**Question 1:** What potential problems must be overcome when using diverse teams in today's organization?

**Answer 1:**

There are many potential problems in working with diverse teams in today's organizations, not the least of which is the perspective regarding what goals and objectives to pursue and why and the direction the team should take. Diverse teams sometimes subdivide into smaller groups or factions that often solidify in opposition to other groups. The larger and more diverse the group, the more skill it takes to unify all teams into a common objective. The tendency of many leaders is to capitulate and try to please everyone—a fatal mistake that leads to even more division. The leader challenged with bringing these many diverse teams together must find a compelling goal with which everyone can identify and to which all can commit. The unifying leader must also see to the creation of a management plan in which everyone feels they have a stake. Unifying diverse groups starts with a shared ownership of results across each faction.

**Question 2:** In what ways does the political environment around the world create challenges for multinational corporations (MNCs)?

**Answer 2:**

Whenever a business is looking to expand into a market that has a high amount of political activity such as social upheaval and economic problems, it must be careful to ensure that a clear entry plan has been established. Normally in these cases, a local consultant is hired to give expert advice. For example, nations newly liberated and undergoing democratization after long decades under the domination of a sociopolitical regime will present challenges to the international company and will require the advice of local experts. This important advice includes not only best target location for expansion but also grasping the mindset, local systems, and best legal avenues for getting things done.

**Question 3:** Can an MNC do business overseas the same way as domestic?

**Answer 3:**

In a word, no. This would be nearly impossible because the social, political, economic, and cultural conditions of the country a company does business in
domestically are drastically different than those of the country into which the company is looking to expand. In fact, this mindset of expanding into a country with the same set of objectives, strategies, and plans is exactly what leads to challenges and problems in the future. No two cultures are the same. If given the opportunity, the locals will usually help the company as it moves forward to the new market, and this mentorship process is key. Having a local mentor to guide the company can also speed progress and reduce roadblocks. Cultural assimilation is necessary before attempting to create long-lasting supply chain, procurement, manufacturing, and service partnerships.

Question 4: Why is it important for a firm to hire a motivated employee for an international assignment?

Answer 4:

Only the most motivated employees should be awarded international assignments because of the many challenges that employees encounter, the many hours far beyond 40 per week, the disruption to one's personal life, the sacrifices required, and the resourcefulness and passion needed for finding solutions to problems never before experienced. In addition, employees for international assignments need a very high level of motivation to anticipate and overcome culture shock and the struggles produced when transferring from a highly industrialized society to one in which conveniences are more sporadic. Patience with the learning process and with oneself is not an attribute everyone has but is an absolute requirement for international living.

Question 5: Is effective leadership behavior universal, or does it vary from culture to culture?

Answer 5:

Actually, there is a mix of leadership behaviors that are universally successful and those that are endemic to a specific culture. The leadership attributes of honesty, transparency, and humility are universal traits of leaders who inspire confidence and enthusiasm. The cultural variations are dictated more by the many expectations, the extent of power distances in each culture (as defined by Geert Hofstede in his extensive research on the topic), the circumstances of the organization within the cultural framework, and the unmet needs of subordinates from a cultural perspective. Leadership behaviors at a local level within a given nation will be quite different than in another nation. Such
attributes as focus on results and the communication of direction, all part of a managers' style, will be accentuated depending on the norms, values, and expectations of the culture from which the leader is operating. The role of situational leadership by culture is where many managers learn their most valuable lessons.

**Question 6:** What is responsible leadership?

**Answer 6:**

A leader who exemplifies responsible leadership is one who tailors managerial strategies, plans, and actions to the strengths of reporting subordinates and thus maximizes these employees' performances over the long term. Responsible leaders are honest enough to admit their own strengths and weaknesses and are willing to be held accountable for their performance. Responsible leaders are also those who focus on results both of their own efforts and that of the team. Another excellent example of responsible leadership is that of leaders who look to serve each reporting person with tailored and unique guidance for both improving job performance and achieving career advancement. Finally, responsible leaders are those who seek feedback from subordinates on how they themselves can improve their leadership and management. This commitment to continually improve over time is one of the main characteristics of a responsible leader.

**Question 7:** How can a company's goals be converted into a strategic plan?

**Answer 7:**

First, a company's goals must be filtered all the way to the bottom of the hierarchy structure. Employees have a great deal of input, and it is important for senior management to listen to all of it. A strategic plan can be formulated from all of the short-term and long-term goals that have been agreed upon. Once these goals are agreed upon, it is the job of the strategic management team to formulate how these goals can be transformed into a plan of action with strict time lines and responsibilities. This strategic plan is a living document and can change frequently, depending on the environment. When an industry hits hard times, such as the auto industry in the first decade of the millennium, companies start to focus on more short-term goals to stay afloat in this competitive market.
Question 8: Why are short-term and long-term goals important for MNCs?

Answer 8:

MNCs must define goals that lead to setting up operations, creating valuable relationships in the country where expansion is being planned, and the completion of staffing and government agency coordination. Short-term goals are where the majority of MNCs excel in setting up global operations. Long-term goals, however, are much more challenging, as they involve creating much greater ecosystems of buyers, suppliers, employees, and support staffs.

Long-term goals aid the MNC in foreign direct investment (FDI). Some MNCs will even strategize to gain control of a foreign company through acquisition of its stock. In this latter case, FDI is much more active and integral to the development of joint ventures (JVs), alliances, mergers, or acquisitions. These are all approaches that MNCs take to penetrate a new foreign market. Expansion strategies into new markets can include exporting, obtaining a significant interest in or outright purchasing a foreign manufacturing operation, licensing key technologies or partnerships, franchising, or contract manufacturing. All of these specific strategies are responsible for the growth of direct FDI and underscore the need for long-term goals to be in place before market expansion occurs.

Question 9: What concerns should international managers have for reward incentives to motivate personnel?

Answer 9:

Starting with the cultural applicability of these rewards and incentives, international managers must first understand the perceptual frameworks, biases, and expectations of the workers who they are attempting to motivate before beginning a program to offer reward incentives. Moreover, the best managers get to know subordinates individually to understand and appreciate what specifically motivates them. In this regard, managers are the same globally—they must find the reward incentives that are the most relevant to those the manager seeks to motivate.

Cultural differences are where the majority of disconnects happen; and in the area of reward incentives, this is exacerbated by the fact that rewards from outsiders can be seen as bribes for loyalty if not presented correctly. Worse, they can be viewed as a condescending act from a foreign-based manager.
from a much more affluent society. Reward incentives must be handled carefully when cross-cultural differences are present.

**Question 10:** Can a management plan change each year?

**Answer 10:**

Any management plan will undoubtedly change several times a year at a minimum because these documents are by nature built on a series of assumptions that may significantly change in a short period of time, especially in a global context. Management plans are really blueprints or frameworks for managing the essential functions of an organization in response to market opportunities and threats. As a result, it is common for management plans to change significantly over a year.

Many organizations are finding that the pace of change itself is changing in that it is quickening and is less predictable than it has been in other decades. As a result, there is much more focus on quantifying performance through key performance indicators (KPIs), which are metrics of performance that are tied back to the goals and objectives of the management plan itself. These KPIs are in turn organized into scorecards that are used for monitoring the performance of an organization relative to the goals defined in the management plan. As a result of this heavy reliance on analytics, the process of measuring, monitoring, and modifying strategic direction has become commonplace. In essence, a management plan is just the first step in what often turns into a highly iterative series of strategies as organizations strive to attain their objectives.

In light of the constant changes with which companies must contend, the rapidly increasing use of conceptual models to organize the competitive environment is becoming commonplace. One of the more evaluated and used conceptual frameworks is Michael Porter's (1990) Competitive Advantage of Nations, which presents the determinants of global competitive advantage as a framework for evaluating the many aspects that management plans are impacted by and which they impact. His framework, often referred to as the Porter Diamond, is a useful analytical construct for putting the many forces of globalization on management plans into perspective. The many sociocultural influences of globalization, the changing political landscapes of formerly communist nations including China, and the inevitable migration of production globally to the locales that offer the lowest cost per labor hour are all examined in Porter's model.
Reference