

**PGDM (IB), 2017-19**  
**Intercultural Business Communication**  
**IB-108**

**Trimester-I, End-Term Examination: September 2017**

**Time Allowed: 2 hrs. 30 minutes**

**Maximum Marks: 50**

ROLL NO. : \_\_\_\_\_

**Please note:**

- The question paper has **3 sections**: All Sections must be attempted as directed.
- **SECTION C is compulsory case study.**

**SECTION A: Attempt any THREE [Marks: 3\*5=15]**

**Q1.** Briefly discuss the communication barriers in the following situations. Also provide a solution as to how one can remove such barriers.

Robert and Howard\* had always gotten along well. They'd worked on several projects together and considered each other friends. So when Robert discovered that Howard held a strategy meeting and hadn't included him, he felt betrayed. He immediately shot off a text to Howard: "I can't believe, you didn't include me in that meeting!"

Howard was in the middle of a client meeting when his phone pinged with a new text. Stealing a look at his phone, he felt a jumble of things: concern, anger, embarrassment, frustration, defensiveness. The text distracted Howard, and his meeting didn't go as well as he had hoped. His anger grew as he thought about the fact that in a meeting earlier that week, Robert didn't support an idea Howard proposed to Jane, their CEO, even though before the meeting he'd said he liked the idea. So as soon as Howard stepped out of his client meeting, he shot off a curt, though seemingly unrelated, reply to Robert: "I can't believe you left me hanging in our meeting with Jane."

Two little texts — a sentence each — managed to upset a relationship that had been good for years. It took Robert and Howard weeks to be collegial again, and even then they felt the damage linger.

**Q2.** How do high- context cultures differ from low- context cultures?

**Q3.** When the Facebook CEO posted a message on his page that he updated his grilling app iGrill - which helps keep track of food temperatures when cooking — it completely crashed iGrill's servers. In fact, the iGrill website typically gets 70,000 hits a month, but last night, it was bringing in about 1,000 a minute.

Out of six routes of persuasion, Identify the route used over here and give reasons to your answer.

**Q4.** Reframe the content for positive impact:

1. We will notify all three credit reporting agencies if you do not pay your overdue bill within 10 days.
2. The problem with this department is a failure to control cost.

**Q5.** Read through the statements and identify which appeal (Ethos, Pathos or Logos) is being used. Identify the text that supports your position. **(Any 5)**

|    | Statement   |
|----|---|
| 1. | My mom left me as a child and I had to pretty much raise my brother. It was tough, but we got through it.                   |
| 2. | I ate one of those candy bars and it didn't taste good to me.   |
| 3. | Her classroom was so hot I was sweating. You can see the sweat stains.  |
| 4. | The US should continue to send aid overseas to help the starving children.  |
| 5. | Mrs. Smith is so hard. Only half of her students actually pass.   |
| 6. | The dropout rate in St. Johns County is only 3%. That shows that St. John's County is successful at keeping kids in school. |

**SECTION B: Attempt any TWO [Marks: 10\*2=20]**

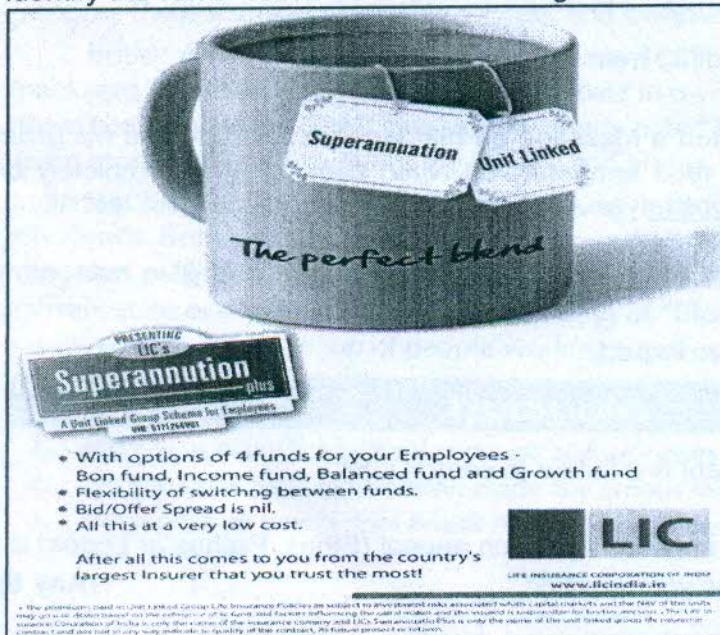
**Q1. Communication Challenges at Maggi**

Just like most other organizations, Nestlé is focusing on social media as an important means for marketing communications. In its bid to strengthen its social media communications functions, it has recently recruited a large number of qualified and expert individuals from all part of the world.

You are the manager of the team that handles the Company's Facebook account; posting updates, pictures, videos, responding to user comments, complaints, etc. One morning the manager from the twitter handle team approaches you and request for three of your available five people to help him with the day's activities as he is short on manpower. You could have helped him but for his dubious records of coming up with such appeals time and again. Besides, your own work is more than likely to be affected if you give in to the demand. However, a blunt no is unsolicited.

In a small e-mail, politely and diplomatically state your reason for disapproval and very subtly make a suggestion that his project management skills need some improvement.

1. **Q2.** What does the acronym AIDA stand for? Explain each element of AIDA briefly and identify the same from the advertisement given below:



**PRESENTING LIC'S Superannuation plus**  
A Unit Linked Group Scheme for Employees

- With options of 4 funds for your Employees - Bond fund, Income fund, Balanced fund and Growth fund
- Flexibility of switching between funds.
- Bid/Offer Spread is nil.
- All this at a very low cost.

After all this comes to you from the country's largest insurer that you trust the most!

**LIC**  
LIFE INSURANCE CORPORATION OF INDIA  
www.lifecorplife.com

\* The premium paid for this LIC Superannuation Plus policy will be used to buy units in the four different funds (Bond, Income, Balanced and Growth) in the ratio of the units. LIC Superannuation Plus is only the name of the insurance company and LIC Superannuation Plus is only the name of the unit linked group scheme. LIC Superannuation Plus is only the name of the unit linked group scheme. LIC Superannuation Plus is only the name of the unit linked group scheme.

**Q3.** Clarence opened a farm supply store in Montana during the early 1900s. His neighbors in the company were also customers. Every person who walked into his store felt comfortable. In fact they would often sit, sip a cup of coffee or shell some peanuts, and solved the world's problems before loading up their purchases. Clarence felt proud in knowing what his customers needed to be successful farmers, and he freely gave them advice about which brand of flea dip would work best on their cattle and which tonic would help a colicky horse. By the time he retired and his son Seth took over, the company had expanded to three stories in three towns and had 14 full employees.

As a youth, Seth had attended the state college and earned a degree in Agriculture Business. He eagerly applied that he had learned to the family business. He was convinced that the technology was the key to success, not personal relationships. Over the years he struggled to convert all his father's old, hand-written records to electronic files. Eventually he installed a completely computerized information system that traced inventory, personnel, and accounts. He sometimes boasted about being an entrepreneur. But the Clarence snorted at that term. "Just do what is right for your customers and you will be doing what is right for yourself," he would resort.

When Seth retired, his daughter Kathy took over the company that now has 23 stores with 228 employees in three states and one wholly owned subsidiary of 18 gas stations. Kathy's vision involves offering a broader range of products than farm supplies. She wants to sell the image of the family farm. Her stores stock western clothing; boots, hats, and jewelry; home furnishing and even CDs featuring country and western music.

Kathy finds herself travelling extensively from the corporative office to the various stores. Finding time to manage everything is a problem, but she has a staff of 12 professionals in the corporate office to assist her. A computer network, e-mail, and social media connect help tremendously.

### Questions

1. How have the communication requirements differed for Clarence in the early 1900s Kathy in 2000s?
2. How do you think the management behaviors differed for Clarence and Kathy?
3. In what ways do you think Clarence and Kathy were alike as company's presidents?

## SECTION C: COMPULSORY CASE STUDY [3\*5 = 15 Marks]

### GEOSOFT INC.: LEADING ACROSS CULTURES

On January 18, 2016, Geosoft Inc., (Geosoft) Chief Executive Officer (CEO) Tim Dobush and Chief Technology Officer and visionary Ian MacLeod met with the global executive team and regional managing partners for a three-day strategic planning session. Its focus was pivotal to Geosoft's current and future growth—a new technology strategy to protect Geosoft from the impact of a global economic downturn affecting its primary markets. This new strategy, known within Geosoft as the digital intimacy strategy, would radically change the way the company communicated with its customers. Geosoft's customers were located in five major geographic regions: Latin America, Africa, Australia (including Asia), Europe, and North America. Rolling out the strategy demanded seamless communication of change across five continents, as well as within Geosoft as a whole, to multiple stakeholders in vastly differing cultures. Ana Cristina Chaves, regional managing director for Latin America, zeroed in on the key issue. "For our new digital intimacy strategy to work, communication is very important and we must get that right," she stated. Dobush and MacLeod agreed and sought input from the group. The new digital intimacy strategy was going to be rolled out in September 2016 with implementation in 2017.

## GEOSOFT: A CULTURE ABOUT PASSION

Headquartered in Toronto, Geosoft was a privately held, employee-owned, mid-sized global company with a passion to help earth scientists and explorers make discoveries through innovative data solutions and services. With offices on five continents, 130 highly-skilled employees, 5,000 customers in more than 100 countries, and an international network of partners, Geosoft was proud of its exceptional customer service. Its primary focus was exploration and land/marine investigations, for which it provided innovative sub-surface geoscientific data processing, interpretation, and visualization technology solutions and services. Geosoft was started in 1986 by MacLeod and Colin Reeves, both Canadian earth scientists, who saw how personal computers could transform exploration and geophysics. "Earth scientists explore and make discoveries through data. Geosoft's mission is to make the explorer data experience simple, natural and powerful. Our promise is less time handling data and more freedom to explore."

1 "Geosoft at a Glance," Geosoft, accessed July 5, 2016, [www.geosoft.com/about-geosoft/overview](http://www.geosoft.com/about-geosoft/overview).

In 2016, Geosoft had been in operation for 30 years, was debt-free, and had stable year-over-year growth. In 2015, the company won Silver in the International Business Awards and was recognized as a "Top

150" technology company and one of the 10 best workplaces in Canada. With annual revenues of about \$25 million, Geosoft had a highly collaborative and value-driven culture that cut across geographical frontiers and gave the organization a common focus and passion: innovative solutions with exceptional customer intimacy. But with the 2008 global economic recession, Geosoft faced changes, as did its customers and partners.

In its January 2016 report, the credit rating agency Moody's announced that "stress in the metals and mining industry could surpass what we saw during the 2008/2009 period. As a consequence, a wholesale calibration of ratings is required." Deloitte's 2016 analysis of the oil and gas industry confirmed that prognosis: "Falling oil prices, reductions in drilling activity, and lacklustre demand have led to an uncertain path for exploration and production companies." The mineral and energy sectors had been long-time Geosoft customers, and they were in a relentless downturn. For example, in 2014, the combined value of the world's 40 mining companies shrunk by roughly \$150 billion, or about 14 per cent. Since 2007, available financing for mining projects fell by 13.6 per cent annually, for a total drop of 60 per cent during the nine-year period. In the fourth quarter of 2014, only \$170 million was raised on all exchanges.

In 2012, Geosoft changed its marketing strategy to serve specific client segments. The change reflected the company's broad focus on geosciences while enhancing the explorer's data experience. Instead of serving all its customers—from individual explorers to multinational companies—with the same amount of time and care, Geosoft focused on customizing the customer's current and future needs in order to deploy its resources more efficiently and more effectively. Geosoft had four major customer segments:

- near surface: land and marine investigations
- mineral exploration
- energy exploration
- government

Explorers, companies, and governments in each of these segments had their own distinct needs and expectations from Geosoft.

Geosoft had an extraordinary, value-driven culture, fuelled by outstanding employee commitment and motivation. Part of that came from it being an employee-owned company that highly prized collaboration. This was evident up, down, and across the company. Dobush, who had been with Geosoft almost since its inception, believed that "success is built on collaboration." Dobush described his leadership style as "supportive and consensus-building. . . . My passion in life is to see others succeed," but he did not hesitate to make tough decisions when that was necessary. Dobush cited Arie de Geus's book *The Living Company: Habits for*

*Survival in a Turbulent Business Environment* (1997) as an inspiration for the unique culture of Geosoft. What did a healthy, living company look like in an increasingly global village? Dobush referred specifically to de Geus's view:

A healthy living company will have members, both humans and other institutions, who subscribe to a set of common values and who believe that the goals of the company allow them and help them to achieve their own individual goals. Both the company and its constituent members have basic driving forces: they want to survive, and once the conditions for survival exist, they want to reach and expand their potential. It is understood that this, at the same time, is in the company's self-interest. The self-interest of the company stems from its understanding that the members' potential helps create the corporate potential.

This alignment created trust and engagement, which drove productivity that could not be obtained by hierarchical control and discipline. Openness to the world, desire to learn, and distribution of power were all important factors. "The human members of a healthy company are mobile, both in the different jobs they perform during their careers and in the places where they perform those jobs. They network, they meet and they communicate across the whole organization."

What held the Geosoft's multicultural, far-flung employees together was a common set of values. Geosoft's values were at the centre of its conversations and interactions, and they drove its behaviour and decisions. The Geosoft website outlined the values that the company looked for in its leaders, employees, colleagues, and partners:

- respect and the need for contribution from everyone
- global reach that makes many cultures and environments accessible to us and enriches our working lives
- financial security that comes from a disciplined approach to finance
- customers that value what we do for them, whether it is the software, services, or simply the relationships we maintain
- freedom and flexibility at work that allows us to innovate and stretch our limits

At the same time, Geosoft valued a diversity of expertise, communication styles, views, and talents. When asked what qualities he looked for in leaders and partners, Dobush said, "people different from me."

Certain themes recurred throughout the company. Ash Johnson, Geosoft's vice-president, sales, valued "respect and collaboration and expectation of contribution from everyone." Chavez, the regional managing director for Latin America, valued "trust, dependability, teamwork, commitment, and respect" at work. RiaTinnion, regional managing director for Africa, said she valued colleagues and partners who were "culturally sensitive, collaborative, broad-minded, innovative, and dependable." Jason Walsh, the architect of the digital intimacy strategy and vice-president, digital enablement, saw the company's culture as "Geosoft's sword and shield in times of downturn." That was because, as Dobush stressed, "our values hold us together." Geosoft's strong culture and values served it well as the company faced a persistent economic downturn. For Geosoft to grow, it required restructuring, repositioning, and communication of a new "digital-by-default" customer intimacy strategy.

## **DIGITAL BY DEFAULT: THE NEW DIGITAL INTIMACY STRATEGY**

Walsh, an 11-year veteran at Geosoft, described himself as "very hands-on . . . a true blue technologist." Geosoft liked to rotate its promising younger members, like Walsh, throughout the organization and on its executive team. Supported by the mentoring of MacLeod, Walsh was tasked in mid-2015 with developing a new technology strategy to give every one of its 5,000 customers customized, comprehensive services

and solutions to meet their current and future needs. Mindful of the accomplishments of other industry leaders, such as Wal-Mart Stores Inc., Apple Inc., and the Walt Disney Company, they developed the strategy that would best serve Geosoft.

The new strategy was built on four pillars:

1. *Digital intimacy services and solutions customized to and by the customer to meet their unique and special needs:* This made relationships with customers much more interactive, customized, and value-focused, strengthening excellence in customer service and making it cost-effective.
2. *A subscription service, rather than an intellectual property framework, to sustain and grow revenues:* A subscription-based business model enabled regular, recurring income to sustain stability and growth.
3. *Commitment to customer learning and success through proactive and timely training, information, videos, webinars, communities, and forums:* Geosoft enriched the customer experience through extensive learning resources and training to help them fully leverage Geosoft services, products, and solutions to meet their unique needs.
4. *Aggregated customer data and business intelligence to anticipate customer needs:* Geosoft executives found this factor especially valuable. A better understanding of their customers' current and future needs would help to proactively meet them.

Geosoft wanted to automate transactions as much as possible to help employees focus their energies on more productive activities and better serve their customers. The strategy also lowered costs, and facilitated and sped up entry into new markets (such as environmental and geothermal segments). The primary goals, however, were to more effectively align Geosoft resources to customer needs and to continue to deliver the outstanding customer service that was Geosoft's hallmark.

What were some of the changes Geosoft's regional managing directors wanted to see as a result of the digital intimacy strategy? Tinnion, the regional managing director for Africa, wanted to see employees more focused on high-value business segments, such as government, on near-surface exploration, and on simplifying the customer experience. This was especially key in Africa, where governments were major customers, computer bandwidth was a considerable issue, and reaching and serving the entire customer base in low-connectivity areas was a critical factor. Chavez, who was responsible for Geosoft operations in Latin America and was the global leader of the customer retention team, valued the strategy's potential to determine what Geosoft products and services customers were or were not using, and to proactively help them. All of the managing directors realized that introducing major technology and customer service changes in five distinct geographical regions and cultures with differing levels of information technology infrastructure and customer expectations posed a significant communications challenge.

## THE COMMUNICATIONS CHALLENGE

"The biggest communications challenge," said Dobush, "is that we are a global company operating in different cultures and geographies." There was also a dauntingly high failure rate for major change efforts recorded in studies, according to management expert Ron Ashkenas: As a recognized discipline, change management has been in existence for over half a century. Yet despite the huge investment that companies have made in tools, training, and thousands of books (over 83,000 on Amazon), most studies still show a 60–70 per cent failure rate for organizational change projects—a statistic that has stayed constant from the 1970s to the present.

Global change guru John P. Kotter also cited under-communicating as one of the key reasons why change efforts failed. Not only did Geosoft have to communicate major change, it would have to lead change across borders. Geosoft executives candidly discussed some of the cross-cultural communications glitches they had experienced or heard about. The Toronto headquarters seemed to be the centre of several of those glitches:

- boosterish marketing material proclaiming, "We're the best," seen as ineffective in the modest culture of South Africa

- insensitivity to or innocent ignorance of the different expectations of high contact cultures, such as that of Latin America, where it was normal to extend hospitality to visiting executives when business was done
- lack of tact in scheduling meetings in different time zones, such as meetings scheduled for late Friday in Toronto with colleagues in Australia
- the “black hole of Toronto” issue, in which documents and reports from other geographies disappeared without a trace of acknowledgement or follow-up

To some degree, this friction was a common occurrence between head office and regional offices. With operations in more than 100 countries over five continents, however, some misunderstandings and lost opportunities at Geosoft were simply due to cultural differences. Geosoft wanted to position itself and communicate as a truly global organization, rather than as a Toronto-centric company. The perception by employees in other Geosoft regions was that Toronto had by far the largest number of employees and seemed to be at the centre of more professional growth opportunities. Dobush was concerned about the perception that the company was primarily Toronto-driven and wanted to instead operate as a truly global family.

To that end, the regional managing directors were given broader global accountabilities as well as responsibility for Geosoft business in their geographical regions. For example, Chavez had global leadership and accountability for customer retention, and Tinnion was the go-to leader for expertise in government and education. Similarly, Wayne Higgins (United Kingdom) was the business segment lead for energy, Lorraine Godwin (North America) was the lead for near surface, and Darin Bryce (Australia) was the lead for exploration. This form of distributed leadership recognized and applied internal talents on a global scope, not just on a regional basis.

As Geosoft positioned itself for major growth and change, greater knowledge and sensitivity to differences across cultures was needed to communicate more effectively. However, Geosoft had one distinct advantage. Its leadership at every level was committed to frequent and open communication, internally and externally, and actively supported dialogue, learning, and collaboration.

## **LEADERSHIP COMMUNICATIONS**

Responsibility for communications at Geosoft was widely distributed among the leadership. As the CEO, Dobush was the chief communicator and champion of communications. He travelled several times a year to Geosoft locations to meet customers and worked collaboratively with regional managing directors and the executive team. He talked about the state of the company—its challenges and opportunities—and he celebrated its successes and achievements. Ongoing and relevant communication was also vital to identify concerns and solicit ideas in the context of upcoming changes. The regional managing directors were accountable to Johnson for communications in their regions. In turn, he kept them informed of initiatives and information likely to help and affect them. In their own regions, the managing directors

communicated global and regional issues, challenges, and opportunities through the channels that were best suited to their cultures and geographies.

As highly-educated scientists who prized reliable data, the Geosoft leaders leveraged research to communicate effectively. They used regular and comprehensive employee-engagement surveys annually from 2006 to 2014 to measure the progress of their company and employees. The most recent survey, conducted between September 30 and October 15, 2014, showed very strong results. The survey had a participation rate of 99 per cent, and 77 per cent of Geosoft employees indicated that they were favourably engaged. In comparison, a 2014 Willis Towers Watson global workforce study of 30,000 employees in 19 countries identified only 40 per cent of employees globally as being engaged. With major change for Geosoft looming ahead, Dobush wanted to be aware of and resolve any employee questions and concerns. To that end, he started a weekly pulse survey of Geosoft employees in July 2016, with 93 per cent

participation. The pulse surveys were quick to complete. They asked employees just five questions on proposed changes in policies and programs. Their feedback was compiled for quarterly town hall meetings held by Dobush and the executive team.

The pulse survey was based on the 10 key metrics of employee engagement: personal growth, ambassadorship, recognition, feedback, relationships with colleagues, relationship with managers, happiness, wellness, satisfaction, and company alignment. Among the benefits Dobush identified in the pulse surveys were frequent feedback and more accurate data for future action and course correction.

Geosoft leaders used research and every other channel available to communicate often and collaboratively with Geosoft stakeholders, including employees, partners, customers, governments, schools, and others. The leaders communicated with sensitivity to the differing needs of different cultures, favouring face-to-face communication. Having worked together for 10 to 30 years, Geosoft leaders shared a bedrock of trust and solid relationships.

Key internal communications initiatives took various different formats, including those listed below:

- A CEO online forum for updates and discussions was held monthly.
- A weekly pulse survey was initiated in July 2016 to enable more frequent and timely feedback.
- Quarterly town hall meetings were held in Geosoft's locations across five continents, face-to-face or electronically, as necessary. These meetings were videotaped and regularly made available to employees.
- Video conferencing was used regularly and often to communicate internally.
- One-on-one meetings were held with all Geosoft employees once a year.
- Dobush met with his directors monthly, either face-to-face or via videoconference, as necessary.
- A comprehensive employee engagement survey was done annually until 2014, when it was discontinued because it focused on pre-determined questions. Geosoft needed a much more timely, flexible, and frequent survey to help the company navigate its changing focus and strategy.

The face-to-face format was the channel of choice for communicating with customers. But as Geosoft grew and expanded, it relied on a broader range of communications and saw real opportunity for timely and customized customer and employee communications through its digital intimacy strategy. Individual explorers, multinational companies, government agencies, and educational institutions each needed different approaches, types, and levels of communications that remained sensitive to the different cultures and geographies.

The Ivey Business School gratefully acknowledges the generous support of the John M. Thompson Case Studies and Curriculum Development Fund in the development of this case. Tinnion explained how "African time" was a specific aspect of that culture. "In Africa, initiatives take six months longer to roll out because Africans value a lot of context and have a different sense of time. They also expect ongoing communications and a lot of explanation," she stated. The major forums for marketing communications were vast multi-country conferences and webinars that people could order and have mailed to them, such as the Mining Indaba conference, the world's largest mining investment conference and the largest mining event in Africa.

In Latin America, said Ana Cristina Chavez, "we have to find strength to continue business." The volatile political situation and process-driven culture in Latin America made the procurement process a drawn-out effort with complex issues related to the renewal of contracts. For example, many Geosoft customers in Brazil were related to people in government, and this made it difficult to get bills paid and made it necessary for numerous forms and paperwork to be completed. Customer communications in Latin America required listening, reflecting, and face-to-face interaction. Multiple customer-engagement tools such as client events (attended by over 50 people), trade shows, webinars, frequent customer visits, storytelling, and case studies that demonstrated Geosoft's technical expertise were among the other communication efforts



employed. Social media was also a key communication channel; the company made use of LinkedIn, YouTube, and Facebook. However, the key message everywhere was the same: Geosoft was a trustworthy company allied to its customers' best interests and passionate about delivering exemplary customer service.

## **LOOKING AHEAD**

In late September 2016, Dobush, his executive team, and the regional managing directors were planning to meet to discuss the roll-out of Geosoft's global digital intimacy strategy over 2017 and beyond. This strategy would radically transform the way Geosoft operated and how it communicated with its customers worldwide. A key point of discussion for the strategy session was how the roll-out would be led and communicated across borders in Geosoft's far-flung operations. Geosoft executives believed in both the human and business benefits of diversity and inclusion, confirmed by a Willis Towers Perrin study: "The business benefits to organizations that create a genuinely inclusive culture are becoming clearer in terms of improved engagement, greater innovation, enhanced reputation as an employer, and ultimately stronger, more sustainable business performance." The Geosoft leadership considered advantages and challenges regarding what would work best immediately and in future. Geosoft executives and employees wanted to effectively communicate the changes that would transform their company and their relationships with their customers and other stakeholders worldwide. Fully aware of the challenge of leading and communicating vast change across borders, they began to strategize.

Source: IVEY Publishing

### **Questions for Discussion:**

**Q1.** What does GeoSoft need to do to ensure the successful communication of its new technology strategy across its global operations and each of its culturally distinct regions?

**Q2.** Does Geosoft distinct corporate culture (employee owned, collaborative, and engaged) help or hinder its communications with its primary stakeholders (employees, customers, partners, and governments)?

**Q3.** In the role of a communications advisor to Geosoft, what would be your key recommendations to help the company successfully communicate its new customer intimacy strategy across borders?