRC) is a means of operationalizing cultural analysis and business decision-making. Problem solving exercises designed to identify a person's SRC, and as a means of revolving this extraneous influence to business decision-making.

### INTRODUCTION

In 1979, Won Itsu and Lee Sanger formed a partnership. Won, a native of Hong Kong, was a merchandiser who had "connections" in the People's Republic of China. Lee was a successful marketing executive with a major English toy manufacturer. Together their H&S Import Company would produce bicycles in the People's Republic of China and ship them worldwide for sale to selected retail distributors. In 1980 the H&S Import Company declared bankruptcy.

It seems that the problems were many. First, Won's "connections" went out of favor with the People's Republic of China government. As a result, the license to manufacture bicycles was at first delayed and then later was issued only with the provision that H&S pay substantially higher "fees". Second, Won was unable to successfully manage the People Republic of China plant. Their local workers literally revolted when Won instituted work scheduling concepts that had worked well in Hong Kong. Third, Lee had misinterpreted the world markets for bicycles. His designs were functional and suited for "home-to-work" commuting.

But the market demanded sleek touring-type bicycles and H&S couldn't oblige.

Such situations are all too common in business. There are some few ideas that appeal to a few; an even smaller number of ideas that appeal to all. Most ideas could appeal to most people worldwide if they are carefully marketed and are modified as necessary.

This is the dilemma of the multinational business. On the one hand the world is a collection of unique places, people, and events. Each culture requires a special bicycle - one "unique bike" suited to their own particular needs. To the other extreme is the "world bike". This bicycle appeals to all, and is adapted by all cultures without modification. But between the world and the unique bikes are the "codified bikes". These are the products which must be redesigned to meet the peculiar needs of some societies, yet may also be "local" enough to be widely demanded by other societies.

### GENERALIZING UNIQUENESS

One of the major difficulties one encounters in teaching business courses is that of developing generalized principles in an area of uniqueness. Each country is unique. One can take a historical approach to the culture, noting the historical development of each unique event. Each culture necessitates a separate investigation and analysis.

To the other extreme, we teach worldwide business successes. IBM, Exxon, Xerox, etc., produce and successfully market the "world" model. Evidently they have found a way round the uniqueness biases, and have developed worldwide acceptance of their products. But does Chrysler expect consumers worldwide to accept their "world car"? Ones IBM produce only one type of computer for all markets? At what point does/can uniqueness and universality merge, and under what cultural conditions?

In 1966, James Lee presented an interesting technique for dealing with cultural differences. His technique - called the Self-Reference Criterion - called for the recognition and amelioration of the "unconscious reference to one's own cultural values" within business decisions. In a simplistic sense Lee discussed "foreignness" for he was concerned with the apprehension and value-laden perceptions each of us has when we discover that there is something different about foreigners. Lee's SIC method was not developed as a means of removing the feeling of difference of foreigners; rather to inculcate such feelings in the firm's decision-making processes. The SIC utilizes a step-by-step analysis of one's biases about the foreign culture in an attempt to remove there bias from the final business decision. The goal, as Lee suggests, is business adaptation - "the achievement of business goals with a minimum of problems and set backs due to the various manifestations of cultural conflict." (1, pp. 106, 107) His SIC method requires that the manager:

- (1) define a business problem in terms of his/her own cultural norms, habits and standards;
- (2) define the same business problem in terms of a foreign culture's norms, habits, and/or standards;
- (3) Examine the results of #1 and #2 above; this is the SIC influence. The manager's solution in his/ her home culture (#1) as compared to his/her solution in the foreign setting (#2) must be compared to expose the manager's unconscious biases regarding the foreign environment and
- (4) Redefine the problem without the SIC. Develop a solution to the foreign environment which is not based upon the manager's SIC.

### OPERATIONALIZING THE SIC FOR THE CLASSROOM

The SIC technique can be an interesting and effective tool to introduce culture in the classroom. Almost all students react to the differentness of foreigners. Even after same considerable exposure to foreigners their perceptions tend to result in unconscious biases about what to expect from others from those societies. One example of this is my own shock at discovering that two of my students, one with an English surname and the other with a Swedish surname, were both born and raised in Latin America. Both spoke Spanish and were perfect examples of the "typical" behavior of other Latin

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Americans were suppose to look. To this day I still fail to immediately associate them with their home country culture because they don't look like they're suppose to look

The use of the SRC is predicated on this notion of foreigners. Its use (correctly) assumes that an average person will perceive that foreign situations require unique solutions; one cannot generalize about a foreign/different situation because that situation is unknown. Or, one's experience with a foreign culture become solidified, and one tends to expect that all people from that culture will be like those have known. In either case the SIC can be used to pinpoint these biases, and to deal with them.

I use the SIC in the following manner: First, I divide my class into three or four groups. I then give each group one of the following questions. Each person in the group is asked to think about their question, and then to write a short answer about how they might answer the question if they worked for a local firm.

- (1) Refrigeration is necessary to keep certain food from spoiling. Describe the market for a home refrigerator in your country (e.g., who would buy it, under what conditions would they buy, what market segments would you envision, etc.). Describe what the refrigerator would/should look like and how it would work in order to meet local needs.
- (2) Assume that the situation we are discussing is a meeting held to discuss a new method for recording the number of items produced at twenty different stages of a production process. Attending the meeting are eight subordinates and their superior - all of which are experienced record keepers. If one of the subordinates suddenly remembers that he/she heard of this new record-keeping method, and that it had been tried Unsuccessfully at another plant, would the typical employee in your country tell their superior about this fact in this meeting (before the other employees)? If so, how would this be done? If not, would he/she tell the superior under any circumstances?

After allowing about five minutes for this task I ask them to hand in their answers. I then ask them to again answer the question, except this time around they are to assume that they work for a firm located Columbia.<sup>1</sup> Each person is allowed about five minutes to answer this question individually. I then collect their answers.

I clip the two answers from each student together and redistribute them to another member of their group - Mary has John's answer, Arthur has Mary's answer, etc. Each student is asked to examine the answers they have been given. After explaining the SRC technique I asked them to perform Step #3 to isolate the SIC. This is followed by a ten-minute group discussion of who they have found and the generation of a composite answer from the group to the problem.

The final step is crucial. The purpose of this step is to encourage the class to examine their own SRC's, and to resolve them by discovering just how correct were their initial perceptions of the Colombian cultures. I have successfully used one of both of the following techniques to accomplish this.

First, at the University of San Francisco approximately 35% of our undergraduate business majors and 50% of our

graduate major are foreign students I selected one of my former students - from Columbia - to assist me in the classroom. Each of the groups now explain their composure answer to their question. As an 'expert' from the Colombian culture, my student assistant discusses both their answer and their underlying assumptions about his culture. This produces some startling conclusions. For example, one of the groups recently proposed that the typical Colombian had little need for refrigerators because they had no electricity.

My student assistant pointed out that not only was this incorrect, but that their assumption of this fact was based upon their introduction to the rural Colombian culture via American television programs.

A second method for SRC identification and discussion, which works especially well when the student body has few foreign experts to use in the manner described above, is to require each student to go to the library to research the Colombian culture. With the demographic, behavioral, and business literature search they soon discover:

- (1) their answers are heavily value-laden; and
- (2) they tend to suggest unique solutions to each of the problems presented.

With either discussion method the SRC stimulates an insightful discussion of foreign cultures, one's biases about foreigners, and one's proclivity to hedge by (almost) automatically requiring that the problem solution be totally localized to reflect the unknown cultural values and customs.

### CONCLUSIONS

Each of us has his/her own perceptions of foreign environments. They are different, and as such each culture must be approached separately and individually. Each person expects that certain values prevail, which are the result of one individual experience with those people, products, or events of that culture.

The Self-Reference Criterion (SIC) is a technique for isolating our unknown perceptions - preconceived judgments - about foreign cultures, and to diminish their affect upon our decisions.

The SRC can be used to simulate culture in the classroom. As a discussion tool the SRC helps the student to examine his/her own perceptions of a foreign culture, and to gain experience in assessing this cultural impact on one's decisions.

### REFERENCES

- (1) Lee, James, A. Cultural Analysis in Overseas Operations, Harvard Business Review (March-April 1966), pp. 106-114.

<sup>1</sup> The country choice is, of course, optional. Its selection is somewhat dependent upon the method chosen for step #4 as explained above.