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## School of Business

Master of Business Administration MBA Dual Specialization  
Mid Term Examination - Mar 2024

Duration : 90 Minutes  
Max Marks : 50

### Sem IV - MBHR6008 - Cross Cultural Management

General Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) Explain the different levels of culture, with examples. K5 (5)
- 2) Apply the determinants of culture to explain employee performance at the workplace. K3 (6)
- 3) An oil and gas multinational company has its headquarters in Saint Petersburg, Russia. In one of its subsidiaries in Nigeria, it hired a culturally diverse team of Mexicans, Nigerians, Vietnamese, Australians, and Russians to work on an important global project involving as many as 50 countries. In this situation, categorize and list the parent country nationals (PCNs), host country nationals (HCNs), and third country nationals (TCNs). Also, explain why they are classified so. K4 (8)
- 4) "Some cultures adopt virtues oriented toward future rewards—in particular, perseverance and thrift." Identify the dimension followed by these cultures. Select the model which comprises this dimension. What are the characteristics of this dimension and its opposite pole? Also list the cultures which fall under this dimension. K3 (9)
- 5) A family-owned carbon steel company from Finland has extended its business to Hong Kong. The owners bought a small traditional Chinese firm and decided to copy the successful structure they had developed at home. This structure was headed by three general managers who equally shared the responsibilities for the business activities of the firm. The Chinese subordinates were consulted for major decisions, and they perceived the Finnish leaders to be incompetent and unable to provide direction. The Chinese employees expected the general managers to assign everybody positions in the organizational hierarchy and they expected that compliance and obedience to the directions of the managers would be required. They were disappointed and confused when this did not happen. Many misunderstandings occurred, and some were costly. Eventually, the local employees became frustrated and were ready to leave the company. The result was that the management model was changed again and a single managing director of the subsidiary was accountable for all business activities in Hong Kong. Interpret the cultural dimension(s) identified by Hofstede in the described situation. What should have been done by the Finnish managers? K5 (10)

- 6) A piece of technical equipment was to be prepared and configured in Europe and sent to China where it would be installed at the customer premises. This first phase of the project itself provides a perfect insight into some of the major differences as to how western and Chinese culture conduct business transactions. The expectation from a western enterprise is that a set of detailed specifications would be provided by the customer and the equipment would then be built to this specification. The Chinese customer, however, expects that the equipment provider is competent enough to know what should be provided and therefore did not provide any specifications. When the local sales manager was requested to ask customer for specific information some reasons were provided as to why this could not be done, although an actual refusal to do so was never offered. The western engineers failed to understand that for him to ask such questions would demonstrate to the customer that our company is incompetent and also place him in what would be considered to be a compromising situation. On the other hand, this refusal also gave the western company the impression that the sales manager was incompetent since none of the offered reasons seemed to “make sense” (in their eyes at least). Propose reasons for these disparities arising in the above case (5 marks). Design steps to solve the above problem of disparities arising out of their respective cultures (7 marks).