



SKILL-BUILDING AND EXPERIENTIAL EXERCISES

- **Personal Skill-Building Exercises**
- **In-Class Simulations (Available on the book website at www.mhhe.com/luthans8e)**

1. The Culture Quiz

Objectives

- To stimulate awareness of cultural differences
- To promote consideration of the impact of cultural differences in a global economy
- To stimulate dialogue between domestic and international students
- To explore issues raised by culturally diverse workforces

Background

Few, if any, traditions and values are universally held. Many business dealings have succeeded or failed because of a manager's awareness or lack of understanding of the traditions and values of his/her foreign counterparts. With the world business community so closely intertwined and interdependent, it is critical that managers today become increasingly aware of the differences that exist.

How culturally aware are you? Try the questions below.

Instructions

Working alone or with a small group, answer the questions (without peeking at the answers). When you do look at the answers, be sure to read the explanations. If you are taking the quiz with students from countries other than your own, explore what the answer might be in your country and theirs.

1. In Japan, loudly slurping your soup is considered to be
 - a. rude and obnoxious.
 - b. a sign that you like the soup.
 - c. okay at home but not in public.
 - d. something only foreigners do.
2. In Korea, business leaders tend to
 - a. encourage strong commitment to teamwork and cooperation.
 - b. encourage competition among subordinates.
 - c. discourage subordinates from reporting directly, preferring information to come through well-defined channels.
 - d. encourage close relationships with their subordinates.
3. In Japan, virtually every kind of drink is sold in public vending machines except for
 - a. beer.
 - b. diet drinks with saccharine.
 - c. already sweetened coffee.
 - d. soft drinks from U.S. companies.
4. In Latin America, managers
 - a. are most likely to hire members of their own families.
 - b. consider hiring members of their own families to be inappropriate.
 - c. stress the importance of hiring members of minority groups.
 - d. usually hire more people than are actually needed to do a job.
5. In Ethiopia, when a woman opens the front door of her home, it means
 - a. she is ready to receive guests for a meal.
 - b. only family members may enter.
 - c. religious spirits may move freely in and out of the home.
 - d. she has agreed to have sex with any man who enters.
6. In Latin America, businesspeople
 - a. consider it impolite to make eye contact while talking to one another.
 - b. always wait until the other person is finished speaking before starting to speak.
 - c. touch each other more than North Americans do under similar circumstances.
 - d. avoid touching one another as it is considered an invasion of privacy.
7. The principal religion in Malaysia is
 - a. Buddhism.
 - b. Judaism.
 - c. Christianity.
 - d. Islam.
8. In Thailand
 - a. it is common to see men walking along holding hands.
 - b. it is common to see a man and a woman holding hands in public.
 - c. it is rude for men and women to walk together.
 - d. men and women traditionally kiss each other on meeting in the street.
9. When eating in India, it is appropriate to
 - a. take food with your right hand and eat with your left.
 - b. take food with your left hand and eat with your right.
 - c. take food and eat it with your left hand.
 - d. take food and eat it with your right hand.

10. Pointing your toes at someone in Thailand is
 - a. a symbol of respect, much like the Japanese bow.
 - b. considered rude even if it is done by accident.
 - c. an invitation to dance.
 - d. the standard public greeting.
11. American managers tend to base the performance appraisals of their subordinates on performance, while in Iran, managers are more likely to base their performance appraisals on
 - a. religion.
 - b. seniority.
 - c. friendship.
 - d. ability.
12. In China, the status of every business negotiation is
 - a. reported daily in the press.
 - b. private, and details are not discussed publicly.
 - c. subjected to scrutiny by a public tribunal on a regular basis.
 - d. directed by the elders of every commune.
13. When rewarding a Hispanic worker for a job well done, it is best not to
 - a. praise him or her publicly.
 - b. say "thank you."
 - c. offer a raise.
 - d. offer a promotion.
14. In some South American countries, it is considered normal and acceptable to show up for a social appointment
 - a. ten to fifteen minutes early.
 - b. ten to fifteen minutes late.
 - c. fifteen minutes to an hour late.
 - d. one to two hours late.
15. In France, when friends talk to one another
 - a. they generally stand about three feet apart.
 - b. it is typical to shout.
 - c. they stand closer to one another than Americans do.
 - d. it is always with a third party present.
16. When giving flowers as gifts in Western Europe, be careful not to give
 - a. tulips and jonquils.
 - b. daisies and lilacs.
 - c. chrysanthemums and calla lilies.
 - d. lilacs and apple blossoms.
17. The appropriate gift-giving protocol for a male executive doing business in Saudi Arabia is to
 - a. give a man a gift from you to his wife.
 - b. present gifts to the wife or wives in person.
 - c. give gifts only to the eldest wife.
 - d. not give a gift to the wife at all.
18. If you want to give a necktie or a scarf to a Latin American, it is best to avoid the color
 - a. red.
 - b. purple.
 - c. green.
 - d. black.
19. The doors in German offices and homes are generally kept
 - a. wide open to symbolize an acceptance and welcome of friends and strangers.
 - b. slightly ajar to suggest that people should knock before entering.
 - c. half-opened, suggesting that some people are welcome and others are not.
 - d. tightly shut to preserve privacy and personal space.
20. In the area that was formerly West Germany, leaders who display charisma are
 - a. not among the most desired.
 - b. the ones most respected and sought after.
 - c. invited frequently to serve on boards of cultural organizations.
 - d. pushed to get involved in political activities.
21. American managers running businesses in Mexico have found that by increasing the salaries of Mexican workers, they
 - a. increased the number of hours the workers were willing to work.
 - b. enticed more workers to work night shifts.
 - c. decreased the number of hours workers would agree to work.
 - d. decreased production rates.
22. Chinese culture teaches people
 - a. to seek psychiatric help for personal problems.
 - b. to avoid conflict and internalize personal problems.
 - c. to deal with conflict with immediate confrontation.
 - d. to seek help from authorities whenever conflict arises.
23. One wedding gift that should not be given to a Chinese couple would be
 - a. a jade bowl.
 - b. a clock.
 - c. a basket of oranges.
 - d. shifts embroidered with dragon patterns.

24. In Venezuela, New Year's Eve is generally spent
- in quiet family gatherings.
 - at wild neighborhood street parties.
 - in restaurants with horns, hats, and live music and dancing.
 - at pig roasts on the beach.
25. If you order "bubble and squeak" in a London pub, you will get
- two goldfish fried in olive oil.
 - a very cold beer in a chilled glass, rather than the usual warm beer.
 - Alka Seltzer and a glass of water.
 - chopped cabbage and mashed potatoes fried together.
26. When a stranger in India wants to know what you do for a living and how much you earn, he will
- ask your guide.
 - invite you to his home and, after getting to know you, will ask.
 - come over and ask you directly, without introduction.
 - respect your privacy above all.
27. When you feel you are being taken advantage of in a business exchange in Vietnam, it is important to
- let the anger show in your face but not in your words.
 - say that you are angry, but keep your facial expression neutral.
 - not show any anger in any way.
 - end the business dealings immediately, and walk away.
28. When a taxi driver in India shakes his head from side to side, it probably means
- he thinks your price is too high.
 - he isn't going in your direction.
 - he will take you where you want to go.
 - he doesn't understand what you're asking.
29. In England, holding your index and middle fingers up in a V with the back of your hand facing another person is seen as
- a gesture of peace.
 - a gesture of victory.
 - a signal that you want two of something.
 - a vulgar gesture.
- Solo*, Japan National Tourist Organization: Tokyo, 1990, p. 20.)
2. *b.* Korean managers use a "divide-and-rule" method of leadership that encourages competition among subordinates. They do this to ensure that they can exercise maximum control. In addition, they stay informed by having individuals report directly to them. This way, they can know more than anyone else. (Source: Richard M. Castaldi and Tjipyanto Soerjanto, "Contrasts in East Asian Management Practices," *The Journal of Management in Practice* 2, no. 1, 1990, pp. 25–27.)
3. *b.* Saccharine-sweetened drinks may not be sold in Japan by law. On the other hand, beer, a wide variety of Japanese and international soft drinks, and so forth, are widely available from vending machines along the streets and in buildings. You're supposed to be at least 18 to buy the alcoholic ones, however. (Source: Eiji Kanno and Constance O'Keefe, *New Japan Solo*, Japan National Tourist Organization: Tokyo, 1990, p. 20.)
4. *a.* Family is considered to be very important in Latin America, so managers are likely to hire their relatives more quickly than hiring strangers. (Source: Nancy J. Adler, *International Dimensions of Organizational Behavior*, 2nd ed., PWS-Kent: Boston, 1991.)
5. *d.* The act, by a woman, of opening the front door, signifies that she has agreed to have sex with any man who enters. (Source: Adam Pertman, "Wandering No More," *Boston Globe Magazine*, June 30, 1991, pp. 10 ff.)
6. *c.* Touching one another during business negotiations is common practice. (Source: Nancy J. Adler, *International Dimensions of Organizational Behavior*, 2nd ed., PWS-Kent: Boston, 1991.)
7. *d.* Approximately 45 percent of the people in Malaysia follow Islam, the country's "official" religion. (Source: Hans Johannes Hofer, ed., *Malaysia*, Prentice Hall: Englewood Cliffs, NJ, 1984.)
8. *a.* Men holding hands is considered a sign of friendship. Public displays of affection between men and women, however, are unacceptable. (Source: William Warren, Star Black, and M. R. Priya Rangsit, eds., *Thailand*, Prentice Hall: Englewood Cliffs, NJ, 1985.)
9. *d.* In India, as in many Asian countries, toilet paper is not used. Instead, water and the left hand are used, after which the left hand is thoroughly cleaned. Still, the left hand is considered to be polluted and therefore inappropriate for use during eating or touching another person. (Source: Gitanjali Kolanad, *Culture Shock! India*, Graphic Arts Center Publishing Company: Portland, OR, 1996, p. 117.)

Answers to the Culture Quiz

1. *b.* Slurping your soup or noodles in Japan is good manners in both public and private. It indicates enjoyment and appreciation of the quality. (Source: Eiji Kanno and Constance O'Keefe, *New Japan*

10. *b.* This is especially an insult if it is done deliberately, since the feet are the lowest part of the body. (Source: William Warren, Star Black, and M. R. Priya Rangsit, eds., *Thailand*, Prentice Hall: Englewood Cliffs, NJ, 1985.)
11. *c.* Adler suggests that friendship is valued over task competence in Iran. (Source: Nancy J. Adler, *International Dimensions of Organizational Behavior*, 2nd ed., PWS-Kent: Boston, 1991.)
12. *b.* Public discussion of business dealings is considered inappropriate. Kaplan et al. report that “the Chinese may even have used a premature announcement to extract better terms from executives” who were too embarrassed to admit that there was never really a contract. (Source: Frederic Kaplan, Julian Sobin, and Arne de Keijzer, *The China Guidebook*, Houghton Mifflin: Boston, 1987.)
13. *a.* Public praise for Hispanics and Asians is generally embarrassing because modesty is an important cultural value. (Source: Jim Braham, “No, You Don’t Manage Everyone the Same,” *Industry Week*, February 6, 1989.) In Japan, being singled out for praise is also an embarrassment. A common saying in that country is, “The nail that sticks up gets hammered down.”
14. *d.* Though being late is frowned upon in the United States, being late is not only accepted but expected in some South American countries. (Source: Lloyd S. Baird, James E. Post, and John F. Mahon, *Management: Functions and Responsibilities*, Harper & Row: New York, 1990.)
15. *c.* Personal space in most European countries is much smaller than in the United States. Americans generally like at least two feet of space around themselves, while it is not unusual for Europeans to be virtually touching. (Source: Lloyd S. Baird, James E. Post, and John F. Mahon, *Management: Functions and Responsibilities*, Harper & Row: New York, 1990.)
16. *c.* Chrysanthemums and calla lilies are both associated with funerals. (Source: Theodore Fischer, *Pinnacle: International Issue*, March–April 1991, p. 4.)
17. *d.* In Arab cultures, it is considered inappropriate for wives to accept gifts or even attention from other men. (Source: Theodore Fischer, *Pinnacle: International Issue*, March–April 1991, p. 4.)
18. *b.* In Argentina and other Latin American countries, purple is associated with the serious fasting period of Lent. (Source: Theodore Fischer, *Pinnacle: International Issue*, March–April 1991, p. 4.)
19. *d.* Private space is considered so important in Germany that partitions are erected to separate people from one another. Privacy screens and walled gardens are the norm. (Source: Julius Fast, *Subtext: Making Body Language Work*, Viking Penguin Books: New York, 1991, p. 207.)
20. *a.* Though political leaders in the United States are increasingly selected on their ability to inspire, charisma is a suspect trait in what was West Germany, where Hitler’s charisma is still associated with evil intent and harmful outcomes. (Source: Nancy J. Adler, *International Dimensions of Organizational Behavior*, 2nd ed., PWS-Kent: Boston, 1991, p. 149.)
21. *c.* Paying Mexican workers more means, in the eyes of the workers, that they can make the same amount of money in fewer hours and thus have more time for enjoying life. (Source: Nancy J. Adler, *International Dimensions of Organizational Behavior*, 2nd ed., PWS-Kent: Boston, 1991, pp. 30 and 159.)
22. *b.* Psychological therapy is not an accepted concept in China. In addition, communism has kept most Chinese from expressing opinions openly. (Source: James McGregor, “Burma Road Heroin Breeds Addicts, AIDS Along China’s Border,” *The Wall Street Journal*, September 29, 1992, p. 1.)
23. *b.* The Chinese regard a clock as a bad omen because the word for clock, pronounced *zhong*, is phonetically similar to another Chinese word that means the end. Jade is highly valued as symbolizing superior virtues, and oranges and dragon patterns are also auspicious symbols. (Source: Dr. Evelyn Lip, “Culture and Customs,” *Silver Kris*, February 1994, p. 84.)
24. *a.* Venezuelans do the reverse of what most people in other countries do on Christmas and New Year’s. On Christmas, they socialize. While fireworks are shot off on both nights, most restaurants are closed, and the streets are quiet. (Source: Tony Perrottet, ed., *Venezuela*, Houghton Mifflin: Boston, 1994, p. 97.)
25. *d.* Other popular pub food includes Bangers and Mash (sausages and mashed potatoes), Ploughman’s lunch (bread, cheese, and pickled onions), and Cottage pie (baked minced meat with onions and topped with mashed potatoes). (Source: Ravi Desai, ed., *Let’s Go: The Budget Guide to Britain and Ireland*, Pan Books: London, 1990, p. 83.)
26. *c.* Indians are generally uninhibited about staring at strangers and asking them about personal details in their lives. Social distance and personal privacy are not common social conventions in India. (Source: Frank Kusy, *India*, The Globe Pequo Press: Chester, CT, 1989, p. 27.)
27. *c.* Vernon Weitzel of the Australian National University advises never to show anger when dealing with Vietnamese officials or businesspeople. Showing anger causes you to lose face and is considered rude. Weitzel also recommends always smiling, not complaining or criticizing anyone, and not

being inquisitive about personal matters. (Source: Daniel Robinson and Joe Cummings, *Vietnam, Laos & Cambodia*, Lonely Planet Publications: Australia, 1991, p. 96.)

28. *c.* What looks to Westerners like a refusal is really an Indian way of saying “yes.” It can also express general agreement with what you’re saying or suggest that an individual is interested in what you have to say. (Source: Gitanjali Kolanad, *Culture Shock! India*, Graphic Arts Center Publishing Company: Portland, OR, 1996, p. 114.)
29. *d.* In England, this simple hand gesture is considered vulgar and obscene. In a report to *The*

Boston Globe, an American who had been working in London wrote, “I wish someone had told me before I emphatically explained to one of the draftsmen at work why I needed two complete sets of drawings.” (Source: “Finger Gestures Can Spell Trouble,” *The Berkshire Eagle*, January 26, 1997, p. E5.)

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2. Using *Gung Ho* to Understand Cultural Differences

Background

There is no avoiding the increasing globalization of management. Few, if any, current students of business can expect to pursue a successful career without some encounter of an international nature. Gaining early and realistic exposure to the challenges of cross-cultural dynamics will greatly aid any student of business.

The Pacific Rim will continue to play a dominant role in North American transnational organization and global markets. The opening doors to China offer an unprecedented market opportunity. Korea, Singapore, and Taiwan continue to be unsung partners in mutually beneficial trading relationships. And, of course, Japan will always be a dominant player in the international arena.

An important aspect of cross-cultural awareness is understanding actual differences in interpersonal style and cultural expectations, and separating this from incorrect assumptions. Many embellished stereotypes have flourished as we extend our focus and attention abroad. Unfortunately, many of these myths have become quite pervasive, in spite of their lack of foundation. Thus, North American managers frequently and confidently err in their cross-cultural interactions. This may be particularly common in our interactions with the Japanese. For example, lifetime employment has long been touted as exemplifying the superior practices of Japanese management. In reality, only one-third of Japanese *male* employees enjoy this benefit, and in 1993, many Japanese firms actually laid off workers for the first time. Also, Japan is promoted as a collectivist culture founded on consensus, teamwork, and employee involvement. Yet Japan is at the same time one of the most competitive societies, especially when reviewing how students are selected for educational and occupational placement.

Films can provide an entertaining yet potent medium for studying such complex issues. Such experiential learning is most effective when realistic and identifiable with one's own likely experiences. Case studies can be too sterile. Role plays tend to be contrived and void of depth. Both lack a sense of background to help one "buy into" the situation. Films, on the other hand, can promote a rich and familiar presentation that promotes personal involvement. This exercise seeks to capitalize on this phenomenon to explore cross-cultural demands.

Procedure

Step I (110 minutes) Watch the film *Gung Ho*. (This film can be obtained at any video store.)

Step II (30 minutes) Use one of the following four formats to address the discussion topics.

Option A Address each issue in an open class forum. This option is particularly appropriate for moderate class sizes (40 students) or for sections that do not normally engage in group work.

Option B Divide the class into groups of four to seven to discuss the assigned topics. This is a better approach for larger classes (60 or more students). This approach might also be used to assign the exercise as an extracurricular activity if scheduled class time is too brief.

Option C Assign one group to adopt the American perspective and another group to take the Japanese perspective. Using a confrontation meeting approach, have each side describe its perceptions and expected difficulties in collaborating with the other. Then, have the two sides break into small mixed groups to discuss methods to bridge the gap (or avoid its extreme escalation as portrayed in the film). Ideas should extend beyond those cited in the movie. Present these separate discussions to the class as a whole.

Option D Assign students to groups of four to seven to watch the film and write a six-page analysis addressing one or more of the discussion topics.

Discussion Topics

1. In the opening scenes, Hunt observes Kaz being berated in a Japanese "management development center." According to at least one expert, this is a close representation of Japanese disciplinary practices. Would such an approach be possible in an American firm? How does this scene illustrate the different perspectives and approaches to motivation? To reinforcement? To feedback?
2. The concepts of multiculturalism and diversity are emerging issues in modern management environments. The importance of recognizing and responding to racial, ethnic, and other demographic factors has been widely debated in the popular press. What does *Gung Ho* offer to the discussion (both within and across the two groups)? How does each culture respond to different races, genders, and cultures?
3. Individualism and collectivism represent two endpoints on a continuum used to analyze different cultural orientations. Individualism refers to a sense of personal focus, autonomy, and compensation. Collectivism describes a group focus, self-subjugation, obligation, and sharing of rewards. How do you see American and Japanese workers differing on this dimension? You might compare the reactions of the Japanese manager whose wife was about to give

- birth with those of the American worker who had planned to take his child to a doctor's appointment.
4. How does the softball game illuminate cultural differences (and even similarities)? You might consider this question in reference to topic 3; to approaches to work habits; to having "fun"; to behavioral norms of pride, honor, and sportsmanship.
 5. On several occasions we see George Wendt's openly antagonistic responses to the exercise of authority by Japanese managers. Discuss the concept of authority as seen in both cultures. Discuss expectations of compliance. How might George's actions be interpreted differently by each culture? Indeed, would they be seen as different by an American manager as compared with a Japanese manager?
 6. Throughout the film, one gains an impression of how Americans and the Japanese might differ in their approach to resolving conflict. Separately describe how each culture tends to approach conflict, and how the cultures might be different from each other.
 7. Experienced conflict between work and family demands has also gained attention as an important managerial issue. How do both cultures approach the role of work in one's life? The role of family? How does each approach balance the competing demands between the two? Have these expectations changed over time (from twenty years ago, forty years ago, sixty years ago)? How might they change now in the twenty-first century?
 8. In reality, Japanese managers would be "shamed" if one of their subordinates was seriously injured on the job (the scene where the American worker's hand is caught in the assembly-line belt). Taking this into account, what other issues in the film might be used to illustrate differences or similarities between American and Japanese management and work practices?
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- Source:* Steven M. Sommer, Pepperdine University. Used with permission.

3. “When in Bogotá ...”

As Jim Reynolds looked out the small window of the Boeing 757, he saw the glimmer of lights in the distance. After a five-hour flight, he arrived in Bogotá, Colombia, at 9:35 P.M. on a clear Friday evening. It had been nearly five years since Jim had seen his best friend, Rodrigo Cardozo. The two had met in college and kept in touch over the years. During their school years, Rodrigo would often accompany Jim when he went home to Chicago for the holidays.

Entering the main terminal, Jim found himself in what looked like a recently bombed building. Piles of debris were everywhere. Lights hung from the ceiling by exposed electrical wires, and the walls and floors were rough, unfinished concrete. “Certainly, aesthetics are not a major concern at the Bogotá International Airport,” Jim thought.

As he came to the end of the long, dimly lit corridor, an expressionless customs official reached out his hand and gestured for Jim’s travel documents.

“Passaporte, por favor. Bienvenidos a Bogotá, Señor Reynolds. Estás en vacaciones?”

“Sí,” Jim replied.

After a few routine questions, Jim was allowed to pass through customs feeling relatively unscathed.

“Loquillo! Loquillo! Estamos aquí! Jim, Jim,” a voice shouted.

Trying to find the origin of the voice among the dense crowd, Jim finally spotted Rodrigo. “Hey, man. How’ve you been? You look great!”

“Jim, it’s so good to see you. How’ve you been? I would like you to meet my wife, Eva. Eva, this is my best friend, Jim. He’s the one in all those pictures I’ve shown you.”

Late Night Begins the Day

Close to an hour later, Jim, Rodrigo, and Eva arrived at Rodrigo’s parents’ house on the other side of Bogotá from the airport. As Jim was aware, it is customary for couples to live with their parents for a number of years after their marriage, and Rodrigo and Eva were following that custom.

Darío, Rodrigo’s father, owned an import/export business in Bogotá. He was a knowledgeable and educated man and, from what Jim knew, a master of business negotiations. Over the years, Darío had conducted business with people in nearly every country in Central and South America, the United States, Europe, Hong Kong, and some parts of Africa. Jim had first met Darío with Rodrigo in Boston in 1989.

“Jim, welcome to my house,” Darío boomed effusively as the group walked in. “I am so pleased that you’re finally in Bogotá. Would you like something to drink—whiskey, bourbon, Aguardiente?”

“Aguardiente!” Rodrigo urged.

“Yes, Jim would like some Aguardiente. I understand you’re going to Bahía tonight,” Darío added.

“Where?” Jim asked, looking around. “I didn’t know we were going anywhere tonight.”

“Don’t worry, Jim, todo bien, todo bien,” Rodrigo assured him. “We’re going dancing, so get dressed. Let’s go.”

The reality of being in Colombia hit Jim at about 11:15 that night when he and his friends entered Bahía, a Bogotá nightclub. The rhythms of salsa and merengue filled the club. Jim’s mind flashed back to the Latin dance parties he and Rodrigo had had in Boston with their friends from Central and South America.

“Jim, this is my cousin, Diana. She’ll be your partner tonight,” Rodrigo said. “You’ll get to practice your Spanish too; she doesn’t speak a word of English. Have fun.”

For the next six hours, they danced and drank. This is the Colombian way. At 5:30 the next morning, Rodrigo decided it was time to leave to get something to eat. On the drive home, they stopped at an outdoor grill in the mountains where many people had congregated for the same reason. Everyone was eating arepas con queso and mazorca, and drinking Aguardiente.

Next, they continued to an outdoor party just down the street. Here, they danced and drank until the sun crested over the mountains of Bogotá. It was about 7:00 A.M. when they decided to conclude the celebration—for now.

Saturday was spent recovering from the previous evening and also touring some local spots in the country. However, Saturday night was a repeat of Friday. After being in Colombia for three days, Jim had slept a total of about four hours. Fortunately, Monday was a national holiday.

Business Before Pleasure Before Business?

Although Jim was having a great time, he had also scheduled a series of business meetings with directors of business schools at various Bogotá universities for the week to come. Jim worked as an acquisitions editor for Academia Press, a major publisher of college-level business textbooks. The purpose of the meetings was to establish business contacts in the Colombian market. It was hoped that these initial contacts would lead to others in Latin America.

At Academia Press headquarters in New York, Jim and Caroline Evans, his boss, had discussed the opportunities in Latin America. Although Academia Press routinely published international editions of its texts, total international sales never represented more than 15 percent of their gross. Consequently, international markets had never been pursued aggressively. Caroline, however, saw the Latin American markets as having a lot of potential within

the next three to five years. She envisioned this market alone, in time, representing 15 to 20 percent of gross sales. Moreover, she felt that within the next ten years, international sales could reach 40 percent if developed properly. With numbers like that, it was evident to Jim that this deal was important, not only to the company but to his career as well. If Jim was able to open these markets, he might receive a promotion and be able to continue to work in Central and South America.

Jim's first meeting was scheduled for 11:00 A.M. on Tuesday, the second on Wednesday at 11:00 A.M., and the third on Friday at 3:00 P.M. At precisely 11:00 A.M. on Tuesday, Jim arrived at Javeriana University, where he was to meet with Professors Emilio Muñoz, Diana Espitia, and Enrique Ronderos. When he arrived, Professor Muñoz was waiting for him in the conference room.

"Señor Reynolds, I am delighted to meet you. How was your flight?"

"Wonderful," Jim replied.

"And how do you like Bogotá so far? Have you been able to sightsee?"

"No, I haven't had the chance to get around the city yet. I hope to see some things later in the week."

"Well, before you leave, you must visit *El Museo de Oro*. It is the finest collection of gold artifacts from the various indigenous Indian tribes in Colombia. Although much of the gold was stolen by the Spanish, many pieces have survived." For the next thirty minutes, Professor Muñoz spoke of everything from the upcoming presidential elections to World Cup soccer.

Jim looked at his watch, concerned about the other professors who had not yet arrived and about the meeting for which he had prepared.

"Is there something wrong, Señor Reynolds?"

"No, no, I was just wondering about the others; it's 11:30."

"Don't worry. They'll be here shortly. Traffic in Bogotá at this hour is terrible. They're probably caught in a traffic jam."

Just then, Professors Espitia and Ronderos walked in.

"Muy buenas, Señor Reynolds," Professor Espitia said warmly. "Please forgive us for the delay. Traffic is simply awful at this time of day."

"Oh, that's not necessary. I understand. Traffic in New York can be absolutely horrendous as well," Jim replied. "Sometimes it takes two hours to get from one end of the city to the other."

"Have you had lunch yet, Señor Reynolds?" asked Professor Ronderos.

Jim shook his head.

"Why don't we go to lunch, and we can talk there?" Professor Ronderos suggested.

After discussing the restaurants in the area, the professors decided on El Club Ejecutivo. It was nearly 12:30 P.M. when they arrived.

"It's been an hour and a half, and we haven't discussed anything," Jim thought. He was concerned that the Colombians were not very interested in what he had to offer. Throughout lunch, Jim grew increasingly concerned that the professors were more interested in his trying typical Colombian dishes and visiting the sights in Bogotá than in Academia's textbooks. They were fascinated that Jim knew how to dance salsa and merengue and impressed that he spoke Spanish with a slight Colombian accent; Señorita Espitia said she found it amusing. That seemed much more important than his knowledge of business textbooks and publishing in general.

By the end of lunch, Jim was nearly beside himself. It was now after 2:30 P.M. and nothing had been accomplished.

"Why don't we all go to Monserate tomorrow? It's absolutely beautiful up there, Señor Reynolds," Professor Ronderos suggested, going on to describe the mountain that overlooks Bogotá and the myths and traditions that surround it.

"That's a wonderful idea," Professor Espitia added.

"Monserate it is then. Jim, it has been a pleasure. I look forward to our meeting tomorrow," Professor Ronderos said with a slight bow.

"Señor Reynolds, would you like a ride home?" Professor Muñoz asked.

"Yes, if it's not too much trouble."

On the way home, Jim was relatively quiet.

"Do you feel okay?"

"It must be jet lag catching up to me. I'm sure it's nothing," Jim responded. Concerned about the way the meeting had gone, Jim realized that he had never even had a chance to mention Academia Press's various titles and how these texts could be used to create a new curriculum or supplement an existing curriculum at the professors' business school.

When in Bogotá

On arriving at the house, Jim went upstairs and sat in the living room glumly sipping a cup of aguapanela. "I just don't get it," he thought. "The Colombians couldn't have been happier with the way the meeting turned out, but we didn't do anything. We didn't even talk about one book. I just don't understand what went wrong."

In a short time, Darío arrived. "Muy buenas, Jim. How did your meetings go today with the directors?" he asked.

"I don't know. I don't know what to think. We didn't do anything. We didn't talk about business at all. We talked more about the sights I should see and the places I should visit before I leave Colombia. I'm supposed to call my boss this afternoon and tell her how the initial meeting went. What am I going to tell her? 'Sorry, we just decided to plan my vacation in Colombia instead of discussing business.' I can't afford to have this deal fall through."

Darío laughed.

“Señor, I’m serious.”

“Jim, I understand. Believe me. Tell me about your meeting today.”

Jim recounted every detail of the meeting to Darío, who smiled and nodded his head as he listened.

“Jim, you have to understand one thing before you continue negotiating with the directors.”

“What’s that?”

“You’re in Colombia now,” Darío said simply.

Jim stared at him with a puzzled look. “And?”

“And what, Jim?”

“Is there something else I should know?”

“That’s where you need to start. You let the directors set the tone of the meeting. It’s obvious they felt very comfortable with you, or they wouldn’t have invited you to Monserate. Here in Colombia, Jim, we do business differently. Right now, you’re building friendship. You’re building their trust in you. This is very important in doing business in all of Latin America.”

After a moment’s pause, “Jim,” Darío continued, “would you rather do business with a friend or someone you hardly know?”

As Darío went on to analyze the meeting, Jim realized that his perception of the situation had been formed by his

experiences in the United States. “When in Bogotá,” he thought, “I guess I had better think like the Colombians.”

“Jim, you’ve gained the respect and the trust of the directors. In my opinion, your first meeting was a complete success.”

“What should I expect in the meetings to come?” Jim asked.

“Don’t worry,” he responded. “Just let the directors worry about that. You’ll come to an agreement before the end of the week. I guarantee it.”

Questions for Discussion

1. What differences does Jim notice between life in the United States and life in Colombia?
2. What differences does Jim notice between doing business in the United States and doing business in Colombia? How might these same factors differ in other countries?
3. What advice would you give Jim for closing his deals? Why?

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4. The International Cola Alliances

Objectives

- To introduce some of the complexities involved in doing business across international borders
- To examine what happens when countries seek to do business with one another without the benefit of a common language and customs

Background

Even with a common language, communication can break down, and interpretations of words and actions often can confound understanding and incur negative attributions of purpose. Add to this the differences of personal needs that exist from individual to individual, as well as national and cultural needs that exist from country to country. These limitless variables make cooperation across borders even more complex.

The Story

You are a delegation from a country that would like to enter into a large cooperative effort with a number of other countries for the production and distribution of a popular soft drink produced by the American company International Cola. In the past, countries in your region of the world have been resistant to allowing foreign soft drinks into their markets, despite consumer demands. However, recent thinking is that the advantages of allowing this competition outweigh the disadvantages.

International Cola has expressed an interest in setting up a bottling plant, a regional corporate headquarters, and four distribution depots. Their goal, of course, is to do this in the most economically efficient way possible to maximize profits. However, because the executives at International Cola believe this area to be a rich new market with outstanding potential and are therefore eager to get in, they have ceded to the demands of the various governments in the proposed alliance. These require International Cola to allow for local control of the facilities; to maintain only 49 percent interest in the facilities with local partners holding 51 percent ownership; and to allow the participating governments to work out among themselves the details of where the facilities will be located.

For the countries involved, having one or more of these facilities located within their borders will bring jobs, revenue, and a certain amount of prestige. (It is possible for a single country to have all six of the facilities: regional headquarters, bottling plant, distribution depots.)

Each of the countries involved shares at least two borders with the other countries. This has not always been the most peaceful area. Border skirmishes are frequent,

most stemming from minor misunderstandings that became inflated by vast cultural and religious differences.

These distinct cultural differences between your country and your neighbors will likely become even more evident as you pursue the negotiation. It will be up to you to decide how to respond to them. While it is important for you to retain your own cultural integrity—for example, when you first meet a delegate from another country you will likely greet him or her in the cultural style of your country—you understand the importance of being sensitive to one another. If you understand, for example, that the cultural style of another country is to bow on meeting, whereas you shake hands, you may wish to bow instead.

Since you are negotiating the venture across borders, and each country has a different primary language, you have agreed to negotiate in English, but none of you are entirely fluent. Therefore, a few phrases will creep in from your own languages.

Wear your country's flag in a visible place at all times.

Instructions

Step 1 (30–40 minutes—may be done before class) Working in small groups (5–7), develop a profile of your country and its people based on profile sheets 1 and 2.

After you have completed profile sheets 1 and 2, briefly discuss them to be sure there is mutual understanding of what the group's behavior and negotiating stance are to be during the negotiation.

Step 2 (20 minutes—may be done before class) Based on the profile sheets, decide which International Cola facilities you believe you should have in your country and why you believe they should be in your country rather than one of the others that will be represented. For example, if you have a highly educated population, you may argue that you should be the home of the regional corporate headquarters; be aware, however, that another country might argue that you should not have bottling and distribution facilities because these do not require a highly educated or skilled labor force.

On the negotiation sheet, make a list of the facilities you believe your country should have and some notes as to what your arguments will be for having them. Also, make some notes on what you believe the other countries' counterarguments will be and how you expect to respond to them.

Step 3 (30–45 minutes—in class) Everyone in your group should pin a copy of your country's flag and motto on himself or herself in a visible place. One to three representatives from your group (delegation) should

list the elements that make up your country’s description on a separate piece of paper and add any additional elements you wish.

Population Density

- _____ high density with overpopulation a problem
- _____ moderate density—high end
- _____ moderate density—average
- _____ moderate density—low end
- _____ low density

Average Educational Level

- _____ less than 3 years—large percent totally illiterate
- _____ 3–6 years—widespread functional illiteracy
- _____ 6–9 years—functional illiteracy a problem in scattered areas
- _____ 9–12 years—most read and write at functional-levels
- _____ 12+ years—a highly educated and functioning population

Per Capita Income

- _____ under \$1,000 per year
- _____ \$1,000–5,000 per year
- _____ \$5,000–10,000 per year
- _____ \$10,000–20,000 per year
- _____ \$20,000–30,000 per year
- _____ \$30,000–40,000 per year
- _____ \$40,000+ per year

Climate

- _____ tropical
- _____ arctic
- _____ mixed in different areas
- _____ runs range from season to season

Form of Government

- _____ socialist
- _____ democratic
- _____ communist
- _____ monarchy
- _____ dictatorship
- _____ other (specify)

Dominant Racial-Ethnic Group

- _____ Asian
- _____ black
- _____ white
- _____ other (specify)

Dominant Religion

- _____ animist
- _____ atheist/agnostic
- _____ Buddhist
- _____ Catholic
- _____ Hindu
- _____ Jewish
- _____ Mormon
- _____ Protestant (specify)
- _____ other (specify)

Negotiation Sheet

1. What facilities do you believe your country should have?

2. What facilities of those listed above are you willing to relinquish to reach agreement?

3. On what bases will you justify your need or desire for having the facilities you have listed?

Observer Sheet

1. List actions taken by members of other delegations that were insulting, created shame for you and your delegation, or were otherwise offensive based on your country’s norms. Include notes on the context in which the actions were taken.

-
-
2. Based on the above list, what happened to your interest in forming an alliance and your belief that a mutual agreement could be reached?

5. Whom to Hire?

Objectives

- To explore participants' cultural biases and expectations
- To examine cultural differences
- To consider the impact culture has on hiring decisions

Instructions

Step 1 (10–15 minutes) Read the background information and descriptions of each of the applicants. Consider the job and the cultures within which the individual to be hired will be operating. Rank the candidates from 1 to 5, with 1 being your first choice, and enter your rankings on the ranking sheet in the column marked “My Ranking.” Briefly, list the reasons for each of your rankings.

Do not discuss your rankings with your classmates until told to do so.

Step 2 (30–40 minutes) Working with three to four of your classmates, discuss the applicants, and rank them in the order of group preference. Do not vote.

Rank the candidates from 1 to 5, with 1 being the group's first choice, and enter your group rankings on the ranking sheet in the column marked “Group Ranking.” Briefly list the reasons for each of the group's rankings.

If your group represents more than one culture, explore the ways in which each person's cultural background may have influenced his or her individual decisions.

Step 3 (open-ended) Report your rankings to the class, and discuss the areas of difference that emerged within your group while you were trying to reach consensus.

Questions for Discussion

1. Was your group able to explore openly any culturally based biases that came up—for example, feelings about homosexuality, religion, personality traits, politics?
2. Did you make any comments or observations that you feel would have been fully acceptable in your own culture but were not accepted by the group? Explain.
3. If the answer to question 2 was yes, how did the reaction of the group make you feel about your membership in it? How did you handle the situation?
4. What implications do you believe these cultural differences would have in business dealings?

Background

You are a member of the management committee of a multinational company that does business in 23 countries. While your company's headquarters are in Holland, your

offices are scattered fairly evenly throughout the four hemispheres. Primary markets have been in Europe and North America; the strongest emerging market is the Pacific Rim. Company executives would like to develop what they see as a powerful potential market in the Middle East. Sales in all areas except the Pacific Rim have shown slow growth over the past two years.

At present, your company is seeking to restructure and revitalize its worldwide marketing efforts. To accomplish this, you have determined that you need to hire a key marketing person to introduce fresh ideas and a new perspective. There is no one currently in your company who is qualified to do this, and so you have decided to look outside. The job title is “vice-president for international marketing”; it carries with it a salary well into six figures (US\$), plus elaborate benefits, an unlimited expense account, a car, and the use of the corporate jet. The person you hire will be based at the company's headquarters and will travel frequently.

A lengthy search has turned up five people with good potential. It is now up to you to decide whom to hire. Although all the applicants have expressed a sincere interest in the position, it is possible that they may change their minds once the job is offered. Therefore, you must rank them in order of preference so that if your first choice declines the position, you can go on to the second, and so on.

Applicants: Park L., age 41, Married with Three Children

Park L. is currently senior vice president for marketing at a major Korean high-technology firm. You have been told by the head of your Seoul office that his reputation as an expert in international marketing is outstanding. The market share of his company's products has consistently increased since he joined the company just over fifteen years ago. His company's market share is now well ahead of that of competing producers in the Pacific Rim.

Park started with his present company immediately after his graduation from the University of Seoul and has worked his way up through the ranks. He does not have a graduate degree. You sense that Park has a keen understanding of organizational politics and knows how to play them. He recognizes that because the company he works for now is family controlled, it is unlikely that he will ever move much higher than his present situation. Park has told you that he is interested in the growth potential offered at your company.

In addition to his native tongue, Park is able to carry on a reasonably fluent conversation in English and has a

minimal working knowledge of German and French. His wife, who appears quiet and quite traditional, and his children speak only Korean.

Kiran K., age 50, Widow with One Adult Child

Kiran K. is a Sikh woman living in Malaysia. She began her teaching career while finishing her DBA (doctorate in business administration) at the Harvard Business School and published her first book on international marketing 10 months after graduation. Her doctoral dissertation was based on the international marketing of pharmaceuticals, but she has also done research and published on other areas of international marketing.

Two months after the publication of her book, Kiran went to work in the international marketing department of a Fortune 500 company, where she stayed for the next 10 years. She returned to teaching when Maura University offered her a full professorship with tenure, and she has been there since that time. Her academic position has allowed her to pursue a number of research interests and to write authoritative books and papers in her field. At present, she is well published and internationally recognized as an expert on international marketing. In addition, she has an active consulting practice throughout Southeast Asia.

You have learned through your office in Kuala Lumpur that Kiran's only child, a 23-year-old son, is severely mentally and physically disabled. You sense that part of her interest in the job with your company is to have the income to guarantee his care should anything happen to her. Her son would go with her to Holland, should she be given the job, where he will need to be enrolled in special support programs.

In addition to fluency in Malay, English, and Hindi, Kiran speaks and writes German and Spanish and is able to converse in Japanese and Mandarin.

Peter V., age 44, Single

Peter is a white South African. He had worked in a key position in the international marketing division of an American Fortune 100 company until the company pulled out of his country eight months ago. While the company wanted to keep him on, offering to move him from Johannesburg to its New York headquarters, Peter decided that it was time to look elsewhere. He had begun to feel somewhat dead-ended in his position and apparently sees the position at your company as an opportunity to try out new territory. Like your other candidates for the position, Peter has a long list of accomplishments and is widely recognized as outstanding in his field. People in your company who have had contacts with him say that Peter is creative, hardworking, and loyal. In addition, you have been told that Peter is a top-flight manager of people who is able to push his

employees to the highest levels of performance. And, you are told, he is very organized.

Peter has a PhD in computer science from a leading South African university and an MBA from Purdue's Krannert School of Business.

Peter had been a vehement opponent of apartheid and is still very much a social activist. His high political visibility within South Africa had made his life there difficult, and even now, with the end of apartheid, he would like to get out. His constant male companion, P. K. Kahn, would be coming with him to Holland, and Peter would like your personnel office to help P. K. find an appropriate position.

Peter speaks and reads English, Dutch, Afrikaans, and Swahili and can converse in German.

Tex P., age 36, Divorced with One Child

Tex is currently job hunting. His former job as head of marketing for a single-product, high-technology firm—highly specialized workstations for sophisticated artificial intelligence applications—ended when the company was bought out by Texas Instruments. Tex had been with his previous company virtually from the time the company was started six years earlier. Having to leave his job was an irony to Tex as it was largely due to the success of his efforts that the company was bought out. You sense that he is a little bitter, and he tells you that jobs offered to him by TI were beneath him and not worthy of consideration.

Tex has both his undergraduate and MBA degrees from Stanford University. In addition, he was a Rhodes Scholar and won a Fulbright scholarship, which he used to support himself while he undertook a two-year research project on the marketing of high-technology equipment to Third World countries.

You have learned through your New York office that Tex has a reputation for being aggressive and hard driving. Apparently he is a workaholic who has been known to work eighteen to twenty hours a day, seven days a week. He seems to have little time for his personal life.

In addition to his native English, Tex has a minimal command of French—which he admits he hasn't used since his college days.

Zvi C., age 40, Married with Five Children

Zvi began his career after receiving his MBA from the Sloan School of Management at the Massachusetts Institute of Technology (MIT). His first job was as marketing manager for a German company doing business in Israel.

Zvi's phenomenal success with this company led to his being hired away by an international office equipment company in England. Again, he proved to be outstanding,

boosting the company's market share beyond all expectations within two years. After five years, Zvi was offered a chance to go back to Israel, this time to oversee and coordinate all the international marketing programs for an industrial park of 14 companies run as an adjunct to Israel's leading scientific research institution. It has been his responsibility to interface the research component with product development and sales as well as to manage the vast marketing department. Again, he has shown himself to be a master.

You have learned through your Haifa office that Zvi is highly respected and has extensive contacts in the scientific

and high-tech worlds. He is exceptionally creative in his approach to marketing, often trying bold strategies that most of his peers would dismiss as too risky. Zvi, however, has made them work and work well.

Zvi is a religious man who must leave work by noon on Friday. He will not work Saturdays nor any of his religion's major and minor holidays—about eighteen a year. He will, however, work on Sundays.

In addition to his native language, Dutch (Zvi and his family moved to Israel from Holland when Zvi was six), he speaks and writes fluent Hebrew, English, German, and Arabic.

Ranking Sheet

Rank candidates from one to five with one as your first choice.

	My Ranking		Group Ranking	
Applicant	Rank	Reasons	Rank	Reasons
Park L.				
Kiran K.				
Peter V.				
Tex P.				
Zvi C.				

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