

*Note: This is the text-only version of this week's lecture.*

All media (i.e. videos, flash presentations, and PowerPoints) and learning activities (i.e. assigned readings, assignments, and discussions) are accessible only through the online course.

## Week 4: Environmental Forces (Uncontrollable), Part 2

### Week 4 Overview

*Log in to the course to view video and alternative version.*

Click the link below to access a transcript of the video.

[Video Transcript](#)

### Week 4 Overview

Week 4 continues in the introduction of the environmental forces that are not controllable by the business such as cultural, political, and legal forces that are covered in lessons 1 and 3. In lesson 2, building on the cultural forces you will learn about the challenges and skills a global manager needs to effectively lead global teams.

- First, you will learn how culture, the sum total of beliefs, rules, techniques, institutions and artifacts that characterize human populations, is learned and shared. Its various aspects are interrelated and it defines the boundaries of different groups. The study of culture is essential to international business executives who must operate in cultures different from their own.
- Then we will explore the role of culture at a micro level, i.e., the manager and examine what skills or competencies a manager needs in order to effectively lead global teams. For instance, global leaders must evidence cultural understanding and adaptability, rather than being constrained by experiences only within their home country and culture. They must be able to understand, work with, and inspire individuals from a range of nations and cultures to create new technologies, businesses, and organizations.
- Finally, you will learn about the political and legal forces that affect planning of operations in international business. For instance, a welcoming political atmosphere permits business to flourish even though the country is poor in natural resources. The opposite holds, as well, and some countries blessed with natural resources are poor because of government instability or hostility. Further, the IB professional is ALWAYS working under at least two sets of laws, one in the host country(s), and that of their home country. Plus, their home country might apply laws extraterritorially, just to compound the legal challenge.

Week 4 consists of three lessons:

**Lesson 1: Sociocultural Forces**

**Lesson 2: Global Leadership Issues and Practices**

**Lesson 3: Political and Trade Forces / Intellectual Property and Other Legal Forces**

## Week 4 Learning Activities

Learning Activity	Description	Due Date	Points
<b>Lesson 1</b>	<b>Sociocultural Forces</b>		~
Week 4 Reading 1	Read Chapter 4 of your textbook	Complete by end of Day 1	~
Week 4 Activity 1	Research Activity: Hofstede's Dimensions	Complete by end of Day 6 (Suggested end of Day 2)	10
<b>Lesson 2</b>	<b>Global Leadership Issues and Practices</b>		
Week 4 Reading 2	Read Chapter 11 of your textbook	Complete by end of Day 3	~
<b>Lesson 3</b>	<b>Political and Trade Forces/Intellectual and Other Legal Forces</b>		~
Week 4 Reading 3	Read Chapters 6 and 7 of your textbook	Complete by end of Day 6	~
Week 4 Activity 2	Research Activity: Trade Barriers and Corruption	Complete by end of Day 6	10
Week 4 Discussion 1	"The Espresso Lane to Global Markets"	Post by end of Day 3 Respond by end of Day 5	30
Week 4 Assignment 1	Case 2 Brief: "Blue Ridge Spain"	Submit by end of Day 7	100
<b>Total</b>			<b>150</b>

**Note:** All assignments are to be submitted through the **Assignments** area of the course. Similarly, class discussions can be accessed in the **Discussions** area. Groups may use both the **Groups** area and their own Live Session located in the **Live Sessions** area.

*Please note that there are several practice activities and practice questions in each lesson. Please make sure to complete each item.*

## A Note on Research Activities

The purpose of the research activities this week is to get you acquainted with additional resources that you will need for successful completion of the course group project. In terms of your project this week you should gather the cultural, political, and legal indicators for your selected countries for market entry.

While the details of each research activity are presented in the following pages, I would like to provide you with a short summary:

- In the first research activity you are asked to calculate an index of cultural distance between several countries using Hofstede's dimensions.
  - Thinking ahead about your project: you should provide an index of cultural distance between US and your selected set of countries and as your research activity indicates, you should address which components of this index can be considered most influential for each selected country.
- In the second activity you are presented with the task of identifying trade barriers in India and examining the corruption level of four countries using the Corruption perception index.
  - Thinking ahead about your project: Gather the appropriate cultural and political/legal indicators for your selected markets and save them for later investigation.
  - Based on your indicators so far (economic, socioeconomic, financial, cultural, political, and legal) do you have a winner country for entry?

Each research activity is an individual assignment and no collaboration is allowed among students. You should spend no longer than 30 minutes completing each research activity. Further, you are provided with detailed hints in each research activity and you will receive full points for each submitted assignment (Turnitin). As such, you will not receive feedback by your instructor, unless you explicitly request it. **However, cheating of any form or plagiarism will result in receiving zero** for the corresponding assignment and you must address to the best of your abilities what the research task is asking for. If you submit something irrelevant to the assignment you will receive a zero. The quality of your report will be assessed by your instructor.

## Learning Objectives

As a result of participating in this lesson, you will be able to:

- Describe what culture is.
- Explain the significance of national-level culture differences for international business.
- Describe Hall's concept of high and low context.
- Describe Hofstede's framework.
- Outline Trompenaars' dimensions.
- Discuss the sociocultural aspects of culture as a phenomenon.

## Week 4 Reading 1

**Textbook:** *International Business: The Challenge of Global Competition*, 13<sup>th</sup> Edition, by Ball, D. A., Geringer, J. M., McNett, J. M., Minor, M. S., 2012, New York, N.Y.: McGraw-Hill Irwin. ISBN-10: 0077606124, ISBN-13: 978-0077606121.

- Chapter 4, "Sociocultural Forces"

### Important!

Before you proceed, read Chapter 4 of our textbook. Please do not continue until you have done so.

## Lesson 1 Practice Questions: High and Low Context Culture

Hall's High and Low context framework is a useful way to classify cultures based on communication patterns found in the culture. High context involves high levels of meaning communicated through the context that surrounds the specific communication act. Low context involves explicit communication and low levels of meaning in the context. The following exercises address their general characteristics.

## Lesson 1 Practice Activity: High and Low Context Culture

*Log in to the course to access interactive course content and alternative version.*

Click the link below to access the Alternate Version of this activity.

[Alternate Version](#)

## Lesson 1 Practice Questions: Hofstede's Dimensions

**Week 4 Activity 1: Research Activity: Hofstede's Dimensions (Complete by Day 6, suggested by Day 2)**

**Value: 10 Points**

The cultural distance of countries in which your firm operates is one of the many explanations of significant differences that your U.S.-based employees face when travelling to different affiliates worldwide. Typically, an index of cultural distance can be determined by summing the squared differences of country-level scores such as those introduced by Hofstede's cultural dimensions and then taking the square root of the summation (this is called the Euclidean distance). At the present time, your firm has operations in Turkey, Poland, Costa Rica, South Africa, and Indonesia. Using the Hofstede Cultural Dimensions Resource Center based on studies involving cultural dimensions to assess all five countries, determine which affiliates are located in a culture that is least and most similar to the U.S. As there are four main components of each overall cultural distance score, which component(s) can be considered most influential for each country? **Your report should be a maximum of 1 page, double-spaced, Word or PDF document. However, you can have unlimited number of exhibits that should be put in an Appendix in the same file.**

## Hint:

### Option 1

- Go to: <http://globaledge.msu.edu>
- Search Phrase: "Hofstede Cultural Dimensions Resource Center"
- Resource Name: Geert Hofstede Cultural Dimensions Resource Center
- globalEDGE™ Category: "Reference: Culture"

### Option 2

- Website: <http://geert-hofstede.com/countries.html>
- Once on the website, select the corresponding countries

### Option 3

- Use this [Excel file](#) with rankings for all countries.

**Submit your completed research task through the Turnitin drop box located within the Assignments area by no later than end of Day 6.**

**Please note that the Turnitin drop box will be available on Day 1 at 12:00 a.m. E.T.**

## **Accessing Gradermark Commentary for Individual Turnitin Assignments**

- Select the **View/Complete** link in the assignment drop box, or select your grade in the **My Grades** area.
- Next, select the title of the assignment in the Turnitin Assignment and Portfolio Inbox.
- Once the document view loads, select the **GradeMark** button, located at the top left of the screen.
- To view individual comments, hover the mouse over the blue comment bubbles.

## Lesson 2: Global Leadership Issues and Practices

### Learning Objectives

As a result of participating in this lesson, you will be able to:

- Discuss the importance of creating a company “global mindset.”
- Describe what distinguishes the practice of global leadership from its domestic counterpart.
- Identify the competencies required for effective global leadership.
- Discuss approaches for selecting and developing effective global leaders.
- Explain what skills a manager needs in order to effectively lead global teams.
- Identify some of the challenges of leading global change.

### Week 4 Reading 2

**Textbook:** *International Business: The Challenge of Global Competition*, 13<sup>th</sup> Edition, by Ball, D. A., Geringer, J. M., McNett, J. M., Minor, M. S., 2012, New York, N.Y.: McGraw-Hill Irwin. ISBN-10: 0077606124, ISBN-13: 978-0077606121.

- Chapter 11, "Global Leadership Issues and Practices"

### Important!

Before you proceed, read Chapter 11 of our textbook. Please do not continue until you have done so.

### Lesson 2 Practice Activity: The Transformational Self

*Log in to the course to access interactive course content and alternative version.*

Click the link below to access the Alternate Version of this activity.

[Alternate Version](#)

### Lesson 2 Concept Check

Test your knowledge of Chapter 11 concepts by answering the following multiple choice questions.

### Lesson 2 Practice: Justin Marshall

## Lesson 3: Political and Trade Forces/Intellectual Property and Other Legal Forces

### Learning Objectives

As a result of participating in this lesson, you will be able to:

- Discuss nationalization and privatization of business.
- Explain what terrorism is and the range of activities that terrorists can engage in, as well as countermeasures that companies and their employees might take.
- Evaluate the importance to business of government stability and policy continuity.
- Explain country risk assessment by international business.
- Discuss types of trade restrictions and the arguments for imposing them.
- Discuss the complexity of the legal forces that confront international business.
- Explain possibilities for international dispute settlement.
- Recognize the need and methods to protect intellectual property.
- Explain the risk of product liability legal actions.
- Discuss some of the U.S. laws that affect international business operations.

### Week 4 Reading 3

**Textbook:** *International Business: The Challenge of Global Competition*, 13<sup>th</sup> Edition, by Ball, D. A., Geringer, J. M., McNett, J. M., Minor, M. S., 2012, New York, N.Y.: McGraw-Hill Irwin. ISBN-10: 0077606124, ISBN-13: 978-0077606121.

- Chapter 6, "Political and Trade Forces"
- Chapter 7, "Intellectual Property and Other Legal Forces"

### Important!

Before you proceed, read Chapter 6 and 7 of our textbook. Please do not continue until you have done so.

### Lesson 3 Chapter 6: Terminology and Tariff Barriers at Work

Click the link below to access the Alternate Version of this activity.

[Alternate Version](#)

### Lesson 3 Practice: Critical Thinking

Test your knowledge of political and trade forces by answering the following questions.

## Lesson 3 Practice: Intellectual Property and Legal Forces

*Log in to the course to access interactive course content and alternative version.*

Click the link below to access the Alternate Version of this activity.

[Alternate Version](#)

## Week 4 Activity 2: Research Activity: Trade Barriers and Corruption

(Complete by Day 6)

Value: 10 Points

You work at a pharmaceutical company that is considering entering India, Chile, Canada, China and Turkey. Conduct the appropriate level of research in a trade barriers database to identify information on India's current requirements (tariffs, duties, non-tariff barriers, investment-related barriers, and intellectual property rights). Also, the company is worrying about potential corruption. Using Transparency International's Corruption Perceptions Index (CPI) that is a comparative assessment of a country's integrity performance, find how the above countries rank. Further, identify the five countries with the lowest and the five with the highest CPI scores according to this index. Do you see any trends between CPI scores and the level of economic and social development of a country? **Your report should be a maximum of 1 page, double-spaced, Word or PDF document. However, you can have unlimited number of exhibits that should be put in an Appendix in the same file.**

Hint:

### Trade Barriers Database:

The quickest way to reach this information would be to search globalEDGE using the phrase "trade barriers database" at <http://globaledge.msu.edu/>. Select the **Market Access Database** website. Once there, select "Trade Barriers Database". Then under sector, select Pharmaceuticals; under country select all (e.g., highlight all countries or just the countries you need), and under measure select all. A series of reports are listed from which those with more general titles will provide adequate insight for the exercise.

Search Phrase: "Trade Barriers Database"

Resource Name: Market Access Database

Direct link to the Website: <http://madb.europa.eu/mkaccdb2/indexPubli.htm>

### Corruption Perception Index

Go to Resource Desk: <http://globaledge.msu.edu/ResourceDesk/>

Search Phrase: "Corruption Perceptions Index"

Resource Name: Transparency International – Corruption Perceptions Index

globalEDGE™ Category: "Research: Rankings"

Direct link to the Website: <http://www.transparency.org/research/cpi>

Or for archival data: [http://archive.transparency.org/policy\\_research/surveys\\_indices/cpi/](http://archive.transparency.org/policy_research/surveys_indices/cpi/)



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### **Week 4 Discussion 1: Case Discussion Question** **(Initial post by Day 3; Respond to a classmate's post by Day 5)** **Value: 30 Points**

Revisit the Espresso Lane to Global Markets case. Conduct a cultural, political, legal, economic, and socioeconomic analysis using information from the case. Based on your analysis which country or countries have the best potential for Espressamente? Further, what is the best mode of entry for each selected market?

[Click here to review how and where to post notes to the discussion area.](#)

Click the link below for the discussion rubric.

[Discussion Rubric](#)

### **Week 4 Assignment 1: Case 2 Brief** **(Submit by Day 7)** **Value: 100 points**

**Read the following case to prepare for the case brief:**

“Blue Ridge Spain” (Course Pack)

### **Suggested Guidance Questions for Brief Analysis**

The following questions are offered as a guideline for your analysis. These do not have to cover all the issues raised by the case. Some of these other issues may be more important in your opinion and you can support them.

Delta, Blue Ridge, Terralumen, Sodegran, Alvarez and Costas are central in this case.

- What are the main issues from each one's point of view?
- Given these issues, if you were Sodegran, what would you do? Why?
- If you were Costas, what would you do? Why?
- Should Delta Foods insist on the dissolution of Blue Ridge Spain? Why?

## Guidelines for case briefs:

- Briefs should not exceed 500 words. In addition, you can append your own explanatory exhibits that summarize your own analysis to support your position. Each exhibit you decide to include must be referred to in your brief with a clear explanation of the exhibit's contribution. Although you must answer all questions provided with the case, your brief should NOT be written as a homework assignment (e.g. Question 1 then Answer, and so on). Rather you should start with an introductory paragraph where you identify the key issue(s) explaining why this (these) is (are) the key issue(s); then you provide clear recommendations or solutions to the key issue(s) supported by robust analysis. Remember to show alternatives you considered and why you may have rejected these. Case questions might be the key issue(s) or at minimum they direct you to the key issues(s). Use these case questions to help you in identifying the key issue(s) or at minimum they direct you to the key issue(s). Use these case questions to help you in identifying the key issue(s) and support your arguments.
- An excellent brief will:
  - Identify key issues that help you answer specific case questions posted with the case and, if you choose, identified by you.
  - Explain and support your stated positions and the case facts by using concepts/theories learned from your readings, from the lectures, or from your own research. **This is very important:** Cite all sources you use to support your ideas.
  - Focus on clear answers supported with facts from the case. Make, articulate, and support assumptions as necessary. **Don't summarize the case and/or provide case details that do not pertain specifically to your answers.** A case is unlikely to be focused entirely on the material covered in the chapters of the specific week in which it is assigned. Hence, you should broaden your theoretical lens to include all lessons studied up to this point.
  - Evaluate the financial implications of your recommendations (when appropriate to the case).
  - Be well organized. Remember that the substance of your brief should be made clear by its form.

**Write and submit your individual case brief using the Turnitin drop box located within the Assignments area by no later than end of Day 7.**

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