

MAN 1415



OTTO-VON-GUERICKE-UNIVERSITY MAGDEBURG
Faculty of Economics & Management
- INTERNATIONAL MANAGEMENT -
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2041 Organizational Context and Managerial Roles of International Managers WT 2004/05

FINAL EXAM

Name and surname: _____

Matriculation number: _____

General Instructions:

DEBATION: TWO HOURS

1. You are expected to answer all the questions. As a multiple-choice exam, just follow the instructions.
 2. All questions have equal value. (30 questions plus a bonus question – you are allowed to make one mistake and still get the highest grade)
 3. Mark only one answer per question unless otherwise stated.
 4. You are allowed to use a dictionary.
- GOOD LUCK!**

1. A major American multinational company decided to expand into Indonesia. It found a local partner and carried a series of negotiations to formalize the working relationship. On the first visit, a senior vice-president, represented the company. On the second visit, a senior marketing and a production specialists participated in the negotiation. For this second meeting, the Americans had established a complete agenda and all topics were fully covered. The managers of the local Indonesian company also manifested their agreement with the topics brought in by the Americans. The Americans were happy because all the bases for a partnership had been established, including a first draft of cooperative agreement. However, the Americans couldn't understand why they never received a final decision or a decisive comment from the Indonesians.

THE INDONESIANS WERE RELUCTANT TO FINALIZE THE DEAL. MOST PROBABLY BECAUSE:

- A _____ They did not feel they knew any of the Americans well enough to trust them. Two formal meetings were not enough.
- B _____ They thought the Americans did not brought in enough data and objective business plan as a traditional Indonesian expectation for first negotiation meetings.
- C _____ They had noticed that all members of the North American delegation did not have any knowledge of the local languages and that would jeopardize an effective future collaboration.

2. IF EMPLOYEES OF A LARGE CORPORATION FEEL THEY OWN AN ALLEGIANCE AND LOYALTY TO A GROUP OF WHICH ONE IS PART, THEY ARE PROBABLY FROM ONE OF THESE GROUPS OF COUNTRIES

- A _____ China, Germany, Sweden
- B _____ Indonesia, Thailand and Malaysia
- C _____ Japan, Saudi Arabia, Canada

3. IF A MAIN NEGOTIATOR FOR A LARGE BUSINESS MERGER WAS SELECTED BECAUSE OF HIS PROFESSIONAL COMPETENCE, COMES TO MEETING WELL PREPARED WITH OBJECTIVE ARGUMENTS, FACTS AND DATA, HE MOST PROBABLY IS A NATIONAL OF:

- A _____ Italy
- B _____ Malaysia
- C _____ Germany
- D _____ Spain

4. TRUE OR FALSE? CHOOSE THE RIGHT ONE.

- A _____ Culture is a collective phenomenon that has to with shared characteristics and social reactions of all human beings.
 - B _____ Culture is form of pursuing the truth among human beings: the more we study culture, the more we will be aware about what is right or wrong for all human beings.
 - C _____ Culture is essentially inherited.
 - D _____ The essence of culture is described by the content and structure of the basic mental representations that members of particular social groups share.
 - E _____ Culture is a monolithic and uniformly manifested in a country.
5. Ms. Hunt _____ a senior representative of a large American corporation supervises a five Thai managers. She senses that all is not going well, but is not clear as to what the real issues are. She invites the five managers to meet with her to get to the root of the problem. She feels it has something to do with her management style and asks for feedback. With a great sense of embarrassment, the managers respond by saying there is no problem. They avoid or deflect Ms Hunt's other questions on the subject. Ms Hunt leaves the meeting frustrated that she could not get to the bottom of the problem. Her Thai managers leave feeling embarrassed that they were put in the situation.
- A _____ Thai managers do not like to be supervised by a woman and would prefer just to have an all men's talk. Probably, they would have been more willing to discuss problems with other American (male) managers.
 - B _____ A Thai manager believes to be his (her) job to handle problems by himself or herself rather than bring them to the attention of a superior. Few Asians want to be the bearer of bad news.
 - C _____ Ms Hunt did not prepare an agenda with major topics to be discussed. The Thai managers felt they were unprepared to answer questions for which they did not have time to think and agree upon beforehand.

6. WHICH ONE IS FALSE?

- A _____ Latin American managers tend to be individualistic: delegation and teamwork do not come naturally, but must be learned.
- B _____ Latin American managers observe line of authority; those in high authority are expected not to admit error, so the tendency is to place the blame elsewhere.
- C _____ For outsiders to succeed in Latin America, developing personal relationships is not only critical but time consuming.
- D _____ Latin American managers tend to be formal and objective oriented ... their subject feelings do not interfere in their major decisions.

7. MATCH CULTURAL CONCEPTS WITH THE FOLLOWING SENTENCES:

| | |
|-----------------------|---|
| (A) Individualism | _____ Money, assertiveness, and competition are valued |
| (B) Particularism | _____ An individual's societal or organizational position influences how he acts and how others treat them. |
| (C) Diffuse cultures | _____ Organization systems attempt to honour individual preference and choice |
| (D) Masculinity | _____ Circumstances and relationships are more important in deciding what is right or good |
| (E) Specific cultures | _____ The public space is relatively smaller and more carefully guarded than the private space |
| (F) Power distance | _____ People usually have large public spaces and relatively smaller private spaces |

8. YOUR COMPANY HAS DECIDED TO SELL ITS PRODUCT LINE IN JAPAN THROUGH A JOINT VENTURE WITH A LOCAL DISTRIBUTOR. TO IDENTIFY A GOOD LOCAL DISTRIBUTOR, YOU SHOULD FIRST:

- A. Participate in an open exhibition in Tokyo.
- B. Look in the Japanese *Yellow Pages* for a local distributor.
- C. Place an advertisement in a major Tokyo newspaper highlighting your product's low price.
- D. Ask your Japanese friend to introduce you to several local distributors.

9. TRUE OR FALSE? CHOOSE THE RIGHT ONE:

- A. A cultural model consists of an individual mental frame that helps a person to respond to environmental demands.
- B. Cultural knowledge helps a manager to perceive other's values and perceptions as strange.
- C. Culture is everything a person has, think, and do in order to be accepted in specific social group.
- D. A set of belief and expectations which determines one person's singularity.
- E. Cultural knowledge helps a manager to be aware of how other people will speak, act, and negotiate.
- F. A culture's basic values change very rapidly. That is the reason why is so difficult to research and understand a culture.

10. CLEAR DEFINITION OF ROLES AND PROCEDURES AND STANDARDIZATION OF COORDINATION AND CONTROL ARE CHARACTERISTICS FOUND IN COUNTRIES SUCH AS: MARK ONE

- A. Austria, Switzerland and Finland
- B. UK, USA and Australia
- C. China, Indonesia, and Nigeria
- D. France, Portugal and Greece

11. IDENTIFY WHICH LETTER IS COMING FROM A JAPANESE, AN AMERICAN OR AN LATIN AMERICAN BUSINESSMAN.

- (A) Japan
- (B) Latin America,
- (C) USA

_____ **Letter 1** First of all we would like to thank you for having shown interest in our company. We were honored and pleased with your letter because we are aware of the great achievements of your corporation in the last years. We know the esteem and recognition your company has from its customers. In fact, in a exposition in Rome last year, we had a chance to meet some of your executives and we were very impressed with their attention and ability to treat potential customers. As to your proposal, ...

_____ **Letter 2** I am writing you a quick note to let you know that we became very interested with your proposal and we would like to schedule a meeting with you at your first convenience.

_____ **Letter 3** Thank you for your letter from second October. We analyzed your proposal with great interest, but unfortunately, at this stage, we must decline your offer. We felt that we did not have enough information yet to engage in a cooperative venture. But, I would like to stress that this does not reflect any diminishing impression on the quality of your products and services.

12. IN A SUCCESSFUL NEGOTIATION WITH SOUTH AMERICANS, YOU SHOULD START BY

- A. Making concessions to the other party to show good faith.
- B. Presenting a lot of information about your business.
- C. Persuading them to accept your first offer.
- D. Establishing personal connections.

13. TRUE OR FALSE? MARK ONLY THE TRUE ONES.

- A In large power distance culture, an individual's societal or organizational position influences how he acts and how others treat them.
- B To show emotions in the work place is seen as "unprofessional" by managers in diffuse cultures.
- C In high context culture a subjective appraisal is generally considered a more important than an objective appraisal.
- D Managerial conflicts in low context cultures are generally seen as a violation of collective expectations.
- E "A deal is a deal" is a typical assumption of a particularistic culture.
- F "How can I trust them if they always help their friends?" is a typical critical expression of a particularistic culture made by someone from a universalistic culture.
- G Managers on particularistic cultures prefer to trust contracts than relationships.

14. YOUR COMPANY HAS JUST RECEIVED CONFIRMATION THAT A HIGH LEVEL DELEGATION FROM A CHINESE COMPANY WILL VISIT YOUR OFFICE IN HAMBURG. SINCE THE CHINESE HAVE ALREADY RECEIVED A SAMPLE OF YOUR PRODUCTS, THE PURPOSE OF THEIR VISIT IS PROBABLY TO

- A Sign an agreement to act as your local distributor in China
- B Establish a firm relationship with the company management
- C Learn more about your company's technological advancements
- D Visit your country as a reward for their hard work at home.

15. A dialogue between two businessmen visiting other country. One asks "Why do I have to repeat my presentation to the new manager? I have already explained everything to the last manager. Aren't they working for the same company?"

WHICH COUNTRY THEY ARE PROBABLY VISITING

- A Brazil
- B Germany
- C China
- D Finland

16. MATCH COUNTRIES OR REGIONS WITH COGNITIVE STYLES.

| | |
|-----------------|---|
| A Germany | Emphasis on singularities: each problem has a particular solution |
| B Latin America | Innovation takes precedence over tradition |
| C USA | Objectives facts form the basis of the truth |

17. A dialogue between two businessmen visiting other country. One says "Our product speaks for itself. Why are they asking for all these references? We have little time for small talk. We are here on business."

WHICH COUNTRY THEY PROBABLY COME FROM?

- A Argentina
- B Germany
- C France
- D Spain

18. MATCH COUNTRIES OR REGIONS WITH NEGOTIATING PRACTICES

| | |
|------------------|--|
| (A) Japan | Decisiveness is a prized characteristic |
| (B) Brazil | Feelings and subjective opinions are considered unprofessional |
| (C) Germany | Truth tends to be also subjective and personal |
| (D) USA | Overstatements: repeat words to fully dramatize the message |
| (E) Saudi Arabia | Understatements: measure words according to the social context |

19. A TYPICAL NORTH AMERICAN MANAGER WOULD DISAGREE WITH EACH STATEMENT. CHOOSE THE CORRECT ANSWERS.

- A _____ Persons should be evaluated but in such way that will not embarrass them
- B _____ Company information should be available to anyone who needs it within the organization
- C _____ A primary obligation of an employee is to the organization
- D _____ Symbols and process are more important than results
- E _____ The best qualified person should be given the positions available
- F _____ Intuitive and subjective aspects of decision making should be reduced and efforts should be devoted to gathering relevant information
- G _____ Competition among employees leads to unbalances and disharmony
- H _____ Decisions are expression of wisdom by the person in authority and any questioning would imply a lack of confidence in his or her judgment

20. ACCORDING TO MODERN ASSUMPTIONS, HOW CAN COMPANIES BENEFIT FROM CULTURAL DIVERSITY AS A COMPETITIVE ADVANTAGE? MARK THE ONE THAT FITS BETTER MODERN ASSUMPTIONS

- A _____ To exert strong pressures on new employees to assimilate to existing organization culture
- B _____ To institute human rights protection norms
- C _____ To see diversity potential as value-added activity
- D _____ To hire more employees from various cultural identities

21. IDENTIFY THE SENTENCES MORE TYPICAL OF EUROPEAN MANAGEMENT CHOOSE THE CORRECT ANSWERS:

- A _____ Forgive mistakes: trying is what counts
- B _____ Prepare what you say: Be accountable for your words
- C _____ Act out of purpose: The right time will show itself
- D _____ Think out loud: The more ideas the better the solution A
- E _____ Avoid mistakes: they are often irreparable
- F _____ Seek opportunity: The right time is now A
- G _____ Smooth differences: Be cooperative and practical
- H _____ Respect the individual: freedom and initiative first
- I _____ Getting things done is what counts

22. AMONG THE FOLLOWING SENTENCES ABOUT DOING BUSINESS IN SUB SAHARA AFRICA, CHOOSE THE FALSE ONE:

- A _____ One of the most important factors to remember when doing business in Africa is the concept of friendship before business.
- B _____ In Africa, when a local manager comes more than an hour late for a negotiating meeting with a German delegation this is a sign of lack of interest in the venture.
- C _____ Major characteristics of structures developed in colonial era tend to contrast with features of African organizations: they are more flexible with less rigid bureaucracies.
- D _____ If an American negotiating in Africa is younger than the local ones, he probably may receive less confidence.
- E _____ Be respectful, but informal in doing business in Africa
- F _____ Asking personal questions about one's family is a common practice.
- G _____ Because of typical African collectivist values the concept of workers as human resources is more important than view workers as network of people.
- H _____ It is very important to know co-workers as individuals before getting down to business activities.

23. GERMANS AND JAPANESE DECISION MAKING PROCESSES HAVE SOME SIMILAR CHARACTERISTICS BECAUSE BOTH CULTURES VALUE:

- A. A slow decision-making process with careful analysis and information seeking.
- B. A short term perspective with a strong task orientation.
- C. A direct orientation to the point being analyzed coupled with a strong need for building personal relationship and trust.

24. MATCH COUNTRIES OR REGIONS WITH WORKING ATTITUDES:

| | | |
|------------------|-------|---|
| (A) Saudi Arabia | _____ | Establishing procedures to get things done |
| (B) Germany | _____ | Encouraging flexibility |
| (C) Africa | _____ | Providing social context to get things done |
| (D) USA | _____ | Establishing friendship first to get things done |
| (E) China | _____ | Encouraging politeness and the desire to avoid embarrassment and conflict |

25. A "BEST MANAGEMENT PROPOSAL" FOR CONSIDERING GOOD BUREAUCRATIC STANDARDS, RULES AND REGULATIONS ASSOCIATED WITH AN ATTENTION TO FRIENDSHIP RELATIONS MOST PROBABLY IS FROM:

- A. _____ A northern European country
- B. _____ A south east Asia country
- C. _____ An eastern African country
- D. _____ A southern European country

26. MATCH NATIONALITIES WITH TYPICAL EMPLOYEES EXPECT FROM MANAGERS

| | | |
|------------------------------|-------|----------------------------------|
| A. Northern European Country | _____ | To be consulted on all decisions |
| B. Germany | _____ | Little direct supervision |
| C. Nigeria | _____ | Participation |
| D. Japan | _____ | Strong directions (assertive) |
| E. USA | _____ | Protection to their families |

27. IF A MANAGER ADVISES YOU TO BEHAVE "LESS SPONTANEOUSLY AND FREELY AND MORE LOGICAL, RATIONAL, MATURE AND RESPONSIBLE", HE (SHE) MOST PROBABLY COMES FROM:

- A. _____ West Africa
- B. _____ A Scandinavian country
- C. _____ United States
- D. _____ Mexico

28. A "BEST MANAGEMENT PROPOSAL" FOR MANAGEMENT EVALUATION BASED ON INDIVIDUAL TITLES, SENIORITY, TRAVELLING EXPERIENCES AND FAMILY TIES MOST PROBABLY IS FROM:

- A. _____ A collectivist culture
- B. _____ An achievement oriented culture
- C. _____ An affective culture
- D. _____ An ascriptive culture

29. IF A MANAGER SEE OTHERS AS TOO DIRECT AND INATTENTIVE TO SOCIAL RELATIONSHIP HE MOST PROBABLY COMES FROM WHICH GROUP OF COUNTRIES

- A _____ Japan, Korea and Finland
- B _____ Korea, Japan and Malaysia
- C _____ Germany, Italy and Korea
- D _____ Canada, China and Japan

30. MATCH CULTURAL CONCEPTS WITH THE FOLLOWING SENTENCES:

| | |
|---------------------------------------|---|
| (A) Cross cultural communication | _____ The variation of social and cultural identities among a social group |
| (B) Global leadership | _____ Being capable of operating effectively in a global environment while respecting cultural diversity |
| (C) Acculturation | _____ Effectively adjusting and adapting to a specific culture |
| (D) Cultural synergy | _____ Building upon the very differences in the world's people for mutual growth and accomplishments by cooperation. |
| (E) Subculture | _____ People possessing characteristics that set them apart and distinguish them from others within a larger social group |
| (F) Diversity | _____ People recognizes that symbols and meanings are culturally conditioned and can be misunderstood |
| (G) Cultural influences in management | _____ Understanding that management philosophies are deeply rooted in culture |
| (H) Acculturation | |

31. IF A MANAGER SAYS: "WE ARE IN THIS ORGANIZATION TOGETHER AND ASSIST ONE ANOTHER EVEN IN OUR FAMILY NEEDS" HE IS EXPRESSING A CULTURAL FEATURE MOST TYPICAL (OR MOST PROBABLY HE IS) FROM:

- A _____ Africa
- B _____ Germany
- C _____ Netherlands
- D _____ Canada