International Business 17th edition Daniel Test Bank

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International Business, 17e **(Daniels)**
Chapter 2 The Cultural Environments Facing Business

1) _____ consists of specific learned norms based on attitudes, values, and beliefs of a group of people.
A) Ethnology
B) Civilization
C) Culture
D) Doctrine
Answer: C
Diff: 1
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

2) Which of the following is NOT true about cultural diversity?
A) Companies may gain competitive advantages by bringing together people of diverse backgrounds.
B) Cultural diversity is most successful when domestic and foreign firms establish joint ventures.
C) Cultural diversity may help a company gain deeper knowledge about products and services.
D) The process of bringing people of different national cultures together is often difficult.
Answer: B
Diff: 3
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Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

3) Culture is not _____.
A) about beliefs and values of society
B) relative
C) a collective phenomenon
D) inherited
Answer: D
Diff: 1
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Application of knowledge

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4) When divergent cultures come in contact, _____ occurs.
A) power distance
B) culture shock
C) cultural collision
D) group membership
Answer: C
Diff: 1
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

5) Which of the following is defined as a group of people who share a unique way of life within a larger, dominant culture?
A) macroculture
B) subculture
C) cultural universal
D) monoculture
Answer: B
Diff: 2
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

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6) Which of the following BEST describes a result of cultural collision in international business?
A) A company implements practices that are less effective than intended.
B) Local employees are overlooked for promotions by home country managers.
C) Expatriate managers rely too heavily on local employees for negotiating business deals.
D) Foreign and domestic companies make adjustments for the local culture and legal environment.
Answer: A
Diff: 3
Skill: Application
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
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7) Which of the following is the MOST accurate statement about culture?
A) Cultural variables can easily be isolated from other factors such as economic and political conditions.
B) Although most cultural variables are universal, the forms these variables take differ from culture to culture.
C) Most cultural variables are superficial and can easily be influenced by environmental factors.
D) Within a culture, everyone responds to particular cultural variables the same way.
Answer: B
Diff: 3
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

8) Businesspeople seeking to understand more about another culture in order to successfully conduct business within that culture would be best advised to do which of the following?
A) Observe the behavior of people who have gained respect within that cultural environment.
B) Rely on stereotypes, which are based on averages, to gain an understanding of the culture.
C) Avoid cultural research studies because they perpetuate unjustified stereotypes and behaviors.
D) Memorize the cultural variations that are typically encountered in a specific cultural environment.
Answer: A
Diff: 2
Skill: Application
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Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

9) Which of the following is a common shortcoming of studies examining culture in different countries and regions?
A) Cultures are static, which leads researchers to draw false conclusions from old data.
B) It is impossible to compare countries because of differences in data.
C) Responses are reported in averages, which can lead to a belief in unrealistic stereotypes.
D) People are reluctant to complain about their own cultures, so they present only positive opinions to researchers.
Answer: C
Diff: 3
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

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10) Certain attitudes can link groups, such as managers, from different nations more closely than managers within a given nation. As a result, international businesspeople should most likely _____.
A) assume that there are few significant cultural differences among nations
B) examine relevant groups when comparing nations
C) adopt universal operating methods
D) avoid cultural imperialism
Answer: B
Diff: 2
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

11) When contact among divergent cultures creates problems, the situation is known as cultural diversity.
Answer: FALSE
Diff: 1
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

12) Many firms gain a global competitive advantage by fostering cultural diversity.
Answer: TRUE
Diff: 1
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

13) Most cultural variables are universal.
Answer: TRUE
Diff: 1
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

14) The lack of cultural guidebooks and research specifically for international managers poses a significant problem for global firms.
Answer: FALSE
Diff: 2
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
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15) The identity of a nation is typically promoted through symbols, monuments, and museums.
Answer: TRUE
Diff: 2
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

16) Most people's basic values are acquired during childhood and are not readily changed later in life.
Answer: TRUE
Diff: 2
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
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17) Acquired group memberships include those based on gender, family, age, caste, and ethnic, racial, or national origin.
Answer: FALSE
Diff: 1
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

18) Ascribed group memberships are usually determined by birth and include gender, family, age, caste, and ethnic, racial, or national origin.
Answer: TRUE
Diff: 1
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

19) Values determine how individuals will probably respond in any given circumstance.
Answer: TRUE
Diff: 1
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
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20) A nation's cultural boundaries do not always correspond with its political boundaries.
Answer: TRUE
Diff: 1
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

21) The specific learned norms based on attitudes, values, and beliefs of a group of people are known as ethnology.
Answer: FALSE
Diff: 1
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

22) Similarity among people is both a cause and effect of national boundaries.
Answer: TRUE
Diff: 2
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

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23) Cultures do not transcend national (state) boundaries.
Answer: FALSE
Diff: 2
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

24) European policies that require large companies to include a minimum percentage of women on their boards are aimed at overcoming male dominance therein.
Answer: TRUE
Diff: 1
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
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25) Only some countries enforce age-related laws such as on employment, driving privileges, rights to obtain products and services, and civic duty.
Answer: FALSE
Diff: 2
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

26) An individuals' desire for material wealth motivates them to work hard, which in turn leads to community-wide economic development.
Answer: TRUE
Diff: 1
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

27) People have a great deal of enthusiasm for effort when the likelihood of success seems overly easy.
Answer: FALSE
Diff: 2
Skill: Concept
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
AACSB: Diverse and multicultural work environments

28) What are the advantages and disadvantages of using a nation as a point of reference for a culture?
Answer: The nation, as opposed to the State, provides a workable definition of a culture for international business because basic similarity among people is both a cause and an effect of national boundaries. The laws governing business operations also apply primarily along national lines. Within the bounds of a nation are people who largely share essential attributes, such as values, language, and race. However, these shared attributes do not mean that everyone in a country is alike, nor do they suggest that each country is unique in all respects.
Diff: 3
Skill: Critical Thinking
Objective: 2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
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29) Managing and cultivating diverse teams is facilitated by first encouraging team members to _____.
A) understand each other's culture before dealing with the tasks at hand
B) jump into the task allowing the team members to react and adapt to each other
C) deal with fellow team members as they would in their own culture
D) establish strict rules on how the task will be performed
Answer: A
Diff: 2
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

30) The nation offers a workable reference for studying cultural differences because _____.
A) a nation contains only one distinct culture
B) similarity among people is both a cause and effect of national boundaries
C) the commonality of language within a nation eases the process of conducting surveys
D) different groups within the same country always have more in common with each other than with groups in other countries
Answer: B
Diff: 2
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

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31) A problem of using the nation as a reference point for culture is that _____.
A) nations fail to mediate the different interests within their boundaries
B) self-stereotypes tend to fall along national lines
C) such an approach tends to be polycentric
D) variations tend to be great within a country (state)
Answer: D
Diff: 2
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

32) Which of the following statements is true of attitudes?
A) Over the years, they become more rigid than values.
B) They are learned from role models.
C) Because they're formed within a cultural context, they mirror the attitudes of surrounding countries.
D) They are developed only for the most important aspects of life.
Answer: B
Diff: 2
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
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33) _____ is increasing the pace of both cultural diffusion and cultural change.
A) Collectivism
B) Enculturation
C) Fundamentalism
D) Globalization
Answer: D
Diff: 2
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

34) It is most accurate to say that within most nations' borders, people largely share such essential attributes as _____ and _____.
A) work attitudes; occupations
B) lifestyles; education level
C) education level; ethnicity
D) values; language
Answer: D
Diff: 2
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

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35) Most people's basic value system is _____.
A) modified significantly between childhood and adulthood
B) altered during adulthood through imposition
C) affected primarily by teenage peer pressure
D) acquired mainly during early childhood
Answer: D
Diff: 2
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

36) Religion _____.
A) is the exclusive means by which a society's members communicate with each other
B) shapes the attitudes its adherents have toward work, consumption, individual responsibility, and planning for the future
C) is the overall framework that determines the roles of individuals within a society, the stratification of the society, and the individuals' mobility within the society
D) remains one of the least important elements of culture
Answer: B
Diff: 3
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
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37) Which of the following is a reason for global companies to NOT take religious beliefs into account?
A) Religion has an impact on almost every business function.
B) A company could get in trouble with local religious authorities.
C) A manager's religious training should be implemented in the company he/she manages.
D) Religion may influence consumer behavior.
Answer: C
Diff: 2
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

38) Contact among countries brings about cultural change, which is a process called _____.
A) cultural collision
B) cultural imperialism
C) cultural diffusion
D) polycentrism
Answer: C
Diff: 2
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

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39) Creolization refers to _____.
A) government efforts to maintain a distinct cultural identity through legislation and language
B) the process of mixing elements of an outside culture with those of a national culture
C) the use of stereotypes to describe a culture
D) changes as cultures evolve over time
Answer: B
Diff: 2
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

40) The practice of exchanging rings at weddings, which was initially a pagan ritual, is now followed by most people across the world. Which of the following does this illustrate?
A) cultural literacy
B) cultural encoding
C) cultural diffusion
D) cultural lag
Answer: C
Diff: 2
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
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41) Cultural change occurs when people integrate into their culture the gestures, material objects, traditions, or concepts of another culture through _____.
A) ethnocentrism
B) cultural diffusion
C) social stratification
D) polycentrism
Answer: B
Diff: 2
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

42) Cultural change imposed by an alien culture is called _____.
A) multicultural ethnocentrism
B) cultural imperialism
C) collectivism
D) high-context
Answer: B
Diff: 1
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

43) Which of the following languages has the most NATIVE speakers?
A) English
B) Mandarin
C) Spanish
D) Hindi
Answer: B
Diff: 1
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

44) _____ people account for the largest percentage of global production.
A) English-speaking
B) Mandarin-speaking
C) French-speaking
D) Spanish-speaking
Answer: A
Diff: 2
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
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45) Which of the following statements about the English language is most likely NOT true?
A) The largest portion of global output is in English-speaking countries.
B) A large portion of MNEs are headquartered in English-speaking countries.
C) English is the official national language in most countries where FDI is encouraged.
D) Many MNEs from non-English speaking countries use English as their operating language.
Answer: C
Diff: 3
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

46) Although English is referred to as the "international language of business,"_____.
A) it is less frequently used than French in international business
B) there is a growing disagreement over which version of English to use, e.g. British, American, or Australian
C) companies headquartered outside English-speaking countries all use their official language as their operating language
D) monolingual English speakers may experience more difficulty in the future in communicating on a worldwide basis
Answer: D
Diff: 3
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

47) The fact that an English word such as *blue jeans* has entered the Spanish language, while a Spanish word such as *macho* has come into American English illustrates that _____.
A) cultural diffusion is a two-way process
B) cultural trends come from emerging nations
C) existing national borders are shifting
D) material cultures are becoming universal
Answer: A
Diff: 2
Skill: Application
Objective: 2-2 Grasp the major causes of national cultural formation and change
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48) American hamburgers, Japanese sushi, Italian pizza, Mexican tacos, and Middle Eastern pita bread are now commonly found in most countries. This best supports the argument that _____.
A) although visible expressions of culture are becoming homogenized, basic differences in societal values remain strong
B) globalization fulfills lower order needs in Maslow's hierarchy
C) cultural imperialism is increasingly widespread
D) cultural hybridization is occurring
Answer: D
Diff: 2
Skill: Application
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

49) People in the port city of Jeddah were less culturally conservative than people in the interior of the country. The most likely reason for this is that _____.
A) people in the port cities have more contact with foreigners
B) the coastal area has to trade with countries using different religious holidays
C) the coastal area has a culture with a higher uncertainty avoidance
D) the coastal area is secular, whereas the interior of Saudi Arabia has a state religion
Answer: A
Diff: 2
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

50) Cultural change may come by choice or imposition.
Answer: TRUE
Diff: 1
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

51) Creolization refers to the mixing of cultural elements that occurs during cultural diffusion.
Answer: TRUE
Diff: 2
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

52) English-speaking people account for a larger portion of global output than people who speak any other language.
Answer: TRUE
Diff: 2
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
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53) Change agents intentionally cause or accelerate social and cultural change.
Answer: TRUE
Diff: 2
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

54) Language is a noticeable aspect of culture because it limits contact among people who can't communicate with each other.
Answer: TRUE
Diff: 2
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

55) The role of religion in shaping behavior is even stronger among people and countries with strong religious convictions.
Answer: TRUE
Diff: 1
Skill: Concept
Objective: 2-2 Grasp the major causes of national cultural formation and change
AACSB: Diverse and multicultural work environments

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56) What is the difference between a monochronic and polychronic culture? How do such cultural differences affect business practices for international firms?
Answer: Cultures such as those in Northern Europe are called monochronic. People prefer to work sequentially, such as finishing with one customer before dealing with another. Conversely, polychronic Southern Europeans are more comfortable working simultaneously with all the tasks they face. Such cultural differences affect the degree of multitasking with which people are comfortable. International companies and individuals must evaluate their business and personal practices to ensure that their behavior may fit with the culture.
Diff: 3
Skill: Synthesis
Objective: 2-2 Grasp the major causes of national cultural formation and change
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57) International businesspeople need to understand social stratification systems where they do business because _____.
A) such systems reflect a culture's willingness to accept new products
B) such systems indicate who people in a given culture will likely respect more
C) the high similarity among countries lets firms effectively use global hiring practices
D) what is an ascribed group membership in one country is an acquired one in another
Answer: B
Diff: 3
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

58) The more closed a society is, the more important _____ group membership is.
A) acquired
B) age-based
C) education
D) ascribed
Answer: D
Diff: 2
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

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59) John is employed in an American manufacturer or health care products and is currently working with some Japanese clients on a new project. He uses a lot of hand gestures during meetings which his clients find very distracting and rude. This has also led to many misunderstandings between John and his Japanese clients in the recent past. Which of the following best describes such a situation?
A) risk aversion
B) organizational anarchy
C) cross-cultural risk
D) acculturation
Answer: C
Diff: 2
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
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60) Social structure is best defined as the _____.
A) means by which a society's members communicate with each other
B) attitudes of MNEs towards corporate social responsibility on a global scale
C) overall framework that determines the roles of individuals within a society
D) behavior of and opportunities available to MNCs operating in a given society
Answer: C
Diff: 2
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

61) Studies indicate a strong correlation between the intensity of religious belief and _____.
A) a desire to convert productivity gains into more leisure time
B) an adherence to some attributes that lead to economic growth
C) the belief that material success is related to salvation
D) the degree of ethnocentrism exhibited in a culture
Answer: B
Diff: 2
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

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62) Which of the following is an example of an acquired group membership?
A) national origin
B) religion
C) gender
D) race
Answer: B
Diff: 1
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

63) According to the theory of success and reward expectation, the greatest enthusiasm for work generally occurs when there is a _____ certainty of success combined with a _____ reward for success compared to the reward for failure.
A) high; high
B) high; low
C) low; high
D) low; low
Answer: C
Diff: 2
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

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64) The term "_____ culture" describes a country in which the norm is a money-and-things orientation and a belief that it's better to "live to work" than to "work to live."
A) high masculinity
B) physiological
C) non-fatalistic
D) high-femininity
Answer: A
Diff: 1
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

65) Cultures scoring high on the dimension of _____ tend to be characterized by personal assertiveness and the accumulation of wealth, typically translating into an entrepreneurial drive.
A) power distance
B) collectivism
C) uncertainty avoidance
D) masculinity
Answer: D
Diff: 1
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

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66) Based on the hierarchy-of-needs theory, in which of the following would fulfillment of lower-order needs be the best motivator?
A) wealthy countries
B) Protestant countries
C) high femininity countries
D) very poor countries
Answer: D
Diff: 2
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

67) Organizations which have cultures that score high on _____ tend to be more hierarchical, with power deriving from prestige, force, and inheritance.
A) uncertainty avoidance
B) power distance
C) short-term orientation
D) femininity
Answer: B
Diff: 2
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

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68) People generally prefer little consultation between superiors and subordinates in cultures where _____ is high.
A) power distance
B) fatalism
C) individualism
D) self-actualization
Answer: A
Diff: 2
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

69) Which of the following is characterized by low dependence on an organization and a desire for personal time, freedom, and challenges?
A) collectivism
B) democracy
C) individualism
D) anarchy
Answer: C
Diff: 1
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

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70) Assume a firm has operations in Tokyo, where there is a collectivist culture. Which of the following would most likely motivate the firm's Japanese employees?
A) "employee-of-the-month" programs
B) extensive vacation time
C) on-the-job challenges
D) good health benefits
Answer: D
Diff: 2
Skill: Application
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

71) Safe work environments motivate _____; challenges motivate _____.
A) individualists; collectivists
B) collectivists; individualists
C) non-fatalists; fatalists
D) materialists; non-materialists
Answer: B
Diff: 2
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
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72) Managers should be more precise in their directions to subordinates when _____.
A) the company has a philosophy of geocentrism
B) the society believes age equals wisdom
C) uncertainty avoidance is high
D) power distance is low
Answer: C
Diff: 2
Skill: Application
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

73) Which of the following refers to the extent to which people can tolerate risk in their lives?
A) uncertainty avoidance
B) long-term versus short-term orientation
C) power distance
D) individualism
Answer: A
Diff: 2
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

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74) In societies where trust is high, _____.
A) people tend to be more future-oriented
B) business costs are typically lower
C) people tend to be more fatalistic
D) family businesses are dominant
Answer: B
Diff: 2
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

75) Expatriate managers located in cultures characterized by _____ have noticed that local employees are highly motivated by retirement programs.
A) low uncertainty avoidance
B) high future orientation
C) low masculinity
D) high power distance
Answer: B
Diff: 2
Skill: Application
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

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76) Raj, an engineer, works long hours and takes full responsibility for both his good and bad work performance. Raj most likely believes in _____.
A) self-determination
B) low power distance
C) collectivism
D) fatalism
Answer: A
Diff: 2
Skill: Application
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

77) In a(n) _____ culture, people tend to regard seemingly peripheral information as pertinent to decision making and infer meanings from things that people say either indirectly or casually.
A) pragmatic
B) idealistic
C) fatalistic
D) high-context
Answer: D
Diff: 1
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

78) Al Mateen, a construction engineer, recently traveled to Germany in order to find investors for his real-estate project. While he finally succeeded in getting an investor, he was surprised by the explicitness of the Germans. Sometimes all he got was a direct "No." This is because Germans are a _____ culture.
A) polychronic
B) high-context
C) low-context
D) high-contact
Answer: C
Diff: 2
Skill: Application
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

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79) A culture in which people prefer to finish one task before starting another is most accurately characterized as which of the following?
A) low-context
B) monochronic
C) pragmatic
D) high power-distance
Answer: B
Diff: 1
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

80) A culture that prefers to first settle general principles rather than small issues is most accurately characterized as _____.
A) idealist
B) polychronic
C) high-context
D) pragmatist
Answer: A
Diff: 1
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

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81) Which of the following is the most accurate statement concerning the role of context in cross-cultural communication?
A) In high-context cultures, the message is implicit; in low-context cultures, the message is explicit.
B) In high-context cultures, there is a low sensory involvement; in low-context cultures, there is a high sensory involvement.
C) In high-context cultures, many tasks are handled simultaneously; in low-context cultures, only one task is handled at a time.
D) In high-context cultures, work time is flexible; in low-context cultures, work time is not flexible.
Answer: A
Diff: 3
Skill: Application
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
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82) In high-context cultures, _____.
A) feelings and thoughts are not explicitly expressed
B) information is readily shared
C) people have high sensory involvement
D) nonverbal communication is not important
Answer: A
Diff: 1
Skill: Application
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

83) In _____ cultures, people expect others to understand unarticulated moods, subtle gestures, and environmental clues.
A) high-contact
B) low-contact
C) high-context
D) monochronic
Answer: C
Diff: 1
Skill: Application
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

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84) The attempt to resolve small issues before principles is a characteristic of which of the following?
A) relativism
B) monochronic behavior
C) pragmatism
D) uncertainty avoidance
Answer: C
Diff: 1
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

85) National origin is an acquired group membership.
Answer: FALSE
Diff: 2
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
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86) There is a strong correlation between the intensity of religious belief and attributes that lead to economic growth, such as obeying laws and thriftiness.
Answer: TRUE
Diff: 2
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

87) In a country with a high masculinity score, people have a tendency to feel sympathy towards individuals who are unemployed or homeless.
Answer: FALSE
Diff: 2
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

88) Preference for a consultative management style is prevalent in a society with low power distance.
Answer: TRUE
Diff: 2
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

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89) In monochronic cultures people normally prefer to work simultaneously on a variety of tasks (multitasking), such as dealing simultaneously with multiple customers who need service.
Answer: FALSE
Diff: 1
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

90) In collectivist cultures based on kinship, security and social needs are met more effectively in the workplace than at home.
Answer: FALSE
Diff: 1
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

91) In societies where trust is high, there tends to be a lower cost of doing business.
Answer: TRUE
Diff: 2
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

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92) Cultures in which people focus more on details than on abstract principles are said to be idealistic.
Answer: FALSE
Diff: 1
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

93) A culture in which people prefer to handle tasks sequentially is a polychronic culture.
Answer: FALSE
Diff: 1
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

94) Although countries are similar in terms of having a mandatory retirement age, they differ in what that age is.
Answer: TRUE
Diff: 2
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

95) Where future orientation is high, people are more willing to delay gratification by investing.
Answer: TRUE
Diff: 1
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

96) A culture with a preference for a problem-solving style that first settles principles is a pragmatic culture.
Answer: FALSE
Diff: 1
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

97) Geocentrism is the preferred approach to international business practices for most global firms.
Answer: TRUE
Diff: 2
Skill: Concept
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

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98) In a short essay, describe the various affiliations upon which a person's status can be based and discuss how social stratification affects such business functions as marketing and employment practices.
Answer:
a. A person's status is partly determined by individual factors and partly by the person's affiliation or membership in a given group. Affiliations determined by birth–known as ascribed group memberships–include those based on gender, family, age, caste, and ethnic, racial, or national origin. Affiliations not determined by birth are called acquired group memberships and include those based on religion, political affiliation, and professional and other associations.
b. Social stratification affects marketing as companies choose to use people in their advertisements whom their target market admires or associates with. Further, stratification affects employment practices such as hiring, promotion, compensation, and staff-reduction. Employers in different countries are differently influenced by social stratification as they make employment decisions.
Diff: 3
Skill: Critical Thinking
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

99) Describe the four major theories discussed in your text that explain why motivation differs from one country to another.
Answer:
a. Materialism and Leisure: Historically, there is strong evidence that the desire for material wealth is a prime incentive for the work that leads to economic development.
b. Expectation of Success and Reward: Generally, people have little enthusiasm for efforts that seem too easy or too difficult, where the probability of either success or failure seems almost certain. The greatest enthusiasm for work exists when high uncertainty of success is combined with the likelihood of a very positive reward for success and little or none for failure.
c. Masculinity-Femininity Index: The average interest in career success varies substantially among countries. In one study, employees with a high masculinity score were those who admired the successful achiever, had little sympathy for the unfortunate, and preferred to be the best rather than be on a par with others.
d. Needs Hierarchy: According to this theory, people try to fulfill lower-order needs sufficiently before moving on to higher ones. People will work to satisfy a need, but once it is fulfilled, it is no longer a motivator.
Diff: 3
Skill: Application
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

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100) What are the characteristics of individualist and collectivist cultures?
Answer: Attributes of individualism are low dependence on the organization and a desire for personal time, freedom, and challenge. Attributes of collectivism are dependence on the organization and a desire for training, good physical conditions, and benefits. In those countries with high individualism, self-actualization will be a prime motivator because employees want challenges. However, in countries with high collectivism, the provision of a safe physical and emotional environment will be a prime motivator.
Diff: 2
Skill: Application
Objective: 2-3 Discuss major behavioral factors influencing countries' business practices
AACSB: Diverse and multicultural work environments

101) Which of the following is true about language?
A) Language does not entail facial expressions and gestures.
B) National languages, dialects, and translation facilitate straightforward communication.
C) Language has both verbal and nonverbal characteristics.
D) Business jargons are common across cultures.
Answer: C
Diff: 1
Skill: Concept
Objective: 2-4 Recognize the complexities of cross-cultural communications
AACSB: Written and oral communication

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102) All of the following are international business translation problems EXCEPT which of the following?
A) All written work requires back translation in order to be understood in a second language.
B) Because languages and the common meaning of words are constantly evolving, the intended meaning of a word may be different from what the listener or reader understands.
C) Some words in one language simply don't have a direct translation into another language.
D) Words mean different things in different contexts, thus the wrong context may be translated.
Answer: A
Diff: 3
Skill: Concept
Objective: 2-4 Recognize the complexities of cross-cultural communications
AACSB: Written and oral communication

103) When a company does business in another country whose official language is the same as its home country's, the company should most likely _____.
A) assume that communications will go smoothly
B) use back-translation on all written documents
C) realize that words may have different meanings
D) assume that word meanings are the same despite spelling differences
Answer: C
Diff: 2
Skill: Concept
Objective: 2-4 Recognize the complexities of cross-cultural communications
AACSB: Written and oral communication

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104) Jack, an American accounts manager, is preparing a presentation for a group of Japanese business people. Jack's presentation would be most effective if he _____.
A) told an opening joke to put everyone at ease
B) used slang to create an informal atmosphere
C) used long words to impress his counterparts
D) budgeted extra time for translation and clarification
Answer: D
Diff: 2
Skill: Application
Objective: 2-4 Recognize the complexities of cross-cultural communications
AACSB: Written and oral communication

105) Evaluating the importance of potential clients or partners by the way they dress is an example of using _____.
A) fatalism
B) silent language
C) idealism
D) pragmatism
Answer: D
Diff: 2
Skill: Concept
Objective: 2-4 Recognize the complexities of cross-cultural communications
AACSB: Written and oral communication

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106) Assume a firm plans to expand internationally. If its managers wish to avoid pitfalls caused by differences in "silent language," they should consider differences in _____.
A) normal proximity during conversations
B) degree of detail expected in written contract
C) the meaning of slang words during presentations
D) importance of adherence to schedules
Answer: A
Diff: 3
Skill: Critical Thinking
Objective: 2-4 Recognize the complexities of cross-cultural communications
AACSB: Diverse and multicultural work environments

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107) Assume a U.S. firm plans to expand into Mexico, Germany, or Japan. Its executives are traveling to each country to meet with local businesspeople in the decision-making process. Which of the following would be LEAST beneficial when the executives make a presentation?
A) avoiding repetition to prevent boredom
B) simplifying vocabulary and terminology for the audience
C) conducting back translations for written work
D) a translator with technical vocabulary knowledge
Answer: A
Diff: 3
Skill: Critical Thinking
Objective: 2-4 Recognize the complexities of cross-cultural communications
AACSB: Written and oral communication

108) When a company does business in another country whose official language is the same as the company's host country, employees can assume that although some spellings are different, words will mean the same thing.
Answer: TRUE
Diff: 2
Skill: Concept
Objective: 2-4 Recognize the complexities of cross-cultural communications
AACSB: Written and oral communication

109) A firm that begins operating in a culturally similar foreign country will most likely face few cultural adjustments.
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Answer: TRUE
Diff: 2
Skill: Concept
Objective: 2-4 Recognize the complexities of cross-cultural communications
AACSB: Diverse and multicultural work environments

110) A widely successful strategy for introducing change into a foreign country is to introduce many changes simultaneously.
Answer: FALSE
Diff: 2
Skill: Concept
Objective: 2-4 Recognize the complexities of cross-cultural communications
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111) What is the difference between a low-context culture and a high-context culture? How do these differences affect communication in international business dealings?
Answer: Low-context cultures are environments in which most people consider relevant only firsthand information that bears directly on the decision they need to make. In business, they spend little time on "small talk." High-context cultures are environments in which people consider peripheral information valuable to decision making. When managers from the two types of cultures deal with each other, the low-context individuals may believe the high-context ones are inefficient and time-wasters. The high-context individuals may believe the low-context ones are too aggressive to be trusted.
Diff: 2
Skill: Synthesis
Objective: 2-4 Recognize the complexities of cross-cultural communications
AACSB: Written and oral communication

112) Why is language often a cause of miscommunication across cultures? What can international managers do to minimize communication problems that stem from language differences?
Answer: Spoken and written language is a frequent cause of miscommunication stemming from a person's inability to speak the local language, or a poor or too literal translation, a speaker's failure to explain idioms, or a person missing the meaning conveyed through body language or certain symbols. Even among countries that share the same language, there can be problems in the subtleties and nuances inherent in the use of the language. International managers need either a good command of the local language or competent interpreters, although even interpreters do not guarantee successful communication. Managers can improve the communication process by using words, pictures, or gestures that are appropriate to the receiver's frame of reference. Ways to avoid problems are to speak slowly and clearly, avoid long sentences and colloquial expressions, and explain things in several different ways and through several media, if possible. However, even though English is in common use around the world for business transactions, the manager's efforts to speak the local language will greatly improve the climate. To further clarify their messages, managers can hand out written summaries of verbal presentations and use visual aids, such as graphs or pictures. A good general guide is to move slowly, wait, and take cues from the receivers.
Diff: 2
Skill: Synthesis
Objective: 2-4 Recognize the complexities of cross-cultural communications
AACSB: Written and oral communication

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113) Which of the following terms is used to refer to habits or ways of behaving in specific circumstances that are passed down through generations?
A) customs
B) attitudes
C) prejudices
D) aesthetics
Answer: A
Diff: 1
Skill: Concept
Objective: 2-5 Analyze guidelines for cultural adjustment
AACSB: Application of knowledge

114) The term "cultural distance" refers to the _____.
A) physical space between people during communication
B) time it takes people to adjust to the language, traditions, and norms of a foreign culture
C) degree to which countries differ on cultural dimensions
D) preferred relationship between superiors and subordinates in a given culture
Answer: C
Diff: 1
Skill: Concept
Objective: 2-5 Analyze guidelines for cultural adjustment
AACSB: Analytical thinking

115) Ellen, a U.S. citizen, worked for a U.S. firm in Germany for four years and was transferred back to the firm's home office in Chicago two months ago. Ellen feels significant dissatisfaction with her job and life in Chicago, which is most likely a result of _____.
A) reverse culture shock
B) polycentrism
C) culture shock
D) ethnocentrism
Answer: A
Diff: 1
Skill: Application
Objective: 2-5 Analyze guidelines for cultural adjustment
AACSB: Diverse and multicultural work environments

116) Ethnocentrism in international business refers to the _____.
A) study of group ethics and approaches to corporate social responsibility
B) comparison of the Protestant ethic with other religious views
C) belief that what works best at home should work best everywhere
D) ethnic segmentation of marketing programs within countries
Answer: C
Diff: 2
Skill: Concept
Objective: 2-5 Analyze guidelines for cultural adjustment
AACSB: Diverse and multicultural work environments

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117) The approach a company takes when it bases foreign operations on an informed knowledge of its organizational culture along with home- and host-country needs, capabilities, and constraints is called _____.
A) polycentrism
B) ethnocentrism
C) neocentrism
D) geocentrism
Answer: D
Diff: 1
Skill: Concept
Objective: 2-5 Analyze guidelines for cultural adjustment
AACSB: Diverse and multicultural work environments

118) A firm that concentrates on national cultural differences in terms of averages is more likely to _____.
A) underestimate market demands
B) increase political risks
C) seek cultural collision
D) overlook outliers
Answer: D
Diff: 2
Skill: Concept
Objective: 2-5 Analyze guidelines for cultural adjustment
AACSB: Diverse and multicultural work environments

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119) Organizing work differently to improve productivity will likely fail _____.
A) if the workforce has a low tolerance for authoritarianism
B) if workers participate in planning the improvement
C) unless changes are compatible with competitors' practices
D) if changes interfere with strongly held value systems
Answer: D
Diff: 2
Skill: Concept
Objective: 2-5 Analyze guidelines for cultural adjustment
AACSB: Diverse and multicultural work environments

120) When a company wishes to introduce change in a foreign country, its likelihood of success can most likely be improved by _____.
A) introducing many changes simultaneously
B) gaining the support of local opinion leaders
C) agreeing to make some home-country changes in return
D) employing expatriate managers to supervise local workers
Answer: B
Diff: 2
Skill: Concept
Objective: 2-5 Analyze guidelines for cultural adjustment
AACSB: Diverse and multicultural work environments

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121) If an MNE convinced a popular priest that its vitamin-enriched soft drink would benefit parishioners' health, the MNE would be using _____ to help bring about change.
A) participation
B) reward sharing
C) an opinion leader
D) materialistic motivation
Answer: C
Diff: 2
Skill: Application
Objective: 2-5 Analyze guidelines for cultural adjustment
AACSB: Diverse and multicultural work environments

122) U.S. companies monopolize much of the international entertainment media, which largely portrays U.S. products and lifestyles as glamorous and appealing. This situation would most likely be used as an example of _____.
A) the stronger work ethic typical of developed countries
B) the spread of high-context cultures
C) cultural fragmentation
D) cultural imperialism
Answer: D
Diff: 2
Skill: Application
Objective: 2-5 Analyze guidelines for cultural adjustment
AACSB: Diverse and multicultural work environments

123) A potential problem of polycentrism is failure to introduce innovative superiority.
Answer: TRUE
Diff: 2
Skill: Concept
Objective: 2-5 Analyze guidelines for cultural adjustment
AACSB: Diverse and multicultural work environments

124) Ethnocentric orientation refers to a host-country mind-set in which the manager develops a strong affinity with the country in which she or he conducts business.
Answer: FALSE
Diff: 1
Skill: Concept
Objective: 2-5 Analyze guidelines for cultural adjustment
AACSB: Diverse and multicultural work environments

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125) Managers with an ethnocentric view of the world are generally better at understanding and dealing with similarities and differences among cultures.
Answer: FALSE
Diff: 1
Skill: Concept
Objective: 2-5 Analyze guidelines for cultural adjustment
AACSB: Diverse and multicultural work environments

126) Ethnocentric firms typically use the same business practices in all cultures and markets.
Answer: TRUE
Diff: 2
Skill: Concept
Objective: 2-5 Analyze guidelines for cultural adjustment
AACSB: Diverse and multicultural work environments

127) Polycentric firms typically use the same business practices in all cultures and markets.
Answer: FALSE
Diff: 1
Skill: Concept
Objective: 2-5 Analyze guidelines for cultural adjustment
AACSB: Diverse and multicultural work environments

128) According to experts, stakeholder participation in decision making is effective only in countries with an educated population. TBEXAM.COM
Answer: FALSE
Diff: 2
Skill: Concept
Objective: 2-5 Analyze guidelines for cultural adjustment
AACSB: Diverse and multicultural work environments

129) What is culture shock? How can an international employer help prevent culture shock and improve the success of expatriates?
Answer: Culture shock is frustration arising from experiencing a new culture and having to learn and cope with a vast array of new cultural cues and expectations. Businesspeople can learn to improve awareness and sensitivity and, by educating themselves, enhance the likelihood of succeeding abroad and avoiding culture shock. Gathering some basic research on another culture can be instructive as well as learning the language. There are country guidebooks based on people's experiences, including those by international managers. Employees can also consult with knowledgeable people at home and abroad, whether in a governmental or private capacity to learn about the culture and avoid adjustment problems.
Diff: 3
Skill: Synthesis
Objective: 2-5 Analyze guidelines for cultural adjustment
AACSB: Diverse and multicultural work environments

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130) What is the difference between a polycentric, ethnocentric, and geocentric approach to international management? What key factors should a firm consider before adopting one of these approaches?
Answer: In polycentric organizations, control is decentralized. In other words, business units in different countries have a significant degree of autonomy from the home office and act like local companies. Polycentrism may be, however, an overly cautious response to cultural variety. Ethnocentrism is the belief that one's own culture is superior to others. In international business, it describes a company or individual so taken with the belief that what worked at home should work abroad that environmental differences are ignored. Geocentrism refers to a situation in which a company bases its operations on an informed knowledge of home and host country needs, capabilities, and constraints. This is the preferred approach to business dealing with another culture because it increases introduction of innovations and decreases the likelihood of their failures. In deciding whether to make changes in either home- or host-country operations, a company should consider several factors: the importance of the proposed changes to every party involved, the cost and benefit to the company of each proposed change, the value of opinion leaders in implementing the changes, and timing.
Diff: 3
Skill: Synthesis
Objective: 2-5 Analyze guidelines for cultural adjustment
AACSB: Diverse and multicultural work environments

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PART TWO
COMPARATIVE ENVIRONMENTAL FRAMEWORKS

Chapter 2
The Cultural Environments Facing Business

OBJECTIVES

2-1 Explain why culture, especially national culture, is important in IB, but tricky to assess
2-2 Grasp the major causes of national cultural formation and change
2-3 Discuss major behavioral factors influencing countries' business practices
2-4 Recognize the complexities of cross-cultural communications
2-5 Analyze guidelines for cultural adjustment

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CHAPTER OVERVIEW

When companies source, manufacture, and/or market products in foreign countries, they encounter fascinating and often challenging cultural environments. Chapter Two examines the dynamics of culture and its effect upon international business operations and strategy. Culture and business practices are ever changing and these shifting trends are incorporated in the cases and examples. While exploring the causes of cultural differences, rigidities, and changes, it focuses upon the impact of cultural traditions on business activities, as well as the mutually satisfactory reconciliation of cultural differences. The chapter concludes with a discussion of the ways in which firms can potentially maximize their effectiveness while operating in a world of complex and dynamic cultural diversities.

CHAPTER OUTLINE

OPENING CASE: SAUDI ARABIA'S DYNAMIC CULTURE [see Map 2.1.]

This case provides a striking example of the challenges presented to foreign firms by a pervasive, theocratic, national culture. It shows why companies have had mixed success in Saudi Arabia, a modern yet ancient society grounded in Islamic law, religious convictions, and behavioral traditions. In particular, the case highlights the example of the Java Lounge, a new, up-scale Jeddah restaurant that serves an affluent niche of Saudi consumers. Further, it describes ways in which a variety of foreign firms have adjusted their products, facilities, and operating strategies to meet government requirements and yet satisfy the Saudi consumer. It points out numerous paradoxes one may encounter regarding Saudi legal sanctions, purchasing patterns, and attitudes toward work. A key point to make when discussing the case is that even in this very rigid culture, things are changing. Women can now vote, hold political offices, drive automobiles, and take

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physical education classes for females. The Saudi business world has also seen much change. Consider that women own about 20 percent of all Saudi businesses.

Questions

2.1 Assume you are an MNE manager who needs to send a team to Saudi Arabia to investigate the feasibility of selling your products there. What advice should you give them to help assure that cultural problems do not impede their success?

I would begin with the idea of wastah as, according to the article, seems to be a challenging, but asset to achieve for any business headed to Saudi Arabia. As one company in the article realized, observations and engaging in small talk within restaurants or other public places, led to a clearer understanding of how to build connections or wastah. Next, depending upon the products, you may learn more about what needs to happen in regards to infrastructure. In a place where traditional gendered roles are important, sexes are separated, and religious customs strictly observed, it is important to decide what changes are needed to the day-to-day operations and buildings. Also, if you will send a team with women, you may need to spend additional time securing visas into the country. (LO 2-5: Analyze guidelines for cultural adjustment, AACSB: Reflective Thinking.)

2.2 Assume your company is from North America or Europe and considering the establishment of an office in Saudi Arabia. What additional operating costs might it have to assume because of the Saudi culture?

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Building further than the answer in the last question, businesses coming from more Western, Christian oriented countries will need think through the transition with care. Saudi Arabia is a country where traditional gendered roles are important, sexes are separated, and religious customs strictly observed. Depending upon the employees of the building, you will need to decide if a residential compound is needed for staff and families. The offices will need separated spaces for male and female employees, including doors and meeting locations. Travel inside and outside the country may be challenging for women of Saudi decent due to male permission expectations and needing a male companion. Also, single women of a certain age may have a challenging time traveling to Saudi Arabia due to visas. In terms of religion, a company (at least) needs to make appropriate accommodations for prayers and measures to encourage adherence (such as dimming lights and stopping work during prayers, not serving food items during the day during Ramadan, or observing Friday prayers). (LO 2-5: Analyze guidelines for cultural adjustment, AACSB: Reflective Thinking.)

TEACHING TIPS: Carefully review the PowerPoint slides for Chapter Two.

I. CULTURE'S IMPORTANCE IN IB AND TRICKINESS TO ASSESS

Culture refers to the shared values, attitudes, and beliefs of a group of individuals. Often, people simultaneously belong to different groups representing different cultures and/or subcultures. Further, every business function is subject to cultural influences. Cultural

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diversity means bringing together people of different backgrounds, perspectives, and experience. Thus, major problems of **cultural collision** are likely to occur if a firm implements practices that are less effective than intended and/or employees are unable to accept or adjust to foreign customs. Thus, it is vital that firms determine which business practices vary in a foreign country and what adjustments, if any, are necessary. At the same time, cultural diversity can be a source of competitive advantage for global firms. [see Fig. 2.1.]

Culture is an elusive topic to study, partly because people belong to multiple cultures based on their nationality, ethnicity, religion, gender, work organization, profession, age, and income level. Companies' need to understand and be sensitive to the culture where they operate.

A. National Cultures as a Point of Reference

The idea of a "nation" provides a workable definition of a "culture" because (1) similarity among people is a cause and an effect of national boundaries and (2) it is a reference people make to "we" versus "they." National identity is perpetuated through rites, symbols, and respect for national heroes, while the preservation of national sites, documents, monuments, and museums promotes a common perception of "we." Despite using the nation as a cultural reference point, not everyone therein shares the same values and attitudes. In addition, nations include various subcultures, and a nation must be flexible enough to accommodate and mediate its diversity. At the same time, some people have internalized more than one culture because of having dual or multiple citizenships, parents or spouses from another country, or lived abroad at an impressionable age.

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B. The People Factor

As nationalities come together through projects and teams, their diverse perspectives and experiences often enable businesses to gain a deeper knowledge of how to create and deliver products and services. Cultural diversity can be a competitive advantage, but successful cultivation of diversity is difficult because individuals may interact as they do within their own cultures.

When contact among divergent cultures creates problems, the situation is known as a **cultural collision**. Such collision may result in a company's implementation of practices that are less effective than intended and to its employees' distress because of difficulty in adjusting to behaviors abroad.

C. Building Cultural Awareness

Although people agree that cross-cultural differences do exist, they often disagree on their impact. Are they widespread or exceptional? Are they deep-seated or superficial? Are they easily discerned or difficult to perceive? It is vital that managers develop an acute awareness of all those cultures in which they operate. Cultural variables include daily routines and rules, codes of social relations, language, emotive expression, and concepts of luck. In addition, not only are there differences that distinguish various cultures, there is also a good deal of variation found within cultures. No foolproof method exists for building cultural awareness. Although research on another culture can be instructive, one must assess information carefully to determine if it perpetuates unwarranted stereotypes, covers only limited segments of a country's culture, or is

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obsolete. One should also observe the behavior of those people who have garnered the kind of respect and confidence they themselves will need.

D. Shortcomings in Cultural Assessments

Sometimes differences are attributed only to culture, although other factors may be influential. When China had its one-child policy, millions of families aborted female fetuses. Why? Because males could carry on a family name (cultural), help work fields in rural areas (economic), and care for parents in old age (cultural and economic). Recently, however, China has seen a shift toward more fondness for female offspring. Why? Urbanization requires fewer male workers on farms (economic), while rising property values (economic) have taken a toll on families' tradition (cultural) of buying living quarters for sons before they can marry.

We should also emphasize a few common shortcomings in interpreting cultural research. First, comparing countries based upon what people say may be risky. Second, a focus on differences in terms of averages may overlook specific variations within countries. Third, current cultural attitudes may change in the future.

II. INFLUENCES ON CULTURAL FORMATION AND CHANGE

A. Sources of Change

Culture is transmitted in a variety of ways, but psychologists believe that children have their basic value systems firmly in place. Nonetheless, individual and societal values and customs constantly evolve in response to changing economic and social realities. Cultural change can be brought about by choice or imposition; change that is brought about by imposition is known as **cultural imperialism**. The introduction of certain elements of an outside culture may be referred to as *creolization,* or *cultural diffusion.*

B. Language as Both a Diffuser and Stabilizer of Culture

While a common language within a country serves as a unifying force, language diversity may undermine a firm's ability to conduct business, to integrate workforces, and to market products on a national level. Isolation from other groups, especially because of language, tends to stabilize cultures. Because some countries see language as such an integral part of their cultures, they may regulate the inclusion of foreign words and/or mandate the use of the country's official language for business purposes. [see Map 2.2]

C. Religion as a Cultural Stabilizer

Religion can be a strong shaper of values and beliefs and is a major source of both cultural imperatives and taboos. Buddhism, Christianity, Hinduism, Islam, and Judaism represent just some of the religions whose specific beliefs may affect business practices. Yet, not all nations that practice the same basic religion place identical constraints on business. In addition, violence among religious groups can damage property and disrupt business activities for both home and host country firms. [see Map 2.3.]

III. MAJOR BEHAVIORAL PRACTICES AFFECTING BUSINESS

Cultural attitudes and values affect business practices—everything from decisions about what products to sell to decisions about organizing, financing, managing, and controlling operations. Some of the more important aspects of culture are mentioned below.

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A. Issues in Social Stratification

Every culture ranks people. Such social stratification creates hierarchies and influences a person's class, status, and financial rewards within that culture. Because societies value group affiliations differently, business practices differ among countries. There are many ways to classify people's group memberships:

1. **Ascribed and Acquired Membership**. Those usually determined by birth are **ascribed group memberships**, including gender, family, age, caste, and ethnic, racial, or national origin. **Acquired group memberships** include those based on religion, political affiliation, educational place and achievement, and profession.
2. **Ethnic and Racial Groups.** Country-by-country attitudes vary toward race and ethnicity. Malaysia, for example, defines political parties and employment quotas explicitly by three ethnic groups— Malays, Chinese, and Indians. The employment quotas are primarily to upgrade the economic position of Malays because the Chinese and Indian minorities long dominated business ownership and the professions, respectively.
3. **Gender-Based Groups.** Strong country-specific differences exist in attitudes toward the roles of males and females in society and the workplace, as well as the types of jobs regarded as "male" or "female." However, in some parts of the world, barriers to employment based on gender are easing. In addition, as the composition of jobs becomes less physical and more creative and/or technical, the relative demand for female employees is also increasing.
4. **Age-Based Groups.** Many cultures assume that age and wisdom are correlated; thus, they often have a seniority-based system of advancement. In others, there is an emphasis on youth, particularly in the realm of marketing. Often there is a mandatory retirement age in business, but not in politics. Clearly, firms must consider reference groups when deciding whom to hire and how best to promote their products.
5. **Family-Based Groups.** In some societies, family membership is more important than individual achievement. Where there is low trust outside the family, such as in China and southern Italy, small family-run companies are generally quite successful, but they often have difficulty expanding beyond the family. In addition, such allegiances may impede the economic development of a nation if large-scale operations are necessary to compete globally.

B. Work Motivation

Employees who are motivated to work long and hard are generally more productive than those who are not. On an aggregate basis, this will have a positive effect on economic development and national competitiveness.

1. **Materialism and Motivation**. Countries differ in their degree of materialism. In some societies, such as Japan and the United States, people desire less leisure time than others, such as much of Europe. Sociologist Max Weber claimed that predominantly Protestant Western economies were the most economically developed because of their emphasis on hard work and investment. This view of work as a path to salvation (an outgrowth of the Reformation) is known as the "Protestant ethic." In rural India, however, where minimal material achievement is a desirable end in itself, any added productivity will likely be taken in the form of leisure, rather than income. In still other countries, leaders stress the need for a

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culture that combines material comforts with spirituality. An interesting OECD study of the trade-off between productivity and leisure points out the disparity even among high-income countries. Even with this disparity, most people in most countries see economic advancement as an important life goal.

2. **Expectation of Success and Reward.** Although the same tasks performed in different countries will have different probabilities of success, different rewards for success, and different consequences for failure, people will usually work harder at any task when the reward for success is greater than the consequence of failure. The greatest enthusiasm for work exists when high uncertainty of success is combined with the likelihood of a very positive reward for success and little or none for failure.
3. **Performance and Achievement.** The **masculinity-femininity index** measures attitudes toward achievement. A high-masculinity score indicates a preference for "live to work," whereas a high-femininity score indicates a preference for "work to live." This index may help explain national differences in behaviors.
4. **Hierarchies of Needs.** Maslow's **hierarchy-of-needs theory** of motivation states that people will try to fulfill lower-order physiological needs before satisfying (in order) their security, affiliation, esteem, and self-actualization needs. This theory can be especially helpful for differentiating the reward preferences of employees in different countries, who may likely rank some of their higher-order needs differently. An example of these differences can be discussed using the ethnographic study comparing the US, the Dominican Republic, and Barbados.

C. Relationship Preferences

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Within social stratification systems, not every member of a reference group is necessarily equal. In addition, there may be strong or weak pressures for group conformity. Such national differences in norms influence both effective management styles and marketing behavior.

1. **Power Distance. Power distance** is a measurement of employee preferences of interaction between superiors and subordinates. With high power distance, people prefer little consultation between bosses and subordinates. They also prefer management styles that are either autocratic (ruling with unlimited authority) or paternalistic (regulating subordinate conduct by supplying their needs). With low power distance, they prefer "consultative" styles.
2. **Individualism versus Collectivism.** High **individualism** describes a preference to fulfill leisure time, build friendships, and improve skills independently of the organization. People with high individualism also prefer to receive direct monetary compensation as opposed to fringe benefits, and they prefer to engage in personal decision-making and on-the-job challenges. High collectivism, in contrast, typifies an employee's penchant for dependence on the organization through training, satisfactory workplace conditions, and good benefits. For example, the United States is a highly individualist country, and employees socialize less with close work colleagues outside of work than employees do in more collectivist societies. In countries with high individualism, a self-actualization opportunity is a prime motivator because employees want challenges. In those with high collectivism, fulfilling security needs is a prime motivator.

D. Risk-Taking Behavior

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Nationalities differ in their attitudes toward *risk-taking*, i.e., how willingly people accept things the way they are and how great their need for control of their destinies.

1. **Uncertainty Avoidance**. **Uncertainty avoidance** describes a trait of being uncomfortable with ambiguity. Where this trait is strong, most employees prefer to follow set rules even if they believe that breaking them may be in the company's best interests. They also tend to stay with current employers for a long time, preferring the certainty of present positions over the uncertainty of their future elsewhere.
2. **Trust.** Trust represents one's belief in the reliability and honesty of another. Where trust is high, there tends to be a lower cost of doing business because managers devote less time to investigation and oversight and more to innovation and investment. (While Norwegians tend to exhibit a high degree of trust, Brazilians tend to be skeptical.)
3. **Future Orientation.** Individuals who tend to live for the present as opposed to for the future see risks in delaying gratification and investing for the future. Where **future orientation** is higher, workers will more likely be motivated by types of delayed compensation, such as retirement programs. (While a future orientation tends to be higher in Canada, the Netherlands, and Switzerland, it tends to be lower in Italy, Poland, and Russia.)
4. **Fatalism.** Fatalism represents the belief that life is predestined, that every event is inevitable, and that occurrences represent "the will of God." Unlike those who believe strongly in self-determination and basic cause-and-effect relationships, fatalists are not likely to plan for contingencies or take responsibility for performance. Thus, they are less swayed by persuasive logic than by personal relationships.

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E. Information and Task Processing

People from different cultures obtain, perceive, and process information in different ways; thus, they may also reach different conclusions.

1. **Perception of Cues.** People perceive cues selectively. They identify things by means of their senses (sight, smell, touch, taste, and sound) and in various ways within each sense. The particular cues used will vary both for physiological and cultural reasons (e.g., differences in eye pigmentation enable some to distinguish colors better than others; the richer and more precise a language, the better one's ability to express subtleties).
2. **Obtaining Information: Low-Context versus High-Context Cultures.** Language represents a culture's primary means of communication. In a **low-context culture**, people rely on explicit, first-hand information that bears directly on a decision or situation; people say what they mean and mean what they say. In a **high-context culture**, people rely on implicit, peripheral information and infer meaning from things communicated indirectly; relationships are very important; (e.g., while the United States and most of northern Europe are considered to be low-context cultures, most countries in southern Europe are considered to be high-context cultures).
3. **Information Processing.** All cultures categorize, plan, and quantify, but the ordering and classification systems used often vary. To perform efficiently and work amicably in a foreign environment, you need to understand such differences in

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processing systems. Further, different processing systems create challenges in sharing global data.

4. **Monochronic Versus Polychronic Cultures.** In **monochronic** cultures (e.g., northern Europeans) people prefer to work sequentially, but in **polychronic** cultures (e.g., southern Europeans) people are more comfortable working on multiple tasks at one time.
5. **Idealism Versus Pragmatism.** In some cultures, people focus first on the whole and then on the parts; similarly, some cultures will determine principles before they try to resolve small issues (**idealism**), whereas other cultures will focus more on details rather than principles (**pragmatic**).

IV. PROBLEMS IN COMMUNICATING ACROSS CULTURES

Communication problems may arise when moving from one country to another, even though both countries share the same official language. Of course, problems also arise when moving from one language to another.

A. Translation of Spoken and Written Language

Translating one language into another can be very difficult because (a) some words do not have a precise translation, (b) the common meaning of words is constantly evolving, (c) words may mean different things in different contexts, and (d) a slight misuse of vocabulary or word placement may change meanings substantially. Further, while jokes and laughter have universal appeal, much humor does not. Therefore, words must be chosen very carefully, because poor translations may have tragic consequences. [see Table 2.1.]

B. Silent Language

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Silent language incorporates the wide variety of nonverbal cues through which messages are sent—intentionally or unintentionally. Color associations, the distance between people during conversations, the perception of time and punctuality, a person's perceived prestige, and kinesics or body language are all very significant. Misunderstandings in any of these areas can be serious.

V. GUIDELINES FOR CULTURAL ADJUSTMENT

Once a company identifies cultural differences in the foreign countries in which it operates, must it alter its customary practices? Can individuals overcome adjustment problems when working abroad?

A. Host Society Acceptance

If products and operations do not run counter to deep-seated attitudes, or if the host country is willing to accept foreign customs as a trade-off for other advantages, significant adjustments may not be required.

B. Degree of Cultural Differences

Cultural distance represents the degree of similarity between two societies. Countries may be relatively similar to one another because they share the same language, religion, geographical location, ethnicity, and/or level of economic development. Generally, a firm should have to make fewer adjustments when moving within a culturally similar cluster than when it moves from one distinct cultural cluster to another. Nonetheless, a manager must not assume that seemingly similar countries are more alike than they really are and be lulled into a complacency that overlooks critical subtleties.

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C. Ability to Adjust: Culture Shock

Culture shock represents the trauma one experiences in a new and different culture because of having to learn to cope with a vast array of new cues and expectations. **Reverse culture shock** occurs when people return home, having accepted the culture encountered abroad and discovering that things at home have changed during their absence.

D. Company and Management Orientations

Whether and how a company and its managers adapt abroad depends not only on the host country culture but also on their own attitudes and behaviors. The following sections discuss three such attitudes or orientations: polycentrism, ethnocentrism, and geocentrism:

1. **Polycentrism.** A polycentric organization believes it should act abroad like companies there. Polycentric management may be so overwhelmed by national differences that it won't introduce workable changes.
2. **Ethnocentrism. Ethnocentrism** reflects the conviction that one's own practices are superior to those of other countries. Ethnocentric management overlooks national differences and ignores important factors, believes home-country objectives should prevail, and thinks acceptance by other cultures is easy.
3. **Geocentrism. Geocentrism** represents a managerial approach in which foreign operations are based on an informed knowledge of both home and host country needs, capabilities, and constraints. Geocentric management often uses business practices that are hybrids of home and foreign norms.

POINT—COUNTERPOINT: Does IB Lead to Cultural Imperialism?

POINT: Modern *cultural imperialism* has come about because of the technical, political, military, and economic supremacy of the developed countries in relation to the less developed countries of the world. Exposure to news and entertainment media, extensive advertising, mass distribution, and Western tourists leads periphery peoples to believe that Western lifestyles are glamorous, exciting, and desirable. As international firms take advantage of this newly created demand, they uncaringly employ practices and attitudes that further upset the local culture and self-identity that helps stabilize a nation. While rich countries may be able to prohibit investment in culturally sensitive industries, restrict the use of foreign languages, limit the screening of foreign films, etc., periphery countries lack the resources to do so.

COUNTERPOINT: Although people in many countries have adopted everything from jeans to Coca-Cola, they pick and choose products based on personal interpretations of their needs in relation to the realities of the cultures in which they live. While trade-offs are often involved, globalization provides options that otherwise would not exist. Further, evidence does not indicate that the adoption of foreign products necessarily causes a change in a country's culture. With contact, cultural diffusion spreads in two directions. Cultures have always evolved, and what is occurring is the development of hybrid cultures, not cultural imperialism. Finally, foreign firms must adhere sufficiently to local culture lest they fail—and local competition may not be local at all.

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E. Strategies for Instituting Change

Companies may need to transfer new products and/or operating methods from one country to another in order to gain a competitive advantage. To maximize the potential benefits of their foreign presence, they need to treat learning as a two-way process and transfer knowledge from home countries abroad and from host countries back home.

1. **Value Systems.** The more that change upsets important values, the more resistance it will encounter. Accommodation is much more likely when changes do not interfere with deep-seated customs.
2. **Resistance to Too Much Change.** Resistance to change may be reduced if only a few demands are made at one time; others may be phased in incrementally.
3. **Participation.** A proposed change should be discussed with stakeholders in advance in order to ease their fears of adverse consequences—and perhaps gain their support.
4. **Reward Sharing.** A company may choose to provide benefits for all the stakeholders affected by a proposed change in order to gain support for it.
5. **Opinion Leadership.** Characteristics of opinion leaders often vary by country. By discovering the local channels of influence, an international firm may seek the support of opinion leaders to help speed the acceptance of change.
6. **Biculturals and Multiculturals as Mediators.** Companies may rely on bicultural or multicultural individuals, especially those within their own ranks, to present and explain changes to stakeholders.
7. **Timing.** Many good business changes fail because they are ill-timed. Attitudes and needs change slowly, but a crisis may stimulate the acceptance of change.
8. **Learning Abroad.** The essence for undertaking transnational practices is to capitalize on diverse capabilities by transferring learning among all the countries in which a firm operates.

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LOOKING TO THE FUTURE: Scenarios on the Evolvement of National Cultures

Although some tangibles have become more universal, the ways in which people cooperate, solve problems, and are motivated continue to differ. Many expect that as contact across cultures becomes more widespread and as people become more flexible citizens, hybrid cultures will develop. Others believe that national cultures will be more homogenized with respect to visible expressions of culture, but that basic values will not change. A third view is that national cultures will become stronger because of feelings of nationalism. Finally, some people feel that national borders as we know them today will change to accommodate ethnic groups and other subcultures.

CLOSING CASE: International Students and International Business

About 5.3 million international students attended universities outside their country of citizenship in 2017. They had a significant positive economic impact on the host countries, with financial contributions exceeding the fees they pay to universities. For instance, in the US, international students contributed to the US surplus in service trade and supported about 400,000 jobs during

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2017. In the UK, they supported GBP 1 billion in tax revenues in 2014/2015. But their contributions go beyond monetary terms. International students can contribute to diplomatic connections. Academically, universities have adjusted to the influx of international students with various initiatives to meet diverse foreign student needs. Yet challenges remain particularly arduous bureaucratic and academic tasks and language difficulties. Another challenge is how to infuse international content into program curricula because many faculty members have little or no background on related topics and have time constraints in adding anything to already jam-packed courses. For students, study abroad brings challenges like those experienced by expatriate managers, i.e., cultural adaptation. Given the massive growth in student mobility and the significant contribution of international students to host countries' economies, much thought has been given to improving intercultural competence for international students. One such solution is the Process Model of Intercultural Competence (see Figure 2.3.)

Questions

2.3 Assume someone from another country asks to understand the most important cultural things about your country, how would you respond?

First, I would need to understand the differences in cultural factors, political policies/legal factors, economic forces, and geographic influences of the person to know what elements are important. For example, being from the United States, if it was a person from Canada, I may assume they know some of the basics such as language, economics, or geographic influences as they have many of the same characteristics. In this case, I may focus upon more regional differences. I might mention the importance of the Spanish language in some areas. If the person is a member of the First Nations in Canada, I may discuss the role and current situation of Native Americans in the United States. If they were coming from an urban area, I would discuss the Midwest cultural characteristics and other geographic regions. The information about the United States may change if I was talking to a student from a predominant Muslim country coming to the United States, I may discuss how the majority subscribe to Christianity, but other religions are free to practice. They may find less knowledge among Americans, however, of holidays important to Muslims. (LO: 2, Learning Outcome: Grasp the major causes of national cultural formation and change, AACSB: Reflective Thinking.)

2.4 If you are planning to visit another country as a student or tourist, what preparations can you make that will help you to understand that culture better?

No matter where you go in the world, travel should not commence until the person undertakes research. Often times, firsthand knowledge from a person from the country is the best place to start. Although the nationals of the country you wish to visit may be biased based on religion, geographic location, socioeconomic status, etc., they should be able to guide you on the basics. Depending upon the purpose of the visit, another step is to connect with your national consulate within the country or do research on internet. They often have

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important information and travel alerts. In the United States, the US government produces an excellent guide about countries at https://travel.state.gov/content/travel.html. Next, there are often excellent travel guides that assist you in planning a trip and being sensitive to national cultural values of a country. Finally, if time permits, I would strongly suggest a beginner course in the language (if it is different). At least, having a contact within the country to help with translation needs may prove helpful for emergencies. (LO: 2, Learning Outcome: Grasp the major causes of national cultural formation and change, AACSB: Reflective Thinking.)

2.5 *If you have visited other countries, did the experience make you think more about yourself or your home country?*

Most of the time, people will both realize things they take for granted or cultural values that they did not realize were so strong when they visit a new country. For example, some people may believe religion is somewhat important to them in their home country. When you travel to a new country that does not practice the same faith, you may notice holidays that you expect (for example Christmas) are not observed, certain places of worship (a Catholic vs. Protestant church) are not present, or religious customs may mean that you have a heightened awareness of religious values. Secondly, if the country does not speak the same language, you find out quickly how it can be difficult to get a meal, find transportation, or check into housing options. Even if people say they speak your language, often times there may be substantial differences. If you end up needing medical care, language and process to see medical professionals may vary. Another difference is just the daily aspects of life. You may not find similar types of food, restaurants, or even clothing/personal necessities as you do in your home country. (LO: 2, Learning Outcome: Grasp the major causes of national cultural formation and change, AACSB: Reflective Thinking.)

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2.6 *Can you think of an occasion when a student from another culture has made a contribution to student life that you valued?*

I can reflect upon numerous times in which students from another culture have made a contribution and have changed the projection of my life. Interactions and cooperation with students from other countries make significant changes in stereotype ideas and interest to learn more about others. Often times, the closer the interaction and the amount of time you spend with the person influences the amount of contribution. A roommate, for example, might be more significant than a classmate. Taking the time to attend a cultural event with a friend may encourage a person to attend other cultural events and supporting others in their celebrations. Decreasing ethnocentrism is possibly the largest contribution that meeting students from other cultures can make in student life. (LO: 5, Learning Outcome: Analyze guidelines for cultural adjustment, AACSB: Reflective Thinking.)

2.7 *Have you made any friends with students from other countries? Is so, describe how it happened. If not, why do you think you haven't?*

Most of my friendships across cultures comes from my natural interest to learn more about other ways of life. According to some scholars, people have a natural threshold for new or

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unfamiliar situations. It often influences how likely you are to meet friends/students from other countries. Of course, there are schools with higher populations of students or urban areas with high concentrations of people from other cultures, which makes it easier because you are regularly in contact with people from other countries. However, people with a natural interest or drawn to learning more about new realities, tend to seek out friendships with people from other countries. (LO: 5, Learning Outcome: Analyze guidelines for cultural adjustment, AACSB: Reflective Thinking.)

2.8 *Assume on post-graduation that you are launching a new global start-up and are seeking new partners. How might you start building your global business networks now?*

Having opportunities in classes to interact and collaborate on "practice" businesses is one way to practice how partnerships may look like in the real world. In a safe space, you learn about differences in cultural values such as time, talk, and customs across cultures. Establishing relationships in the classroom or on campus is much easier than flying into a country and starting from scratch. If you know people from major economic centers, it may allow you to discuss ideas early on to see if it is an appropriate business for the location. (LO: 5, Learning Outcome: Analyze guidelines for cultural adjustment, AACSB: Reflective Thinking.)

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Additional Exercises: Cultural Challenges

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Exercise 2.1. Ask students to outline the reasons why the various elements of culture (social structures and control systems, language and aesthetics, religion and other belief systems, educational systems, etc.) might increase the cost of doing business in a country. Be sure that the students illustrate their ideas with concrete examples of both cultural elements and specific countries. (LO 2-3: To discuss behavioral factors influencing countries' business practices, AACSB: Analytical Skills.)

Exercise 2.2. Choose two to five countries that are culturally diverse. Ask students to compare the cultures of those countries and to discuss the ways in which cultural differences will affect the cost of doing business in each. Conclude the discussion by examining the ways in which business practices and ethics vary across the cultures. (LO: 1, Learning Outcome: To understand methods for learning about cultural environments, AACSB: Analytical Skills.)

Exercise 2.3 In many countries, religion has a dramatic effect on people's attitudes, customs, and behavior. Lead students in a comparative discussion of the potential effects of the basic beliefs of the world's major religions upon international business opportunities and operations. (LO 2-2: To analyze behavioral factors influencing countries' business practices, AACSB: Dynamics of Global Economy.)

Exercise 2.4. Pop culture can influence the development of global preferences in a number of ways. Lead students in a discussion of the ways in which movies can affect the cultural dimensions of a society. (Select particular movies, examine various values embedded in

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them, and discuss the nature of their impact upon the lifestyles of people around the world.) (LO 2-4: To understand cultural guidelines for cultural adjustment, AACSB: Multicultural and Diversity Understanding.)

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