INTERNATIONAL EDITION

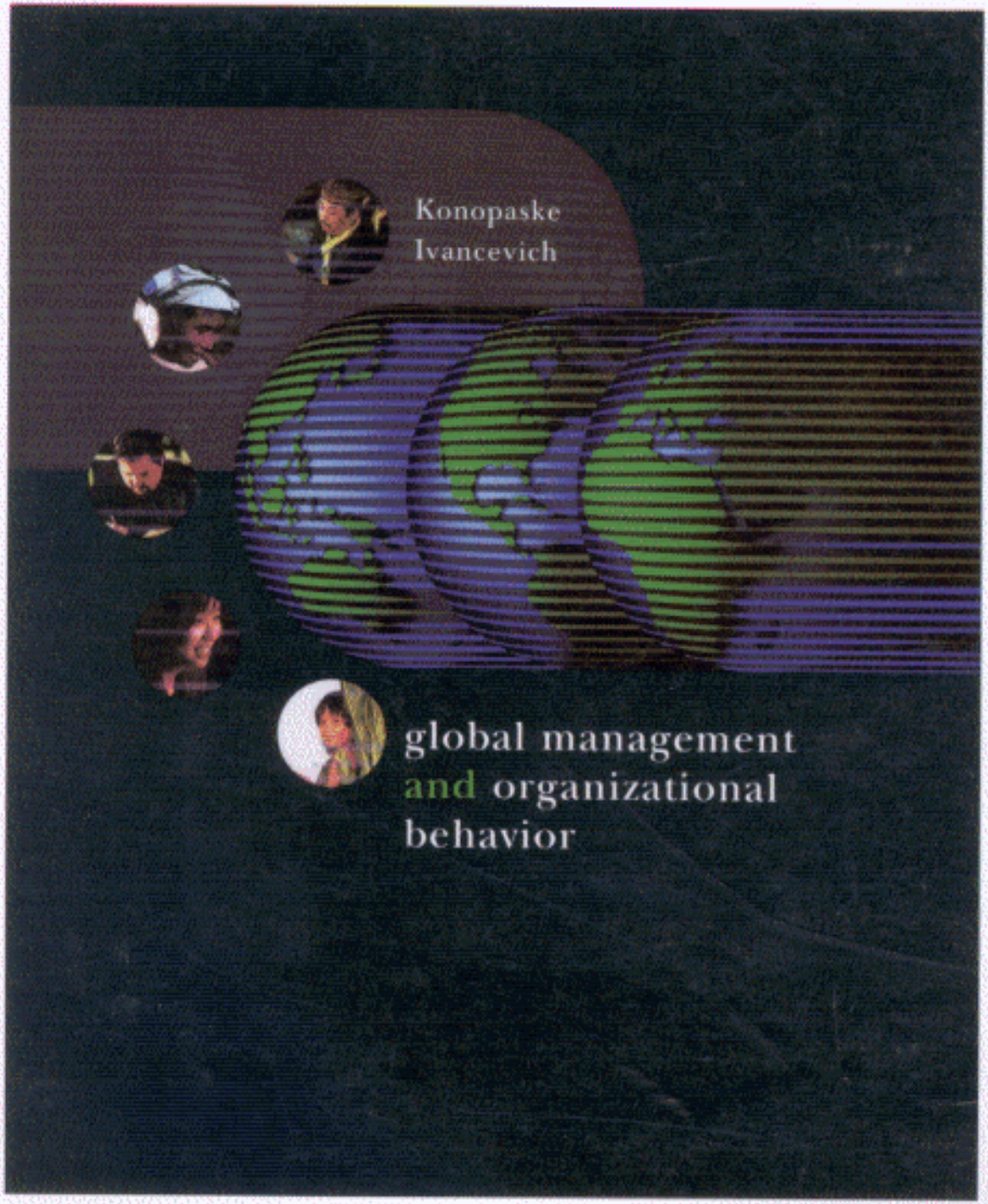

Table of Contents

Preface v

PART ONE
INTRODUCTION TO GLOBALIZATION 1

Chapter 1
Global Developments and Trends: Management Perspective 3

Dependence in a Borderless World 3

The Global Organizational Behavior Perspective 5
Capturing the Study of Global Organizational Behavior 5
Multinational Organizations 6
The Transnational Organization 8
The Value Added by Global Organizational Behavior 8
Social-Cultural 9
Economic System 11
Political System 12
Technology Factors 12
Global Trends that Impact Management 14
Ecosystems Factors 14
Work/Life Balance 14
Diversity 15
Health, Well-Being, and Happiness 15
Working Conditions 15
Quality 17
The People Challenge 18
The Book's Architecture and Framework 20
Contingency Approach 22
A Metric to Consider 23
21st Century Globalization 25
Key Terms 25
Review, Critical Thinking, and Discussion Questions 25
Endnotes 26

Chapter 2
Cultural Awareness and Implications 29

Notes on African Culture 29

Defining Culture 31
The National Culture: Frameworks 32
The Manager and Organizational Culture 36
The Characteristics of Organizational Culture 38
Observable Components 38
Shared Values 38
Basic Assumptions 39
The Evolution of Organizational Culture 40
The Founders 40
Socialization 40
Cultural Strength 41
Managing and Changing the Organization's Cultures 42
Managing Across Cultures 44
Time/Relationship Cluster 47
Power Cluster 48
Societal Interdependence Cluster 49
A Final Note on Culture 51
Key Terms 52
Review, Critical Thinking, and Discussion Questions 52
Endnotes 52

Reading 1 Difference and Danger: Cultural Profiles of Nations and Limits to Tolerance 54
Reading 2 How Many Things Do You Like to Do at Once? An Introduction to Monochronic and Polychronic Time 67
Reading 3 European Competencies—Some Guidelines for Companies 76
Case 1 The Road to Hell 83
Case 2 Pacific-Western Oil: The Sembilan Plant 87
Exercise 1: The Culture Quiz 94
Exercise 2: The Owl: Cross-Cultural Sensitivity 102

Exercise 3: The East-West Game (Emperor's Pot) 106
Exercise 4: Pros and Cons of Free Trade 111
Internet Exercise 1: World-Class Brands 111

PART TWO
MANAGEMENT AND ORGANIZATIONAL BEHAVIOR IN A GLOBAL ENVIRONMENT 113

Chapter 3
Global Social Responsibility and Ethical Decision Making 115

What the Public Expects! 115

Social Responsibility 117
Specific External Beneficiaries 117
General External Beneficiaries 119
Transnational Responsibility Regarding Human Rights 120
Business Ethics 122
Managerial Ethics 123
Globalization and Ethics 126
Ethics Perceptions 127
Corporate Ethics and Leadership 128
Moral Common Sense 128
Corporate Codes of Conduct for Sensitive Matters and Leadership 134
Good Ethics Is Good Business 137
Employees' Motivation 138
Corruption and Bribery 138
Transnational Company Actions to Promote Ethics 141
Key Terms 142
Review, Critical Thinking, and Discussion Questions 142
Endnotes 143

Chapter 4
Communicating in Global Settings 145

So, What Are You Saying? 145

Importance of Cross-Cultural Communication 146
The Cross-Cultural Communication Process Model 147
Potential Barriers to Effective Cross-Cultural Communication 151
Language 151
Information Exchange 152
Time 152
Nonverbal Behavior 153
Proxemics 154
Improving Cross-Cultural Communication 154
Start with Your Own Culture 155
Learn about the Host Culture 155
Know the Host-Country Language 156
Use "Best Practices" Communication Skills 157
Key Terms 159
Review, Critical Thinking, and Discussion Questions 160
Endnotes 160

Chapter 5
Motivation 163

Does What Works in New York Work in Tokyo? 163

The Motivational Puzzle 164
Maslow's Theory 165
Global Application of Maslow's Theory 167
Herzberg's Theory 168
Global Application of Herzberg's Theory 169
McClelland's Theory 170
Global Application of McClelland's Theory 171
Process Motivation Explanations 172
Expectancy Theory of Motivation 172
Global Application of Expectancy Theory 175
Goal-Setting Theory 175
Global Application of Goal-Setting Theory 176
The Meaning of Work (MOW) 176
Motivation Incidents: Managerial Responses 179
Management Application 181
Meaningful Work Opportunities 181
Reward Systems 183
Job Design 185
A Concluding Note 186
Key Terms 186

Review, Critical Thinking, and Discussion Questions 187
Endnotes 187

Chapter 6
Negotiating Cross-Culturally 189

Intercultural Negotiations: Avoid the Pitfalls! 189

Cross-Cultural Negotiation: The Basics 191
Types of Negotiation 192
Bargaining Zone Model of Negotiations 193
Impact of Personalities on the Negotiation Process 194
Components of the Cross-Cultural Negotiation Process 194
Prenegotiation Planning 195
Steps in Negotiation Process 196
Negotiation Style 197
Negotiation Tactics 197
Culture's Impact on Negotiations 201
Individualism versus Collectivism 201
Low Context versus High Context 202
Proxemics 202
Monochronic versus Polychronic Time Orientation 204
Best Practices Negotiating Strategies 204
Key Terms 205
Review, Critical Thinking, and Discussion Questions 205
Endnotes 205

Chapter 7
Diversity Management 209

Global Diversity: Knowledge Is Power 209

Diversity: An Introduction 211
Global Perspectives on Diversity 213
Japan 213
European Union 214
United States 215
Diversity Management 218
Monolithic, Plural, and Multicultural Organizations 219
Diversity in Multicultural and Virtual Teams 220
Creating a Successful Climate for Diversity 222
Implications for Global and Transnational Organizations 223
Key Terms 223
Review, Critical Thinking, and Discussion Questions 224
Endnotes 224

Chapter 8
Work Groups and Teams 227

Manager Impact on Group and Team Success 227

A Managerial Model of Group Factors 229
Categories of Groups 230
Formal Work Groups 230
Informal Work Groups 232
Teams in Transnational Organizations 232
Cross-Functional Teams 233
Virtual Teams 234
Self-Managed Teams 235
The Formation of Work Groups 236
Location 236
Economic Background 236
Attitude 236
The Development of Work Groups 237
Stage 1: Forming 237
Stage 2: Storming 237
Stage 3: Norming 238
Stage 4: Performing 238
Stage 5: Adjourning 238
Utilizing Teams 238
Characteristics of Work Groups 239
Role Making in Groups 240
Problems in Role Making 241
The Group Leader 242
Group Status 243
Group Norms and Compliance 243
Group Pressure 243
Group Review and Enforcement 243
Personalization of Norms 244
Group Cohesiveness 245
The Size of the Work Group 245

The Dependence of the Members on the Work Group 245
The Achievement of Goals 246
The Status of the Group 247
Management Demands and Pressure 247
Problems in Groups and Teams 247
Groupthink 247
Politics 249
Social Loafing 249
Intergroup Conflict 251
Limited Resources 253
Communication Problems 253
Different Interests and Goals 253
Different Perceptions and Attitudes 253
Lack of Clarity 253
Cultural Diversity 254
Managing Intergroup Conflict 254
Global and Team Outcomes: Performance and Satisfaction 256
Perceived Freedom to Participate 256
Perceived Goal Attainment 256
Status Consensus 256
Key Terms 257
Review, Critical Thinking, and Discussion Questions 258
Endnotes 258

Part 2/Reading 1 The Hidden Challenge of Cross-Border Negotiations 261
Part 2/Reading 2 The Multicultural Organization 270
Part 2/Reading 3 Building an Effective Global Business Team 283
Part 2/Case 1 Joint Venture #1: The Corning-Vitro Divorce 293
Joint Venture #2: The Volvo-Renault Marriage 295
Part 2/Case 2 Moto: Coming to America 296
Part 2/Case 3 José Ignacio López De Arriortúa 300
Part 2/Case 4 AgroAraucania 310
Part 2/Exercise 1: Bribery in International Business 320
Part 2/Exercise 2: Babel Interpersonal Communication 323
Part 2/Internet Exercise 1: Cross-Cultural Negotiation 101: Some Tips 324

PART THREE
MANAGING HUMAN RESOURCES 327

Chapter 9
Global Human Resource Management 329

Paragon-Mart's Deployment of Global Assignees 329

Introduction to Global Human Resource Management 330
Strategy and Global HRM Fit 331
Human Capital 331
Resource-Based View of the Firm 332
Global Assignments 333
Types of Global Assignees 334
Identification of Knowledge, Skills, Abilities, and Other Characteristics 336
Recruiting Potential Global Assignees 336
Government Restrictions 338
Regional Trade Agreements 338
E-Recruiting 338
Realistic Job Previews 339
Selecting the Best Candidate 340
Compensating Global Assignees 341
Types of Compensation Approaches 341
Allowances in Expatriate Pay Packages 342
Does One Size Fit All? 342
Cross-Cultural and Language Training 343
Types of Training 343
Which Approach to Use? 344
Adjustment in the Host Country 346
Culture Shock 346
Types of Adjustment 347
Poor Adjustment and Its Consequences 347
What Influences the Adjustment Process? 347
Repatriation 348
Repatriate Turnover 349
Ways to Improve the Repatriation Process 349
Labor Relations and the Global Corporation 350

Conclusion 350
Key Terms 351
Review, Critical Thinking, and Discussion Questions 351
Endnotes 352

Chapter 10
Career and Family Considerations 357

Eduardo Diaz: Virtual Expatriate 357

Introduction 358
Career Issues 359
Perceived Career Fit 359
Risks Associated with Accepting Global Assignments 360
Why Take a Global Assignment? 361
Spouse and Family Issues 366
Recruitment 366
Selection and Adjustment 369
Cross-Cultural Training 370
Emerging Trends 371
Conclusion 374
Key Terms 374
Review, Critical Thinking, and Discussion Questions 374
Endnotes 375

Part 3/Reading 1 Adapting to a Boundaryless World: A Developmental Expatriate Model 379
Part 3/Reading 2 Don't Fence Her In 391
Part 3/Reading 3 Global Fatalities: When International Executives Derail 395
Part 3/Reading 4 The Right Way to Bring Expats Home 400
Part 3/Case 1 Whom to Hire? 405
Part 3/Case 2 Steve Parker and the SA-Tech Venture (A) 408
Part 3/Exercise 1: Global Labor Relations IQ 413
Part 3/Exercise 2: The Family Unit 414
Part 3/Internet Exercise 1: Cross-Cultural Training on the Web 414
Part 3/Internet Exercise 2: Expatriate Sources on the Web 415
Part 3/Internet Exercise 3: Global Netiquette: Effectively Communicating via E-mail 416

Glossary 417

Index 423