

Chapter 3

Student: _____

1. According to the opening case McDonalds was able to succeed in India because of:
 - A. India's love of beef.
 - B. India's love of pork.
 - C. relationship networks.
 - D. customers wanted the "American" experience.
 - E. collective help
2. _____ is an understanding of how cultural differences across and within nations can affect the way in which business is practiced.
 - A. Cross-cultural literacy
 - B. Cultural business sensitivity
 - C. Cross-national awareness
 - D. Cross-border sensitivity
 - E. Multicultural sensitivity
3. _____, an expert on cross-cultural differences and management, defined culture as "the collective programming of the mind which distinguishes the members of one human group from another."
 - A. David Ricardo
 - B. Michael Porter
 - C. Geert Hofstede
 - D. Raymond Vernon
 - E. ZviNamenwirth
4. A _____ is a system of values and norms that are shared among a group of people and that when taken together constitute a design for living.
 - A. society
 - B. clique
 - C. fraternity
 - D. culture
 - E. more
5. A group of people who share a common set of values and norms is known as what?
 - A. Clique
 - B. Society
 - C. Organization
 - D. Anthropocentrism
 - E. Culture
6. _____ are the two central components of culture.
 - A. Ethics and laws
 - B. Values and norms
 - C. Religious beliefs and family tradition
 - D. Class consciousness and social mobility
 - E. Language and religious beliefs
7. A _____ is an abstract idea about what a group believes to be good, right, and desirable.
 - A. criterion
 - B. value
 - C. culture
 - D. norm
 - E. more

8. Which of the following is not true regarding culture?
- A. Culture is static.
 - B. Culture is evolving.
 - C. Culture has changed significantly over past decades.
 - D. Culture involves the knowledge and beliefs of people.
 - E. None of these answers is correct
9. Beth Green, a manager at InSync Corporation, believes in empowerment, upward mobility and motivating her employees. This describes her _____
- A. criterion.
 - B. values.
 - C. norms.
 - D. culture.
 - E. ethics
10. Which of the following are social rules and guidelines that prescribe appropriate behaviour in particular situations?
- A. ethics
 - B. norms
 - C. principles
 - D. models
 - E. folkways
11. An act, as simple as shaking hands when meeting new people is an example of practicing
- A. values.
 - B. customs
 - C. culture.
 - D. criterion
 - E. norms.
12. _____ form(s) the bedrock of culture.
- A. Values
 - B. Norms
 - C. Personality
 - D. Criterion
 - E. Religion
13. A _____ is a group of people who share a common set of values and norms.
- A. cohort
 - B. society
 - C. fellowship
 - D. fraternity
 - E. community
14. Folkways and mores are forms of _____.
- A. conduct
 - B. culture
 - C. norms
 - D. values
 - E. society
15. _____ are the two major categories of norms.
- A. Routines and values
 - B. Conduct and culture
 - C. Rites and rituals
 - D. Values and mores
 - E. Folkways and mores

16. _____ are social conventions concerning things such as the appropriate dress code in a particular situation, good social manners, eating with the correct utensils, neighbourly behaviour, and the like.
- A. Rites
 - B. Rituals
 - C. Mores
 - D. Folkways
 - E. Etiquette
17. _____ are norms that are central to the functioning of a society and to its social life.
- A. Mores
 - B. Codes
 - C. Procedures
 - D. Policies
 - E. Norms
18. The values found in the former Soviet Union toward freedom, justice, and individual achievement were clearly different from the values found in Canada. This is a good example illustrating
- A. the alliance of cultural norms.
 - B. differences in political and economic philosophy.
 - C. the complacency of philosophy.
 - D. the social structure of culture.
 - E. the importance of language
19. Although there are many different aspects of social structure, two main dimensions--_____--stand out when explaining differences between cultures.
- A. the degree to which the basic unit of social organization is the group; and the degree to which the basic unit of society is a clique
 - B. the degree to which the basic unit of social organization is the individual; and the degree to which a society is heterogeneous
 - C. the degree to which the basic unit of social organization is the extended family; and the degree to which the basic unit of society is heterogeneous
 - D. the degree to which the basic unit of social organization is the individual; and the degree to which a society is stratified into classes or castes
 - E. the degree to which there are different languages and the degree to which there are income differences
20. Appropriate dress code, good social manners, eating with the correct utensils, and neighbourly behaviour are all examples of
- A. norms.
 - B. folkways.
 - C. values.
 - D. culture.
 - E. etiquette
21. A society's _____ refers to its basic social organization.
- A. "social bureaucracy"
 - B. "social regime"
 - C. "social structure"
 - D. "social hierarchy"
 - E. "social mobility"
22. Which of the following is an association of two or more individuals who have a shared sense of identity and who interact with each other in structured ways on the basis of a common set of expectations about each other's behaviour?
- A. assemblage
 - B. group
 - C. norm
 - D. society
 - E. community

23. In a family, individuals interact together to create a sense of identity and character. A family would be an example of
- A. a society.
 - B. a norm.
 - C. a group.
 - D. an assembly.
 - E. community
24. According to our textbook, while groups are found in all societies, societies differ according to the degree to which the group is viewed as:
- A. the primary means of social mobility
 - B. the primary means of determining social psychology
 - C. the primary means of determining social norms
 - D. the primary means of interpersonal communication
 - E. the primary means of social organization
25. The high level of entrepreneurial activity in the United States can be attributed in part to the high level of emphasis place on the _____ in the American society.
- A. group
 - B. cadre
 - C. community
 - D. individual
 - E. innovation
26. A focus on the "individual" rather than the "group" is evident in many _____ cultures.
- A. Asian
 - B. Western
 - C. South American
 - D. African
 - E. Developed country
27. Canadians tend to arrive a few minutes early for appointments. This is an example of a _____.
- A. norm
 - B. politeness
 - C. value
 - D. folkway
 - E. more
28. In contrast to the Western emphasis on the _____, in many other societies the _____ is the primary unit of social organization.
- A. individual; group
 - B. group; clan
 - C. coterie; individual
 - D. clan; group
 - E. individual; karoshi
29. The importance attached to _____ is a central value of the Japanese culture.
- A. individualism
 - B. group membership
 - C. personal distinctiveness
 - D. personal individuality
 - E. haiku
30. All societies are stratified on a hierarchical basis into social categories, or:
- A. social strata
 - B. norm based strata
 - C. social segments
 - D. norm based associations
 - E. class based hierarchies

31. Which of the following refers to the extent to which individuals can move out of the strata into which they are born?
- A. vertical mobility
 - B. social potential
 - C. social mobility
 - D. vertical potential
 - E. social democracy
32. Lorenzo Bateman comes from a family in which higher education is extremely important. If Lorenzo refuses to attend college and there is conflict within the family, then there is low
- A. family esteem
 - B. social potential.
 - C. social segments.
 - D. norm based associations.
 - E. social mobility.
33. The most rigid system of stratification is a _____ system.
- A. degree
 - B. caste
 - C. cross-cultural
 - D. class
 - E. Indian
34. A _____ system is a closed system of stratification in which social position is determined by the family into which a person is born, and change in that position is usually not possible during an individual's lifetime.
- A. rank
 - B. caste
 - C. criterion
 - D. position
 - E. socio-economic
35. Although the number of societies with caste systems has diminished rapidly during the 20th century, one major example still remains. This example is:
- A. China
 - B. Japan
 - C. Britain
 - D. India
 - E. Indonesia
36. A form of _____ in which the position a person has by birth can be changed through his or her own achievements or luck is a class system.
- A. horizontal stratification
 - B. closed stratification
 - C. open stratification
 - D. vertical stratification
 - E. indirect stratification
37. Individuals born into a _____ at the bottom of the hierarchy can work their way up, while individuals at the top can work their way down.
- A. class system
 - B. caste system
 - C. mobile system
 - D. indirect system
 - E. open system

38. Historically, British society has been divided into three main classes:
- A. the upper class, the middle class, and the working class
 - B. the topmost class, the central class, and the bottom class
 - C. the preferred class, the medium class, and the lower class
 - D. the higher class, the central class, and the lower class
 - E. the monarchy, the aristocracy, and the commoners
39. The class system in _____ is less extreme than in _____ and mobility is greater.
- A. Germany; Canada.
 - B. the United States; Great Britain.
 - C. Japan; the United States.
 - D. Great Britain; the United States.
 - E. Great Britain; Canada
40. What type of consciousness refers to a condition where people perceive themselves in terms of their class background, and this shapes their relationships with members of other classes?
- A. Social
 - B. Rank
 - C. Class
 - D. Norm
 - E. collective
41. The _____ in Canada is less extreme than in Britain and mobility is greater.
- A. social system
 - B. class system
 - C. norm system
 - D. rank system
 - E. caste system
42. A form of _____ has been played out in British society in the traditional hostility between upper-middle class managers and their working class employees.
- A. class consciousness
 - B. denominational awareness
 - C. social awareness
 - D. category mindfulness
 - E. labour unrest
43. The system of shared beliefs and rituals that are concerned with the realm of the sacred is referred to as _____.
- A. religion
 - B. persuasion
 - C. norming
 - D. divinity
 - E. spirituality
44. _____ systems refer to a set of moral principles, or values, that are used to guide and shape behaviour.
- A. Class
 - B. Ethical
 - C. Social
 - D. Norming
 - E. moral
45. Most of the world's ethical systems are the product of:
- A. economic heritage
 - B. political heritage
 - C. historical norms
 - D. philosophies
 - E. religions

46. While there are thousands of different religions in the world, the four that are the largest are:
- A. Christianity, Islam, Confucianism, and Shinto
 - B. Judaism, Islam, Shinto, and Confucianism
 - C. Christianity, Islam, Hinduism, and Buddhism
 - D. Confucianism, Shinto, Taoism, and Islam
 - E. Islam, Judaism, Evangelism, Fundamentalism
47. The largest faith based group in Canada is _____.
- A. Protestantism
 - B. Islam
 - C. Judaism
 - D. Hinduism
 - E. Roman Catholicism
48. The relationship between religion and ethical systems on the one hand and business practice on the other is _____.
- A. large compared to the impact of economic policy
 - B. large compared to the impact of culture
 - C. small compared to the impact of economic policy
 - D. small compared to the impact of culture
 - E. large and growing
49. The most widely practiced religion in the world, according to the textbook, is probably _____.
- A. Christianity
 - B. Buddhism
 - C. Islam
 - D. Confucianism
 - E. Hinduism
50. The vast majority of Christians live in:
- A. Europe and the Americas
 - B. Asia and Australia
 - C. North and South America
 - D. Eastern Europe and Asia
 - E. Oceania and Africa
51. In 1904, a German sociologist, _____, made a connection between Protestant ethics and "the spirit of capitalism."
- A. Abram Maslow
 - B. Max Weber
 - C. George Williams
 - D. John Wesley
 - E. Martin Luther
52. In 1904, Max Weber, a German sociologist, made a connection between Protestant ethics and "the spirit of _____."
- A. specialization
 - B. capitalism
 - C. communism
 - D. socialism
 - E. entrepreneurship
53. Which of the following lists correctly identifies the world's major religions by size of following (from highest to lowest)?
- A. Hinduism, Islam, Christianity, Confucianism, Buddhism
 - B. Christianity, Islam, Hinduism, Buddhism, Confucianism
 - C. Christianity, Hinduism, Islam, Confucianism, Buddhism
 - D. Buddhism, Islam, Christianity, Hinduism, Confucianism

54. With estimates of about 1 billion adherents, _____ is the second largest of the world's major religions.
- A. Christianity
 - B. Confucianism
 - C. Islam
 - D. Buddhism
 - E. Hinduism
55. According to your text, Islam dates back to
- A. 415 A.D.
 - B. 569 A.D.
 - C. 610 A.D.
 - D. 705 A.D.
 - E. 435 A.D.
56. _____ is not one of the major principles of Islam.
- A. Being pretentious
 - B. Being generous but not a squanderer
 - C. Avoiding killing except for justifiable causes
 - D. Dealing justly and equitably with other
 - E. Monotheism
57. Who lives in a social structure that is shaped by Islamic values and norms of moral conduct?
- A. Buddhist
 - B. Christian
 - C. Confucian
 - D. Muslim
 - E. Catholic
58. The country in which the Islamic fundamentalists have been the most successful is _____.
- A. China
 - B. India
 - C. Iran
 - D. South Korea
 - E. Afghanistan
59. Which of the following principles is not consistent with the teachings of the Koran?
- A. the protection of the rights of private property
 - B. earning a legitimate profit through trade
 - C. free enterprise
 - D. earning profit through the exploitation of others
 - E. ownership of property is a trust given by God
60. The Koran _____ of free enterprise and of earning legitimate profit through trade and commerce.
- A. speaks approvingly
 - B. does not address the issue
 - C. speaks critically
 - D. forbids the practice
 - E. limits the use
61. As long as international business _____, Islamic countries are likely to be receptive to those businesses.
- A. employ Islamic people
 - B. have property in an Islamic nation
 - C. behave in a manner that is consistent with Islamic ethics
 - D. adhere to Islamic beliefs
 - E. adheres to Sharia law

62. One economic principle of _____ that has received particular attention is the prohibition of the payment or receipt of interest, which is considered usury.
- A. Islam
 - B. Christianity
 - C. Hinduism
 - D. Confucianism
 - E. Buddhism
63. Which of the following religions prohibits the payment or receipt of interest?
- A. Christianity
 - B. Islam
 - C. Confucianism
 - D. Hinduism
 - E. Buddhism
64. What is the world's oldest major religion?
- A. Buddhism
 - B. Islam
 - C. Confucianism
 - D. Hinduism
 - E. Christianity
65. _____ has approximately 750 million adherents, most of them in the Indian subcontinent.
- A. Confucianism
 - B. Buddhism
 - C. Islam
 - D. Hinduism
 - E. Shintoism
66. _____ believe there is a moral force in society that requires the acceptance of certain responsibilities, called *dharma*.
- A. Muslims
 - B. Hindus
 - C. Christians
 - D. Confucians
 - E. Agnostics
67. The terms dharma, karma, and nirvana are associated with the _____ religion.
- A. Hindu
 - B. Christian
 - C. Buddhist
 - D. Islamic
 - E. Jewish
68. The most able individuals in a business organization may find their route to the higher levels of the organization blocked simply because they come from lower castes, under the teachings of _____.
- A. Hinduism
 - B. Christianity
 - C. Islam
 - D. Buddhism
 - E. Shintoism

69. _____ was founded in India in the sixth century BC by Shiddhartha Gautama, an Indian prince who renounced his wealth to pursue an ascetic lifestyle and spiritual perfection.
- A. Confucianism
 - B. Islam
 - C. Christianity
 - D. Hinduism
 - E. Buddhism
70. Buddhists are found primarily in the following areas:
- A. The Middle East and Eastern Africa
 - B. Central and Southwest Asia, China, Korea, and Japan.
 - C. Western Europe and North America
 - D. South America
 - E. Southern Africa and the Persian Gulf region
71. _____ was the official ethical system of China for more than 2,000 years until the 1949 Communist revolution.
- A. Buddhism
 - B. Hinduism
 - C. Confucianism
 - D. Christianity
 - E. Shintoism
72. Individuals that following the teaching of Confucius are found primarily in:
- A. North America and Western Europe
 - B. Eastern Europe and the republics of the former Soviet Union
 - C. The Middle East and Eastern Africa
 - D. China, Korea, and Japan
 - E. Cambodia, Myanmar, Thailand
73. The religion that is built around a comprehensive ethical code that establishes guidelines for relationships with others is called _____.
- A. Buddhism
 - B. Hinduism
 - C. Confucianism
 - D. Christianity
 - E. Islam
74. Central to the _____ system of ethics are the values of loyalty, reciprocal obligations, and honesty.
- A. Buddhist
 - B. Islamic
 - C. Hindu
 - D. Confucian
 - E. Socialism
75. The most widely spoken language in the world is:
- A. German
 - B. English
 - C. French
 - D. Spanish
 - E. Chinese
76. The language of international business is increasingly becoming:
- A. Spanish
 - B. English
 - C. French
 - D. Japanese
 - E. Chinese

77. Based on recent trends in international business, when Japanese and German businesspeople get together to do business, it is almost certain that they will communicate in:
- A. French
 - B. German
 - C. Japanese
 - D. English
 - E. Esperanto
78. Unspoken language is referred to as:
- A. discrete communication
 - B. nonverbal communication
 - C. silent communication
 - D. passive communication
 - E. invisible communication
79. Geert Hofstede isolated five dimensions that he claimed summarized different cultures. _____ is not one of Hofstede's dimensions.
- A. Capitalistic versus socialistic
 - B. Masculinity versus femininity
 - C. Power distance
 - D. Uncertainty avoidance
 - E. long-term versus short-term
80. The most famous study of how culture relates to values in the workplace was undertaken by:
- A. Geert Hofstede
 - B. Thomas Peters
 - C. Michael Porter
 - D. George Baker
 - E. Sigmund Freud
81. Countries that let inequalities grow over time into inequalities of power and wealth were considered to have
- A. low uncertainty avoidance.
 - B. low power distance.
 - C. high uncertainty avoidance.
 - D. high power distance.
 - E. short-term orientation
82. In his studies, Hofstede isolated four dimensions that he claimed summarized different cultures. These were:
- A. individualism versus collectivism, power distance, tolerant versus intolerant, and aggressive versus passive,
 - B. uncertainty avoidance, masculinity versus femininity, individual versus group oriented, forward versus reserved
 - C. aggressive versus passive, tolerant versus intolerant, power distance, and individual versus group oriented, junior versus senior
 - D. uncertainty avoidance, masculinity versus femininity, innovative versus stereotypical, forward versus reserved,
 - E. power distance, individualism versus collectivism, uncertainty avoidance, and masculinity versus femininity,
83. A strong need for rules and regulations, with a premium of job security, career patterns, and retirement benefits, would best describe a culture with
- A. low uncertainty avoidance.
 - B. low power distance.
 - C. high uncertainty avoidance.
 - D. high power distance.
 - E. masculine values

84. Which of Hofstede's dimensions focuses on how a society deals with the fact that people are unequal in physical and intellectual capabilities?
- A. individualism versus collectivism
 - B. uncertainty avoidance
 - C. power distance
 - D. masculinity versus femininity
 - E. time orientation
85. Canada's masculinity rating is 52 as compared to Japan's which is 95. This means that Canada _____ than Japan.
- A. has many more women staying at home in the traditional role of housewife and mother
 - B. accepts males as being better adapted to be supervisors and managers
 - C. is less willing to accept high levels of risk
 - D. is more focused on saving money and sticking to a task
 - E. is more liberated and sex roles are not as sharply defined
86. Hofstede's _____ dimension focused on the relationship between the individual and his or her followers.
- A. individualism versus collectivism
 - B. aggressive versus passive
 - C. masculinity versus femininity
 - D. power distance
 - E. time orientation
87. Hofstede's _____ dimension measured the extent to which different cultures socialized their members into accepting ambiguous situations and tolerating uncertainty.
- A. masculinity versus femininity
 - B. power distance
 - C. individualism versus collectivism
 - D. time orientation
 - E. uncertainty avoidance
88. Which of Hofstede's dimensions looked at the relationship between gender and work roles?
- A. power distance
 - B. masculinity versus femininity
 - C. individualism versus collectivism
 - D. uncertainty avoidance
 - E. time orientation
89. According to Hofstede's Model, which group of nations score high on the individualism scale and low on the power distance scale?
- A. advanced western nations such as the United States, Canada, and Britain
 - B. South American nations such as Brazil, Peru, and Ecuador
 - C. Asian nations such as Japan, South Korea, and Singapore
 - D. African nations such as Zaire, Sudan, and Chad
 - E. Mid east countries such as Turkey, Syria and Iran
90. According to Hofstede's Model, what country stands out as having a culture with strong uncertainty avoidance and high masculinity?
- A. United States
 - B. Japan
 - C. Australia
 - D. Germany
 - E. Canada

91. Which attitude according Hofstede, is not captured by Confucian dynamism?
- A. persistence
 - B. protection of face
 - C. time orientation
 - D. personal initiative
 - E. respect for tradition
92. Ethnocentrism is a belief in the:
- A. superiority of one's own ethnic group or culture
 - B. superiority of one's own legal system compared to others
 - C. superiority of one's own religious beliefs over others
 - D. superiority of individualism versus collectivism
 - E. superiority of one's own country over another
93. Hand in hand with _____ goes a disregard or contempt for the culture of other countries.
- A. collectivism
 - B. intolerance
 - C. individualism
 - D. ethnocentrism
 - E. prejudice
94. Suppose an international executive from Italy consistently acted in a manner that indicated that he believed that his ethnic group and culture is superior to any others. If this was the case, the executive would be exhibiting _____ behaviour.
- A. synergistic
 - B. polycentric
 - C. ethnocentric
 - D. individualistic
 - E. domesticity
95. Many businesses falter in their attempts to establish markets overseas because they act like their culture is superior to the cultures of other countries. This belief and attitude is referred to as:
- A. culturalism
 - B. parochialism
 - C. nationalism
 - D. ethnocentrism
 - E. provincialism
96. McDonald's found it difficult to open doors in India primarily due to a difference in legal systems and contract law.
True False
97. A system of values and norms that are shared among a group of people and that when taken together constitute a design for living is referred to as culture.
True False
98. Norms are abstract ideas about what a group believes to be good, right, and desirable.
True False
99. A society refers to a group of people who share a common set of values and norms.
True False
100. Folkways are the routine conventions of everyday life.
True False
101. Norms that are central to the functioning of a society and to its social life are called mores.
True False

102. In terms of social structure, Western societies tend to emphasize the primacy of the group, while individuals tend to figure much larger in many other societies.
True False
103. Two dimensions are particularly important when explaining differences between cultures—the degree to which the basic unit of social organizations is the individual, as opposed to the group, and the degree to which a society is stratified into classes.
True False
104. A group is an association of two or more individuals who have a shared sense of identity and who interact with each other in structured ways on the basis of a common set of expectations about each other's behaviour.
True False
105. The primacy of the value of group identification discourages managers and workers from moving from company to company.
True False
106. Social strata refers to the extent to which individuals can move out of the strata into which they are born.
True False
107. A class system is a more rigid form of social stratification in which social mobility is less possible.
True False
108. Class consciousness refers to a condition where people tend to perceive themselves in terms of their class background, and this shapes their relationships with members of other classes.
True False
109. The relationship among religion, ethics, and society is straightforward and relatively easy to discern.
True False
110. Islam is the second largest of the world's major religions, with about 1.0 billion adherents.
True False
111. Religion is a system of shared beliefs and rituals that are concerned with the realm of the sacred.
True False
112. Some sociologists have argued that of the two main branches of Christianity—Catholicism and Protestantism—the former has the most important economic implications.
True False
113. The past two decades have witnessed a growth of a social movement often referred to as "Islamic fundamentalism."
True False
114. Many of the economic principles of Islam are anti-free enterprise.
True False
115. The prohibition of the payment or receipt of interest is one economic principle of Islam that has received particular attention.
True False
116. According to Max Weber, the ascetic principles embedded in Hinduism do not encourage the kind of entrepreneurial activity found in Protestantism.
True False

117. Because Buddhists, like Hindus, stress spiritual achievement rather than involvement in the world, the emphasis on wealth creation that is embedded in Protestantism is not found in Buddhism. Thus, in Buddhist societies we do not see the same kind of cultural stress on entrepreneurial behaviour that we see in the Protestant West.
True False
118. Typically, countries that have more than one language have only one culture.
True False
119. Nonverbal communication is referred to as unspoken language.
True False
120. The most famous study of how culture relates to values in the workplace was undertaken by Geert Hofstede.
True False
121. Hofstede's study isolated four dimensions that he claimed summarized different cultures: aggressive versus passive, power distance, individualism versus collectivism, and masculinity versus femininity.
True False
122. According to Hofstede, high power distance cultures are found in countries that let inequalities grow over time into inequalities of power and wealth.
True False
123. Describe what is meant by the term "culture?" Differentiate between the terms culture, values, and norms.
124. What are the two dimensions of a society's social structure that stand out as being of particular importance when explaining differences between cultures?
125. Describe the concept of social mobility. Does social mobility vary significantly from society to society? Describe the extremes in terms of a society that has low social mobility and a society that has high social mobility. Would you rather live in a society with a high level or a low level of social mobility? Why?

126. What is meant by the term "class consciousness?" Under what circumstances can class consciousness be bad?
127. What is meant by the Protestant work ethic? What impact has the Protestant work ethic had on the emergence of modern day capitalism?
128. What are some of the similarities between Islam and Christianity as they related to the practice of business?
129. Hofstede isolated four dimensions that he claimed characterized the cultures of different countries. Briefly describe each of Hofstede's four dimensions. Should Hofstede's dimensions be used by managers to determine how cultures differ and what that might mean for management practices?
130. What was the fifth dimension added to Hofstede's four dimensions? In which countries would this dimension be most useful?

131. What is ethnocentric behaviour? Is ethnocentrism a desirable or an undesirable attribute for the manager of an international firm?

132. You have just been hired by the Canadian head office to review management styles in various countries around the world. Prior to undertaking this review, you are briefed on key problem areas.

Among the key areas in South Korea, that are of concern to the head office are the following issues:

- Resistance by the sales force to a commission-based compensation plan
- Canadian managers who are very vocal and personal in their criticisms of the policies and strategies of the Seoul office
- Difficulty in recruiting women

There are other problems, but these seem to be the most acute. As an international business management expert, you know that many of the problems you have been told about relate to cultural values.

Recommend initiatives to respond to the above problems.

Are the two cultural values (Canadian and Korean) compatible or in direct conflict? Explain your answers.

133. Choose from TWO of the following countries and outline their political, religious and economic systems:

Iran, Brazil, China, India, United States

134. Explain the term "guanxi" and its importance in doing business in China.

Chapter 3 Key

1. (p. 90) D
2. (p. 90) A
3. (p. 92) C
4. (p. 92) D
5. (p. 92) B
6. (p. 92) B
7. (p. 92) B
8. (p. 94) A
9. (p. 92) B
10. (p. 92) B
11. (p. 92) E
12. (p. 92) A
13. (p. 92) B
14. (p. 92, 93) C
15. (p. 92, 93) E
16. (p. 92) D
17. (p. 93) A
18. (p. 94) B
19. (p. 95) D
20. (p. 92) B
21. (p. 95) C
22. (p. 95) B
23. (p. 95) C
24. (p. 95) E
25. (p. 95, 96) D
26. (p. 95) B
27. (p. 92, 93) D
28. (p. 95, 96) A
29. (p. 96) B
30. (p. 98) A
31. (p. 98) C
32. (p. 98) E
33. (p. 98) B
34. (p. 98) B
35. (p. 99) D
36. (p. 99) C

37. (p. 99) A
38. (p. 99) A
39. (p. 100) B
40. (p. 100) C
41. (p. 100) B
42. (p. 100) A
43. (p. 100) A
44. (p. 100) B
45. (p. 100) E
46. (p. 101) C
47. (p. 101) E
48. (p. 101) C
49. (p. 101) A
50. (p. 101) A
51. (p. 103) B
52. (p. 103) B
53. (p. 101) B
54. (p. 103) C
55. (p. 103) C
56. (p. 104) A
57. (p. 104) D
58. (p. 105) C
59. (p. 105) D
60. (p. 105) A
61. (p. 105) C
62. (p. 105, 107) A
63. (p. 105, 107) B
64. (p. 107) D
65. (p. 107) D
66. (p. 107) B
67. (p. 107) A
68. (p. 107) A
69. (p. 108) E
70. (p. 108) B
71. (p. 108) C
72. (p. 108) D
73. (p. 108) C
74. (p. 108) D

75. (p. 110) E
76. (p. 110) B
77. (p. 110) D
78. (p. 111) B
79. (p. 113) A
80. (p. 113) A
81. (p. 113) D
82. (p. 113) E
83. (p. 113) C
84. (p. 113) C
85. (p. 113) E
86. (p. 113) A
87. (p. 113) E
88. (p. 113) B
89. (p. 113, 114) A
90. (p. 114) B
91. (p. 115) D
92. (p. 118) A
93. (p. 118) D
94. (p. 118) C
95. (p. 118) D
96. (p. 88, 89) FALSE
97. (p. 92) TRUE
98. (p. 92) FALSE
99. (p. 92) TRUE
100. (p. 92) TRUE
101. (p. 93) TRUE
102. (p. 95) FALSE
103. (p. 95) TRUE
104. (p. 95) TRUE
105. (p. 98) TRUE
106. (p. 98) FALSE
107. (p. 98) FALSE
108. (p. 100) TRUE
109. (p. 101) FALSE
110. (p. 103) TRUE
111. (p. 100) TRUE
112. (p. 103) FALSE

113. (p. 104) TRUE

114. (p. 105) FALSE

115. (p. 105, 107) TRUE

116. (p. 107) TRUE

117. (p. 108) TRUE

118. (p. 110) FALSE

119. (p. 111) TRUE

120. (p. 113) TRUE

121. (p. 113) FALSE

122. (p. 113) TRUE

123. (p. 92) Culture can be defined as a system of values and norms that are shared among a group of people and that when taken together constitute a design for living. Values and norms are the underpinnings of culture. Values are abstract ideas about what a group believes to be good, right, and desirable. Put differently, values are shared assumptions about how things ought to be. Norms are the social rules and guidelines that prescribe appropriate behaviour in a particular situation.

124. (p. 95) The first is the degree to which the basic unit of social organization is the individual, as opposed to the group. Western societies tend to emphasize the primacy of the individual, while groups tend to figure much larger in many other societies. The second dimension is the degree to which a society is stratified into classes or castes. Some societies are characterized by a relatively high degree of social stratification and relatively low mobility between strata (e.g., Indian), while other societies are characterized by a low degree of social stratification and high mobility between strata (e.g. Canadian).

Your students will undoubtedly say that they would rather live in a society with a high level of social mobility. The clear advantage of such a society is that a person's position is determined by his or her own individual effort.

125. (p. 98, 99) Social mobility refers to the extent to which individuals can move out of the strata into which they are born. For instance, in a society with a low level of social mobility, it would be very difficult (if not impossible) for someone that is born into a family of labourers to become a manager. Social mobility varies significantly from society to society. The most rigid system of stratification is a caste system. A caste system is a closed system of stratification in which social position is determined by the family into which a person is born, and change in that position is usually not possible during an individual's lifetime. At the other extreme is the Canadian "class" system (i.e. upper class, middle class, and lower-middle class). In this system, class membership is determined mainly by an individual's own efforts and achievements, rather than his or her family heritage. Thus, an individual in American, through effort and achievement, can move smoothly from the lower-middle class (or the working class) to the upper class.

126. (p. 100) The term class consciousness refers to a condition where people tend to perceive themselves in terms of their class background, and this shapes their relationships with members of other classes. Class consciousness can be bad if it leads to hostility and animosity between classes. For example, if the "upper-class" in a society (in terms of economic stature) tries to dominate the "lower-class," it can lead to hostility and a mutual antagonism between the classes. This typically makes it difficult to achieve cooperation between management and labour, if the "upper-class" is typically in management and the "lower-class" constitutes the majority of the labourers.

127. (p. 103) In 1904 a German sociologist, named Max Weber, made a connection between Protestant ethics and "the spirit of capitalism." Weber drew this conclusion by observing that, in Western Europe, the business leaders and owners of capital were overwhelmingly Protestant. This relationship led Weber to conclude that there was a link between Protestantism and the emergence of modern capitalism. Weber argued that Protestant ethics emphasized the importance of hard work and wealth creation, which are the essential components of capitalism. Thus, Weber coined the term "Protestant work ethic" to denote the tendency on the part of Protestants to work hard and accumulate wealth, which are the underpinnings of capitalism.

128. (p. 103-107) Having the same roots, Islam and Christianity share many similarities regarding the conduct of business. Many of the economic principles of Islam are pro free enterprise and hostile to socialist ideals. In both Islamic and Christian societies, it is appropriate to earn a profit through trade and commerce, as long as the profit is justly earned and not based on the exploitation of others. In addition, the principles of honesty, respect for the rights of others, and dealings justly and equitable with others are found in both religions.

As articulated in the textbook, Hofstede's model has some weaknesses, and should not be used as the sole determinant of how one interfaces with individuals from other cultures. On the other hand, Hofstede's model is a tool that can provide a manager insight that he or she might not otherwise have relative to cultural issues.

Hofstede used these dimensions to develop charts that provided descriptive information about cultures. These charts were intended to be used by managers to understand the dynamics of different cultures.

Masculinity versus Femininity: Finally, this dimension looks at the relationship between gender and work roles. In masculine cultures, sex roles are sharply differentiated and traditional "masculine values," such as achievement and the effective exercise of power, determines cultural ideals. If feminine cultures, sex roles are less sharply distinguished, and little differentiation is made between men and women in the same job.

Uncertainty Avoidance: This dimension measures the extent to which different cultures socialize their members into accepting ambiguous situations and tolerating uncertainty. Members of high uncertainty avoidance cultures place a premium on job security, career patterns, retirement benefits, and so on. Lower uncertainty avoidance cultures are characterized by a greater readiness to take risks and less emotional resistance to change.

Individualism versus Collectivism: This dimension focuses on the relationship between the individual and his or her fellows. In individualistic societies, the ties between individuals are loose and individual achievement and freedom are highly valued. In societies where collectivism is emphasized, the ties between individuals are tight.

Power Distance: This dimension focuses on how a society deals with the fact that people are unequal in physical and intellectual capabilities. According to Hofstede, high power distance cultures are found in countries that let inequalities grow over time into inequalities of power and wealth. Low power distance cultures are found in societies that try to play down such inequalities as much as possible.

129. (p. 113-115) Hofstede's four dimensions are: power distance, individualism versus collectivism, uncertainty avoidance, and masculinity versus femininity. Each of these dimensions is briefly described below.

The student may answer that this dimension is most appropriate to use in Asian cultures, however these same characteristics can be useful in all parts of the world.

130. (p. 114) The fifth dimension long-term versus short-term orientation was developed in a study of 23 countries using a questionnaire developed by Chinese scholars. It deals with the importance of virtue regardless of truth. Values associated with long-term orientation are thrift and perseverance; values associated short-term orientation are respect for tradition, fulfilling social obligations and protecting one's face.

131. (p. 118) Ethnocentrism is a belief in the superiority of one's own ethnic group or culture. Often, this leads to behaviour that reflects a disregard or contempt for the cultures of other countries. Ethnocentric behaviour is not a desirable attribute for the manager of an international firm. International managers must have a healthy respect for other and a balanced perspective.

Although there may be some incompatibilities it would be important to undertake a program of educating the Canadian managers in cross-cultural sensitivity.

The third problem can be attributed to the difference in the place masculine and feminine values play in the respective countries.

The second problem may be attributed to Korean culture having a more long-term orientation, which is associated with protecting face and Canada having a short-term and individualistic orientation.

The first problem is a function of a low uncertainty avoidance culture (Canada) as compared to a high uncertainty avoidance (Korea)

Despite the problems and limitations associated with Hofstede the five dimensions do provide a tool for analyzing and understanding the problem.

132. (p. 113) The student may raise the potential problem that arises from the Canadian managers exhibiting an individualist orientation and the Korean staff having a more collectivist orientation.

133. (p. 100-109) Iran is a theocratic political system, Islam, free market economy; Brazil representative democracy, mixed economy, Christian primarily Catholic; China communist authoritarian political system, Confucianism, mix of command and free market; India, representative democracy, Hindu, mixed economy; United States, representative democracy, Christian, free market.

134. (p. 91) Guanxi is a central concept in Chinese society and describes, in part, a personal connection between two people in which one is able to prevail upon another to perform a favour or service, or be prevailed upon. The two people need not be of equal social status. It could also be a network of contacts, which an individual can call upon when something needs to be done, and through which he or she can exert influence on behalf of another. It can also describe a state of general understanding between two people: "he/she is aware of my wants/needs and will take that into account when deciding her/his course of future actions which concern or could concern me".

Chapter 3 Summary

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