

CHAPTER 2: The Cultural Context of IHRM

TRUE/FALSE

1. The first contributions to cross-cultural management research were made in the late 1930s.

ANS: F PTS: 1 TOP: Introduction

2. Unforeseen conflicts and lower performance in many foreign business enterprises created doubts about how easily concepts and management research from the English speaking world could be transferred to other cultures.

ANS: T PTS: 1 TOP: Introduction

3. One of the advantages of cross cultural studies is that there is one, widely accepted definition of the meaning of culture.

ANS: F PTS: 1 TOP: Introduction

4. Hansen emphasizes culture as the standardization – the consistency of collective behavior.

ANS: T PTS: 1 TOP: Introduction

5. Hofstede the Dutch researcher, famously likens or company's culture to the "software of the mind".

ANS: T PTS: 1 TOP: Introduction

6. Schein considers "artefacts" as the invisible and unconscious conventions and perceptions deeply held by members on a culture.

ANS: F PTS: 1 TOP: Introduction

7. There may be large similarities of the artefact level within the European Union, but values and assumptions held by members of various nations in the EU may differ significantly.

ANS: T PTS: 1 TOP: Introduction

8. Cross cultural management studies aim to describe and compare the working behavior in various cultures.

ANS: T PTS: 1 TOP: Introduction

9. Hofstede finally distinguished three cultural dimensions: power distance, femininity vs. masculinity and individualism vs. collectivism.

ANS: F PTS: 1 TOP: Introduction

10. Power Distance refers to the extent to which the members feel threatened by uncertainty, ambiguous or unstructured situations.

ANS: F PTS: 1 TOP: Introduction

11. According to Hofstede a feminine orientation comprises the pursuit of financial success and a strong performance management approach.
ANS: F PTS: 1 TOP: Introduction
12. Countries with weaker uncertainty avoidance are more likely to bring about fundamental innovations in weak processes as they have a greater tolerance for deviant thinking.
ANS: T PTS: 1 TOP: Introduction
13. Collectivist society companies have more informal relationships between supervisors and employees.
ANS: T PTS: 1 TOP: Introduction
14. The Mediterranean culture (France, Italy, Belgium and Spain) are characterized by small power distance and high collectivism.
ANS: F PTS: 1 TOP: Introduction
15. The German speaking countries such as Germany, Austria and Switzerland are characterized by a strong tendency of uncertainty avoidance and relatively low power distance.
ANS: T PTS: 1 TOP: Introduction
16. A criticism of Hofstede's research is that he equates culture to national borders.
ANS: T PTS: 1 TOP: Introduction
17. The Globe study distinguishes between practices (what should be) and values (what is).
ANS: F PTS: 1 TOP: Introduction
18. The participation of 17 scholars from around the world helps to avoid a one-sided, Western focus to the research project.
ANS: T PTS: 1 TOP: Introduction
19. The Trompenaars and Hampden-Turner study presents three aspects to culture: relationships between people, concept of time and the concept of nature.
ANS: T PTS: 1 TOP: Introduction
20. Cultural convergence relates to assuming a long-term stability in cultural differences.
ANS: F PTS: 1 TOP: The Development of Cultures

MULTIPLE CHOICE

1. Cross-cultural management research is based on the assumption that:
 - a. There are no real differences in management practices in various countries and the respective environments do not matter.
 - b. There are differences in management practices in various countries but the respective environments do not explain these differences.

- c. There are differences in management practices in various countries and the respective environment explains these differences.
- d. There are differences in management practices in various countries and these differences are explained by company strategy alone.

ANS: C PTS: 1 TOP: Introduction

2. A major criticism of cross-cultural management studies is:
- a. The construct of “culture” is undefined or inadequately defined and/or operationalized at the start of the study.
 - b. The construct of “culture” is defined too specifically for use across nations.
 - c. Research is done almost exclusively from a North American perspective.
 - d. There have been too few cross cultural research studies completed to assess the research.

ANS: A PTS: 1 TOP: Introduction

3. Schein’s concept of culture consists of:
- a. Ways of thinking, feeling and reacting
 - b. Customs, practices and standardization
 - c. Research containing dense infinitive descriptions
 - d. Artefacts, values and assumptions

ANS: D PTS: 1 TOP: Introduction

4. Hofstede’s cultural dimensions are:
- a. Universality, uncertainty avoidance, individualism vs. collectivism, aspiration vs. resignation and referentism.
 - b. Power distance, uncertainty avoidance, femininity vs. masculinity, individualism vs. collectivism dynamics.
 - c. Power distance, uncertainty avoidance, individualism vs. collectivism and contextualism vs. universalism.
 - d. Universalism vs. contextualism Confucian dynamics, individualism vs. collectivism and consumerism vs. theft

ANS: B PTS: 1 TOP: Introduction

5. Individualism vs. collectivism refers to:
- a. How government agencies act towards citizens
 - b. The extent to which individual initiative and responsibility to close family is valued in society as contrasted to group initiative and responsibility to an extended definition of family as socially valued
 - c. The extent to which individuals relate to the government as opposed to individuals being alienated from their government
 - d. The extent to which individual achievements are socially recognized and rewarded as opposed to recognition of wider social collectives – groups, organizations, etc.

ANS: B PTS: 1 TOP: Introduction

6. Under Confucianism dynamics, orientations can be either:
- a. Long-term or short-term
 - b. Paternal or individualistic
 - c. Adaptable or subordinate
 - d. Political or idealistic

ANS: A PTS: 1 TOP: Introduction

7. According to the results of the Hofstede study:
- a. U.S. culture is characterized more by collectivity behavior, unlike Anglo Saxon countries

- such as Australia or the United Kingdom
- b. U.S. culture is characterized more by collectivity behavior, like Anglo Saxon countries such as Australia or the United Kingdom
 - c. U.S. culture is characterized more by individualist behavior, unlike Anglo Saxon countries such as Australia or the United Kingdom.
 - d. U.S. culture is characterized more by individualist behavior, like Anglo Saxon countries such as Australia or the United Kingdom.

ANS: D PTS: 1 TOP: Introduction

8. According to Hofstede, some Asian cultures such as Singapore and Hong Kong:
- a. Score low on uncertainty avoidance and low on power distance
 - b. Score low on uncertainty avoidance and high on power distance
 - c. Score high on uncertainty avoidance and low on power distance
 - d. Score high on uncertainty avoidance and low on power distance

ANS: D PTS: 1 TOP: Introduction

9. The cultural context impacts HRM practices:
- a. Not at all
 - b. Only in the HR practice areas of Compensational Task Distribution
 - c. In the HR practice areas of Recruitment, Selection, Training and Development, Compensation and Task Distribution
 - d. Only in the HR practice areas of Training and Development and Task Distribution

ANS: C PTS: 1 TOP: Introduction

10. Hofstede identifies a strong tendency or masculinity with a high tendency for uncertainty avoidance in:
- a. The Scandinavian cluster
 - b. The Asian Tigers clusters
 - c. The German speaking cluster
 - d. The Gallic cluster

ANS: C PTS: 1 TOP: Introduction

11. Hofstede's approach to cross cultural management research:
- a. Has been the subject of ongoing debate and criticism.
 - b. Has been largely ignored by other researches
 - c. Has been almost universally accepted
 - d. Has not been integrated into a wide range of alternative cross cultural research projects

ANS: A PTS: 1 TOP: Introduction

12. Hofstede's study is classified or based on:
- a. Cultures
 - b. Ethnic subgroup
 - c. Countries
 - d. Common cultural regions

ANS: C PTS: 1 TOP: Introduction

13. The GLOBE research tries to study the complex relationships between:
- a. Culture, leadership behavior, organizational effectiveness, social co-habitation conditions and the economic success of societies.
 - b. Culture, leadership behavior, political institutions, social legislations, corporate strategies and the economic success of societies.
 - c. Culture, economic development, social progress, and multinational dynamism.
 - d. Culture, leadership behavior, organizational effectiveness, employee commitments and satisfaction, social dynamics and the economic success of societies.

ANS: A PTS: 1 TOP: Introduction

14. The GLOBE study survey contains:
- Contains exactly the same dimensions as Hofstede's surveys
 - Contains far fewer dimensions than the Hofstede surveys
 - Distinguish between practices (as is) and values (should be).
 - Contains only questions on values (should be).

ANS: C PTS: 1 TOP: Introduction

15. Results from the GLOBE study were used to distinguish _____ "cultural regions."
- Five
 - Seven
 - Ten
 - Twelve

ANS: C PTS: 1 TOP: Introduction

16. One criticism of the GLOBE study is:
- That the research team is too much weighted to North American researchers
 - The dimensions are less refined and detailed than Hofstede's dimensions of culture
 - The research focuses too much on very small firms
 - The focus of the study is only in three industries – finance, food and telecommunications

ANS: D PTS: 1 TOP: Introduction

17. The GLOBE study:
- Distinguishes between organizational cultures and national cultures.
 - Does not distinguish between organizational cultures and national cultures
 - Never distinguishes between subcultures in some nations for which data was collected
 - Distinguishes between subcultures in all 62 nations for which data was collected

ANS: A PTS: 1 TOP: Introduction

18. The Trompenaars and Hampden-Turner study distinguishes three overarching aspects of culture, namely:
- Artefacts, values and assumptions
 - Relationships between people, the concept of time and the concept of nature
 - Reality, time and space
 - Descriptive values, aspirational values and critical values

ANS: B PTS: 1 TOP: Introduction

19. Trompenaars and Hampden-Turner's cultural dimensions is Ascription vs. :
- Description
 - Conscription
 - Achievements
 - Acclimation

ANS: C PTS: 1 TOP: Introduction

20. According to Trompenaars and Hampden-Turner, societies that attempt to control nature to a very high degree are described as having:
- External control
 - Internal control
 - Distinct control
 - General control

ANS: B PTS: 1 TOP: Introduction

21. As applied research, the Trompenaars and Hampden-Turner study:
- Is backed up by extensive duplicate studies in a variety of countries and industries

- b. Has repeatedly demonstrated validity and reliability
- c. Has not demonstrated validity nor reliability
- d. Provides an explicit rationale for the origins and operationalization of the seven cultures/dimensions

ANS: C PTS: 1 TOP: Introduction

22. According to Trompenaars and Hampden-Turner, members of specified cultures:
- a. See business relationship more personally
 - b. Take subjective and contextual variables into consideration when making a decision
 - c. Demand precise, unobjective analysis of circumstances and presentation of results
 - d. Emphasize intentions and emotions in making a decision

ANS: C PTS: 1 TOP: Introduction

23. Hall and Hall's research emphasizes four cultural dimensions:
- a. Context of communications, spatial orientation, the concept of time and information speed
 - b. Context of communications, precision of communications, objectivity in communication and information speed
 - c. Context of communication, privacy of communication, the concept of time and information speed
 - d. Context of communications, spatial orientation, distribution of communication and feedback mechanisms

ANS: A PTS: 1 TOP: Introduction

24. Hall and Hall's research:
- a. Focuses on the relationship between geography and culture
 - b. Focuses on the relationship between regional resource bases on culture
 - c. Focuses on the relationship between communication and culture
 - d. Focuses on the relationship between faith and culture

ANS: C PTS: 1 TOP: Introduction

25. Hall and Hall, Trompenaars and Hampden-Turner all:
- a. Provide academically valid, rigorous and reliable research bases for their models
 - b. Largely agree on the underlying dimensions of culture
 - c. Have large, geographically diverse data sets to draw on to support their models
 - d. Focus on offering a practical template allowing individuals to perceive and handle cultural differences

ANS: D PTS: 1 TOP: Introduction

26. According to researchers like Barry Gerhart:
- a. Cross-cultural research or emphasizes the influence of culture and business practices
 - b. Cross-cultural research actually understates the influences of culture on business practices
 - c. Cross cultural research as yet to show any influence of culture on business practices
 - d. Cross cultural research is insufficient in quantity or quality of findings to make any judgment of how culture may or may not influence business practices

ANS: A PTS: 1 TOP: Introduction

27. Cultures develop over time:
- a. So quickly and so unpredictable that studies become almost immediately obsolete
 - b. In a very slow and predictable manner
 - c. Such that surface level artefacts may change relatively quickly, but deeper behaviors and

- assumptions may take much longer to change
d. Inevitably toward a convergent, single “superculture”

ANS: C PTS: 1 TOP: The Development of Cultures

28. One study by Child, reviewing research on the development of cultures concluded:
- Studies on the macro level (organizations structure) found evidence for divergence or growing differences in cultures
 - Studies on the micro level (behaviors by employees) found enhance for convergence or the lessening of differences in cultures
 - Studies on the macro level (organizational structure) found evidence for convergence, or the lessening of differences in cultures
 - Studies on both the macro and micro level found evidence for convergence or the lessening of differences in cultures

ANS: C PTS: 1 TOP: The Development of Cultures

29. Due to growing interdependence and a high flow of migration:
- Culture is not confined to a territorially limited area
 - Culture is still largely confined to a territorially limited area
 - Cross-cultural issues are not nearly as important as they were on the past
 - HR will largely be unaffected

ANS: A PTS: 1 TOP: The Development of Cultures

30. Generational changes in world societies:
- Create no real changes in the demand for professional relationship and employee retention
 - Result in potential employees who have been brought up with computers and are fast self-organized learners as in Generation Y
 - Result in potential employees who have been brought up with computers and who are therefore inflexible as to work routine and multitasking as in Generation Y
 - Result in potential employees who are willing to sacrifice their personal lives for their careers as in Generation Y.

ANS: B PTS: 1 TOP: The Development of Cultures

SHORT ANSWER

1. Present the general definition of the concept of culture as presented in the text.

ANS:

Schein considers various levels of culture: artefacts or creations, values and underlying assumptions. Artefacts are described as visible organization structures and processes. They can be analyzed using conventional methods of empirical social research, but their meaning is often hard to decipher. The middle level comprises values of a company or society. They are found in the intermediate level of consciousness; in other words, they are partly conscious and partly unconscious. The third level is described as underlying assumptions, which are often presumed to be self-evident. They include convictions, perceptions, thoughts and feelings, which are usually invisible and unconscious. Nevertheless, they are the sources of values and the actions based on them. Schein emphasizes that relationships that lead from artefacts through values to underlying assumptions are much weaker than those leading in the contrary direction, because the influence of underlying assumptions on values and artefacts is stronger than vice versa.

PTS: 1 TOP: Introduction

2. Discuss the five cultural dimensions as presented in Hofstede's cross-culture management study.

ANS:

In his original study, Hofstede identified four cultural dimensions based on preliminary theoretical considerations and statistical analyses, which can be used to describe cultural differences between countries. These dimensions together explained 49 per cent of the variance. Hofstede named them power distance, uncertainty avoidance, femininity vs. masculinity, and individualism vs. collectivism. A later study involving participants from the Asian Pacific region included a fifth dimension, Confucianism or long-term orientation.

PTS: 1 TOP: Introduction

3. Outline and discuss the ways in which cultural context can impact HRM policies of recruitment and selection, training and development, compensation and task distribution.

ANS:

Recruitment and selection:

- In societies *low on 'in-group collectivism'* individual achievements represent important selection criteria.
- In societies *high on 'in-group collectivism'* the emphasis in the recruiting process is more on team-related skills than on individual competencies.

Training and development:

- In societies *high on gender egalitarianism* women have the same chances for vertical career advancement as men.
- In societies *low on gender egalitarianism* female managers are rare.

Compensation:

- In societies *high on uncertainty avoidance* employees tend to be rather risk averse and prefer fixed compensation packages or seniority-based pay.
- In societies *low on uncertainty avoidance* employees tend to be rather risk-taking and accept high income variability through performance-based pay.

Task distribution:

- Societies *high on collectivism* tend to emphasize group work.
- Societies *high on individualism* rather attribute individual responsibilities in the work system.

PTS: 1 TOP: Introduction

4. In what significant ways is the GLOBE study (a) similar to Hofstede's research, (b) different from Hofstede's research?

ANS:

The study is to some extent based on Hofstede's dimensions: uncertainty avoidance and power distance. However, the dimensions are modified and expanded, leading to some confusion when Hofstede and GLOBE results are assessed and compared.

Authors of the GLOBE study are purposefully trying to overcome the earlier critiques of the Hofstede study, namely that the borders between values and practices are blurred in his study and cannot be distinguished.

PTS: 1 TOP: Introduction

5. What does the discussion on “the development of cultures” lead you to conclude about the issues of convergence and divergence?

ANS:

This discussion is closely related to the issue of whether organizations and their management practices are similar due to increasing international interconnectedness and the coordination of the global economy (convergence) or still exhibit specific cultural characteristics. For example, culture convergence between European countries is often imputed given the development of the European Union, and attendant harmonization of laws and regulations. Thus, increasing convergence of the cultures of individual countries within the EU is assumed. As a result, the meaning of cultural differences may be safely given little consideration. If the opposite is true and we assume a long term stability in cultural differences (cultural divergence), their investigation may be a decisive success factor in international business activities for the foreseeable future. In terms of activity within the European Community, this would mean that pan-European standardization of management practices would not be easily achieved and adaptation of practices to underlying local conditions would be required.

PTS: 1

TOP: The Development of Cultures