



**College of IS&T**

**TMGT550 Course Notes**

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## *PREFACE*

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These Course Notes are a high-level outline of the course content for each week of the course. The Course Notes are not lecture notes. The content for the Course is presented via rEsource in the form of text readings, library articles, web links, and multimedia simulations in addition to faculty lectures and course room discussions.

## *WEEK ONE NOTES*

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### **Drivers of business globalization**

- Reasons for globalization
- Trends in globalization
- Global transformation

### **Elements of culture**

- Sense of self and space
- Communication and language
- Dress and appearance
- Food and dietary habits
- Time and time consciousness
- Relationships and kinship systems
- Values, norms, beliefs, and attitudes
- Work habits and practices
- Education
- Economic system
- Political system
- Religion
- Health system
- Recreation and leisure system

### **Other factors influencing culture and global business**

- History as a record of cultural development (colonial legacies)
- Geography (natural resources, climate, etc.)

### **Culture-specific communication styles**

- Age
- Gender
- Role
- Status
- Language (common/unique)

### **Cultural differences that impact business**

- Ethnicity
- Nationalism versus tribalism
- Religion
- Social structure
- Education
- Health care
- Food
- Gender roles
- Consumer attitudes
- Regulation

## *WEEK TWO NOTES*

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### **Types of trade barriers**

- Tariffs
- Non-tariff barriers
  - Import quotas
  - Voluntary export restraints (VERs)
  - Technical and administrative regulations
  - International cartels

### **Trade and standard organizations**

- Association of Southeast Asian Nations (ASEAN)
- Asia-Pacific Economic Cooperation (APEC)
- Common Market of the South (Mercosur)
- North American Free Trade Agreement (NAFTA)
- European Union (EU).
- International Standards Organization (ISO)

### **Variables impacting a country's level of business risk**

- Political
- Economic
- Social
- Cultural
- Geographic
- Structural

### **Country risk evaluation sources**

- Business environment risk intelligence (BERI)
- Economist Intelligence Unit (EIU)
- *Financial Times* evaluation tool
- Delphi technique
- Central Intelligence Agency (CIA)
- Consular offices

### **Application of a risk evaluation technique to a country**

#### **The process of risk assessment in making the initial and ongoing business decisions**

- Entry decisions
- Ongoing business operating decisions
- Exit decisions
- Possible risk metrics
  - Gross national product (GNP)
  - Per capita income
  - Education/skills
  - Disease prevalence
  - Infrastructure
  - Political instability
  - Rate of population growth
  - Employment/unemployment

## *WEEK THREE NOTES*

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### **Labor laws and conventions**

- Human resource issues for global firms
- Nationality mix of managers
- Expatriate managers
- Non-managerial employees
- Labor unions

### **Cultural variations in management practices**

#### **Ethics, corruption, and bribery**

- Cultural perspectives
  - Foreign Corrupt Practices Act (FCPA)
  - Critical features of the FCPA
  - Global reaction to the FCPA
- Technology import and export restrictions
- Ethical relativism

#### **Human resources issues**

- Industrial relations
- Hiring
- Retention
- Training
- Productivity
- Placement

#### **Labor unions and labor migration**

- Outside the United States
  - Labor unions with strong political orientation
- Inside the United States
  - Unions working within the existing political structure
- Migration of labor
  - Europe
  - Middle East
  - Asia
  - Social and political frictions
  - Impact on human resources availability and staffing decisions

#### **Political factors**

- Nationalism
- Public attitude
- Government policies
  - Constraints on trade
  - Constraints on capital
  - Inconvertible currency
  - Expropriation

#### **Legal factors**

- Patent, copyright and other IP protection
- Constraints on mode of entry

- Constraints on organizational design

## *WEEK FOUR NOTES*

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### **Technology's role in globalization**

- International standards
  - Internet
  - American Standard Code for Information Interchange (ASCII)
  - American national Standards Institute (ANSI)
  - Telecommunications
  - International Organization for Standardization (ISO)
  - Data privacy and data movement
- Increasing use of English
  - Technology
  - Engineering
  - Science
  - Finance
- Commonality of information technology
  - IT infrastructure
  - Telecommunications
- Effects on culture, economics, politics and law
  - Education
  - Brain drain
  - Immigration
  - Tax advantages
  - Litigation and insurance
  - Changes in standards of living
    - Ireland
    - India
    - China
- Collaboration opportunities of the technology infrastructure
  - World-wide technical support
  - World-wide development
    - Off-shore software development
    - Manufacturing
    - New product development
  - Pharmaceutical industry
  - Automotive
  - Education
  - Work-flow and collaborative software
- New products and services
  - Communication
  - Transportation

### **Integration of foreign technology business models in the US**

- Systeme, Anwendungen, Produkte (SAP)
- DaimlerChrysler
- Nokia and Ericsson
- Smart Card (France)
- Containerized shipping (Evergreen)
- Toyota

## **Strategies to accommodate cultural variables**

- Cross-cultural communication
- Cultural sensitivity
- Acculturation
- Cultural influences on management
- Cultural synergy
- Use of corporate culture
- High- and low-context communication cultures
- Verbal communication
- Nonverbal communication
  - Body
  - Posture
  - Eye contact
  - Hand gestures
  - Facial expressions
  - Tone of voice
- Listening skills
- Overlap versus pauses in spoken dialogue
- Isomorphic attribution
- Attitudes
- Roles and hierarchy
- What is “logical” in a culture
- Language competency
- Time sense
  - Fixed
  - Elastic



## *WEEK FIVE NOTES*

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### **Global technology transfer**

- International integration of US business and technology models

#### McDonald's

- Culture
- Economics
- Politics and law
- Communication
- Technology transfer
- Assessment and recommendations

#### Science Parks in Taiwan

- Culture
- Economics
- Politics and law
- Communication
- Technology transfer
- Assessment and recommendations

- US integration of international business and technology models

#### Honeywell

- Culture
- Economics
- Politics and law
- Communication
- Technology transfer
- Assessment and recommendations

## *WEEK SIX NOTES*

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### **Applications and future trends**

- The implications of expanding a non-domestic business into the United States
- The implications of expanding a US business internationally
- Future trends
  - New world order, fractionalization, rejection of globalization
  - Culture
  - Economics
  - Politics and the law
  - Technology
  - Communication