

E X A M

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Date: 29 November 2010
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Aids: Students may use a dictionary (English or Norwegian) or to/from English or Norwegian and the student's native language.

Note: You may answer in English and/or Norwegian.
The exam consists of two parts. The first part is based on a short case in which students will answer three questions. Each answer will be weighted 20%. The second part is based on the group projects. This will be weighted 40%. You will answer the questions (2 or 3 questions) for your project case.
There is information from Hofstede's cultural index on the last page of the exam.

ORG409
Fall 2010

The exam has two parts; the first part has three questions (each weighted 20%) based on the attached case. The second part has a set questions (40%) based on the group project. Please start a new page for each question that you answer and indicate the number or letter of the question you are answering.

PART I: QUESTIONS BASED ON CASE “Hewlett-Packard’s Mark Hurd: He Wants It All”

Read the attached case about “Hewlett-Packard”. Then answer **three (3)** of the following questions. (Each answer is weighted 20%; Part I of the exam is weighted 60%.) Be sure your answer shows that you both know the theory and use it in the analysis. Make (and state) logical assumptions where necessary.

- 1) Mark Hurd wants to send a female to work with the operation in Japan.
 - A) Present and discuss differences in male and female **selection** criteria for international work.
 - B) Can women be sent to a country which does not itself prioritize female managers? Argue based on research.
 - C) Discuss the research findings on whether **expatriation** is good for one’s career and the implications of this for an organization wishing to encourage their employees to work in international settings.

- 2)
 - A) Discuss different approaches HP could use for **selecting** for managerial positions in the BRICS.
 - B) What would influence their choice of approach?
 - C) What are the advantages and disadvantages of each approach?

- 3) As stated in the case, one of the fastest growing regions for Hewlett-Packard are the BRIC countries.
 - A) Drawing on the Schneider and Barsoux **cultural profile** framework, determine and present the cultural profile for one of the BRIC countries (state which country).
 - B) Given this cultural profile what are the implications for **motivation**?
 - C) What are the implications for a **control system** given the cultural profile?

- 4)
 - A) Present the **etic emic** debate.
 - B) Given the debate, what should determine the **structure** of the subsidiary for HP in India?
 - C) Given the debate, discuss Hurd’s **management** style.

- 5) A) Present and discuss the rational **decision making** model.
B) Discuss the ways that culture influences the stages in the rational decision making model.
C) Given that Hewlett-Packard needs to make decisions with their Japanese subsidiary (and assuming that the subsidiary management is Japanese), discuss the usefulness of the rational decision making model.
- 6) A) Describe a model for inter-cultural **negotiation**.
B) Drawing on the model, discuss the expected implications for the negotiations when HP acquired 3Com, a Chinese networking company.
C) Assume that the negotiators from the two companies are aware of the influence of culture on negotiations; how should they use this knowledge? Justify your answer drawing on theory.
- 7) A) Present a framework for the context of **communication**.
B) Using the framework, determine the context for two situations:
i) when Herd fired 15,000 employees
ii) When Bruce Dahlgren met with manufacturers in Taiwan.
- 8) Herd states that moral is down but ““We're still working on things like sales compensation--measuring people on revenues, margins and customer delight--that can create a lot of stress.””
A) Discuss the relationship between **motivation** and **compensation** for two different countries in which HP is active.
B) What are the factors to consider for compensation of expats who will be going to India to work?
C) Discuss ethical issues in compensation for the Indian subsidiary.

PART II: QUESTIONS BASED ON GROUP PAPERS

Choose **ONE** topic. Answer **all** the questions under that topic. This part of the exam will count for **40%** of the grade.

Indicate which topic you are answering.

ELECTRONIC COMMUNICATION

8A) Develop a model for the factors you believe affect electronic communication across cultures. Discuss why you think these factors would affect electronic communication, and how they would affect electronic communication.

8B) In the conclusion you state, "From there we discussed cultural variables and ways to improve communication processes." Present your recommendations and discuss the theoretical basis for making these recommendations.

8C) "In the end, through aspects of electronic media, we are not able to fully overcome all issues . . ." Discuss. Focus specifically, given cultural differences, on the issues that electronic media can overcome and cannot overcome.

COMMUNICATION SKILLS

9A) Drawing on theories of communication, what skills can be developed?

9B) How would skills differ depending on what information is communicated, how it is communicated, to whom it is communicated, etc. Use theory to explain.

9C) How might noise be interpreted differently depending on distance between culture?

COMMUNICATION GONE WRONG

10A) What theory can be used to explain communication gone wrong in an international setting?

10B) You state (p. 8) "A typically example of miscommunication is when the high index country and a low index country try to communicate. Then the problems will easily occur". Explain this for each of Hofstede's dimensions.

10C) Does this imply that for communication between two high index countries (or two low index countries) there would be no miscommunication? Argue for your answer.

ETHICAL DECISION MAKING .

11A) What is an ethical decision in a cross-cultural context?

11B) Develop and discuss a model of the relationships among culture (focus on one aspect), ethics and decision making. Be specific.

11C) Is it the decision that is ethical or unethical – or the process of making that decision?

NEGOTIATIONS: AMERICAN, NORDIC AND ARABIC PERSPECTIVES

12A) What are the implications of process differences in the negotiations among different countries?

12B) Discuss the element of trust as related to negotiations in the different countries.

12C) So what? Given the differences as highlighted in the table you developed, discuss the implications for negotiations among the three cultures.

NEGOTIATION – CULTURAL WHEEL

13A) You state that “The aim of the Wheel of Culture is to identify our culture and the other party culture values and advise our differences between each other.” Explain the implications for negotiation.

13B) Argue for why you have focused on collectivism and individualism on negotiation, and not on the other variables.

13C) Discuss the implications for negotiation between two companies, one from a collectivist society, the other from an individualist society.

MOTIVATION: JAPAN AND THE US

14A) Are the different theories of motivation equally helpful in explaining motivation in Japan and the US? Explain.

14B) Many Japanese companies have subsidiaries in the US; many US companies have subsidiaries in Japan; what are the implications for motivating the employees?

14C) What suggestion do you have for a new theory of motivation?

MOTIVATION HERZBERG AND MASLOW

15A) Discuss a government welfare system in terms of Herzberg’s theory and Maslow’s theory.

15B) What are the implications for an international company given, as you state, that “human motivation is that it diverges from human being to human being.”?

15C) Argue for why you can/cannot aggregate (put in same category) motivation for the Western world.

APPRAISALS

15A) The stated purpose of the paper was to “see whether a single appraisal system may be used for different nations and cultures”. Can it? Explain your answer.

15B) Discuss the elements included in an appraisal system for an international company having subsidiaries in many different countries.

15C) What are the implications for an appraisal system if you have German workers in Pakistan, Indonesia or Lithuania?

Forbes

Hewlett-Packard's Mark Hurd: He Wants It All

Quentin Hardy, 04.12.10, 12:00 AM ET

Hewlett-Packard Chief Executive Mark Hurd likes things big and simple. . . For fiscal 2009 the take was \$115 billion, or annualized growth of 7% over the last five years. Net income during that period has been up an average 18% per annum to \$7.7 billion and jolted ahead 25% in the first fiscal quarter of 2010. All this is thanks to dramatic cost-cutting, the standardization of large-scale purchases like semiconductors--and a brutalizing culture of accountability for every penny in and out.

HP's chief has also imposed a ruthless (*without compassion*) efficiency at the highest levels. By packing the board and senior management with more . . . hard-core business types than engineers and inventors, he has remade HP more in his own image--people who thrive on dissatisfaction and thirst for expansion. You see it reflected in the . . . recent \$2.7 billion grab (*purchase*) of 3Com, the Chinese networking company, and in the relentless (*without stopping*) push to grab new large customers. "Growth comes about two-thirds from M&A, 25% organic"--that is, winning business from rivals--"and 10% from a big new idea," says Hurd, 53.

. . . Last year he spent a lot of time calling on customers and prospects, meeting with roughly 3,000 chief information officers worldwide . . . and is on track to exceed that number this year. . . he has pushed into so-called industry-standard computers--machines built with off-the-shelf commodity chips--and bought companies in markets related to HP's core hardware and service businesses.

HP's sales force of 20,000 or so is scurrying (*moving fast*). Over ten days in February Bruce Dahlgren, who heads up the managed print businesses worldwide, was in California to see Hurd, then in Taiwan to meet with manufacturers, China for a customer sales event, . . . Japan for meetings with customers and Bali, Indonesia to train his regional staff. "There's a paranoia I live with," he says. "Somewhere in the world, right now, there's a salesman talking with a customer--I hope he is as good as I need him to be." . . .

(Hurd) also canned (*fired*) 15,000 employees (10% of the total then) and consolidated data centers, which could run all company operations, from 85 to 6.

Better use of technology has inspired critical decisions about what growth businesses to buy or build and then streamline (*make efficient*). Wringing (*getting them to work hard*) so much from so many people has a high cost, and Hurd has a reputation for being inflexibly demanding--even among his admirers. "No matter how good it is, it's never good enough," says Ann Livermore, a 28-year HP veteran who oversees 200,000 people in servers and services. "When he is done asking about your costs, he does a review of growth plans." Yet she hastens to add, "The first sign of our decline is when we are satisfied."

Below the senior tier (*top management*), however, HP is more miserable than restless. It consistently ranks at the bottom of its big-scale competitors on Internet sites where employees compare notes. Common complaints concern overwork, favoritism and managers looking over their shoulders in fear of not meeting Hurd's inexorable (*unchangeable*) goals. "A sweatshop," says one low-level manager who recently departed. "No one wants to quit now, but watch them go when the economy recovers."

. . . HP's executives staff arrives at headquarters in Palo Alto through a secure entrance, surrounded by barbed wire. Last year at the onset of the downturn, the boss cut salaries by 5% (at lower levels) to 20% (himself), then paid the money back when things recovered.

Hurd knows that morale is down but figures it will rise again as people adapt to the new HP. "Not everyone is comfortable with being pushed," he concedes. "We're still working on things like sales compensation--measuring people on revenues, margins and customer delight--that can create a lot of stress." . . .

Last year it bagged (*successful in getting*) quite a few large new accounts. Among them: a \$1 billion, ten-year data center services contract with European insurance group Aviva; a seven-year, \$800 million multiservice deal with Brazilian mining company Vale, covering everything from consolidating global data centers to upgrading PCs;

Hurd knows this. "We have to take the whole portfolio to the customers--I wouldn't say that is stressful, but it is a lot to learn." He allows himself a smile. "I like being pushed."

A Jewel In Its Crown

Quentin Hardy and Megha Bahree 04.12.10

One of the fastest-growing regions for Hewlett-Packard: the Bric countries (Brazil, Russia, India and China), where revenue in the Jan. 31 quarter was up 41% from a year earlier. The territory accounts for 10% of HP sales. With the 3Com purchase, HP gets entrée into the networks of 300 of China's 500 largest corporations. The real prize, however, may be India.

HP services does a lot of business in outsourcing, employing Indian nationals to run help desks and maintain software applications for multinationals based in the U.S., Europe and Asia. HP also has a research lab in India, focusing on ways to develop the consumer market. There are r&d centers in China and Russia, too, but they focus on more generic problems, like new ways to search and organize data. In India it's about serving a huge and prosperous middle class. END

Power Distance Index in Several Countries

Country	
Arab World	80
Argentina	49
Australia	36
Brazil	69
Canada	39
Chile	63
China	80
Denmark	18
East Africa	64
El Salvador	66
France	68
Germany	35
Greece	60
Hong Kong	68

India	77
Indonesia	78
Ireland	28
Israel	13
Italy	50
Japan	54
Mexico	81
Poland	68
South Africa	49
South Korea	60
Spain	57
Sweden	31
Turkey	66
United Kingdom	35

United States 40

FIGURE 2-6

Masculinity Index in Several Countries

Country	
Arab World	52
Argentina	56
Australia	61
Brazil	49
Canada	52
Chile	28
China	66
Denmark	16
East Africa	41
El Salvador	40

France	43
Germany	66
Greece	57
Hong Kong	57
India	56
Indonesia	46
Ireland	68
Israel	47
Italy	70
Japan	95
Mexico	69
Poland	64
South Africa	63
South Korea	39
Spain	42
Sweden	5
Turkey	45
United Kingdom	66
United States	62
West Africa	46

Individualism Collectivism in Several Countries

Country	
Arab World	68
Argentina	86
Australia	51
Brazil	76
Canada	48
Chile	86
China	40
Denmark	23
East Africa	52
El Salvador	94

France	86
Germany	65
Greece	112
Hong Kong	29
India	40
Indonesia	48
Ireland	35
Israel	81
Italy	75
Japan	92
Mexico	82
Poland	93
South Africa	49
South Korea	85
Spain	86
Sweden	29
Turkey	85
United Kingdom	35
United States	46
West Africa	54

Uncertainty Avoidance in Several Countries

Country	
Arab World	38
Argentina	46
Australia	90
Brazil	38
Canada	80
Chile	23
China	20
Denmark	74
East Africa	27
El Salvador	19
France	71
Germany	67
Greece	35
Hong Kong	25
India	48

Indonesia	14
Ireland	70
Israel	54
Italy	76
Japan	46
Mexico	30
Poland	60
South Africa	65
South Korea	18
Spain	51
Sweden	71
Turkey	37
United Kingdom	89
United States	91
West Africa	20

from Hofstede & Bruchon, International Management, South-Western, 2010, 44-52



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**ORG409 retake
From Fall 2009**

The exam has two parts; the first part has three questions (each weighted 20%) based on the attached case. The second part has a set questions (40%) based on the group project. Please start a new page for each question that you answer and indicate the number or letter of the question you are answering.

PART I: QUESTIONS BASED ON CASE "The Daily Beast".

Read the attached case on The Daily Beast. Answer **THREE (3)** of the following questions. Make sure that your answer shows both that you understand the theory and can use the theory to analyze the case. Each question will be weighted equally.

1) Competitive advantage of nations (diamond framework).

- A) What is the purpose of the competitive advantage of nations framework? Explain the framework in forming your answer.
- B) Analyze the case drawing on the framework for competitive advantage of nations. The firm is based in the US.
- C) Based on the analysis what advice will you give Tina Brown, editor of The Daily Beast?
- D) Is the framework relevant for firms such as The Daily Beast? Discuss your answer.

2) The International Industry Framework (Globalization drivers and five forces)

- A) Discuss the foundations for the integrated international industry framework.
- B) Analyze the international industry.
- C) What are the implications of your analysis?
- D) Is the framework relevant for firms in industries such as The Daily Beast? Discuss your answer.

3) International Strategy - Structure

- A) Present a framework for international strategies. Discuss how each of the strategies tries to achieve competitive advantage.
- B) Using the framework, (and drawing on Q2, if you answered that), argue for which international strategy The Daily Beast should undertake.
- C) Given your answer in B, develop a coordination-configuration matrix for the main activities of the firm. Argue for why this supports your choice of international strategy.
- D) Is the framework for international strategies appropriate for firms like The Daily Beast? Discuss your answer.

4) Structuring international activities

- A) Discuss how the different structures for international activities can help to achieve the competitive advantage for the different international strategies.

Given the international strategy for The Daily Beast (make an assumption if you have not answered Q4), what should the structure for international activities be? Why?

- B) Are the frameworks we have for international structures adequate for firms like The Daily Beast or do we need new structural types? Discuss your answer.

5) Strategic Alliances/Mergers and Acquisitions

- A) Present and discuss a framework for strategic alliances OR mergers and acquisitions.
- B) Using the framework, analyze the case.
- C) Discuss the potential success of Newsweek Daily Beast.
- D) The merger (or alliance) has been an on-again, off-again, on-again process. Can this be explained by the framework? Discuss your answer.

6) Services

- A) What characterizes a service organization?
- B) Given these characteristics, analyze The Daily Beast and determine if it is a service organization.
- C) Assuming that The Daily Beast is a service organization, and further assuming that it is an international company, develop the front-office back-office standardization customization framework and place the company's activities in the matrix.
- D) Are the theories and frameworks for international service organizations useful? Discuss your answer.

PART II: QUESTIONS BASED ON GROUP PAPERS

Choose **ONE** topic. Answer **all** the questions under that topic. This part of the exam will count for **40%** of the grade.

Indicate which topic you are answering.

AKSO

- A) Develop a framework for the integrating value chain, resource perspective (VRIO) and OLI.
- B) Drawing on the frameworks above, analyze AKSO.

BILABONG

- A) How does the international industry differ from an industry analysis?
- B) What are the implications of ways in which industry is global for BILABONG's strategy?

ELKEM

- A) Discuss how firm resources can be leveraged?
- B) What implications does that have for the firm's international strategy?

FUGRO

- A) Does a service organization benefit from the same thinking for international strategies as manufacturing organizations?
- B) What are the competitive advantages for FUGRO?

FUNCOM

- C) How does the international industry differ from an industry analysis?
- D) What are the implications of ways in which industry is global for Funcom's strategy?

GRINDEX

- A) Drawing on a framework, analyze the merger that created Grindex.
- B) Is the merger successful? Justify your answer based on theory.

JOTUN

- A) Analyze the case drawing on the diamond framework.
- B) Is the diamond framework relevant?

JKH

- A) Is a service organization similar to a manufacturing organization in terms of international strategy?
- B) You have stated that JKH has a replication strategy and you have focused on one country; will this work if the firm wishes to grow internationally? Justify your answer based on theory.

LEGO

- A) What is meant by leveraging resources?
- B) Discuss how LEGO can leverage their international resources.

LEVI

- A) How are competitive advantages related to the value chain?
- B) Analyze the value chain for the firm.

MARINE HARVEST GROUP:

- A) Explain the diamond framework. ?
- B) Use the framework in an analysis of your case.

PILSNER URQUELL

- A) How does Dunning's OLI framework explain a firm's decision on where to enter?
- B) Discuss relationship between international strategies and strategies for internationalization using PU as an example.

RIEBER

- A) Analyze, drawing on theory the power relationship among the international customers and the rivals in the industry.
- B) What are the implications for strategy?

VOSS

- A) Drawing on theory, argue for why you think that Voss Vann has a global and not an export strategy.
- B) Develop the coordination-configuration matrix for Voss Vann; based on this justify the classification of the strategy.

WWILHEMSEN

- A) Can a WW benefit from a matrix organization? Justify your answer.
- B) In which ways was the theory useful in explaining the structure of WW; what theory development would you suggest based on your analysis?

YAHOO!

- A) Analyze the strategic fit between Yahoo! And Microsoft.
- B) What determines the success of the alliance between Yahoo! and Microsoft? Do you expect this alliance to be successful? Support (drawing on analysis based on theory) your opinion.

The Daily Beast

by Joyce Falkenberg

(case developed for education purposes based on websites listed at end)

The Daily Beast, an on-line magazine based in the US, celebrated its second birthday on October 6, 2010. According to the editor, Tina Brown, *"Our traffic is now averaging nearly 5 million uniques (case note: different individuals visiting site) a month—more than half of which bookmark us in some fashion, and over 50 percent of which visit the site at least once a day. We're well ahead of projections on advertising."*

The magazine, while having its own journalists, is also an aggregator, that is draws on other sources in reporting the news. Aggregation can be found in the "Cheat Sheet": *"One of the*

features of The Daily Beast is the "Cheat Sheet", billed as "must reads from all over". Published daily, the "Cheat Sheet" offers a selection of articles from online news outlets on popular stories. The "Cheat Sheet" includes brief summaries of the article, and a link to read the full text of the article on the website of its provider.ⁱⁱ

On the occasion of the second year birthday, Tina Brown was asked to answer a series of questions, among them: ⁱⁱⁱ

I notice far-flung datelines and news from Pakistan and China. Is this a British thing? *Yes. The sun never sets on The Beast empire. We have terrific correspondents now from Pakistan and China all the way to London and the Italian Alps.*

What do people want to read and consume? *Sexy brain food. Give us something to make us smarter, but for God's sake don't make it feel like work. People are in such a glum frame of mind they are looking for confidence, audacity, practicality, and FUN. They want to stop talking about problems and hear about solutions.*

How's the advertising? *Thinking beyond the banner ad is paying off great, thanks. We have a terrific looking suite of custom ads now that we have developed that's attracted a healthy batch of the world's best-known brands: Lexus, Cadillac, Siemens, HBO, Burberry, St. John, GE, American Express, Starbucks, HP, Bulgari, Credit Suisse, and Lacoste, to name a few. The list keeps growing. Not bad, we feel, for a two-year-old site.*

Who are the site's competitors? *The Daily Beast competes in the highly Darwinian media world filled with hyper-smart, highly adaptive, tool-using people with opposable thumbs.*

The DailyBeast and Newsweek?^{iv}

Tina Brown is expected to address her staff at the Daily Beast on Friday (case note: November 12, 2010) morning about its merger with Newsweek, which was confirmed late Thursday. Brown will have the title of editor-in-chief for both publications.

It was a combination that seemed unlikely to happen. The marriage talks fell apart on Oct. 18, after weeks of frenetic courtship and arduous negotiations.

"The prenup got too complex," Tina Brown, The Daily Beast's editor in chief, told readers. The challenge of merging the two-year-old Beast with an ailing print magazine, which Harman, a 92-year-old businessman, had just purchased, seemed too daunting.

But as it turned out, the deal "was not dead literally," Brown says in an interview. "It was in a coma." On Friday came the announcement that the staffs would launch a joint venture known as the Newsweek Daily Beast Co., with Brown as editor in chief of the combined staff. A key stumbling block, says Brown, is that she and The Daily Beast President Stephen Colvin, who will become CEO of the new company, are "used to running our own shows," while Harman, in making a major investment, wanted a hands-on role.

But with Time magazine now dominating the newsmagazine field and U.S. News & World Report having ended its print run, Newsweek, which lost \$39.5 million last year, needs to find a profitable niche.

Journalistically, Brown says she will take the publication in "a different direction" than Meacham, its last editor, who turned the weekly into a left-leaning magazine of opinion.

“The effort to keep on persisting with something called a newsmagazine is probably outdated at this point,” Brown says. “Magazines are great venues for predictive and reconstructive journalism, for cultural journalism, for narrative journalism, for profile journalism. All these things can be done online, but do work better with the rhythms of print.”

The merging of the cultures will be accompanied by a physical relocation. The Daily Beast’s staff, now based in the Frank Gehry-designed IAC Building on Manhattan’s West 18th Street, plans to move to Newsweek’s new offices in the Financial District. Colvin said the integration of the two operations will take three to four months to complete.

The merger will reverse the usual process, in which an established print publication tries to set up shop online. Brown is attempting to fuse a website with a 77-year-old weekly, prompting concerns among some of The Daily Beast staffers that the fast-moving site could become less nimble.

“We’ve already got a thriving digital brand that works with the metabolism of constant, 24/7 news,” Brown says. “We will not be slowing up the Beast. We’ll be putting the adrenaline of the Beast into the revival of Newsweek.”

Newsweek^v

Newsweek’s worldwide circulation has fallen from more than 4 million in 2003 to just around 2 million today. It is US based with bureaus in London, Paris, Berlin, Moscow, Jerusalem, Baghdad, Tokyo, Hong Kong, Beijing, South Asia, Cape Town, Mexico City and Buenos Aires.

It publishes internationally with editions in Japanese, Korean, Polish, Spanish, Rioplatense Spanish, Arabic, and Turkish, as well as an English language *Newsweek International*. *Russian Newsweek*, published since 2004, has been shut down in October 2010.[5] *The Bulletin* (an Australian weekly until 2008) incorporated an international news section from *Newsweek*.

ⁱ <http://www.thedailybeast.com/blogs-and-stories/2010-10-05/tina-brown-interview-the-daily-beast-turns-2/>

ⁱⁱ http://en.wikipedia.org/wiki/The_Daily_Beast

ⁱⁱⁱ <http://www.thedailybeast.com/blogs-and-stories/2010-10-05/tina-brown-interview-the-daily-beast-turns-2/>

^{iv} (<http://www.bbc.co.uk/news/business-11746206>).

^v <http://en.wikipedia.org/wiki/Newsweek>