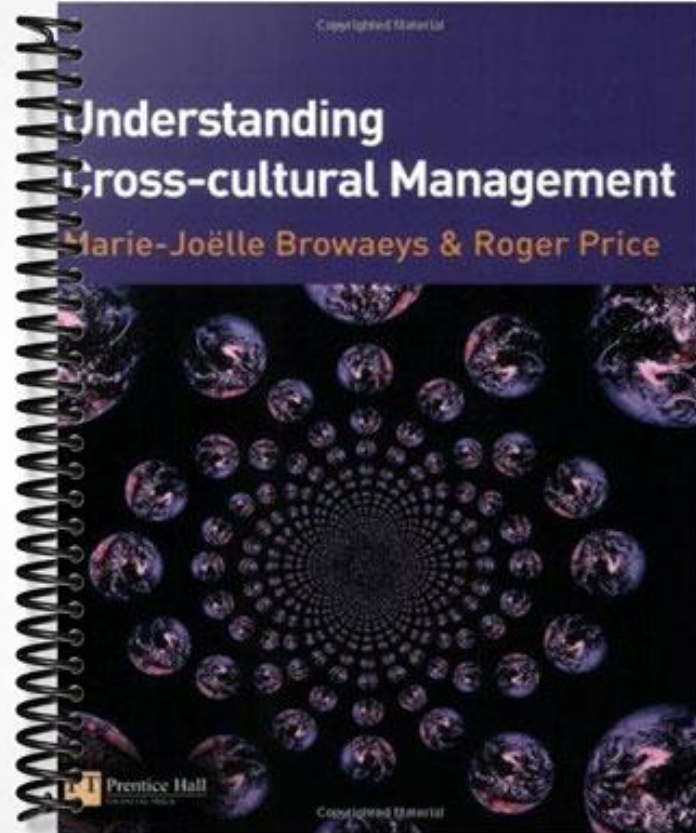


# SOLUTIONS MANUAL



# Instructor's Manual

## Understanding Cross-cultural Management

First edition

Marie-Jöelle Browaeys  
Roger Price

For further instructor material  
please visit:  
[www.pearsoned.co.uk/browaeys](http://www.pearsoned.co.uk/browaeys)

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Lecturers adopting the main text are permitted to download and photocopy the manual as required.

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## INTRODUCTION

This guide offers a range of resources which allow instructors to use the book more efficiently and effectively. It does not prescribe how the book should be used, but presents materials which instructors can incorporate into their particular teaching/learning environment.

The guide consists of:

**Suggested answers to questions relating to the activities:** each chapter of the book contains activities of various kinds as well as final activities at the end of each part. Where necessary, this guide suggests either appropriate responses to the questions asked, or refers to extra information available on internet which the instructor/student can use to develop a response.

Some of the 'answers' given in the guide, therefore, are less to do with giving a 'correct' response on the basis of applied theory, and more to do with suggesting how a particular problem, dilemma or event can be addressed. Such suggestions are in no way to be seen as comprehensive: instructors may well, on the basis of their own experiences and insights, consider other approaches to be preferable.

Each activity addressed is numbered as in the book.

### **Other tasks: our pedagogical approach**

There are a number of other tasks which students are asked to complete:

- a) **Questions within the text:** there are questions which relate to illustrative cases and news articles within the Concepts of each chapter. These questions are specific to the text that the student has just read. These questions aim to encourage analysis of, and reflection on, the reading material.
- b) **Points for reflection:** given at the end of each chapter encourage students to go beyond their knowledge of the subject-matter and apply their skills to aspects of cross-cultural management.

In pedagogical terms, these tasks, particularly the points for reflection, allow learners to reflect upon the insights which they have gained from the Concepts and activities and to exchange thoughts, ideas and opinions with fellow-students.

These moments of reflection can be facilitated through organizing a discussion in small groups, with each group presenting their ideas and opinions to the other groups in a plenary session.

The instructor may also consider using the points for reflection as a basis for essay-writing or assessment work.

There is also a **PowerPoint** slide presentation available on the Instructor Resource Centre at [www.pearsoned.co.uk/browaeys](http://www.pearsoned.co.uk/browaeys) which provides a ready-made presentation for each chapter of the text, which can be used in class and edited to suit your needs.

## **ACTIVITY 1.1 Defining an organizational culture**

### **Task:**

**Schein's definition of organizational culture, as quoted in Concept 1.2, is as follows:**

'(a) a pattern of basic assumptions, (b) invented, discovered, or developed by a given group, (c) as it learns to cope with its problems of external adaptation and internal integration, (d) that has worked well enough to be considered valid and, therefore (e) is to be taught to new members as the (f) correct way to perceive, think, and feel in relation to chosen problems'. (Schein, 1990, p.111)

**Using Schein's definitions, do the following:**

- 1. Select an organization you are familiar with (i.e. one where you have worked or where you would like to work). If you have access to the internet, you could examine the annual report of a company, its mission statement, its directors, and possibly the way it is organized, in order to try and answer the following questions:**
  - a) What are the basic assumptions within the organization?**
  - b) Where do you think these assumptions come from?**
  - c) To what extent could the national culture have an influence on the organizational behaviour of this company?**

## **Possible response**

This is a challenging task, even for those familiar with an organization.

One way to approach this activity is ask learners to gather as much relevant information as they can from two local subsidiaries of a global concern. By comparing the mission statements and organizational descriptions of the subsidiaries, the assumptions – shared and otherwise – can be determined, as well as the possible influence of the national culture on the way the organization is run.

This can be done by contrasting the websites belonging to the national operations of a global concern. Pursuing the reference to the Shell corporate website given in this activity, one can compare, for example Shell Oman:

[http://www.shell.com/home/content2/omen/about\\_shell/how\\_we\\_work/mission\\_statement\\_1112.html](http://www.shell.com/home/content2/omen/about_shell/how_we_work/mission_statement_1112.html)

with Shell (China) Ltd:

[http://www.shell.com/home/content2/china-en/about\\_shell/who\\_we\\_are/mission\\_01302002\\_1429.html](http://www.shell.com/home/content2/china-en/about_shell/who_we_are/mission_01302002_1429.html)

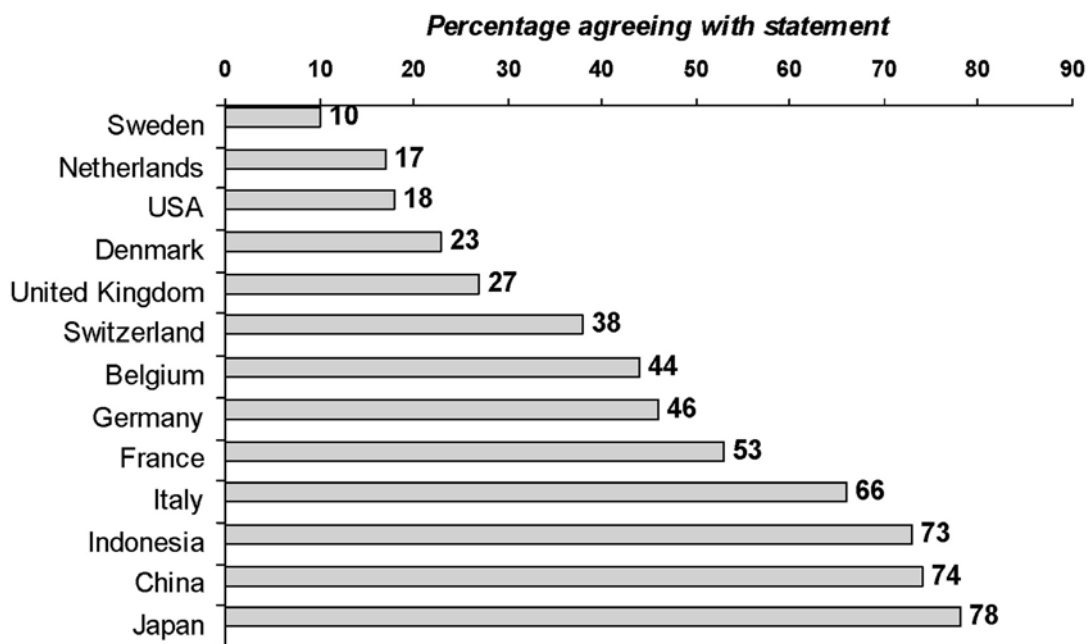
## ACTIVITY 2.1 The role of the manager

### Task:

An example is given below of one of the statements which respondents were asked to comment on by Andre Laurent when he was investigating the attitudes of managers in a number of countries towards their organization. This study was outlined at the end of Concept 2.2.

Examine the results and answer the question below the figure.

*'It is important for a manager to have at hand precise answers to most of the questions that his subordinates may raise about their work'.*



**Figure 2.1: Should a manager have precise answers?**

Based on figures given in Laurent (1983, p.86).

**Question:** Using these figures, how would you characterize the attitudes of Swedes, Germans and Japanese towards the role of the manager in an organization?

### Possible response

The reactions to this question (as given in Figure 2.1) show clear differences between countries. North European and Anglo-Saxon countries, for example, see managers more as *problem-solvers*, while Latin and Asian countries see them more as *experts*.

## ACTIVITY 2.2 Pulling out all the stops

### Possible responses

#### Questions 1 and 2

1. Why were the Canadian hosts surprised by the behaviour of the Chinese? How do you think the Canadians expected the Chinese to behave?
2. Why do you think the Chinese behaved the way they did?

These are open questions. The instructor should try to develop an exchange of views within the group.

#### Question 3

Below is the analysis of the event as given by the author (Wei Xinjiang, from the People's Republic of China). Draw from this analysis the key preferences of the Chinese is when it comes to doing business with Western cultures.

The answers given below are quotations from the case analysis.

'Modern China has a mixed culture, which comprises traditional culture, Marxism and western culture'.

#### 1. Reciprocity principle in communication:

'There exists a reciprocity principle in normal Chinese communication. If this reciprocity is not respected in normal business relations, the Chinese will suspect the motives of the other side and be unhappy, or even angry'.

#### 2. Formality – Informality

'...although the Chinese prefer formality, they do not like it in an extreme form. If a situation is too formal, then the Chinese become inactive and lazy in their behaviour'.

#### 3. No extremes (good or bad)

'The Chinese dislike going to extremes: nothing should be too good or too bad. It is a question of trying to find a balance between good and bad'.

#### 4. Degree of friendship

'There are three kinds of friends in China: close friends, remote friends and common friends. If you treat a remote friend the same way you treat a common friend, that friend will be embarrassed. A common friend will expect to be treated in a common way, in a way which is neither too polite nor impolite. The middle way is the right way'.

#### **Question 4**

**If you had to choose a key word to describe Chinese culture, what would that word be?**

**Harmony** because of:

1. Reciprocity in relationship.
2. Formal but not too much formal.
3. Balance between good and bad.
4. Appropriate attitude towards different kinds of friends.

#### **Question 5**

**Read the information on the fifth dimension. Try to explain the Chinese author's analysis by using the values described in Concept 2.1.**

##### **1. Reciprocity in relationship**

'Virtuous behaviour toward others consists of not treating others as one would not like to be treated oneself (the Chinese Golden Rule is negatively phrased!).'

'A short-term orientation includes values which are characterized by reciprocation of greetings, favours, and gifts'.

##### **2. No extremes (either good or bad)**

'The fifth dimension which emerges from Bond's studies is defined by Hofstede as the short-term versus long-term orientation. Although all the values to be found along the dimension are taken from the teachings of Confucius, those deemed short-term in nature however are oriented towards the past and present and are more static, whereas those deemed to be long-term are more oriented towards the future and are more dynamic, while the values on the second pole. It should be noted that one end of the dimension is not to be considered better or worse than the other - they are simply orientations towards life'.

##### **3. Attitude and degree of friendship**

'A *short-term* orientation includes fostering virtues values which are related to past and present, especially respect for tradition, preservation of face and fulfilling social obligations. A *long-term* orientation includes fostering virtues which are oriented towards the future, especially perseverance and thrift, ordering relationships by status, thrift, and having a sense of shame'.



## ACTIVITY 3.1 Problems at Airbus

### Possible responses

#### Question 1

**How would you define the Concept of 'economic patriotism', and what role do you think it may have played in the problems besetting Airbus?**

- Definition given in the article 'Airbus and the damage done by economic patriotism'.

**'(It is an instance of economic nationalism, whereby) governments distort private transactions among economic actors by discriminating against foreigners in the name of the national interest'.**

See also the internet article 'Economic Patriotism': <http://www.yaleglobal.yale.edu/pdfs/economicPatriotism.pdf>

- Role in Airbus' problems?

From 'Airbus and the damage done by economic patriotism':

**Need for 'equilibrium' between France and Germany in the governance of EADS, the European Aeronautic Defence and Space Company, the parent company of Airbus, Hence two chief executives, German and French.**

**Result: inefficiency; state aid instead of cost-cutting measures; take-over threats from more efficient companies removed.**

Note:

- EADS itself was a merger of European defence companies.
- Since the Financial Times article was written, the management of EADS has been restructured. It now has one CEO and President (a German). Airbus has a French CEO. Both posts are to rotate every five years between France and Germany.
- EADS was reported to be considering

See articles:

- from BBC news: <http://news.bbc.co.uk/1/hi/business/6900414.stm>
- from The Financial Times 'Redesigning EADS' 17 July 2007, Leader, p.12

Other articles referred to on the BBC page highlight the internal conflicts within EADS, especially between the parent company and Airbus.