

California State University, San Bernardino

**CSUSB ScholarWorks**

---

Theses Digitization Project

John M. Pfau Library

---

2004

## China and the USA: An analysis of intercultural training methods in the corporate environment

Paula Kay Krueger

Follow this and additional works at: <https://scholarworks.lib.csusb.edu/etd-project>



Part of the [Industrial and Organizational Psychology Commons](#), and the [International Business Commons](#)

---

### Recommended Citation

Krueger, Paula Kay, "China and the USA: An analysis of intercultural training methods in the corporate environment" (2004). *Theses Digitization Project*. 2563.  
<https://scholarworks.lib.csusb.edu/etd-project/2563>

This Project is brought to you for free and open access by the John M. Pfau Library at CSUSB ScholarWorks. It has been accepted for inclusion in Theses Digitization Project by an authorized administrator of CSUSB ScholarWorks. For more information, please contact [scholarworks@csusb.edu](mailto:scholarworks@csusb.edu).

CHINA AND THE USA:  
AN ANALYSIS OF INTERCULTURAL TRAINING METHODS  
IN THE CORPORATE ENVIRONMENT

---

A Project  
Presented to the  
Faculty of  
California State University,  
San Bernardino

---

In Partial Fulfillment  
of the Requirements for the Degree  
Master of Business Administration

---

by  
Paula Kay Krueger  
September 2004

CHINA AND THE USA:  
AN ANALYSIS OF INTERCULTURAL TRAINING METHODS  
IN THE CORPORATE ENVIRONMENT


---

A Project  
Presented to the  
Faculty of  
California State University,  
San Bernardino

---

by  
Paula Kay Krueger

September 2004



---

Dr. Sue Greenfeld, Committee Chair  
First Reader

6/16/04  
Date



---

Dr. Jacques Benzakein, Second Reader



---

Dr. Pat McInturff, Management Department Chair

## ABSTRACT

This project presents the cultural significance of establishing and maintaining business relationships with Chinese counterparts. As both national and organizational cultures deeply impact the ways in which business is conducted, it is vital for leaders to learn the nuances of their international clients. Current business dealings are migrating towards China, as China has recently opened its doors to the outside business world and the opportunities for foreign companies are vast in China. Thus, an understanding of Chinese national and business cultures needs to be introduced in American training modules. Current training methods include role playing, simulations games, critical incident reviews, and various methods authored by business leaders.

Research materials were obtained from literature and online journals, as well as personal experiences and knowledge of the Chinese culture. Sample training modules for various corporate entities, based on the findings of the research for this project, are recommended by this author. Such training modules provide the necessary intercultural training for all firms engaged in business

with China, and are a vital tool in achieving success in that country.

This project presents five suggested training models created by the author for intercultural training. These models have been designed for the following audiences: large audiences, small audiences, senior management, mid-level management, and Americans living in China. The models include methods outlined in the analysis of intercultural training methods found in the research.

This project has provided the author with a new understanding of Chinese culture and the influence of its traditional value system on the conduct of business. The importance of cultural competence, coupled with cultural sensitivity, is highly evident in today's global economy and must become an integral training topic for future success.

## ACKNOWLEDGMENTS

Embarking on a master's degree seemed an insurmountable feat which I delayed for a number of years. With the encouragement of countless people, I was motivated to finish each assignment, each course, and finally this graduate project.

I would like to acknowledge the staff and professors of the College of Business and Public Administration and the College of Extended Learning at California State University, San Bernardino for their motivation and support. In particular, Dr. Sue Greenfeld, Associate Dean, College of Business and Public Administration, has offered her guidance throughout this graduate program and has provided me with a solid foundation on which to prepare this project. In addition, Dean Susan Summers, College of Extended Learning, has offered her encouragement and inspiration through her professionalism and dedication to learning.

I have had the good fortune to have as my professional and academic mentor Dr. Jacques Benzakein, Associate Dean and Executive Director, International Extension Programs, College of Extended Learning, California State University, San Bernardino. His

eagerness to share his wealth of knowledge, his support (both academically and professionally), and his time have given me the motivation and courage to seek a better understanding of the world around me. For that, I am truly grateful.

## TABLE OF CONTENTS

ABSTRACT .....	iii
ACKNOWLEDGMENTS .....	v
CHAPTER ONE: INTRODUCTION	
Purpose of Study.....	1
Context of the Problem.....	1
Significance of the Project.....	2
Assumptions.....	2
CHAPTER TWO: BACKGROUND .....	5
Culture.....	6
Chinese Culture.....	9
Globalization.....	13
CHAPTER THREE: KEY CULTURAL ELEMENTS INFLUENCING BUSINESS BEHAVIOR	
* Individualism and Collectivism.....	17
Guanxi / Interpersonal Obligations.....	19
Hierarchies.....	21
Gender Issues.....	23
Negotiating.....	24
Decision Making.....	27
CHAPTER FOUR: INTERCULTURAL ENCOUNTERS AND IMPLICATIONS	
Gift Giving .....	29
Business Cards .....	31
Banquets .....	32

CHAPTER FIVE: CURRENT TRENDS IN INTERCULTURAL TRAINING

* Intercultural Training.....	35
Global Literacy.....	36
Critical Incidents and Cultural Assimilators.....	38
Role Play and Simulation Games.....	42
Educating for Intercultural Understanding.....	45
Spreading Multicultural Understanding.....	46

CHAPTER SIX: CONCLUSIONS AND RECOMMENDATIONS

Summary.....	48
Recommendations.....	51
Conclusions.....	71
APPENDIX A: PROFESSIONAL TITLES .....	76
APPENDIX B: FACTORS BEHIND GLOBALIZATION .....	79
APPENDIX C: CULTURAL ILLITERACIES .....	81
APPENDIX D: CRITICAL INCIDENTS EXAMPLE .....	83
APPENDIX E: SAMPLE TRAINING MODULE FOR A LARGE AUDIENCE .....	90
APPENDIX F: SAMPLE TRAINING MODULE FOR A SMALL AUDIENCE .....	102
APPENDIX G: SAMPLE TRAINING MODULE FOR SENIOR MANAGEMENT .....	124
APPENDIX H: SAMPLE TRAINING MODULE FOR MID-LEVEL MANAGEMENT .....	139
APPENDIX I: SAMPLE TRAINING MODULE FOR AMERICANS LIVING IN CHINA .....	156
REFERENCES .....	175

## CHAPTER ONE

### INTRODUCTION

#### Purpose of Study

In California alone, skyrocketing costs of doing business (for example, workers' compensation costs and energy costs) are forcing many businesses to move their operations out of state and overseas. With more and more businesses outsourcing manufacturing to China, the need for intercultural business sensitivity is increasing. This project will focus on the Chinese way of life, globalization, and the necessity for intercultural training methods. Key cultural elements as they relate to the corporate environment will also be reviewed. Additionally, the project will analyze various methods for intercultural training provided for Americans conducting business with international clients.

#### Context of the Problem

The new global marketplace has opened up new opportunities for businesses around the world. Yet, it has also created a new element of communication that requires business professionals to step outside of their realm of

everyday thinking and into "the real world" of culture: customs, habits, dress, etiquette, language, and beliefs.

### Significance of the Project

As the global marketplace expands, the need for a culturally sensitive workforce also grows. Specifically, each employee who interacts with international clients must be aware of the cultural nuances that affect the relationship. Given that China has experienced continued economic growth since the early 1990's and is entering new world markets, the importance of understanding the Chinese culture is quite significant in today's global market. On the international trade front, many multinational firms are engaged in business with China. To name just a few, Motorola, Boeing, Kodak, and McDonald's are becoming household names in China (Hu & Grove, 1999).

This project will examine the valuable tools for improving intercultural training in the corporate environment.

### Assumptions

The following assumptions were made regarding the project:

1. The global economy will continue to support business relationships between the United States and China;

2. Neither the American nor the Chinese culture will ever fully acculturate to the other; and

3. Future business leaders will understand the value of intercultural competency.

Research indicates (Hu & Grove, 1999) that since 1991 China has sustained economic growth as the country maintains a consistent position on the path of modernization. Relations between the United States and China have been enhanced by reciprocal state visits by each country's presidents and other dignitaries. This climate of diplomatic exchange and economic strength supports international business trade between the two countries.

Traditional culture and value systems in China are based on the collective, or group-oriented, agrarian nature that is a product of thousands of years of a people who have lived and worked together on the land (Hu & Grove, 1999). In the United States, culture and values are based on individualism, such that people are more likely to focus on their own personal goals rather than

integrate their goals with those of others (Wang, Brislin, Wang, Williams, Chao, 2000). In this author's opinion, these two cultural dimensions, collectivism and individualism, are at the core of each country's value system and cannot therefore alter either culture enough to allow for full acculturation to the other.

In today's ever-changing business atmosphere, cross-cultural concepts and proficiencies are key competencies for all whose work is performed within the global business environment. Today's multinational businessperson sees every stranger, regardless of national origin, as a potential customer, supplier, employee, or partner. Innovative companies consistently look for solutions outside of their national borders. Globalization is not just an economic or business trend. It is a social evolution that is bringing individuals, organizations, nations, and cultures closer together (Walker, Walker, Schmitz, 2003).

## CHAPTER TWO

### BACKGROUND

The introduction of culture into the business world is not new. Nevertheless, it has become more crucial as recent economic, political, and physical barriers have lessened. Such barriers have diminished, allowing for increased opportunities for many firms. The style of business, however, has changed from the traditional style of a decade ago. As many American firms have introduced efficiency into corporations worldwide, those same firms find themselves stumbling over the cultural roadblocks which they themselves created by opening the doors of technology. There are rules that are new to many, and "business as usual" no longer applies.

Firms that have long been dealing multi-nationally have incorporated culture sensitivity into the company training policy. Firms that are just stepping outside of their national borders for the first time will encounter cultural frustration and roadblocks if they have not first learned the cultural norms, both traditional and organizational. For example, the proximity of two Brazilians in conversation is approximately six to twelve inches. This closeness seems either an intimate or

hostile distance to most executives from the U.S., and can be a source of frustration if they are not prepared for such close encounters. It is insulting to continually back away from Brazilian counterparts as they feel uncomfortable at the normal U.S. range of two feet or more. Thus, it is recommended that U.S. executives practice interacting with coworkers at an approximate six to twelve inch range before conducting business in Brazil (Morrison, Conaway, & Douress, 2001).

## Culture

### Culture Defined

Culture can be defined as that which identifies the ways of a group. The culture of a people includes beliefs, foods, dress, language, gestures, arts, and history. This can be referred to as traditional, or national, culture. Culture cannot always be defined by its people, as mannerisms and ways of thinking are not clearly explainable. Culture is a principal facet of the human condition, and firms working in this highly competitive and ever-changing global environment must be sensitive to it and skilled in dealing with it.

## Traditional and National Culture

A person learns his or her culture through immersion. Years of being immersed in daily life teaches one the "rights and wrongs" of one's culture. When the time comes to learn about another culture, this osmosis will quicken one's learning of the new culture. However, one will never fully absorb that culture, as one's own traditional culture is the foundation of his or her being. Thus, the way one perceives any situation will always be shaped by those original values and beliefs.

Understanding a national culture always begins by comparing social characteristics of one's own culture with those of the new culture. For example, the Japanese prefer to bow rather than shake hands and find it rude to blow one's nose in public. The Koreans' interpretation of being "on time" usually means that they will arrive earlier than the agreed upon time, which usually makes an American uneasy with the surprise arrival. While Americans are particular about rules for standing in line (no one can "cut in" and "first come, first served"), certain cultures, such as former Soviet dominated societies, are accustomed to pushing and fighting to the front of the line to win attention (Dresser, 1996). Such

comparisons provide one with a basis of differences and the beginning of a new understanding of the target culture.

### Organizational Culture

In the business world, traditional culture affects the way in which every one of us perceives a situation. Additionally, the culture of the organization, which may or may not be an intended direction of the leaders of the organization, may also influence the perception of a particular situation. For example, Central and Eastern Europeans are high-context communicators. Under Communism, the formal channels for communication were extremely inefficient, resulting in informal modes of communication. Today businesspeople in the region have come to rely on unofficial and informal channels for conducting business and conveying information (Walker et al., 2003). In the organization, if all members belonged to the same traditional culture and had relatively the same traditional perspectives, then those traditional cultures would simply blend into the organizational culture.

The culture of an organization is determined by the face a company presents to the world (i.e., its basic set

of values, assumptions, goals, and beliefs which guides the way it operates). In today's global marketplace, traditional and organizational cultures are challenged by those of others who are conducting business across the world, continent, country, state, or conference table. For example, the American custom of opening a speech with some humorous anecdotes can be offensive in Germany. As Germans find nothing amusing about business, the speaker may be immediately rejected as a serious businessperson (Morrison et al., 2001).

## Chinese Culture

### Saving face

Face can be defined as a quality attributed to someone who meets the essential requirements related to his or her social position (Hofstede, 1997). The concept of face is very prominent in a collectivist society. For instance, a Chinese businessman may avoid refusing a negotiation by saying "Kaolü, kaolü" which means "we will think this over again" in order to avoid causing embarrassment to the other party. Although confusing to a Westerner, the Chinese is saving the other's face as well as his or her own. To directly refuse a request would damage his or her face by contradicting his or her own

moral code to be a person who lives in harmony with others. Such a refusal would also cause a loss of face to the negotiating party, who believes that the negotiation is reasonable. The Chinese feel that saving face is more important than making a deal (Hu & Grove, 1999).

In Chinese culture, harmony must be maintained at all costs. Face can be compared to respect, meaning that showing respect for someone can gain face while embarrassing or disrespecting someone in public causes them to lose face. Most Chinese are very conscious of face all the time. A Chinese proverb states: "A person needs face as a tree needs bark" (Hu & Grove, 1999, p. 121).

#### Titles and Forms of Address

The use of titles in America tends to be relaxed as more businesspeople favor the informal approach to relationship building. On the other hand, the Chinese are very sensitive to status and titles, so official titles should be used whenever possible (Morrison, Conaway, & Borden, 1994). The Chinese routinely use many more occupation-linked titles (such as doctor, professor, and mayor) than do Americans (Hu & Grove, 1999). Although Americans also use occupation-linked titles, some Chinese

titles have no equivalent title common in America, such as *gatekeeper* or *deputy manager*. A list of common Chinese titles along with their English equivalents can be found in Appendix A.

Given names, as well as nicknames, are used within the Chinese family unit and close circle of life-long friends. Addressing someone by his or her given name implies that no matter one's current status, the speaker considers that person to still be a child. In fact, family members frequently address each other by their family relationship, such as "brother" or "sister", rather than using first names (Dresser, 1996). Americans should avoid the common mistake of addressing acquaintances by their first names, unless they are specifically invited to do so (Wang et al., 2000).

It is also important to understand the order in which Chinese names are spoken. A Chinese person's last name, or surname, is spoken first followed by the first name, or given name. For example, a man with the given name of Kuo-Wen and the family name of Hsu would be addressed as Hsu Kuo-Wen. This concept can be quite confusing to an American, especially when reading the name from a business card. A common error made by an American would be to

address the above Chinese man as Mr. Kuo-Wen. A simple trick can be learned in order to avoid this potentially embarrassing situation: more than 95 percent of Chinese family names are one-syllable words, and given names are often two syllables (or even two words, which are sometimes hyphenated) (Hu & Grove, 1999).

### Confucianism

Confucius was a Chinese scholar and statesman who lived during feudal times over 2,000 years ago. According to Morrison, Conaway, & Borden (1994) , Confucianism reflects the following:

- All actions of the individual reflect upon the family,
- Filial devotion is of utmost importance,
- A rigid ethical and moral system governs all relationships, and
- The virtues of kindness, propriety, righteousness, intelligence, and faithfulness are deeply revered (p. 57).

Although Confucianism is not a religion, it is a way of life that most Chinese follow; thus it heavily influences Chinese culture. In following chapters in this project, these aspects of Chinese culture will become

evident as key factors influencing business behavior are explored.

## Globalization

### Globalization Defined

Globalization is the effect caused by national business moving outside of its borders and into international markets (Walker, et al., 2003). This all-encompassing word includes the concepts of economics, politics, and culture. The forces behind globalization are competition, customers, governments, technology, and markets (Walker et al., 2003). Examples of how these forces affect global business are given in Appendix B.

### Globalization Today

The concept of globalization brings with it an excitement around the world: an excitement over a new economy, a new home, or a new pair of sneakers. Globalization raises the productivity and living standards of people in countries that open themselves to the global marketplace.

Globalization is a hot topic, and although it has a great number of supporters, it also creates anti-globalization sentiments. For example, while the positive results of globalization may be increased employment at a

plant in an underdeveloped country, that same employer can be blamed for the loss of jobs in the home country. To illustrate, in November of 1996 Motorola built a corporate complex on a 350-acre campus in Harvard, Illinois. Today, that nearly new plant stands empty and idle, and it is under contract to be sold to a local real-estate developer who is proposing to turn it into a resort and entertainment center. The plant closed in Spring 2003, with all of the Harvard plant operations now conducted in Tianjin, China (Romell & Schmid, 2004).

"In 2000, the Harvard manufacturing team lowered production costs and improved quality," Motorola executive Mike Zafirovski said in a statement at the time. "But we cannot competitively manufacture products when there is surplus global capacity at Motorola's lower cost sites" (Romell & Schmid, 2004).

According to the Harvard Economic Development Corporation, 4,200 jobs were lost at the Harvard factory. This started a chain reaction in the closure of local plants. At Wisconsin-based Flambeau Inc., which supplied components for Motorola's Harvard factory, the 70,000 square-foot plant which was built in part to manufacture those components has closed. Milwaukee-based Brady

Corporation closed the 8-year-old Cedarburg, Wisconsin operation in June 2003 after the machinery that was once used to supply parts for the Motorola plant in Harvard was shipped to China's Motorola plant (Romell & Schmid, 2004).

China's rise into the global marketplace could further intensify the debate in the United States about companies transferring work abroad. With the U.S. economy still struggling and the unemployment rate at 5.7% (U.S. Department of Labor, 2003), lawmakers in a number of states want to make it difficult for governments to contract work to low-wage countries. Currently, India is the center of attention. But China, which many Americans view as a political and economic rival, is likely to replace India in this debate.

Globalization can also be viewed as providing an outlet for the bigger firms to grow and control a greater share of the market. Additionally, as firms expand into new countries, more natural resources are used and thus, the environment may be threatened. It can also be argued that globalization causes labor standards to be lowered when expanding into undeveloped countries. Child labor and "sweatshops" are often blamed on globalization. For example, the overcrowded city of Ciudad Juarez, with a

population of 1.5 million, is a dilapidated sprawl of cinder block houses and dirt roads. As many as 80,000 new workers travel to the city each year, willing to work for less than \$10 a day plus benefits, at *maquiladoras* (factories that assemble goods for export, mainly to the U.S.) To critics of globalization, these roaring plants, fueled by endless supplies of cheap labor, simply prove that free trade has triggered a desperate "race to the bottom" by the world's workers (Clifford, Engardio, Malkin, Roberts, & Echikson, 2000).

Globalization offers businesspeople their best chance to participate in the economy of the 21 century. Although participants in the globalization debate are typically divided into anti-globalization and pro-globalization factions, globalization is far too complex to simply choose sides. Today's business leaders must be aware of the effects of globalization, both positive and negative, so as to create a competitive, yet concerned business environment.

CHAPTER THREE

KEY CULTURAL ELEMENTS INFLUENCING

BUSINESS BEHAVIOR

Individualism and Collectivism

Confucianism, although not a religion with a deity, has great influence on Chinese society. Confucius taught that the basic unit of society is the family (Morrison et al., 1994). In China, nearly all things revolve around relationships. The Chinese word for "self" carries a negative connotation because the group always comes first (Rosen, Digh, Singer, & Phillips, 2000).

Individuality is stifled in Chinese children from birth. Although loyalty and unquestioning submission are of the highest value, they also come at a heavy price in that the suicide rate in China is three times the average of the rest of the world (Rosen et al., 2000). China is a truly collectivist culture. There is a unwillingness to do anything for which there is no established, officially accepted system (Rosen et al., 2000). The family, school, work unit, and local community are the basic social structures that give stability to one's life (Morrison et al., 1994). The collective nature of Chinese values is

largely the product of thousands of years of living and working together on the land (Hu & Grove, 1999).

Regardless of occupation or profession, most urban Chinese belong to a collective work unit, or *danwei*. The *danwei* not only assigns production tasks and pays wages, but it also administers the government regulations and policies that relate to its workers and their families and has responsibility for a variety of other aspects of the lives of its members, for example, housing, medical care, family disputes, outings and vacations. Because of these benefits and services, workers become heavily dependent on their *danwei* to meet a broad range of needs. The *danwei* can "give or deny permission to marry, move, travel and bear children, and are the front line of the Chinese justice system" (Weiner, Murphy, & Li, 1991). Most Chinese workers appreciate the close, nurturing atmosphere of the work unit as much as they do the atmosphere of their families (Hu & Grove, 1999).

"Collectivism is characterized by individuals subordinating their personal goals to the goals of some collectives. Individualism is characterized by individual subordinating the goals of collectives to their personal goals. A key belief of people in collectivist cultures is that the smallest unit of survival is the collective. A key belief of people in individualistic cultures is that the smallest unit of survival is the individual. In many situations, people in collectivist cultures have internalized the

norms of their collectives so completely that there is no such thing as a distinction between in-group goals and personal goals."

(Triandis, Brislin, & Hui, 1988, p. 271).

Activist turned capitalist Li Lu said, "business has become the ultimate expression of individuality" (Rosen et al., 2000). Business has become the new Chinese Confucianism. This growth of business fosters individualism in the Chinese mind and puts pressure on the collective doctrine of the culture (Rosen et al., 2000). In fact, the traditional *danwei* is slowly losing its power, as governmental controls over regulations such as passport applications and marriage licenses have been removed from the *danwei*, thus cutting the ties between the citizen and his *danwei*. These recent advancements represent a notable step forward in strengthening people's personal freedom.

### *Guanxi* / Interpersonal Obligations

The word *guanxi* has no exact English definition. Nonetheless it does have a general meaning that can be expressed in English: relationship, connection, obligation, and dependency. *Guanxi* is often spoken of as something linking two people who in some way have developed a relationship of mutual trust (Hu & Grove,

1999). *Guanxi* can be compared to a network of relationships which incur obligations. Establishing such relationships is crucial for conducting business in China.

The old saying, "It isn't what you know, it's who you know," is probably more applicable in China than anywhere else in the world. Given the nature of Chinese society and law over the dynastic ages, the foundation for virtually all behavior was personal relations, which in turn were based on familial relationship, sex, age, social class, and rank (De Mente, 2002 January). In a collectivist society, achievement depends as much on having a well-connected family and attended the right school with the right people as does hard work and initiative (Wang et al., 2000).

There are two ways in which to acquire *guanxi*. One way is passive, meaning that a person is born into the collective and that collective is expected to support the person in any way. This may include stretching the truth or asking other collective members to use their *guanxi* with another collective.

The other method of acquiring *guanxi* is by doing favors for other people outside of their own collective.

Accepting such favors incurs *guanxi* debt that may be summoned at a future time. This may result in Chinese withholding information, services, or goods from one another so that those resources can be used as bargaining tools at a later time. *Guanxi* is forever, meaning that favors can be called in after ten, twenty, or even thirty years. *Guanxi* is central to understanding Chinese relationships (Wang et al., 2000).

Regardless of business experiences in one's home country, in China, it is the right *guanxi* that makes all the difference in ensuring that business will be successful. By getting the right *guanxi*, the organization minimizes the risks, frustrations, and disappointments when doing business.

### Hierarchies

China is a traditional hierarchical society. Confucianism assigns a status to every individual in society. A person's rank is acquired through age, job, marriage, and wealth (Morrison et al., 2001). China is a country where one's position in society is important and rather difficult to change (Wang et al., 2000).

According to Hofstede (1997), Confucius claimed that the unequal relationships between people is the foundation

of a stable society (p. 40). Confucius determined the five basic relationships, or the *wu lun*, to be as follows:

- ruler to subject;
- father to son;
- older brother to younger brother;
- husband to wife; and
- senior friend to junior friend (Hofstede, 1997).

The obligations in these relationships are mutual and complementary: the junior partner owes the senior partner respect and submission; the senior owes the junior partner protection and consideration (Hofstede, 1997).

Senior people in China generally have more freedom of expression because juniors exhibit their position in the hierarchy by giving humble attention. For example, when entering a business meeting, the highest ranking member of the group should lead the way (Morrison et al., 1994). In addition, the Chinese expect the business conversations to be conducted by the senior officials of each side. If subordinates interrupt, the Chinese will be stunned (Morrison et al., 1994). Subordinate behavior which is not in tune with the leaders' intentions is likely to have serious repercussions for the subordinate. The top-down

tradition of authority leaves little room for subordinate initiative.

This approach stems from a family-oriented society in which individualism and independence, both of which are vital in dealing with foreigners, were suppressed for generations (De Mente, 2002 January). Chinese people are comfortable in situations where it is obvious who holds the higher status and who holds the lower status, as they prefer relationships that are vertical and clearly defined (Wang et al., 2000).

#### Gender Issues

Historically, and based on the teaching of Confucius, there was a great distinction placed on the roles of men and women. Men held the power inside and outside of the home. Women, whose existence was to bear sons, were confined to the home in a subservient. In fact, an archaic word for "wife" in Chinese means "inside person" (Wang et al., 2000). Society in China has changed in recent decades, and women are believed to be equal to men (Morrison et al., 1994). The prevailing expectation about adult women is that they will be gainfully employed. The result is that many senior positions in business, science, and other fields are held by women. Children are cared

for by the extended family or child-care centers in their danwei. The Chinese businesswoman is accepted as a full and equal partner with men in the workplace (Hu & Grove, 1999).

According to Confucius, men and women without any filial or professional association should not engage in a one-on-one relationship (Hu & Grove, 1999). Although this is no longer the case in today's society, interactions between a male and a female must be carefully considered, as a simple request to have a cup of coffee can be construed as the beginning of a lifelong commitment. A casual date that does not end in marriage could cause a Chinese to suffer embarrassment and perhaps even hurt that person's chances of a good marriage (Wang et al., 2000).

### Negotiating

Governmental interests and viewpoints are represented by Chinese negotiators from all types of institutions, such as manufacturing, education, and the import-export industry. As representatives of the government, Chinese negotiators are conscious of national pride, as well as the public interest and political principles advocated by the leaders of the government (Hu & Grove, 1999).

Chinese negotiators are concerned with fostering relationships of trust, obligations of mutual support, and permanence. The negotiation process is one that proves suitability of their counterparts, and once that suitability has been determined, they are focused on relationship building, rather than deal making (Hu & Grove, 1999).

As the Chinese are focused on the long-term possibilities that are inherent in the partnership and less on the specific transaction, their approach is to begin by discussing the mutual interests in broad terms and avoiding discussing details. Once the details of a proposal have finally been agreed upon, it is common for the Chinese to introduce new arrangements and adjustments. They feel that the nature of the relationship (friendship, long-term trust, obligations of mutual dependency, and *guanxi*) allow for the re-negotiation of signed contracts (Hu & Grove, 1999).

While Americans generally arrive at a negotiating session with a detailed draft contract, the Chinese arrive with either a simple draft or no draft at all. As the Chinese see the purpose of a contract as establishing a relationship between parties, they see no need to

establish detailed arrangements. Their viewpoint is that once a positive relationship has been made, there will never be the need for resolution, as the two parties will never disagree. The Chinese focus on overall positive outcomes, and assume that both parties will always arrive at mutually beneficial terms, terms which do not need to be included in the contract (Hu & Grove, 1999).

Chinese negotiators use time more consciously than do their Western counterparts. American executives have a reputation for impatience, and the Chinese will drag out negotiations well beyond established deadlines in order to gain an advantage (Morrison et al., 1994). In Chinese history, there are many tales about how people should be patient and wait for the right opportunity.

"One famous story is about the king of Yue, Gou Jian, and the king of Wu, Fu Chai, who occupied Gou's country. Fu Chai made the king of Yue his slave, for example, feeding horses and cleaning stables. Fu Chai did everything he could to humiliate Gou Jian. While going through all these sufferings, the king of Yue hung a piece of *dan* (gall bladder), which is very bitter, in his room. He would lick the *dan* every night before he went to sleep to remind himself of the bitterness of having somebody else occupy his country. He waited until the right moment and was eventually able to kill Fu Chai and restore himself to power. This is a widely cited story when Chinese people talk about patience. Although it is an old story, the Chinese have internalized its teaching and have extended it into different aspects of life, for example, in doing business, in the workplace, and even in politics" (Wang et al., 2000, p. 166).

In addition to the tactic of patience, the Chinese may use shame as a way to gain an advantage. The Chinese may try to find mistakes in a proposal, assuming that their counterparts will feel humiliated and try to make reparation for the mistakes (Wang et al., 2000).

### Decision Making

Decision making in China is a group process. Stemming from the values inherent in a collectivist society, an employee will act according to the interest of the group, which may or may not always coincide with his or her individual interest (Hofstede, 1997). A Chinese business leader takes in account the views of the subordinates when making a final decision. As a result, decision making requires a lot of time. In addition, decisions of any importance must be referred up the hierarchical ladder. Consensus building and approval seeking are an integral part of the decision making process (Hu & Grove, 1999). Given the hierarchical structure, certain information may not be relayed to lower-level managers. As they lack information and authority, they are usually unable to make any decisions outside of their pre-determined functional responsibility.

Their opinions, however, may be requested by their superiors in decision making process.

In a centrally controlled economy, responsibility lies with the government planners, yet individuals are held responsible for their decisions within the system. Local decisions are made by the head of the collective, and members must conduct themselves accordingly. Collectives are insular, closed units in which individual goals are subordinated to those of the collective (Morrison et al., 1994).

Even in today's modern society, Chinese traditions thrive. For example, most Chinese will not make any important decisions without first consulting the stars for a favorable day and hour (Morrison et al., 1994).

## CHAPTER FOUR

### INTERCULTURAL ENCOUNTERS AND IMPLICATIONS

Intercultural encounters can be an experience full of excitement and astonishment. Conversely, it is not unusual for these encounters to go astray and result in culturally embarrassing situations for everyone involved. This chapter will highlight typical encounters and provide explanations for the faux pas and their implications.

#### Gift Giving

Prior to traveling to China, an American businessman purchased various gifts for his Chinese hosts, including pens, business card holders, and desk clocks. During a casual conversation with a Chinese colleague in the U.S., he mentioned the array of gifts he had purchased for the trip. His colleague gasped when she heard his list of gifts, and was quick to inform him that a clock is an inappropriate gift in China. In Chinese culture, the clock is a reminder that time is running out, with each tick bringing the recipient closer to his or her last moments of life (Dresser, 1996). The businessman quickly chose substitute gifts.

Dresser (1996) advises not to give gifts that number four (for example, a set of four pens) as the word for the number four has the same sound as the word for death. Just as many Americans believe that thirteen is unlucky, the Chinese have strong beliefs about the good luck or bad luck associated with particular numbers, with four being the most negative number.

In the presence of other people, never present a valuable gift to one person. This gesture will cause only embarrassment, and possibly even problems for the recipient, given the strict rules against bribery in Chinese business culture (Morrison et al., 1994). When giving or receiving a gift, use both hands. The gift is not opened in the presence of the giver. The Chinese typically decline a gift three times before accepting it; this prevents them from appearing greedy (Morrison et al, 1994; Hu & Grove, 1999).

The Chinese associate all of the following gifts and colors with funerals: straw sandals, clocks, a stork or crane, handkerchiefs, gifts (or wrapping paper) in which the predominant color is white, black, or blue. If possible, wrap gifts in red, which denotes good luck.

Other good choices for wrapping colors are pink and yellow, which symbol happiness (Morrison et al., 1994).

Additional gifts to avoid are knives and scissors, as they also symbolize the severance of a relationship in Chinese culture. The sound of the word umbrella in Chinese is the same as the word for separation, thus umbrellas do not make appropriate gifts (Dresser, 1996).

### Business Cards

Upon greeting a delegation of Chinese businessmen visiting his manufacturing plant, the plant manager quickly handed his business cards to each member of the delegation, and in turn he collected the members' business cards, stacked the cards together, and put them in his pocket. The Chinese businessmen were quite astonished at his lack of formality in recognizing the senior most members of the group by studying the business cards.

The exchange of business cards in China is very important and almost ceremonial. It is recommended to have one side of the business card printed in English and the other side in Chinese. In the Chinese business culture, the main point of exchanging business cards is to determine who will be the key decision-makers, therefore, professional titles should be included on business cards.

In China gold is the color of prestige and prosperity, consequently it is an asset to have business cards printed in gold ink (Morrison et al., 1994). To avoid any potential problems, it is recommended to avoid red lettering on items targeted for an Asian audience as it is offensive to write one's name in red (Dresser, 1996).

Business cards should always be presented and accepted with both hands. A business card should never be placed in a wallet and then put in a pocket (Morrison et al., 1994), but rather should be examined by the receiver for a few moments then carefully placed on the table or in a card case. Not reading a business card that has been presented is considered to be a breach of protocol.

### Banquets

A small group of American business people visiting China were invited to a banquet held in their honor. Although unfamiliar with the new array of unusual foods, they felt that it would be impolite not to eat everything that was placed on their plates. The Americans were overwhelmed, however, when their host put more food on their plates just as they have finished the last bite. Not wanting to offend their host, the Americans continued

to eat, and wondered if there would ever be an end to the meal.

It is not uncommon for a host to order enough food for ten people at a table of five. He or she loses face if there are not plenty of leftovers at the end of a meal. During a meal, as many as twenty to thirty courses can be served, so the best policy is to lightly sample each dish. Leaving a clean plate is perceived to mean that there was not enough food provided, which can be an insult in China. On the other hand, leaving a food offering untouched will also give offense, thus the sampling of a small portion, though unappealing, may be necessary for the sake of politeness (Chen, 2003).

Banquets are hosted with varying degrees of extravagance, usually in a restaurant. There is a seating etiquette based on hierarchy in Chinese business culture. Generally, the seat in the middle of the table, usually closest to the door, is reserved for the host so that he or she may direct the waiters as they come in and out. At a round table, the most senior guest of honor sits directly across from the host, with the second and third ranking people sitting on either side. Everyone else is seated in descending order of status (Morrison et al.,

2001). The host is the first person at the table allowed to begin eating by suggesting the first drink. The host may then take the first piece of the most valued food and put it on the guest of honor's plate. This will signify the beginning of the eating and is considered a friendly gesture (Chen, 2003).

The use of chopsticks by Westerners is often appreciated by Chinese hosts. When not in use, chopsticks are to be placed on the table or a chopstick rest. Placing chopsticks parallel on top of a bowl is believed to bring bad luck. In addition, sticking chopsticks straight up in a rice bowl is considered rude because in this position, they resemble the joss sticks that are used in Chinese religious rituals. Dropping chopsticks is also considered a sign of bad luck (Morrison et al., 2001).

Mealtime can be a test of cultural etiquette. It is generally advisable for a Western guest to take on the role of follower, meaning that he or she should simply watch the actions of the hosts and do his or her best to adapt.

## CHAPTER FIVE

### CURRENT TRENDS IN INTERCULTURAL TRAINING

#### Intercultural Training

The foremost objective of most intercultural training programs is to make participants more effective in overseas, cross-cultural, or multi-cultural situations. The majority of intercultural research identifies three general behavioral skills or abilities that are vital to effective overseas business matters:

- the ability to manage psychological stress;
  - the ability to communicate effectively; and,
  - the ability to establish interpersonal relationships
- (Fowler & Mumford, 1995, pg. xiii).

These skills can be learned through training sessions involving culture shock, adjustment, language training, self-esteem, tolerance, cultural awareness, communicative styles, and cross-cultural empathy (Fowler & Mumford, 1995, pg. xiii). Intercultural training incorporates cognitive activities (lectures, discussion, reading), emotional involvement (role playing, values clarification), and behavioral development (learning languages, norms, gestures) (Fowler & Mumford, 1995, pg.

215). Various methods of intercultural training have been developed by leaders in the field of intercultural and cross-cultural training. This chapter will highlight a selection of those methods.

### Global Literacy

The concept of global literacy is a model of international business success based on a study conducted by Robert Rosen and his associates of over one thousand senior executives and CEOs of seventy-eight companies. This in-depth study was conducted in order to create a teachable framework that could be used by business leaders throughout the world. Global literacy is a state of seeing, thinking, acting, and mobilizing in culturally mindful ways (Rosen et al., 2000).

Global literacy as a whole requires the understanding and practice of four literacies:

Personal literacy: defined as "understanding and valuing yourself", the foundations are self-awareness, self development, and self-esteem (Rosen et al., 2000).

Social literacy: defined as "engaging and challenging others", successful leaders provide opportunities for the power of collective intelligence to

run free while at the same time building strong teams (Rosen et al., 2000).

Business literacy: defined as "focusing and mobilizing your organization," the necessary abilities are: riding the waves of chaos, taking the lay of the land, respecting the past while meeting the future, liberating leaders at all levels, and modernizing our measurements for success (Rosen et al., 2000).

Cultural literacy: defined as "valuing and leveraging cultural differences," companies must implement a global-centric approach to business by developing a multicultural outlook, an international knowledge foundation, and a global imagination (Rosen et al., 2000). Examples of cultural illiteracies can be found in Appendix C.

Proficiency in global literacy allows leaders to "see, thing, act, and mobilize:" "see" the world's challenges and opportunities; "think" with an international mindset; "act" with fresh global-centric leadership behaviors; and, "mobilize" a world-class company. When successfully implemented, leaders learn to lead with a worldview and a new global attitude to work (Rosen et al., 2000).

## Critical Incidents and Cultural Assimilators

The Critical Incidents Exercise (CIE) is a series of individual, small-group, and large-group activities in which a number of critical incidents are analyzed and discussed. CIE has been implemented in the training of Peace Corps volunteers as well as in a variety of settings to prepare people to live and work in other cultures (Fowler & Mumford, 1995).

The critical incidents used in cross-cultural training are descriptions of situations in which there is a misunderstanding, problem, or conflict arising from cultural differences between interacting parties or where there is a problem of cross-cultural adaptation.

The purpose of the CIE is to put participants in difficult or confusing situations similar to those which they might experience when interacting with people from other cultures or while adjusting to a new culture. In this fictional setting trainees are free to make culture blunders without risking the success of their journey and to come to their own conclusions about how they might better handle such an incident in real life. The objectives of CIE are:

- Increase participants' awareness of their own interpretations;
- Draw out, evaluate, and study the various interpretations;
- Explain the cultural differences in the incidents that might have led to misunderstandings and problems;
- Increase participants' understanding of the diversity in cultures;
- Assist participants to understand the necessity to behave appropriately in similar situations;
- Expand participants' awareness of learning and motivate them to continue learning; and
- Provide the basis for role plays (Fowler & Mumford, 1995, pg. 128-129)

The most effective critical incidents capture an important concept that is useful when thinking about, adjusting to, and interacting in other cultures (Wang et al., 2000). An example of a critical incident can be found in Appendix D.

The Intercultural Sensitizer (ICS) is an instrument specifically designed to sensitize persons from one cultural group to the assumptions, behaviors, norms,

perceptions, interpretations, attitudes, and values of persons from another cultural group (Fowler & Mumford, 1995, ). ICS was first developed in 1962 at the University of Illinois in an attempt to improve communication in culturally diverse work groups. At its inception, it was called the Cultural Assimilator, however the name was changed in 1983 to Intercultural Sensitizer to avoid the suggestion that trainees must relinquish their own culture and assimilate into a new culture (Fowler & Mumford, 1995).

Key features of ICS include:

- Trainees are exposed to a wide variety of situations in the target culture;
- The experience of entering a new culture is simulated;
- Critical incidents and key cultural differences are highlighted;
- Focus is placed on differences in perceptions and interpretations of behaviors; and
- The active involvement of the trainee is promoted (Fowler & Mumford, 1995, pg. 158).

An assimilator consists of a number of episodes describing potentially problematic situations. Each

episode consists of critical incidents (for example, short stories involving two or people two cultures who interact in culturally characteristic ways), attributions (usually four alternative interpretations that might be made about the behavior of one or more of the people in the story), and feedback (explanations of each attribute to provide cultural information that will help the trainee see the incident the way people from the other cultures are likely to see it) (Fowler & Mumford, 1995). One of the distinct benefits of the assimilator approach is that it captures how people really think about their intercultural interactions (Fowler & Mumford, 1995).

There are two types of culture assimilators: culture specific and culture general. A culture-general assimilator is designed to provide people with skills in adjusting to any other culture. Topics covered are general in nature, such as feelings of anxiety, negotiating obstacles, and confronting value differences. Culture-specific assimilators address the adjustment of people from one specific culture interacting with people from a second designated culture. Culture-specific assimilators deal with particular information about a

culture and the special issues faces by people from a different culture (Wang et al., 2000).

One particular benefit of the cultural assimilator is that it can be included in a training method without a trainer facilitating the learning. As cultural assimilators are a written episode, with pre-determined attributions and feedback, a face-to-face facilitator is not necessary. This method can be used by trainees who do not have the ability to attend formal training sessions. Because the culture-specific expertise is incorporated into the explanation of the alternatives, trainees can use the cultural assimilator on their own.

#### Role Play And Simulation Games

The role play is a training activity where two or more participants assume the personalities of people other than themselves in order to discover a clear objective. The purpose of the role play is to build skills, create attitudinal change, or generate a sense of empathy through role reversal (such as an American taking on the role of a Chinese). In using this technique in an intercultural setting role playing allows participants to put into practice the theories they have learned about a particular culture (Fowler & Mumford, 1995).

According to Fowler and Mumford (1995), in order to be effective, the role play must:

- be clear and concise;
- be open-minded;
- have some element of dynamic tension; and
- be interesting to participants (pg. 20).

The use of role play in training is sometimes met with a negative response from the participants, most likely due to a prior role play experience that resulted in embarrassment. Three common mistakes used by trainers were identified by Fowler and Mumford (1995):

- Role plays are used for the wrong purposes;
- Role plays are poorly designed; and
- Role plays are incorrectly delivered (pg. 18).

Using role plays to surprise participants, writing roles poorly, or not providing a debriefing session at the end of the role play may create problems in the session.

These same problems can appear in international role play settings, yet will be inflated due to cultural and linguistic differences. As a result, the careful planning and implementation of the role play is crucial in not only skill building but also to the acceptance of intercultural ideas and interpersonal sensitivity.

The role play is related to a simulation, in that the participants are taking on the characteristics of other people. A simulation game, however, is of a grander scale. A simulation is an operating imitation of a real process (Fowler & Mumford, 1995). A game can be defined as any contest among opponents operating under limitations for an goal (Fowler & Mumford, 1995). A simulation game simply refers to a blending of a simulation and a game and serves as an working model featuring the fundamental characteristics of real or proposed systems or processes (Fowler & Mumford, 1995).

The important facets of simulation games that the facilitator must incorporate are:

- A brief introduction to the game and an explanation of the rules and patterns of play;
- A sense of pacing (know when it is appropriate to offer assistance and when to stop the game);
- A period of debriefing, which encourages participants to share what they have experienced;
- Close observation of the group, as games can trigger intense feelings and occasionally arguments can lead to expressions of personal hostility; and

- Content and design of the game must be culturally appropriate (Fowler & Mumford, 1995, pg. 85-86).

Benefits resulting from simulation games include critical thinking, social values, personal responsibility, and group dynamics. According to Fowler and Mumford, the "jolt" provided by a simulation game in an intercultural setting is often enough to motivate people to learn about other cultures (Fowler & Mumford, 1995).

#### Educating For Intercultural Understanding

Hofstede (1997) states that intercultural understanding begins in childhood with parental guidance and educational influences. Culture is learned by observation and imitation of adults rather than by training, with values learned during the first ten years of a child's life. The way parents live their own culture provides the child with his or her cultural identity. The degree to which a child's mind will be open or closed to intercultural understanding is determined by the parents' own interactions with people from different cultures (pg. 238).

Living in an environment with exposure to culturally different people, languages, ideas, and places is truly an

asset to a child and his or her understanding of and patience with things which are different. Immersion into the various elements of a new culture provide a child's mind with the ability to foster compatibility in a number of situations which he or she may face in his or her adult life.

### Spreading Multicultural Understanding

Learning the culture of another group cannot always be accomplished by immersion, as not everyone has the opportunity to spend quality time in another country simply to learn the culture. Learning, therefore, can take place via the media; television, movies, radio, and newspapers. There is a responsibility placed on the media to portray other cultures in their truest form. But how does one know if the person behind the camera, microphone, or keyboard is culturally aware, or if he or she is incorporating his or her own cultural perspective into the media piece? In their attempt to promote cultural understanding, they could be promoting cultural misunderstanding. With regard to the presentation other cultures and ideas, their position is vague. While catering to the public where their success is determined by the extent to which they deliver what the public wants

to hear, they are also in the position to provide another viewpoint and image of reality which to some may eventually become reality itself. While simple information can avoid misunderstandings, the media can also be a cultural learning tool when used correctly (Hofstede, 1997).

## CHAPTER SIX

### CONCLUSIONS AND RECOMMENDATIONS

#### Summary

Culture impacts every aspect of our daily lives, from the foods we eat to the music we enjoy, from the clothes we wear to the style in which we communicate. We learn our own culture in everyday life from our family, our society, and our educators. Culture has invisible borders, so porous that we sometimes do not even know we are crossing them. Culture is the context in which we live, the windows through which we experience the world: our attitudes (judgments about people, places, and cultures), our values (desires, wants and needs), and our identities (who we are and who they are). One is never fully aware of his or her own culture until faced with a new culture. A new culture can be an obstacle. Yet however different the new culture might be, adaptability, flexibility, and an understanding of those differences will break through that barrier. Breaking through this cultural barrier is vitally important for business success.

Globalization is more than just the new buzz word. It is a new way of life for businesses around the world.

The ability to design products in one country, manufacture them in another country, and sell them in still a third country offers unimaginable business opportunities to multi-million dollar companies as well as to "mom and pop" companies. The challenge is knowing how to survive and thrive in the borderless multicultural marketplace.

Chinese culture poses a definite challenge to American business people. For example, as Americans are always looking for equality in the group, the Chinese are looking for the hierarchical structure. While Americans are willing to take the chance of going against the norm in order to accomplish a task, the Chinese follow the idea that harmony must be maintained at all costs. Just as Americans consider experience, talent, and knowledge to be crucial elements in succeeding in business, the Chinese feel that success in business means that one must invest considerable amounts of time and effort cultivating *guanxi* with the appropriate officials. The key to business relationships in China is the building of trust and mutual respect. Chinese see stability in the strength of human relationships. This concept is crucial for American business people to understand.

Cultural competence is vital in the success of global managers. It is important to note that cultural competences encompasses more than understanding the finer points of bowing in Japan, the inappropriateness of accepting food with the left hand in Saudi Arabia, or the good manners of using last names and titles in Germany. The key challenge for today's global managers is to combine managerial and leadership abilities with cultural understanding and sensitivity. As a result, the hard skills of business tasks and the soft skills of interacting and communicating have become intertwined and sometimes undistinguishable. The successful integration of cultural knowledge into daily work is crucial for a global manager's success (Walker et al., 2003).

Another important concept for all international business people to acknowledge is this: educate before one makes mistakes. In dealing with a new culture, many people make mistakes and then decide to learn more about the culture. Learning cultural nuances and their effect on the business dealings is vital now that the business worldview is no longer defined by borders.

## Recommendations

My recommendations for intercultural training methods for U. S. corporations doing business in China include a variety of tools, the combination of which depends on the audience. The following section describes these methods intended for large audiences, small audiences, senior management, mid-level management, and expatriates who live or plan to live in China.

### Intercultural Training for a Large Audience

With large groups, role playing and simulation games may not be effective, as not every participant may have the opportunity to participate directly in the activity. The large audience would benefit from *critical incidents* training (short stories of misunderstandings, problems, or conflicts arising from cultural differences between interacting parties or where there is a problem of cross-cultural adaptation). The most effective *critical incidents* capture an important concept that is useful when thinking about, adjusting to, and interacting in other cultures. Taking the *critical incident* a step further is the *cultural assimilator*, which consists of a number of episodes describing potentially problematic situations (each episode consists of *critical incidents*,

attributions, and feedback). In a lecture style session, the situation and each outcome can be explained to the audience. I would recommend that a *culture-general assimilator* be introduced to familiarize the audience with the basic idea that cultures are different. Later, a *culture-specific assimilator* would be introduced to acquaint the audience with specific cultural phenomena relating to China. In addition to the lecture-style training, which is a passive method due to the size of the audience, both *critical incidents* and *cultural assimilators* allow for individual study after formalized training sessions.

Lectures would also include Chinese business people who can relate to the audience the necessary cultural understandings for successful relations in China. Additional speakers would include American business people who have experienced Chinese culture first hand. Including a speaker from an entity or background similar to that of the participants ("one of their own") would be beneficial in reaching the audience.

Training sessions for a large audience should be divided into sessions, perhaps covering a two-or three-day period, as participants may tend to lose focus due to the

lack of one-on-one interaction during the session. In addition, extending the training to more than one day may allow time for the material covered to be absorbed by the participants, hopefully, spawning further questions and commentary on the part of the participants.

The following is a sample training module for a large audience:

- Session 1

- Critical Incidents / Cultural assimilators
  - culture-general

Example: *"Please Repeat"*

This assimilator focuses on the collective good.

- Critical Incidents / Cultural assimilators
  - culture-specific

Example: *"Too Much Red Tape"*

This assimilator focuses on *guanxi* in China.

Example: *"Fair Price?"*

This assimilator focuses on the perceptions of profit and saving face in China.

- Session 2

- Lectures / speakers

Example: Chinese businesspeople who have experienced cultural conflicts with Americans.

Example: American businesspeople who have experienced cultural conflicts with Chinese.

Example: Cultural anthropologists who can provide culture-general and culture-specific information in conducting business in China.

- Session 3

- Question & answer period

Please see appendix E for the full texts of the training materials listed above.

### Intercultural Training for a Small Audience

Cultural assimilators and critical incidents are a solid beginning for training any audience, thus culture-general and culture-specific assimilators would be beneficial for this audience. The benefit of training for a small audience is that role plays and simulation games provide the opportunities for participants to put into

practice the theories they have learned about a particular culture while participants experience exercises in critical thinking, social values, personal responsibility, and group dynamics.

As with the training module for large audiences, lectures would also be included in small audience training. Lecturers would also be Chinese and American business people who can offer stimulating commentary and information, and provide direct and more intimate access for participant. For example, a Chinese businessman can explain the cultural rules of the Chinese banquet and provide examples of typical errors made by Americans. In addition, an American businesswoman can provide cultural advice and examples to other American businesswomen who are preparing to conduct business in China.

Smaller audiences allow for more one-on-one interactions, thus narrowing the focus of the exercise and keeping the participants' attention. Training can therefore be conducted in a one-day session, as the narrowed focus allows for a great deal of content to be addressed while participants have a good chance for questions and commentary.

The following is a sample training module for a small audience:

- Session 1

- Critical Incidents / Cultural assimilators
  - culture-general

Example: *"Learning to Fit In"*

This incident focuses on values and habits and how they fit in with a new culture.

- Critical Incidents / Cultural assimilators
  - culture-specific

Example: *"In the Eyes of Whom"*

This assimilator focuses on perceived questionable business practices in China and the United States.

Example: *"The Incentive Program"*

This assimilator focuses on the "win-lose" perceptions in China, versus the "win-win" perceptions in the United States.

- Session 2

- Role plays / Simulation games

Examples: *"Markhall: A Comparative Corporate-Culture Simulation"*

This simulation involves two companies with different and contrasting management styles and corporate cultures.

Example: *"Tag Game"*

This simulation focuses on the similarities and differences of various groups.

- Session 3

- Lectures / speakers

Example: Chinese businesspeople who have experienced cultural conflicts with Americans.

Example: American businesspeople who have experienced cultural conflicts with Chinese.

Example: Cultural anthropologists who can provide culture-general and culture-specific information in conducting business in China.

- Session 4

- Question & answer period

Please see appendix F for the full texts of the training materials listed above.

### Intercultural Training for Senior Management

Senior management does not usually have the time for two-or three-day sessions. In fact, it can be difficult to obtain senior management's commitment for just one day. Training for this level of management requires exact focus, clear explanations, and structured time periods.

Culture-specific assimilators and critical incidents which describe exact situations which the participants can expect are effective tools when training senior management. For example, situations involving negotiating techniques and decision making in China can prepare senior management for these occasions and alleviate the possibility of cultural and business blunders.

Senior management would benefit from learning the tools of global literacy. The basic skills of global literacy, which include social, cultural, business, and personal literacies, provide an atmosphere of seeing, thinking, acting, and mobilizing in culturally aware ways.

The following is a sample training module for a senior management:

- Session 1

- Critical Incidents / Cultural assimilators

- culture-general

- Example: *"Who's in Charge"*

- This assimilator focuses on the gender perceptions in the corporate environment.

- Critical Incidents / Cultural assimilators

- culture-specific

- Example: *"What motivates Chinese Employees?"*

- This assimilator focuses on the influence of cultural background on motivation methods.

- Example: *"Connections in China"*

- This assimilator focuses on interpersonal connections, or *guanxi*.

- Session 2

- Global literacy

- Provide examples of the four literacies:

Personal Literacy: understanding and valuing yourself.

Example: *"Live an open, honest life"*

This example focuses on Aad Jacobs and Ing Groep N.V. (Netherlands) and the Lesson that character matters, as do the principles of trust.

Social literacy: engaging and challenging others.

Example: *"Listen deeply below the surface"*

This example focuses on Hiroshi Okuda and Toyota Motor Corporation (Japan) and the management style known as "Toyotaism" which seeks to achieve harmony among supervisors and workers and mutual trust between labor and management by institutionalizing a friendly, open attitude.

Business literacy: focusing and mobilizing your organization.

Example: *"Prepare people for change and chaos"*

This example focuses on Manuel V. Pangilinan and First Pacific Company (China) and the lessons that leaders can be developed at all levels, it is necessary to think in the past, present and future, and a leader must manage the human side of change. Cultural literacy: valuing and leveraging cultural differences. Example: *"Make 'International' a part of your bloodstream"*

This example focuses on Helen Alexander and The Economist Group (United Kingdom) and the lesson that leaders must build an environment that nurtures collaborative individualists with an international mindset, and institutionalize a global perspective that is comfortable with diversity and debate across cultures.

- Session 3
  - Question & answer period

Please see appendix G for the full texts of the training materials listed above.

### Intercultural Training for Mid-level Management

After a deal has been negotiated by senior management, lower-level management may typically have more interactions with their Chinese counterparts. Thus, mid-level management should be exposed to more in-depth cultural encounters. Assimilators focusing on both culture-general and culture-specific would provide the mid-level manager with valuable tools with which to conduct business.

As with the senior management training module, mid-level management would also benefit from learning the tools of global literacy. The skills learned through global literacy would provide a solid foundation for the in-depth encounters of further training.

The following is a sample training module for mid-level management:

- Session 1
  - Critical Incidents / Cultural assimilators
    - culture-general

Example: *"Not what they expected"*

This incident focuses on the inability to apply knowledge in a new environment, and the resulting frustration of the new culture.

- Critical Incidents / Cultural assimilators
  - culture-specific

Example: *"Is More Expected of Leaders?"*

This assimilator focuses on the concept of leadership in China and in the United States.

Example: *"Whose Ideas are these?"*

This assimilator focuses on the collective unit in China.

- Session 2

- Global literacy

Provide examples of the four literacies:

Personal Literacy: understanding and valuing yourself.

Example: *"Acknowledge reality"*

This example focuses on Rolf-Ernst Breuer and Deutsche Bank AG (Germany)

and the necessity to look reality  
squarely in the face, take  
responsibility for one's part, be  
accepting, learn, and move on.

Social literacy: engaging and  
challenging others.

Example: *"Craft Social Ground Rules"*

This example focuses on Peter Ma and  
Ping An Insurance Company (China) and  
the importance of making commitments,  
nurturing collaboration, and creating  
a culture of teamwork.

Business literacy: focusing and  
mobilizing your organization.

Example: *"Leverage knowledge for  
competitive advantage"*

This example focuses on E.T. "Ted"  
Kunkel and Foster's Brewing Group  
(Australia) and that knowledge is  
business's primary asset, and that the  
competitive advantage is to simply  
understand the business inside and  
outs.



Cultural literacy: valuing and leveraging cultural differences.

Example: "Cultivate a *global/local mindset*"

This example focuses on Jean-Louis Beffa and Saint-Gobain (France) and the lesson that a company's structure, strategy, and leaders must be flexible and culturally literate, understanding and appreciating different cultures and developing a truly global/local mindset in all it does.

- Session 3

- Lectures / speakers

Example: Chinese businesspeople who have experienced cultural conflicts with Americans.

Example: American businesspeople who have experienced cultural conflicts with Chinese.

Example: Cultural anthropologists who can provide culture-general and

culture-specific information in  
conducting business in China.

- Session 4

- Question & answer period

Please see appendix H for the full texts of the training materials listed above.

Intercultural Training for Americans living in China

Training for Americans living in China must encompass all aspects of living in China. Training should include in-depth cultural learning, social adaptability, and business adaptability.

The following is a sample training module for Americans living in China:

- Session 1

- Critical Incidents / Cultural assimilators
    - culture-general

Example: *"Learning to Fit In?"*

This incident focuses on the cultural assumptions of sojourners and the realization that adaptation includes being prepared to have others assume that one's actions may be erroneous.

- Critical Incidents / Cultural assimilators
  - culture-specific

Example: *"The dinner invitation"*

This assimilator focuses on the assumptions of friendships and relationships in China.

Example: *"Share the wealth"*

This assimilator focuses on ensuring cooperation among all by maintaining a balance of power.

- Session 2

- Global literacy

Provide examples of the four literacies:

Personal Literacy: understanding and valuing yourself.

Example: *"Practice what you preach"*

This example focuses on Shelly Lazarus and Ogilvy & Mather Worldwide(U.S.A.) and using the principles of personal literacy to create an atmosphere that enables an unconventional, diverse, creative workforce to feel valued and

excel.

Social literacy: engaging and  
challenging others.

Example: *"Communicate deeply about  
change"*

This example focuses on Daniel Vasella  
and Novartis AG (Switzerland) and the  
importance of developing change  
leaders at all levels, cultivating a  
culture of trust and results, and  
using communications as a strategic  
tool.

Business literacy: focusing and  
mobilizing your organization.

Example: *"Integrate and align your  
company"*

This example focuses on Sir Peter  
Bonfield and British

Telecommunications (United Kingdom)  
and emphasizes the importance of  
linking together vision, values,  
strategies, and goals, while at the  
same time liberating leaders to lead

and creating corporate scorecards to measure success.

Cultural literacy: valuing and leveraging cultural differences.

Example: *"Be a mirror and a modernizer of your culture"*

This example focuses on Keshub Mahindra and Mahindra & Mahindra, Ltd. (India) and the necessity of valuing one's own roots, linking one's culture to the world, and modernizing one's country while retaining the best of the culture.

- Session 3

- Lectures/speakers

Example: Chinese businesspeople who have experienced cultural conflicts with Americans.

Example: American businesspeople who have lived in China and have experienced cultural conflicts with Chinese.

Example: Cultural anthropologists who can provide culture-general and culture-specific information in conducting business in China.

- Session 4

- Question & answer period

Please see appendix I for the full texts of the training materials listed above.

For all audiences, written materials which the participant can review at a later time are of incredible importance. Learning cultural norms can sometimes be overwhelming, which is why it is vital to have the training materials in a written format, such as a handbook. A handbook can be reviewed from time to time when the participant needs a short refresher course. An electric version of the handbook, including both CD-ROM and website availability, can be extremely beneficial to the business person who has recently arrived in the host country and who may need a refresher course in intercultural business dealings. As new tips and cultural information surfaces, a quick update of the website will provide immediate resource information. In addition to the written materials provided, access to cultural experts

can be vital in providing quick answers to cultural questions. Such cultural experts may be on staff with the firm in the home or the host country, or may be associated with an outside training firm. In either case, the accessibility of the expert is crucial in acquiring cultural competency.

### Conclusions

Intercultural training can take many forms. From the very unsatisfactory and potentially dangerous "jumping in" and "sink or swim" concepts to the formalized training sessions, many firms should be investigating the best method of training for their employees and how the results play out in real intercultural dealings. This means that these firms need to analyze the specific cultural and business challenges of a new culture before business deals commence.

Yet, no matter how strong the emphasis is on intercultural training, there will always be the employee who scoffs at role plays or simulation games, or who is unable to see the need for formalized cross-cultural training. For such employees, emphasis needs to first be placed on the simple cultural mistakes that are made in everyday life, which can be accomplished during the

lecture-style cultural assimilators and critical incidents. The idea is that everyday examples may reveal the power of cultural interactions, and the employee may then have the self-motivation to improve their intercultural skills. The numerous books written on the subject, as well as the important critical incidents, can provide ample information for the self-motivated.

The increasing demand for American business knowledge in China has undoubtedly prompted an array of Chinese businesses to embark on their own intercultural training. Questions to ponder are these:

- With the globalization of China, will the influence of Western culture eventually affect the Chinese business culture?
- Will there eventually be a homogenous business culture worldwide, and which cultural influence will lead the way?

There is the desire to be on an even playing field, and although this is not always a reality, there are greater chances for success if everyone strives for such a relationship. People engaged in extensive intercultural contact have to adjust their thinking and behavior; they are faced with challenges to their pre-existing knowledge

and prejudices, they find certain behaviors offensive when judged according to their own systems, and they cannot accomplish tasks in familiar ways.

Cultural competency is the ability of an individual to acknowledge and respect cultural differences. The most effective programs help leaders strive for this depth of understanding. Therefore, the issue now is not whether to provide intercultural training, because it has proven its worth, but which approach to use. Whether an organization promotes self-study, provides in-house training, or hires outside consultants, the need for cross-cultural competence has become increasingly essential for managers in multinational companies.

As U.S. organizations continue to explore overseas business opportunities, they will be challenged to adapt to the new market's local characteristics, legislation, fiscal administration, and cultural system. Thus, international managers must learn how to build the skills, sensitivity, and cultural awareness needed to establish and sustain management effectiveness across cultural borders.

As we enter the 21st century, China is widening its doors to the rest of the world. For example, China has

recently joined the World Trade Organization and will be host to the 2008 Olympic Games. Such global involvements on the part of China are new, exciting, fresh, and offer the rest of the world a variety of opportunities in exploring new business ventures. If a company wants to remain competitive in this global market, then it must consider doing business with China.

This project emphasizes the impact that culture has on international business dealings and the importance of intercultural training methods in the corporate environment. Today's evolutionary business environment requires proficiency in cross-cultural competencies for all globally-minded business people. Cultivating a culturally sensitive workforce can be an immense challenge. Thus, the need for successful methods of cultural training, which include cultural awareness and sensitivity, is of the utmost importance for successful international business.

As the author has herself gained incredible insight as a result of conducting the research, the reader now has an encapsulated view of various intercultural training methods, as well as the significance of understanding cultural implications on business dealings. In addition,

sample training methods, which incorporate many of the training methods introduced in the project, provide the reader with an immediate source of intercultural training models. These models have the flexibility to grow and adapt to a particular training session, depending on the audience, the target culture, the type of business conducted, and the time available for training. The models in this project provide a foundation on which successful corporate training modules can be built. As long as firms continue to realize the necessity for training while respecting the importance of cultural sensitivity, the global business environment will flourish.

### Professional titles

Director of a government bureau  
*juzhang* (joo-chahng)

Director of a government department  
*sizhang* (suh-chahng)

Director of a sub-department  
*chuzhang* (choo-chahng)

Section head  
*kezhang* (kuh-chahng)

Minister  
*buzhang* (boo-chahng)

Vice Minister  
*fu buzhang* (foo boo-chahng)

Governor  
*shengzhang* (shung-chahng)

Mayor  
*shizhang* (shur-chahng)

Director (factory manager)  
*changzhang* (chang-chahng)

General manager  
*zong jingli* (chong jing-lee)

Manager  
*jingli* (jing-lee)

Chief engineer  
*zong gongchengshi* (chong gong-chung-shur)

Engineer  
*gongchengshi* (gong-chung-shur)

Shop foreman  
*chejian zhuren* (chuh-jee-enn chu-ren)

Department head (university)  
*xi shuren* (she shu-ren)

Professor  
*jiaoshou* (jee-ow-sho-ou)

Teacher  
*laoshi* (lah-oh-she)

Medical doctor  
*yisheng* (eee-shung)

Source: DeMente, B. L. (2002, April). Asian business  
codewords: the importance of titles. Retrieved  
January 17, 1002, from  
<http://www.apmforum.com/columns/boye48.htm>

APPENDIX B

FACTORS BEHIND GLOBALIZATION

## Factors Behind Globalization

---

<b>Competition</b>	Open trading systems and regional trading groups
	Collaborative structures: acquisitions, mergers, and other strategic alliances.
	New levels of productivity and cost-effectiveness in many nations
<b>Customers</b>	Demand for immediate availability of consistent, high-quality goods
	Expectation of worldwide customer services and support
	Use of alternative, time-saving distribution channels
<b>Governments</b>	Trade policies, including licensing and import/export regulations
	Tariffs, quotas, export subsidies
	Local content requirements, marketing and advertising laws, product claim regulations
	Investments in technological structures
	Intellectual property rights protection laws
<b>Technology</b>	Greater interdependence of economics
	Basis of competition changed
	Consumer's voice increased
	Product development cycles altered
	Work accomplished differently
<b>Markets</b>	Emerging markets with new opportunities and challenges
	Soft markets forcing rethinking of forecasts and strategies
	Domestic market saturation forcing development of new markets

---

Source: Walker, D., Walker, T., & Schmitz, J. (2003). Doing business internationally. New York: McGraw-Hill.

APPENDIX C  
CULTURAL ILLITERACIES

## Cultural Illiteracies

- McDonald's took thirteen months to realize that Hindus in India don't eat beef. When it started making hamburgers out of lamb, sales flourished. Today it serves beer in Germany, wine in France, and kosher beef just outside Jerusalem.
- In Africa, companies show pictures of what's inside bottles so that illiterate customers know what they're getting. When a baby food company showed a picture of a child on its label, little wonder the product didn't sell very well.
- An American television ad for deodorant depicted an octopus putting antiperspirant under each arm. When the ad flopped in Japan, the producers realized that octopuses don't have arms there, they have legs.
- An American firm sent an elaborate business proposal to Saudi Arabia bound in pigskin to dramatize the presentation. Since pigs are considered unclean by Muslims, the proposal was never opened.

Rosen, R., Digh, P., Singer, M., & Phillips, C. (2000).

Global Literacies. New York: Simon & Schuster.

APPENDIX D  
CULTURAL INCIDENTS EXAMPLE

## "Finding an Interested Buyer"

George Gorski was excited to be in the People's Republic of China. This was his first visit, and he was interested in learning more about the culture and in making several contacts at the trade show. The opportunity to do business in China seemed like a real possibility. George had been very successful in his business dealings in the United States. He prided himself on the ability to "get things moving."

His first day at the trade show in Beijing had gone well. He was able to look around at the various displays of sporting equipment and get some idea of who he might approach. He was sure his products, tennis racquets with an unusual new design, would raise some eyebrows. On the second day, he approached the company that he felt would be most responsive to his products and introduced himself to the general manager, a Mr. Li. Since he had read that the Chinese find getting down to business immediately too abrupt and rude, he began a casual conversation, eventually leading up to the topic of his products and suggesting how Mr. Li's company might benefit from using them. George then suggested that he arrange to get

together with Mr. Li and provide more specifics and documentation on his products.

Mr. Li responded in fairly good English, "That would be interesting."

George felt a tremor of excitement as his mind reviewed the possibilities. Knowing that he had only a few days left in Beijing, George wanted to nail down a time. "When can we meet?" asked George.

"Ahh. This week is very busy," replied Mr. Li.

"It sure is," said George. "How about tomorrow morning?"

"Tomorrow?" queried Mr. Li. "If I have time, it would be good."

"It will only take about half an hour. How about ten o'clock? Meet you here."

"Tomorrow at ten o'clock?" asked Mr. Li, thoughtfully.

"Right," George said, "I'll see you then?"

"Hmm, yes; why don't you come by tomorrow."

"Okay," George responded, "It was nice meeting you."

George was anxious to see what would happen with Mr. Li. As ten o'clock rolled around, he approached Mr. Li's company's exhibit only to find that Mr. Li had some

important business and was not able to meet with him.

George called later that day and was told that Mr. Li was not available. Frustrated, George returned to his room for the evening.

What culturally based explanation might there be for this incident?

1. Mr. Li had very important business matters to attend to and was therefore unable to meet with George.
2. Relative to Hong Kong and Singapore, many businesspeople in the PRC are not very dependable about keeping their appointments.
3. Mr. Li was probably not interested in the products that George was introducing.
4. George failed to identify the one element in Mr. Li's behavior that showed interest.
5. George would have had a greater chance of success had he first developed a stronger relationship of trust.

Explanations for "Finding an Interested Buyer" begin on the next page.

## Explanation for the Incident "Finding an Interested Buyer"

1. This could be an explanation for what happened.

However, there is not enough information provided to support this choice. Had he truly been interested and then unexpectedly detained by important business matters, it is most likely that Mr. Li would have left additional instructions suggesting a new time to meet or a method of contact. There is a much more likely alternative.

2. This is an inaccurate generalization. Although time concepts vary across national borders, businesspeople in China are generally just as dependable as are those in the United States. Dependability is considered a virtue in Chinese society. If Mr. Li believed that he had set a firm appointment with George, he would have been at the appointed place, and he would have been on time.

3. This is the best answer. There are two important cultural aspects at work in this interaction. The first is the issue of directness. In many situations where Americans tend to prefer directness, the Chinese are usually more comfortable with

indirectness and ambiguity. The second is the concept of "face." Having face means that one is in good standing with others vis-à-vis his or her obligations to peers, subordinates, and superiors and is maintaining harmony in society as a whole. It is important to preserve one's face and, as much as possible, the face of others. A Chinese person would have recognized that Mr. Li was clearly not interested in George's products at all. He had indicated his lack of interest by saying that he was busy. Yet, George failed to pick up the signal. Instead of saying "I am not interested" directly, Mr. Li chose a more polite way, according to Chinese cultural norms, to convey this message to George. Mr. Li did not want to tell George "no" directly and cause George to lose face (because his products were rejected). By failing to set a definite time for a follow-up meeting and by only half-agreeing to the specifics that George was pressing on him, Mr. Li was saying, in no uncertain terms, that he was not interested in pursuing the matter. George didn't have the cultural sensitivity to interpret Mr. Li's response correctly.

4. This is not a good explanation. Mr. Li didn't show any element of interest in the incident. George was the one who showed a lot of enthusiasm.
5. This is a true statement. However, it doesn't apply to the situation described in the incident. This was a trade show, where companies could establish initial contacts and introduce new products. Therefore, George really had no chance to develop a trusting relationship with Mr. Li, who was obviously not impressed by George's initial approach.

Wang, M. M., Brislin, R. W., Wang, W. Z., Williams, D., & Chao, J. H. (2000). Turning bricks into jade. Yarmouth, MN: Intercultural Press.

## APPENDIX E

### SAMPLE TRAINING MODULE FOR A LARGE AUDIENCE

## "Please Repeat"

The following example is an episode from an ICS for Americans who are learning about the culture of Hispanics or Latin Americans:

Miss Kelly is teaching her class about American history. She is about to tell her students something very important and she says to them, "Now, I am only going to explain this once, so please pay attention." However, after she has finished the explanation, Amparo asks Miss Kelly if she would repeat what she said. Miss Kelly becomes angry and says, "I told you I would only explain it once. You should have listened." Why did Amparo ask Miss Kelly to repeat what she had said?

Amparo asked Miss Kelly to repeat because:

*Choose the alternative preferred by Hispanics more than by Anglo-Americans (page numbers cited are samples):*

1. Amparo was not paying close attention.  
Go to page 82.
2. Amparo wanted to be sure she had understood what the teacher had said.  
Go to page 83.
3. Amparo thought that it would be good for the class if Miss Kelly repeated important ideas at least twice.  
Go to page 84.
4. Amparo was a slow learner.  
Go to page 85.

*If the trainee selects number one as the preferred alternative and turns to page 82, he or she will find the following explanation, derived largely from my research on Hispanic-Anglo interactions with Hispanic and Anglo-American teachers and pupils:*

You have chosen number 1 which says:

Amparo asked Miss Kelly to repeat because Amparo was not paying close attention.

Although this is certainly possible in this situation,

this alternative was not chosen by Hispanics more frequently than by Anglo-Americans. In fact the opposite occurred: Anglo-American teachers and students preferred it more than the Hispanics in our sample.

Go back to the story (page 81) and try to select the alternative that Hispanics preferred more than Anglo-Americans.

*If the trainee selects number two, he or she will turn to page 83 and will find the following:*

You have chosen number 2 which says:

*Amparo asked Miss Kelly to repeat because Amparo wanted to be sure she had understood what the teacher had said.*

This interpretation seemed to make a lot of sense to most of our respondents. It was the most frequently chosen interpretation by both Anglo-Americans and Hispanics. (In fact, it was most frequently chosen by teachers from both cultures.) Since people from both cultures preferred it, however, it does not differentiate between the two cultures. There is another alternative which does and which the Hispanics preferred more than the Anglo-Americans. Can you identify it?

Go back to page 81 .

*Trainees who select number three will turn to page 84 and find:*

You have chosen number 3 which says:

*Amparo asked Miss Kelly to repeat because Amparo thought it would be good for the class if Miss Kelly repeated important ideas at least twice.*

Very good! This is the alternative which was chosen more frequently by Hispanic teachers and Hispanic pupils than by Anglo-American teachers and pupils. Two possible cultural themes run through this interpretation; one is an interest in the collective good. There are a number of research findings which point to a greater amount of cooperation among Hispanics and relatively more competition among Anglo-Americans. (Some studies have

shown that Anglo-American children are so used to competing that they may adopt a competitive strategy even in situations where they will lose by doing so. Hispanic children, on the other hand, tend to show the opposite tendency: namely, to cooperate even when, at times, this may not be the optimal strategy.) There are probably many reasons for, and correlates of, this cooperativeness. For example, it may be related to the fact that many Hispanics have grown up in large extended families, where the collective good may be viewed as relatively more important than individual gain. In the story we are considering, the cooperative orientation was expressed by Amparo's desire to have everyone in the class benefit, not just herself.

The second cultural theme is the importance of repetition. In a culture where many standards (of behavior, of information) are strict, repetition ensures better learning of those standards.

Go to page 86 (next story).

*Trainees who select number four will find the following on page 85:*

You have chosen number 4 which says:

*Amparo asked Miss Kelly to repeat because Amparo was a slow learner.*

It is interesting that relatively more students (both Hispanic and Anglo) than teachers chose this interpretation. In spite of this, it was not a preferred alternative for either Hispanics or Anglo-Americans. Please make another choice.

Go back to page 81 .

Although the above example is culture-specific, ICSs can also be culture-general. The original intention was to make the ICS culture-specific and to tailor it to the needs of the particular group. For example, when young Americans were going to Honduras to work in health-care clinics as volunteers, an ICS was developed for them using stories which depicted situations in clinics in Honduras. But culture permeates all aspects of life, and usually persons from one culture have to deal with those from

another culture in a variety of settings. Consequently, general aspects of the particular culture as well as aspects which are specific to that setting are incorporated into the episodes of an ICS. A culture-general ICS which does not focus on any particular culture has been developed by Richard Brislin and associates and is discussed in a separate chapter in this volume. The culture-specific and culture-general ICSs have somewhat different goals, but are complementary and may be used together.

Fowler, S., & Mumford, M. (1995). Intercultural

Sourcebook: Cross-Cultural Training Methods. Maine:

Intercultural Press, Inc

## "Too Much Red Tape"

Eric Dempski had recently established his first shop in China, in Guangzhou, and was optimistic about the prospects for his business, which would be making American-style cookies. He had been successful with several stores in Hong Kong and felt that his operations would prosper in a Chinese market, where economic reform was booming.

Although he had heard much about the red tape involved in doing business in China, he felt he could handle it. Indeed, he had relatively little difficulty in establishing his first shop after several weeks of completing paperwork, and he was open for business sooner than he had thought possible. The local bureaucrats with whom he dealt had seemed favorably impressed when he had indicated his desire to use local workers and even train local managers. His business was quite successful his first few months; people were eager to try Eric's unique product. Soon, a Tianbing Western Cookies shop owned by local businessmen opened, providing products and service similar to Eric's cookie shop and, hence, competition. It was time to expand the business. Eric felt there was enough demand for his cookies to open another shop in the city and wanted to get a jump on his new competition.

In order to expand the business, Eric needed to apply for additional building permits and so forth. He also needed to arrange for additional suppliers of the various ingredients used to make his cookies. To his dismay, however, Eric found that as he began applying for the necessary permits with the local government agencies, he was met with responses such as "We've never encountered this request" or "This procedure requires additional information." After several rounds of trying to obtain the permits, Eric became increasingly frustrated. After all, he had been successful in acquiring the permits to open his first shop. Moreover, his attempts to secure additional supply channels were as yet unfruitful. It seemed that all suppliers were "already at full capacity" or "unsure of future resources." What really amazed Eric was that Tianbing Cookies was announcing the opening of several shops around town. Eric thought that was particularly odd, considering that the owners of Tianbing Cookies had worked through the same government agency that he had.

What Chinese cultural concept will help Eric understand

the cause of his frustration?

1. Eric did not work hard enough to compete with the local businessmen. In China hard work is very important, and Eric would have had to work vigorously to compete.

2. In China there is a cultural bias against foreigners and their products, especially foods. Because he is a foreigner, Eric's business suffered.

3. Eric had not cultivated the proper connections to survive the bureaucratic maze and succeed in business dealings.

4. It is not necessarily unethical for Chinese officials to accept bribes. Eric needed only to offer the right incentives to the authorities.

5. Because of the Chinese concept of harmony, it was a breach of etiquette for Eric to apply for expansion without first negotiating with the competition.

Explanations for "Too Much Red Tape" begin in the following section.

#### *Explanations for "Too Much Red Tape"*

1. This is not a very good explanation. Though hard work is, of course, important for success in China as elsewhere, working harder wouldn't have helped Eric with his problem much at all. There is a better explanation.

2. This statement is simply not true. With growing purchasing power, people tend to buy more foreign-made products, which are generally believed to be of better quality. Actually, many Chinese people brag about the foreign products they own or use. Foreign products have become indicators of wealth or of a fashionable cosmopolitan lifestyle. When China's first Western fast-

food restaurant, Kentucky Fried Chicken, opened in 1987, people waited forty-five minutes or more to order food. Western food is very trendy in China, and consuming it is considered a sign of increasing socioeconomic status, as more and more Chinese move into the middle class. Therefore, it is not true that there is a cultural bias against foreigners and their products.

3. This is the best answer. Connections are a very important instrument in doing business in China successfully. Without proper connections, you may never be able to get things done. If you don't know which government officials to contact, it might take you years and years to get all the stamps you need to start a new business. If you don't have proper connections, you may never be able to get electricity or the utilities or your new business. This is the problem Eric had in the incident. Apparently, when Eric applied the first time, there was no local competition, and the relevant bureaucrats felt there was nothing to gain by withholding permits and licenses from him. When another person, with better *guanxi* (connections), came on the scene, however, they had much to gain by giving the advantage to the person with the *guanxi* (Tsang 1998).

Why are *guanxi* so important in China? First, they reflect the collectivist nature of Chinese society. People cultivate connections within and among groups to obtain a sense of belonging. Second, *guanxi* also give people a sense of security. In the absence of a legal system that promotes everyone's interests equally, security comes from a sense of trust and a long history among those who do business with one another (Luo and Chen 1996).

To succeed in business, or anything else in China, you must invest considerable amounts of time and effort cultivating *guanxi* with the appropriate officials. Sometimes you can have *guanxi* with a lot of people but not with a major decision maker, and consequently, nothing gets done. Different situations and circumstances dictate making effective use of different branches of one's *guanxi* network. In this case, Eric didn't have the necessary connections with the government officials and the local suppliers. Tianbing Cookies had no other competitive advantage except for good connections.

4. This is not the best answer, though there is some truth to it. Corruption has been of great concern to the Chinese for years. Anger about the corruption of public officials was one of the main rallying points during the 1989 demonstrations in TianAnMen Square.

There is quite an extensive vocabulary to describe the various aspects of corruption; examples are *laguanxi* (draw connections) and *zou hou men* (go in through the back door). The Chinese government has attempted to curb bribery of officials with a number of different measures but with only limited success.

Bribery has become so prevalent that it is now perhaps the biggest barrier to efficient allocation of economic resources and to further economic development. However, the Chinese never consider it ethical to accept bribes. Such corrupt practices exist because of ineffective law enforcement and numerous historical reasons. Our validation sample supported this alternative, perhaps because bribery is so widespread and is practiced by so many government officials that it appears to outsiders to be more acceptable than it is. Even people within a culture do not necessarily feel that all practices within their culture are ethical. It is probably true that Eric could have solved his problems with some well-placed bribes, but he would have created other, potentially more serious problems. Offering a bribe to the wrong official or at the wrong time could have serious negative consequences.

5. This is stretching the concept of group harmony much further than it can realistically go. With the introduction of a market economy, concepts such as competition are widely accepted in Chinese society. There might be different rules for competition, since the competitors will play the "game" by the rules of their own culture, but competition itself is certainly acceptable.

Wang, M. M., Brislin, R. W., Wang, W. Z., Williams, D., &

Chao, J. H. (2000). Turning bricks into jade.

Yarmouth, MN: Intercultural Press

## "Fair Price?"

Ken Kopp, an American importer, successfully negotiated a contract with Zhen Jian Garment Factory in southern Jiangsu Province to purchase forty-six thousand winter coats in three months. The first two months went very smoothly. Ken was satisfied with everything, from quality control to prompt shipping; he was even more surprised with the speed of production. One summer afternoon he decided to drive down from his headquarters in a large hotel in a nearby city to inspect some of the factory's workshops. He was pleased to find himself cordially greeted by every worker he met. Through his interpreter he readily told some inquisitive Chinese workers that he was paying their company ten dollars for each coat, which he would then sell for two hundred dollars in the United States. The following week the American manager unexpectedly noticed a sharp decline in the quality of the garments at the packing department. He immediately raised his concern with the Chinese manager and tightened quality inspection. Nothing seemed to help. The pile of rejected coats just kept growing to the point that it was impossible to finish the contract in time.

What went wrong?

1. Forty-six thousand garments in three months was simply too much for a normal Chinese manufacturer. Mr. Kopp was unrealistically ambitious to expect trouble-free business with the Chinese. He should have started with small contracts to learn about the business environment before tackling larger projects.

2. Mr. Kopp shouldn't have visited the workshops, since the Chinese make a clear distinction between someone "in the group" and someone "outside the group." By going there, Mr. Kopp broke the code of conduct that determined his relationship with the workers, who in turn turned out shoddy garments to punish the outsider.

3. Mr. Kopp shouldn't have revealed the selling price of the garment. By doing so he suggested to the Chinese workers that he was making a huge profit, which the workers perceived as Western exploitation.

4. Chinese workers are very accustomed to hierarchical company structure in which they readily take orders and demands from serious and authoritative managers. Once they found out that Mr. Kopp was so easygoing, they felt the pressure to work hard had been removed and assumed that he might well forgive mistakes in their work.

Explanations for "Fair Price?" begin in the following section.

*Explanations of "Fair Price?"*

1. This may be true in general, but it is not a sufficient explanation for the situation in question. Chinese companies have been known to agree to contracts that promise more than they can deliver, simply to land a contract or because they *hope* that they can meet the production deadlines. However, in this case, the factory had been producing the product on schedule for two months. There is no reason to believe that they were suddenly unable to do so.

2. This is not a good answer. Chinese culture is not so different from American culture that inspecting the factory that is putting out one's product is strange or inappropriate. On the contrary, if an importer never visited the shop floor, the workers might suspect that he didn't care what they did, and quality might suffer.

3. This is the most likely explanation. Westerners and Chinese perceive profit differently. Free enterprise is a relatively new concept to many mainland Chinese workers, and the difference between what their company was paid and the final price of the product horrified them. They were unlikely to understand that in addition to paying their factory for the production of the garments, Mr. Kopp's company needed to pay for the materials used in the garments, shipping to the United States, advertising, and so on. For very good historical reasons, the Chinese fear exploitation at the hands of Western capitalists, and they are suspicious when Western investors make profits, even though they know that is why they have come to China in

the first place (Gao 1993; Tomlinson 1999). The workers in this incident were completely demoralized to learn that the garments they were making were being sold for a sum equivalent to several months' salary for each of them. Ken was unwise to assume that Chinese factory workers would understand the other expenses involved in import trade. The workers undoubtedly felt that they were being taken advantage of, and the quality of their work suffered as a result. Without realizing it, Mr. Kopp also intimated the difference in wealth between the United States and China by indirectly suggesting that many Americans would be able to afford the coats.

How could Ken have answered the workers' question without getting himself into trouble? Of course he could have refused to answer at all, but that might have aroused the workers' suspicions. He could have saved the workers' face-and gotten his coats on schedule-if he had answered with Chinese indirection, "I think Americans will be willing to pay a lot for these well-made coats." This answer, while true, compliments the workers while avoiding anything specific which would give them cause to feel taken advantage of.

4. It's true that Chinese workers are accustomed to a hierarchical company structure and to taking orders and meeting the demands of authoritative managers. However, this is not a hard-and-fast rule, and an authoritarian manner is not by any means considered an indispensable quality in a Chinese manager. In addition, there is no indication that Mr. Kopp's friendly manner was relevant to the present discussion. Chinese people expect foreigners to be different from them, and they would not be likely to take an American visitor's jovial attitude on the factory floor as indication that he or she did not expect to continue receiving high quality goods. There is a better answer.

Wang, M. M., Brislin, R. W., Wang, W. Z., Williams, D., &

Chao, J. H. (2000). Turning bricks into jade.

Yarmouth, MN: Intercultural Press.

## APPENDIX F

### SAMPLE TRAINING MODULE FOR A SMALL AUDIENCE

## "Learning to Fit In"

*Here is what one student wrote:*

My critical incident took place in the most ordinary of places - at the dry cleaner's just around the corner from my host family. After wearing my corduroy jacket almost daily for several weeks, I realized that I needed to get it cleaned, and my host mother told me where to go.

I went into the small establishment and dropped off the jacket, asking to have it back as soon as possible because I needed to wear it to stay warm as the autumn days became chillier. The attendant promised me it would be ready the next day.

Following school the next day, I stopped in on my way home to pick up my jacket. It was ready and quickly was folded and wrapped up for me in paper, a different procedure from what I was used to in the U.S., where I'd get it back on a hanger. "This is a different system," I thought, "but it has its advantages: no waste of hangers going back and forth as we have back home." I was feeling accomplished in my observational skills and ability to see the pros and cons of a small difference across cultures.

As I was about to leave, she held up her hand, asking me to wait, she'd forgotten something. She opened a drawer under the counter and pulled out a small, sealed envelope. "Voila vos boutons"-here are your buttons! Totally mystified, I opened the envelope to discover the six braided leather buttons that used to be on my jacket.

"You must have forgotten to remove them before bringing them in, monsieur," she explained. "Fortunately, we noticed that before your jacket went into the machine."

My earlier confidence about how attuned I was to small everyday subtleties seemed to vanish. This lady cut the buttons off my jacket and now she's just giving them back to me to deal with. What kind of service is that?

My anger about what had been done wrong paralyzed my abilities to explain in French what was bothering me. For about half a minute I sputtered something, not feeling I could explain myself clearly. Meanwhile, the person in the back who had done me the good deed of removing the buttons was brought out to explain to me again how lucky I was that she'd caught it and lectured me on the fact that I should think about doing this beforehand next time,

because sometimes there is too much dry cleaning to allow them to double-check such things.

Defeated, I left the shop and walked around the block three times before I could go back home and face my host mother. I headed in, greeting her as she was going out to run errands, and went into my room to sit and suffer my defeat in peace.

An hour later, my host mother came back, knocking on my door. "I hear you might need some help with sewing on some buttons," she said to me with a gentle smile. As it turned out, the dry cleaner was on her errand list, and the owner had related my performance to her. We had a little chat about it and I learned all about how careful one must be with leather goods sent to the dry cleaner-that the owner was right that I should have thought to remove those buttons. At that point, it seemed useless to try to explain that I'd sent that jacket to a dry cleaner's half a dozen times back home and that I'd never taken off the buttons then, and they seemed to have survived....

Ultimately I realized that my first observation about a cultural difference-folding the jacket up in paper, saving on hangers was a "safe" insight I'd been able to make based on what I'd learned through my cross-cultural orientation. But that was external-I wasn't really involved and didn't have much to lose one way or the other. After I'd thought over the rest of the situation, I realized that, yes, I was really involved here as a person and that I had to be ready to have others assume that my actions were possibly as erroneous (despite being based on my own safe assumptions about "how things are" back home) as those that I was criticizing as the outsider.

### Procedure

At the reentry weekend, the workshop leader takes the following steps to facilitate discussion of the incident:

Introduction: The leader begins with a short introduction, including observations such as:

\*All of you experienced certain incidents during your summer or year overseas that, upon reflection, were very important.

\*These were situations which helped you better understand

or appreciate the cross-cultural experience.

\*Perhaps there was an experience that demonstrated to you the variety of ways in which we can communicate or an uncomfortable situation that vividly showed your lack of understanding of the host culture.

\*By becoming more aware of the cross-cultural issues you have faced, you can now begin to identify the skills you developed to deal with those issues.

Personal example: The leader can begin with a personal critical incident (sample follows) in order to set the tone for discussion and provide a model for presentation. The incident itself should be short (no more than three minutes to relate).

I have always been a night person. I enjoy staying up late and talking with friends, and relish having the quiet peacefulness of the night to myself. I prefer sleeping in late in the morning.

Soon after I settled in with my host family, I went out one night with friends I'd met through my family there, and came home at about 10:00 P.M., relatively late for a small town over there, but usually about the hour I would begin to sit down to study back home.

Once I'd settled in at my desk in my room to study and write letters, the hours passed by quickly, though I had no concept of the time. Just as I was re-reading a long letter I'd written, I heard some stirring noises in the hallway, and suddenly, with a loud click all of the lights went out!

I was in total darkness, confused, unprepared, trying to understand why they would be so cruel as to turn the lights out that way-just to conserve electricity?! The next day, my host mother explained to me what had happened-that my host father had awakened in the night, saw the light under my door, and assumed I'd fallen asleep without turning off the lights. In order to be "correct" he decided to cut off all the lights in the apartment rather than look in on me.

I was apologetic, explaining I was awake but had just lost track of time, and I promised it wouldn't happen again, thinking with dread that I'd be sacrificing my hours of solitude.

This incident made me realize that I would have to change my hours and habits to comply with those of my host

family. My commitment to being a part of the family and pleasing them helped me to adjust to their way of living, even if it meant giving up something I enjoy very much. This sacrifice helped me understand more about myself, my values, my habits and how they differ from those of my new family.

Discussion issues. List the following issues on newsprint to use as a guide during the discussion of the incident:

1. What I learned from the incident: about myself, my host country, and the United States
2. How I dealt with the situation
3. How I could have dealt with it
4. What cross-cultural skills resulted from the experience

Group work: Now ask the students to form small groups. Instruct the groups as follows:

First choose a recorder who will take notes on your discussion. You will each be able to share your own incident and discuss it with the other group members, using the four questions shown on the newsprint. The recorder should keep track of the major issues and skills mentioned, in order to report them to the full group when we come back together.

Then choose a group leader. Group leaders should monitor the clock so that each student has time to recount his or her incident. They should also encourage all group members to participate in the discussion, drawing out various points of view and individual differences. Leaders should help the group focus and summarize their discussion so the recorder can spot the major issues and skills to be reported.

Report: All the groups reassemble and recorders report on their discussions. Closure: In summary, the leader should emphasize the importance of what students have learned, highlight the skills they have developed, and reiterate the fact that these skills can be valuable assets in the future.

### Reflections on Using This Method

Alumni of the exchange program from the past three years are invited to participate in the reentry orientation. The reporting out of the exercise allows older alumni an opportunity to reflect again on their experiences and to provide to the discussion the kind of insight that comes from distance, while the newer returnee brings a fresh, immediate view. When incidents are read at the reentry orientation, the insights of one student often trigger similar or related ones for others. It is not unusual to find that a small detail of one person's experience throws light on unnoticed aspects of other students' experiences, which then can be identified and analyzed as critical points of learning.

The facilitator performs an interesting role in this exercise-staying out of the way of participants' learning but making sure that it occurs. The participants provide the content for the workshop and have a lot to learn from each other. However, without a skilled facilitator, important insights might be missed, and the full value of the overseas experience might not be realized.

Fowler, S., & Mumford, M. (1995). Intercultural

Sourcebook: Cross-Cultural Training Methods. Maine:

Intercultural Press, Inc

"In the Eyes of Whom?"

"I chose to join the Bradshaw Construction Company because of its forward-looking policies," Jeff Monahan told Chu Jin on the way to town from the airport. The executives at Bradshaw had asked Chu Jin, from Beijing, to spend about six months with the company in the hopes of eventually developing joint ventures in large construction projects in China. Jeff was aware that Bradshaw was borrowing a page from the postwar "Japanese economic miracle." Many companies had developed successful ventures in Japan by first integrating Japanese managers into activities at the U.S. headquarters. Given their newly developed familiarity with American business practices and their new networks, the Japanese managers had been in a good position to speak favorably about the American companies once they had returned to Japan. Bradshaw was hoping the same strategy would payoff with the Chinese. In addition to hosting Chu Jin in Boston, Bradshaw Construction had sent one of its engineers, Mark Todd, to live for ten months in the northern Chinese city where Chu Jin's company had its headquarters.

Jeff and Chu Jin hit it off quickly. They each had an interest in playing competitive bridge, and both had the ranking of senior master. They played as partners and did well in local tournaments. Given this mutual interest, they developed a good relationship and felt comfortable sharing their candid thoughts.

Chu Jin learned that Bradshaw had recently donated large amounts of money to the reelection campaigns of several prominent politicians. Wanting to learn about the wide range of American business practices, he asked Jeff to explain this expenditure of money. Jeff replied that since Bradshaw had donated generously to campaign funds, the company would be looked upon more favorably when there were government construction projects on which the company might bid. "That seems corrupt to me," Chu Jin replied. "Aren't you using money to buy influence with politicians?"

"This is the way things are!" Jeff replied. "You can't be naive about such things and hope to survive in the construction business. And what's all this about corruption anyway? Our representative in China, Mark Todd, e-mailed me recently that he had to grease the palm of a so called civil servant to get his driver's license without waiting forever. If that's not corruption, what

is?"

Of the following statements, one or more summarizes reasonable generalizations that might be offered to Chu Jin and Jeff.

1. American businesspeople are more sensitive to charges that aspects of business practice are corrupt than are Chinese businesspeople.

2. Chinese businesspeople are more sensitive to charges that aspects of business practice are corrupt than are American businesspeople.

3. People in various cultures are accustomed to living with business practices that sojourners from other countries might label as corrupt.

4. In all likelihood, neither Jeff nor Chu Jin was comfortable with the business practices that were pointed out in this incident by the outsider to their culture.

Explanations for "In the Eyes Who?" begin in the following section.

*Explanations for "In the Eyes Who?"*

1. The developers of this incident are not convinced that this is true. It is certainly not true of the Americans and Chinese that we know. The businesspeople we know seem about equally thin- or thick-skinned when discussions about corruption in business practices arise. What may be true is that there are different business practices in each culture, and some of these may seem corrupt to outsiders (Francesco and Gold 1998). Sometimes (not always!) explanations of the business practices help put them in perspective and help outsiders to understand the practices from the host's viewpoint (e.g., see Textbooks for All, page 208). But to complicate the picture, thoughtful people from most cultures often admit that they wish some practices were different and did not put some individuals (e.g., those unwilling to put up money for favors) at a disadvantage. Please choose again.

2. While this might be a commonly heard stereotype, we know of no evidence that Chinese businesspeople are either

more or less sensitive to charges of corrupt business practices. We explained our position in our suggested explanation for alternative 1.

3. This is a good answer. People are accustomed to certain facts about the business world in their country and do not think very much about them (Cushner and Brislin 1996) unless confronted by a thoughtful outsider, either from another culture or another profession quite different from that of the businessperson. As in this incident, many Americans are accustomed to requests to donate money to political campaigns. They may offer an explanation like the following: "It costs a lot of money to run a campaign, especially to buy television time. American taxpayers have decided that they do not want the government to fund such campaigns, as is done in many European countries. Unless they have incredible individual wealth, how are people supposed to run their campaigns? Others have to donate money to see that their candidates get elected. But once they are elected, it is reasonable to expect that the politicians will look out for those that helped them get into office. They will want to reward their mends, as long as the mends (e.g., construction companies desiring government contracts) are capable of getting the work done. Who are the politicians supposed to reward? Their enemies?!"

What explanation might be offered for the example of corrupt behavior suggested for China? Chu Jin might suggest the following: "My guess is that Mark Todd thought that he could get his driver's license right away, within a few days at most. In China, however, bureaucracies move slowly and the clerks are overworked. If Mark Todd had been willing to wait the normal three months or so, like all Chinese have to do, then he would not have had to pay anything. But since he wanted special service, perhaps requiring a clerk to work beyond normal hours, he was expected to pay some money. Incidentally, an individual Chinese person in a hurry would also be expected to pay." In addition to this alternative, there is another good choice.

4. We believe that this alternative captures a fact about human behavior, and we feel that it is a good choice. People are often unhappy with aspects of their culture but have learned to live with them. In the two examples of

questionable business practices in the incident, Jeff is probably not happy about the necessity for political contributions, but he has learned to live with the system that requires them. Chu Jin is probably not happy with complex bureaucracies necessitating delays in seemingly routine tasks, but he is accustomed to them. Sometimes, people's negative reaction to practices in other cultures is not the recognition of problems, but rather ignorance of ways of coping with and/or working around the problems (Brake, Walker, and Walker 1995). Bureaucracies can be frustrating in the United States, also, but many Americans know ways of working around them. For example, they might contact someone in the bureaucracy with whom they have a personal relationship and ask that person for help in "cutting through red tape." As another example, Americans wanting publicity for a community-service event are often dismayed, after carefully explaining the event to newspaper reporters, at the number of inaccuracies once the "information" is printed. These Americans often learn that it is best to learn how journalists write stories and to provide written press releases giving accurate information that the reporters can use with few or no modifications.

In addition to this alternative, there is another good choice. Please make another selection.

Wang, M. M., Brislin, R. W., Wang, W. Z., Williams, D.,  
& Chao, J. H. (2000). Turning bricks into jade.

Yarmouth, MN: Intercultural Press

## "The Incentive Program"

Doug Godar, a successful businessperson from Boston, was given wide latitude regarding decision making by his company's representatives back home in the head office. In Shanghai, he was able to develop a promising line of casual women's wear in collaboration with executives from a large Chinese manufacturing firm. While satisfied with the performance of about twenty midlevel managers, Doug felt that an incentive program might spur production. He began a set of meetings with managers in various offices, some of whom he had only occasionally visited in the past, since these managers were capably supervised by Chinese executives. After these meetings, he decided to introduce the type of incentive program that had worked well for him in the United States.

Doug announced that managers who demonstrated increased production within their units would be eligible for participation in a travel-study program that would take them to Europe and to the United States. When asked the reasonable question, "How many such travel opportunities would there be?" he responded by saying that there was no limit. If managers demonstrated increased productivity, they would be eligible for the travel opportunity.

After about six months, Doug reviewed production figures and found that the manager of one unit, Wen Yan Rong, had been especially effective. Doug thought that giving Wen the first travel award would be a good idea and would serve a number of functions: it would recognize Wen's hard work; it would make clear to others that the travel awards were indeed a reality and not a vague promise; and it would also give other managers a goal to work toward, since they could look at Wen's production figures and set corresponding ambitious targets for themselves.

However, after Doug made the announcement about the first award, the other managers did not seem to work harder so that they might receive the travel opportunity. Doug also heard that there was a lot of grumbling about the entire incentive program.

If Doug asked you for your reactions, what would you say to help him understand this incident?

1. International travel opportunities are not a highly valued incentive among Chinese managers.

2. Many of the Chinese managers may have believed that if one person receives an award, there is less likelihood that anyone else will receive one.

3. The Chinese do not have experience with statistics such that they can monitor unit productivity in the manner favored by Doug.

4. Programs designed to increase productivity that work well in the United States do not travel well to China.

Explanations for "The Incentive Program" begin in the following section.

#### *Explanations for "The Incentive Program"*

1. This is not the best answer. Actually, the opposite of this statement is true. Chinese managers value international travel, and if they have the opportunity for such travel, they view it with great favor. Receipt of such travel opportunities is viewed as status-enhancing. Please choose again.

2. This is a good answer. As we have discussed several times, it is always difficult to make broad generalizations. There will undoubtedly be exceptions to any statement that includes generalizations that Chinese think this way and think that way. With this caveat, we believe that it is reasonable to suggest that many Chinese think in "win-lose" terms more frequently than do many Americans. In win-lose thinking, people believe that if something good happens to one person, there is less chance of something good happening to another person. In other words, the size of the pie is fixed, and if one person gets a big piece, there will be less for the others. If person A receives a travel award or a raise or wins a lottery, there is less chance for something good to happen to person B. In this incident, then, other Chinese managers felt that since Wen Yan Rong had received the travel opportunity, the possibility that they might receive a similar benefit was reduced.

In contrast, people in some other cultures are more likely to think in terms of "win-win" situations, to

believe that there is no limit to the number of good things that can happen to people (Fukuyama 1995). The pie is not limited in size. In fact, if something good happens to one person, it can be taken as a sign that there may be benefits for others as well. Often, people are happy when good things happen to another, since they may conclude that there are lots of benefits available if they work hard to obtain them. One of our American authors remembers a conversation with a professor during his graduate school years. The professor said, "It is in my personal interest to help a colleague obtain a research grant from a prestigious funding source, even if I don't see a penny of the money. If my colleague gets a grant, that becomes a signal to others that I work at an organization where people obtain funds from prestigious sources. That reputation helps me when I apply for research grants."

How might win-win thinking work in this incident? Wen Yan Rong's colleagues would have said, "It's great that he received the travel award! This means that Doug intends to follow through on his promise, since he indicated that there will be other awards. We should look at what Wen Yan Rong did to increase productivity to obtain ideas for our own sections. The fact that Wen Yan Rong got the award is a sign that things are going well in our organization." Doug probably thought that there would be this type of positive reaction when he introduced the incentive program. However, he met with a reaction common in China: "If something good happens to someone else, there is less likelihood of something good happening to me."

3. This is not a good answer. The Chinese managers are capable of applying statistics to quality control procedures and have no more difficulty learning such procedures than do people from any other country. Please choose again.

4. This statement is true and can be used as a starting point in one's thinking. However, it is too broad to be of much specific use in analyzing this incident. Some programs aimed at increasing productivity designed in one country will work in others, and some will not. The important task is to identify why some programs will work and why others will not and whether aspects of culture are involved. One of the alternatives deals with a possible difference between many people socialized in China compared with people socialized in the United States. Please choose again.

Wang, M. M., Brislin, R. W., Wang, W. Z., Williams, D., &  
Chao, J. H. (2000). Turning bricks into jade.  
Yarmouth, MN: Intercultural Press

## "Markhall: A comparative Corporate-Culture Simulation"

The simulation *Markhall* involves two companies with different and contrasting management styles and corporate cultures. One, the Creative Card Company, is organized according to practices characteristic of large Japanese corporations. The other, the Ace Card Company, is based on American corporate models. Participants are divided in half and assigned to one or the other of the companies, where they engage in the creation, production, and marketing of greeting cards, such as Christmas, wedding, Mother's Day). In the several hours the simulation runs, the participants, playing employees of the corporations, experience any aspects of corporate life, including those related to production specifications and deadlines, changing markets, the use of new materials, reduction in capital, sales meetings, celebrations, deaths, retirements, and promotions.

The principles around which the two companies were organized are listed below:

<u>Ace Card Company</u>	<u>Creative Card Company</u>
Leader-centered decision making	Consensus or participative decision making
One-way (up or down) communication	Two-way or "all-way" communication
Short-term employment	Long-term employment
Specialized work/tasks	Non-specialized work/tasks
Segmented work/social situations	Integrated work/social situations
Individual responsibility/accountability	Collective responsibility/accountability

Since variations of both styles can be found in each country, and to minimize the possibility of inappropriate stereotyping, the company was not identified as American or Japanese. During the debriefing of the simulation, the corporate values that emerged during the simulation are discussed and participants explore which values are more

likely to be acceptable in one culture or another. Also discussed are participants' own experiences in the United States and Japan that reinforce the varieties of styles possible and used in both countries.

### *Procedures for Conducting Markhall*

#### Space and Materials

A minimum of two rooms and an adjoining hallway or other space are needed. One room needs to be large enough to hold the entire group, and a second room large enough for half of the group. Ace Card Company requires a divider screen to separate the two working units or a separate adjoining room. The hallway or other area is needed for the Buying Committee. Worktables are needed for each room. Three tables need to be reserved in the dining area if the simulation continues through lunch.

The *Markhall* materials consist of the leader's guide, multiple copies of each company's Philosophy and Operating Practices, role cards for each manager or director, and for other employees in each company. There are also role cards for members of the Buying Committee. Additionally there are instruction cards for each step in the simulation for each company, such as Marketing Target Cards, Cost Reduction Cards, Personnel Change Cards, and Rumor Cards. All cards are color-coded by company.

#### Simulation Leader, Assistants, and Staff Preparation

The simulation leader introduces and debriefs *Markhall*, keeps time, and provides the instruction cards to assistants at designated times. There should be three additional facilitators. One is assigned to each company to help employees initially understand the organization of the company, including selecting their own positions in the company, and the product specifications of the company. The two assistants working with the companies monitor the trial run and help the managers follow the company philosophy. Throughout the game they will deliver the instruction cards to the managers and keep time for the company. They do not advise or intervene unless the company is straying from its stated philosophy and policies.

A third facilitator monitors the activity of the Buying Committee and makes sure the sales representatives have

results to report back to their companies.

It is useful to have two or more observers with no responsibilities other than to move from company to company and note specifics to be used in the debriefing.

The simulation leader needs to be well versed in the entire game. An hour meeting prior to the beginning of the game is sufficient to brief assistants on the flow of the rounds; to have them read the philosophies, product specifications, and role cards for the companies; and to learn how they will receive instructions throughout the game.

#### Flow of the Simulation

The game has three major parts: the introduction, the game, and the debriefing. The introduction includes setting the climate; presenting the goals of the game; assigning people to companies; learning company philosophy, structure, and tasks to be completed; and assigning and learning roles.

The introduction may take up to 50 minutes. The game phase is 2 1/2 hours plus the optional lunch period. This phase includes a 15-minute trial run, three 35-minute rounds, lunch (up to an hour), and a 15-minute final sales meeting and celebration. An hour is the minimum recommended for the debriefing; an hour and a half is more productive.

Divide the participant group in half on a random basis. Assign half as members of the Creative Card Company and half as Ace members. They should then be assigned to their separate rooms or physically divided working space.

The following list samples events that happen during the game:

Trial Run. Companies learn to function by producing Valentine cards; members practice roles and learn to use the materials.

u. Marketing targets of Christmas and New Year's cards are announced; a promotion takes place in Ace; and employees prepare for the first sales presentation of completed cards.

Lunch. Ace has a lunch table designated for management; Creative has its weekly lunch where management and workers eat together.

Round Two. Marketing target is changed to wedding, Mother's Day, and get well cards for teachers; sales meetings take place simultaneously while new production is in progress; cost reduction must be achieved (Ace lays off

worker who is reassigned to Creative); report from sales meeting and preparation of new samples for sale.

Round Three. Sales meeting takes place while production for new marketing target begins; new materials are introduced; death of middle manager and promotion to fill position; different Rumor Cards introduced in each company.

Final Sales Meeting and Celebration. Final sales meetings proceed while each company has a celebration; final sales totals for the entire game are announced.

Since the debriefing should correspond to the goals established for each use of the game, the debriefing will vary from game to game. However, regardless of other aspects of the debriefing, allocate at least 30 minutes to exploring each company's organizational values and practices (communication channels, decision making, rewards, and the like) and strengths and weaknesses. Participants can relate these simulated management styles to ones they have experienced, further analyzing the strengths and weaknesses in actual work situations. One trainer reported, "Having had leadership jobs myself, the game helped me discover the interrelatedness of structures and policies and how these affect worker productivity and satisfaction."

Debriefing might also include the further analysis of those elements of corporate cultures that were elected to be part of the game. If appropriate for the participants, an exploration of comparative business practices can be included. Though American and Japanese styles are contrasted in the trainer notes, the American/German styles and Danish/Scandinavian styles might be compared if the game were used in Europe. Building an "ideal" organization is another potential follow-up that might be based on the debriefing.

Personal applications of information gained from participating in a simulation are always important. If the game is used for in-house training in a company, action planning for improving company systems or cultures may be added to the debriefing period. However, this would require more time, possibly adding another half day to the activity.

### Successful Uses of the Simulation

Markhall has been used in its original form and modified to fit specific needs. As noted earlier, it can be used

successfully in career development seminars with high school and college students. In these instances, the focus is on understanding different management styles and how these affect the work climate, including the effect on work-task pressures experienced and the evaluation of one's own work experiences, and the preferences one expresses when making career decisions. Likewise, it can be used to stimulate a deeper study of American and Japanese (and other) management styles. In this usage, the simulation cannot stand alone; it must include prior or follow-up reading (or both), other methods or presentations, drawing in the personal experience of the participants, and organized discussion in order to prevent the oversimplification and stereotyping of these styles.

*Markhall* has been adapted for other audiences. For example, it was used in Denmark with graduate business students to give them practical insight into how organizations function and to illustrate various dimensions of organizational culture and the effects of different management styles. In this setting, Buying Committee membership had interesting educational value itself. The Danish graduate students in business considered themselves specialists in marketing. However, when they served on the Buying Committee in the simulation, they found it does not always come naturally to apply good theories. In action, they became product-oriented instead of market-oriented, which provided for interesting debriefing.

In another situation, the different management styles embodied in the game were used to help managers of a multinational corporation understand how some of their headquarters' directives might be received and handled in branch companies in other countries.

#### Considerations for Use

Five potential challenges to the effective conduct of *Markhall* need to be considered. They are space, number of participants, number of facilitators and assistants, time, and culture.

The *space* required if a large number are participating is significant. Ideally, four separate working spaces are needed where participants cannot overhear or see what is going on in other areas.

*Fifteen participants* is the minimum number required to make the companies function (forty is the ideal maximum). Creative Card Company can run with six people but a

minimum of nine is required for the hierarchical structure of Ace. Outsiders who are not program participants can compose the Buying Committee.

The number of *facilitators* depends on the size of the group, the amount of control desired in keeping the companies true to their philosophies, and the amount of observation desired. A minimum of two, a simulation director and an assistant, can manage the game, with each helping one of the companies. With only two facilitators, however, it is more difficult to monitor how well the companies adhere to their management philosophies and to be sure the Buying Committee is making timely decisions. Less time is available to make and note valuable observations as the game progresses. A director and three assistants are the optimum staff for the simulation.

The amount of *time* required for the simulation is its biggest drawback. To play out all of the steps (with the exception of lunch) requires a minimum of four hours. A little time can be eliminated in the introduction, but less than 60 minutes of debriefing seriously jeopardizes the learning potential of the game. The dynamics introduced through the lunch scene can be modified for a shorter coffee break. Decisions to significantly reduce the playing time require dropping one round of the game or choosing to eliminate some of the aspects of corporate life introduced in the various rounds. Another possible alternative is to change the task or the product to make it possible to have something to sell or evaluate in less time.

The final challenge occurs if you use the game in a *culture* where American style greeting cards are not common. Though greeting cards are now on the market in places where they were previously unknown, the extent to which they are promoted and the events for which they are produced are not universal. This is not an insurmountable problem; it was overcome in the case cited earlier of using the game in Denmark. Examples of greeting cards were shown in the introductory portions of the game, and some of the production targets were changed to be more culturally appropriate.

## Resources

*Markhall* is available from:  
Youth for Understanding International Exchange  
Orientation and Training Services  
3501 Newark Street N.W.  
Washington, DC 20016

Fowler, S., & Mumford, M. (1995). Intercultural  
Sourcebook: Cross-Cultural Training Methods. Maine:  
Intercultural Press, Inc

## "Tag Game"

This is a short, highly participative activity. It can be used as an icebreaker or introductory exercise to encourage a group to focus on similarities and differences so they can be openly discussed. Participants wear tags of different shapes and colors and walk around silently observing each other. Then they are instructed to, still silently, form groups. After at least four rounds of forming new groups, they trade their original tags for new, very unique tags. Again they observe, but do not talk, while they decide how to form groups during four more rounds. After the game, participants usually list obvious similarities and differences among people and eventually begin to identify deeper-seated, more intangible abstract similarities and differences. They also discuss the strong attachment people have to likeness rather than diversity. In-group/out-group issues can arise from this game and be discussed. The game and debriefing can take less than one half hour.

Fowler, S., & Mumford, M. (1995). Intercultural

Sourcebook: Cross-Cultural Training Methods. Maine:

Intercultural Press, Inc

## APPENDIX G

### SAMPLE TRAINING MODULE FOR SENIOR MANAGEMENT

## "Who's in Charge?"

The president of Janice Tani's firm asked her, as chief executive of the marketing division, and her staff (three male MBAs) to set up and close an important contract with a Japanese firm. He thought his choice especially good as Janice (a Japanese American from California) knew the industry well and could also speak Japanese.

As she and her staff were being introduced, Janice noticed a quizzical look on Mr. Yamamoto's face and heard him repeat "chief executive" to his assistant in an unsure manner. After Janice had presented the merits of the strategy in Japanese, referring to notes provided by the staff, she asked Mr. Yamamoto what he thought. He responded by saying that he needed to discuss some things further with the head of her department. Janice explained that was why she was there. Smiling, Mr. Yamamoto replied that she had done an especially good job of explaining, but that he wanted to talk things over with the person in charge. Beginning to be frustrated, Janice stated that she had authority for her company. Mr. Yamamoto glanced at his assistant, still smiling, and arranged to meet with Janice at another time.

Why did Mr. Yamamoto keep asking Janice about the executive in charge?

1. He did not really believe that she was actually telling the truth about who she was.
2. He had never heard the term "executive" before and did not understand the meaning of "chief executive."
3. He had never personally dealt with a woman in Janice's position, and her language fluency caused him to think of her in another capacity.
4. He really did not like her presentation and did not want to deal with her firm.
5. He was attracted to her and wanted to meet with her alone.

Trainees then choose among the alternatives. More than one alternative can contribute to an understanding of the incident. One of the implicit assumptions behind the development of these materials is that intercultural

contact is not a collection of encounters with single perfect explanations. Often several issues are involved, and these can be captured in alternative choices. Trainees must consider all the explanations and should not be encouraged to try to focus too quickly on the "one correct explanation." In considering all the alternatives, trainees learn to analyze reasons for incorrect or inappropriate behaviors-an important intercultural skill.

For this incident, most trainees selected alternative three as their first or second choice. Alternative four also provides a good basis for discussion, with many trainees pointing out that the behavior in the incident could be an indirect way of indicating disapproval and that Americans have difficulty reading indirect behavior. For alternative three, trainees read and discussed the following:

This is a good response. Generally, in Asia, although women are found in all strata in the working world, very few (especially in Japan) are in positions where they have a great deal of authority over men. There are more cases where they would be working quite closely with someone with that authority but not possess the actual authority themselves. The fact that Janice was speaking Japanese where many of her assistants were not also added to the confusion over her role.

Fowler, S., & Mumford, M. (1995). Intercultural

Sourcebook: Cross-Cultural Training Methods. Maine:

Intercultural Press, Inc

## "What Motivates Chinese Employees?"

Robert McMahon was excited about the new venture in Dalian. With its low labor costs and rapid economic growth, China offered great prospects for the business. His company had decided to enter China as a wholly owned subsidiary of the parent telecommunications firm. Robert knew a few of the government officials in Dalian, as his company had previously exported its goods to China through the city. The company knew the venture was risky, but due to its relations with officials in Dalian, it felt the investment would be successful. Robert, it was agreed, would take the lead in management.

Robert was fairly confident in his abilities as a manager and his expertise in international business. He had also spent several recent years at the company's Asia-Pacific regional headquarters, working on exporting goods to China. He therefore kept abreast of the developing political and economic situation there. He was assertive and prided himself on being able to stay on top of things.

To start off, Robert felt it was important, despite the low labor costs, to allow for material incentives such as bonuses. He was sure the workers within the subsidiary, most of whom were Chinese, would respond wholeheartedly to his incentive scheme. He was particularly generous to the middle managers, offering monetary incentives for improved performance. He certainly had had success before with such incentive programs.

As the initial months passed, Robert sensed that things were not progressing as he had planned. Some of the workers seemed to be doing well and working hard, but many managers and several workers did not seem to be responding as enthusiastically to the bonuses as Robert had expected. He was a little confused.

What cultural aspects as applied to the Chinese business environment help explain Robert's confusion?

1. The fact that the managers were receiving "particularly generous" monetary incentives was at odds with Chinese egalitarianism.
2. Robert had not developed a proper relationship with the managers. The incentive scheme had nothing to do with the problem.

3. Chinese workers do not respond well to foreign leadership.
4. Chinese workers and managers need other incentives beyond just material rewards or compensation.
5. Chinese workers take more time to accomplish tasks due to their tendency to socialize as groups.

Explanations for "What Motivates Chinese Employees?" begin in the following section.

*Explanations for "What Motivates Chinese Employees?"*

1. Not a bad guess. One of the American authors offered this perspective: the Chinese have traditionally sought harmony within groups. One aspect of this harmony is equality and sharing among group members. The concept of egalitarianism in society was emphasized with the advent of Chinese Communism under the leadership of Mao Zedong. Recently, however, with economic reform and the disparity in economic development in the coastal versus inland provinces, the difference in income between rich and poor in China is continuing to grow. The governmental response to this is to tolerate a degree of inequality for now as the country as a whole moves toward economic prosperity. The fact that the managers received a generous bonus might not have been such a sensitive issue in the current period of reform. Whether or not this was a problem would depend on the structure of the subsidiary, the types of groups that may have evolved, and the role managers played in those groups.

One of the Chinese authors offered a different perspective: before economic reform, Chinese workers all belonged to a unit, or work group. The managers were considered role models within these units. They were expected to take care of the welfare of the workers before considering their own needs. This could be one reason that the particularly generous bonuses did not motivate the managers very well. They may not have been ready to move out of the role that they had been playing for decades. This raises a more important issue: what type of reward for good work might these managers be more accustomed to and willing to accept? Look for an alternative that

explains this.

2. While it is important to develop the proper relationship with subordinate managers, this incident does not provide enough background on the development of relationships between Robert and the middle managers to support this answer. There is a better answer, which involves cultural factors and the incentive scheme.

3. This is an inaccurate generalization. How Chinese workers respond to foreign leadership depends to a great extent upon the individual personality of the person in that role. If a particular individual is sensitive to Chinese culture in the workplace, he or she may be very well received. It is also clear that foreign managers who are unwilling to understand cultural issues or who are careless in their approach to working with Chinese workers and managers will be received rather poorly.

With the "open-door" policy, foreign investment has flooded into China. Westerners have set up representative offices, joint ventures, wholly owned subsidiaries, and other forms of investment; they have created a lot of employment opportunities for the Chinese people. Foreign organizations usually pay their employees much better than local firms do, and they purportedly give female employees more opportunities to develop their talents. Usually it is considered a privilege to work under foreign leaders. If the Chinese are not responding well to a particular foreign leader, it is personal management style, rather than nationality, that is likely to be the problem.

Another important point is that workers in foreign firms have to apply for employment; in other words, they must want to work for a foreign company and under foreign leadership.

4. This is the best answer. A number of studies have been conducted regarding the influence of cultural background on motivation schemes. There is empirical evidence showing that monetary incentives work better in individualistic cultures than in collectivistic cultures. People have different kinds of needs: (a) physiological needs such as food, drink, and health; (b) physical safety and emotional security, for example, adequate clothing, shelter, and protection against attack (including unemployment benefits, redundancy pay, and old-age pensions); (c)

affection, needs like belonging to mutually supportive groups such as family units, small work groups, and so on; (d) esteem, self-respect, and feelings of accomplishment for achievements, which must be recognized and appreciated by someone else; and (e) self-fulfillment, utilizing one's potential to the maximum by working with and for one's fellow beings.

Chinese workers have only recently been able to satisfy their survival and safety needs. What they need is affection and the sense of belonging. Therefore, sometimes non-monetary rewards such as recognition of good performance or training and development opportunities work better than purely financial incentives.

Another perspective comes from the literature that focuses on studies that are specific to China: recent studies about work motivation and reward-systems design have revealed important characteristics of the Chinese workforce. In the early 1980s several research projects in Chinese enterprises found that social needs were most important to employees. Factory workers in northern China ranked social needs (such as contributions to their own organizations and the country's modernization) highest, although material incentives were identified as important as well. Age differences and organizational position affected the kinds of rewards employees preferred. Young employees preferred technical training and having clean, comfortable, prestigious jobs. Middle-aged employees felt that bonuses were more important. For the older employees, social rewards (such as an impressive work title) appeared to be more important. There are three important implications from these studies. First, various reward programs should be designed to meet the needs of employees who are of different ages and who have different jobs and organizational positions. Second, many employees feel the intrinsic rewards, such as technical training, a satisfying job, and the opportunity to go abroad for training or business, are more important than material rewards. Third, a flexible and comprehensive multiple-rewards structure combining social rewards with material incentives is most effective at motivating the Chinese workforce.

Robert simply applied a material incentive scheme, which works rather well in the West. If he had combined material incentives with social and intrinsic rewards (depending on age and position), his approach for motivating Chinese workers and managers would have been

more successful. One of our Chinese authors comments: a one-time payment, such as a bonus, may not give the employee the sense of security that he or she values. A worker wants to know that the money is going to continue to come in. However, this author also feels that monetary incentives are catching on rapidly in the wake of economic changes. Over the past decade, one has begun to hear average Chinese workers say "You qian haD banshi," which means "If you give me money (i.e., pay me enough), I'll work for you." A pun that is in common current usage illustrates this. "Xiang qian kan" can mean either "looking at the money" or "looking forward into the future." The implication, of course, is that looking at the money is looking to the future.

Obviously the issue of how best to motivate Chinese workers is not a simple one, and the wise manager will consider his or her own situation in light of these somewhat disparate observations on Chinese culture.

5. This is not an accurate generalization about Chinese workers. There is no evidence showing that Chinese workers spend too much time socializing or that they are less efficient than workers in other countries. In fact, there is evidence (e.g., Earley's 1989 study on social loafing and collectivism) that Chinese people are more productive when working under conditions of shared responsibility than in conditions of individuality. Finally, there is nothing in this incident to suggest that these workers are socializing too much.

Wang, M. M., Brislin, R. W., Wang, W. Z., Williams, D., &

Chao, J. H. (2000). Turning bricks into jade.

Yarmouth, MN: Intercultural Press

## "Connections in China"

Over the past few months Aaron Roth had discovered that China was a very interesting place. He had made several visits to China to investigate the possibility of establishing a joint venture with a local partner, Mr. Lan. Aaron worked for a consumer electronics firm that was desirous of tapping the potential of the rising Chinese market.

During his most recent visit to China, Aaron's host, Mr. Lan, had again been very gracious, but Aaron was getting anxious to get to a clear discussion on various parameters of the possible joint venture. The first couple of days had been spent largely on sight-seeing excursions and banquets, where they had talked generally about possibilities-a tendency apparent in the several visits Aaron had made in the past months. Aaron knew that developing relationships with the Chinese took time, but he was beginning to wonder just how much time.

On the third day, they discussed more of the details and developed some alternatives that each would consider. During their visits, Aaron talked about some of the influential people in government and business that he knew. Mr. Lan hinted that perhaps it would be nice to visit Aaron's main plant in the United States, or to be introduced to some of Aaron's contacts in the United States. Aaron felt he had established a good relationship with Mr. Lan and wanted to invite him to the United States if the firm Aaron worked for decided to go ahead with the joint venture. Aaron left China with a fairly good understanding of what the options were and what Mr. Lan wanted. Mr. Lan had also given him a rather nice gift. He would weigh the factors of their discussion against other possibilities in China.

Eventually, Aaron's company decided against the joint venture in favor of other alternatives, and Aaron thanked Mr. Lan for his efforts. Several months later, he received a letter from Mr. Lan requesting a tour of Aaron's facilities and a letter of introduction to an influential senator that Aaron had mentioned to Mr. Lan on his last visit. Aaron felt that Mr. Lan's requests were rather odd. What might explain this situation?

1. Mr. Lan was being persistent about creating a joint venture. Persistence in negotiation is a common business practice in China.

2. Mr. Lan was angry that Aaron's firm had decided against the joint venture, and since he had been such a good host, Mr. Lan expected Aaron to reciprocate by hosting a trip for him to America.

3. Mr. Lan was simply interested in technology and wanted to gain all he could from Aaron's firm's operations and expertise.

4. Mr. Lan did not understand the nature of Aaron's relationship with the senator and was unaware that his request put Aaron in a difficult situation.

5. In his thinking, Mr. Lan had developed a personal relationship by hosting Aaron on several occasions and by providing a gift. Mr. Lan was simply calling on Aaron as an "old friend."

Explanations for "Connections in China" begin in the following section.

*Explanations for "Connections in China"*

1. It may be true that persistence in negotiation is a common business practice in China (Pye 1982, 1992; Fang 1999), but it is not the right explanation for this incident. Since Aaron had already made the decision to turn down the joint venture, there was no reason for Mr. Lan to be persistent.

2. This is not a good choice. In the business world, it is routine that some business deals are successful while some are not. Mr. Lan wasn't angry at Aaron just because his firm had turned down the project, because there was nothing personal involved. In turn, Aaron had no obligation to reciprocate Mr. Lan's hospitality with a trip to the United States.

3. This is not a good answer. While Chinese businesspeople are often very anxious to learn more about new technologies and will go to some lengths to get the chance to do so, there is no evidence in the incident to lead us to the conclusion that Mr. Lan had any such intentions.

4. This is not the best answer, though it has some interesting possibilities. Aaron mentioned on his trip that he knew an influential senator. A Chinese person, making the same sort of statement, would be implying that he might have some connections, guanxi) with this official that could be useful to his potential partner, should they decide to collaborate. However, such a statement made by an American should be interpreted with caution. Americans are very good at "networking." A person they know might be somebody they met at a function once, or someone they talk to fairly regularly on the phone. In this case, it is difficult for us to judge how close the relationship is between Aaron and the senator.

5. This is the best choice. This incident is a good illustration of "drawing" on interpersonal connections (guanxi.). Mr. Lan had spent time and money hosting Aaron. Banquets, excursions, and gift giving are popular ways of establishing guanxi in China. If a guest attends banquets and accepts gifts, presumably guanxi have been established. And once guanxi have been established, the relationship is considered to be a long-term one (Luo and Chen 1996). The parties involved are expected to fulfill their obligations if called upon to do so. In this case, Mr. Lan was trying to utilize the guanxi he thought he had established with Aaron.

From Aaron's point of view, he had simply accepted some hospitality, fairly routine in the business world, to lubricate deals and establish a congenial atmosphere for doing business. When the joint venture didn't develop, the relationship was over for him, and there were no further obligations attached to the hospitality he had accepted.

Wang, M. M., Brislin, R. W., Wang, W. Z., Williams, D., &

Chao, J. H. (2000). Turning bricks into jade.

Yarmouth, MN: Intercultural Press

"Live an Open, Honest Life"

AAD Jacobs and Ing Groep N.V. (Netherlands)

Title: Chairman (retired)

Headquarters: Amsterdam

Business: Integrated financial services group and world's largest publicly held life and health insurer. Net profits and shareholder equity have increased by 70% since 1991, total assets by more than 30%; share price has tripled in a five-year period.

Employees: 64,162 in 59 countries

When her Majesty Queen Beatrix named Aad Jacobs a knight in the Order of the Netherlands Lion, the chairman of the ING Groep composed a handwritten note to all ING employees: "I feel like a soccer player who scores the winning goal in the last minute and is carried on the shoulders of fellow players. That final goal was scored because the whole team-which is you-played a perfect match. The Royal Order is for the entire ING Groep, and I thank you for your contribution."

Aad Jacobs's honesty and simplicity are his foundations, not only for his life, but for his company. He believes in teamwork. A lifelong soccer player, he uses the game as a metaphor for synergy at ING. Jacobs has built an open, aggressive, and transparent company by living consistency and authenticity himself and passing those principles down through the company. Folksy and unassuming, Jacobs has transformed ING into one of the world's most powerful financial institutions. With assets of more than \$250 billion, it has been called the greatest global experiment in "total finance."

Yet Aad Jacobs still rides his bike to work.

Rosen, R., Digh, P, Singer, M., & Phillips, C. (2000).

Global Literacies. New York: Simon & Schuster.

## "Listen Deeply Below the Surface"

Hiroshi Okuda and Toyota Motor Corporation (Japan)

Title: President

Headquarters: Tokyo

Business: Founded in 1925 by Sakichi Toyoda. In 1996, the 90 millionth Toyota automobile rolled off the assembly line. Well known for its frugality, Toyota has cut \$2.5 billion in costs since 1995, and Okuda has ordered \$800 million a year in extra cuts from his managers, launching the biggest expansion the auto industry has ever seen, at a cost of \$13.5 billion.

Employees: 159,035

When Hiroshi Okuda isn't climbing mountains, earning a black belt in judo, or preserving primeval forests, his passion is becoming the number one car maker worldwide and regaining Toyota's 40 percent share of the Japanese market. He listens to the market as urgently as he listens to the silence on the world's mountain peaks. It's a strategy that has already paid off.

Every fall, Toyota's executives travel to the spiritual home of the Shinto sun goddess to receive blessings on new Toyota models. In 1997, instead of the customary six new models, a whole caravan pulled up to the two-thousand year-old shrine—one of the largest new product offerings in Toyota's history. Even more recently, Toyota shocked the automobile industry by promising to fill custom orders in just five days, compared with the industry standard of thirty days. This product speedup had been achieved by aggressively listening to the market.

While the Japanese are good at both listening to their past (revering their long heritage) and listening to the present (copying what they see around them), Hiroshi Okuda is also good at listening for the future (hearing what people want and anticipating their needs in local markets around the world).

Rosen, R., Digh, P., Singer, M., & Phillips, C. (2000).

Global Literacies. New York: Simon & Schuster.

"Prepare People for Change and Chaos "

Manuel V. Pangilinan and First Pacific Company (China)

Title: Managing Director

Headquarters: Hong Kong

Business: One of Asia's most diversified and one of Hong Kong's largest companies, with operations in 50 countries and interests in banking, real estate, telecommunications, trading, and packaging. Controlled by the Salim Group of Indonesia, built by one of the wealthiest and most powerful overseas Chinese tycoons.

Employees: 51,300

Manuel "Manny" P. Aneilinan's picture was splashed all over the South China Post the day we interviewed him in Hong Kong. His claim to fame was the massive change First Pacific was facing as a result of the dramatic economic crisis in Asia, which had left the company more than \$900 million in debt.

Because he knows that the Chinese character for crisis, *weiji*, combines the strokes for "danger" and "opportunity," he has embraced, not forsaken, Asia. His response to the crisis was a major restructuring in a chaotic market. The result? The company's share price has almost doubled since the restructuring was announced in January 1998.

Pangilinan is a leadership liberator, pushing decisions down by developing leaders at all levels. He maintains a vision of Asia's recovery rather than focusing on its crisis; he clarifies the chaos around him for his employees; and he mirrors the Asian juxtaposition of opposites in the way he demands both entrepreneurial and managerial excellence in his leaders, the "yin and yang" of business.

Rosen, R., Digh, P, Singer, M., & Phillips, C. (2000).

Global Literacies. New York: Simon & Schuster.

## "Make 'International' A Part Of Your Bloodstream"

Helen Alexander and The Economist Group (U.K.)

Title: Managing Director

Headquarters: London

Business: Flagship publication is The Economist. It conducts top-level business seminars and conferences and offers worldwide analytical expertise to continuously monitor and forecast trends in 195 countries. Since 1928, half the shares of The Economist have been owned by the Financial Times, a subsidiary of Pearson, the other half by a group of independent shareholders, including many members of the staff.

Employees: More than 1,500 editors and analysts

It may look like a magazine, but Helen Alexander insists that it's a newspaper. Whatever you call it, The Economist is one of the most highly respected publications on earth. It goes to press every Thursday like clockwork, to be printed simultaneously in six countries.

"A newspaper like The Economist is classified with frozen peas when it goes through customs because it's no good tomorrow," says Alexander, chief executive of the Economist Group, owner of The Economist and other intelligence-gathering publications, products, and services. Every week, business and world leaders-more than 650,000 readers per issue-depend on The Economist to analyze world events with insight, integrity, and intellect.

Its leader is culturally literate, talking urgently about the world around her, debating issues, and exploring what it means to be a global leader, sometimes irreverently but always globally. "The international nature of our business is deep in our bloodstream," explains Alexander.

Rosen, R., Digh, P, Singer, M., & Phillips, C. (2000).

Global Literacies. New York: Simon & Schuster.

## APPENDIX H

### SAMPLE TRAINING MODULE FOR MID-LEVEL MANAGEMENT

## "Not What They Expected"

Louis and Julie were a senior couple, in their early sixties, in an overseas agricultural extension program. They seemed ideally suited for such a program. They had operated their own farm for over thirty years. When they were children they both lived on farms without indoor plumbing or electricity, so the living conditions in their host country were not new to them. In addition to being a good farmer, Louis was handy with machinery and could repair almost anything. Julie was a traditional farm housewife, accustomed to helping with the chores, tending the garden, preserving vegetables, etc. Both were friendly and outgoing and seemed interested in using their experience and skills to help the people in their host country.

Their biggest problem in training was with the language, but they left on their assignment with acceptable proficiency. Julie was having some medical problems after they arrived-minor stomach upset, diarrhea, infections from scratches that were slow to heal, and a continuous cold. According to the doctor there was nothing seriously wrong. The problems didn't bother Julie much but they began to worry Louis. Finally, after one month at their site, they came into the office and told Chris, their supervisor, they were terminating. Louis said that since the doctors couldn't tell them what was wrong with Julie, they were going home. In further discussion, Chris found that there were many other problems and surmised that the physical ailments were only a symptom. Their house wasn't ready and they had to live with a host family. They didn't like the lack of privacy and loss of control over their own lives. They didn't like sharing the bathroom with strangers. They didn't like eating the local food prepared by their hosts. They didn't like the unsanitary conditions in the market-flies on the meat, people handling the food with dirty hands. Although they were used to farm smells, they didn't like the smell of open sewers. It was a real struggle having to use the language all the time. It wasn't clear what their job was supposed to be.

Chris could see they were really upset and decided there was no point in trying to talk them into staying. She helped them process their termination as quickly as possible.

1. To what extent do you agree or disagree with Chris?

Totally Disagree: 1 2 3 4 5 6 7 (circle one)

Totally Agree: 1 2 3 4 5 6 7 (circle one)

Why?

2. If you were Chris, what would you have done?

3. What are the main issues in this incident?

Fowler, S., & Mumford, M. (1995). Intercultural

Sourcebook: Cross-Cultural Training Methods. Maine:

Intercultural Press, Inc.

## "Is More Expected of Leaders?"

Greg Rossi, originally from Boston, Massachusetts, was in Nanjing working with executives from a fine dinnerware manufacturer on a plan to develop new designs that should be popular in the North American market. Although he worked with a number of executives, his chief counterpart was Zhang Zhi-hao, whose subordinates referred to him as Lao Zhang. Greg worked well with Lao Zhang for about six months, but then he began to notice that the working relationship was not as effective as it had been. Lao Zhang did not seem to be able to follow through on his commitments to Greg, and it appeared to Greg that Lao Zhang had become unable to provide leadership to his subordinates. This puzzled Greg, because in the earlier stages of their working relationship, Lao Zhang had seemed so respected by his subordinates and by executives at about Lao Zhang's level in the organization. The only possibility that occurred to Greg was that Lao Zhang was spending free time with one of the organization's attractive younger secretaries. It could have been a sexual relationship, but Greg didn't know for sure. This secretary also received a lot of positive attention from Lao Zhang during the workday, but this in itself did not surprise Greg, since she was a very capable worker and, at least in Greg's mind, deserved positive attention for her work. In addition, Greg thought to himself, I met my wife at my organization back in Boston, and she was a secretary at the time. We certainly didn't break any rules, and besides, what we did was nobody's business as long as it didn't affect our work. Of course I was separated from my first wife at the time, and Lao Zhang isn't.

Are there cultural differences involved in Lao Zhang's current relations with coworkers and in Greg's reactions to Lao Zhang's behavior?

1. Greg's cultural background, more than Lao Zhang's, guides people into considering the personal morality of leaders when reacting to their directives.
2. Lao Zhang's cultural background, more than Greg's, guides people into considering the personal morality of leaders when reacting to their directives.

3. Greg's cultural background, more than Lao Zhang's, guides people into making distinctions between a person's "own business" and what is reasonably the concern of others.

4. Lao Zhang's cultural background, more than Greg's, guides people into making distinctions between a person's "own business" and what is reasonably the concern of others.

5. In China, one's organization is not an appropriate place to meet members of the opposite sex for relationships that may become romantic in nature.

Explanations for "Is More Expected of Leaders?" begins in the following section.

*Explanations for "Is More Expected of Leaders?"*

1. This, admittedly, is a difficult incident, and the interpretation of several alternatives hinges on the guidance in one culture compared with the other. In this incident, we are arguing that Greg's urban American culture does not give explicit guidance about considering the personal morality of leaders. Rather, in the United States this is a personal issue. It is up to individuals to make judgments about a person's leadership skills and about his or her morality. At times, Americans will conclude that although personal morality could be at a higher level, they are willing to set that aside when thinking about potential leaders. Remember that members of the American voting public were willing to set aside their opinions about President Clinton's extramarital affairs. Even when it was proven that he had had a sexual relationship with a young White House intern and then lied about it to a grand jury, citizens seemed more impressed by near-zero inflation and low unemployment than upset about the president's immorality. A similar case could be made about President John Kennedy. Many knew about his extramarital affairs, but they were willing to set this aside when considering his leadership. We are quite willing to point out, on the other hand, that this explanation will not be accurate for all parts of the

United States or for all groups of Americans. This is not a good answer. Please choose again.

2. This is a good answer. We have drawn the following conclusions about leadership from a number of sources. In China there are three concepts that people keep in mind when thinking about leaders. The first is the ability of leaders to deal with the workload assigned to them, and the second is their ability to deal effectively with the social needs of their subordinates (motivation, morale, integration of individuals into cooperative work groups, etc.). These two, incidentally, are also concepts Americans use when thinking about leaders in the workplace. The third concept is more a part of people's thinking in China than in the United States, and this third concept involves the personal morality of leaders. Leaders should behave according to high moral standards, and having a romantic relationship with a secretary is not considered exemplary of high morals. Reasons include the fact that the secretary may be favored by the Chinese boss and that the relation has become sexual outside any marital bond (frowned upon in China more than in urban areas in the United States). Keep in mind that Chinese coworkers, more than Greg, would be able to pick up subtle cues that indicate preferential treatment in the workplace and the probability of a sexual relationship. If a similar incident took place among Americans in Boston, Greg more than Lao Zhang would be able to perceive subtle cues indicative of preferential treatment or a sexual relationship. In the incident, then, Lao Zhang has become a "poor" leader due to people's suspicions about the possible sexual relationship and so has a difficult time marshaling the support of subordinates and peers.

One of us offered this Chinese perspective: Chinese history is full of heroes and leaders. They are held up to the Chinese, from childhood, as role models, but they are more than just role models; they are idolized. Sometimes their moral virtues are more important than their actual leadership qualities. Confusing relationships with female employees are something Chinese leaders particularly want to avoid. A person's leadership qualities will immediately be called into question once people find out about any relationship with a female subordinate. As in the United States, however, different parts of the country are more or less conservative. As Western ideas flood into the

country, people in more cosmopolitan areas, like Shanghai, are becoming more liberal about this kind of issue. Some people may begin to feel that a business leader's (if not a political leader's) personal and public lives might be separable. We are not saying that the Chinese do not have romantic relationships outside of marriage. Such relationships, however, are far more culturally acceptable if the people involved work in different organizations and if the relationships are carried on in a discreet manner. There is a saying in China that translates roughly as "The wise rabbit does not eat the grass that immediately surrounds it."

There is another answer that also helps with the interpretation of this incident, and we recommend that you look for it.

3. This is a good answer. As a generalization, people from highly individualistic cultures such as the United States make a sharp distinction between what they consider "people's private business" and what they consider appropriate public knowledge about themselves. In this incident, Greg remembered that his relationship with a female subordinate (who eventually became his second wife) was considered his own business and nobody else's. He is likely to interpret the incident involving Lao Zhang from this frame of mind and conclude that Lao Zhang's relationship with a secretary should not be considered public knowledge. In China, there is not so sharp a distinction between "my own business" and "other people's business." People take great interest in the lives of others, and membership in a collective is marked by a great deal of shared knowledge of matters that would be considered private in an individualistic culture. Good advice for individualists moving to a collectivistic culture is to practice giving more personal information about themselves during interactions with collectivists. Another piece of intercultural wisdom is that when collectivists start revealing personal information about themselves and clearly expect sojourning individualists to provide similar information, this is an indicator that the sojourners are being accepted as welcomed visitors, rather than mere intruders, to the culture.

4. There is not as sharp a distinction between "my own personal business" and "things about me that are known to

others" in China compared with the United States, and so this is not a good answer. Co-workers would not feel that they are "nosy" or that they are "busybodies" just because they talk frequently about Lao Zhang and his relationship with the secretary. Such a relationship is appropriate knowledge to be considered part of public discourse. Please choose again.

5. Choosing this alternative may indicate that you are on the right track, but there are better answers. In China, people do form romantic relationships after meeting members of the opposite sex in their organization. However, such relationships are considered much more appropriate (a) if the man and woman are unmarried and have no current romantic attachment with anyone else, (b) if they are from very different branches of a large organization such that one person does not have a supervisory relation with the other, and (c) if the supervisors of both people have signaled acceptance of the romantic relationship. In this incident, Lao Zhang had a romantic and possibly a sexual relationship with a subordinate, behavior that was not considered appropriate. Please choose again.

Wang, M. M., Brislin, R. W., Wang, W. Z., Williams, D., &

Chao, J. H. (2000). Turning bricks into jade.

Yarmouth, MN: Intercultural Press

"Whose Ideas Are These?"

John Coleman was twenty-five and an ambitious businessman. He had recently graduated with an MBA degree from a prestigious American university. From the age of eighteen he had been interested in China and had become convinced that this extremely large country represented great potential for international investments. During his college years he had studied Chinese and become reasonably fluent.

After being hired by an American pharmaceutical company, John convinced his superiors that the company would be well served if he were assigned to China. One of John's superiors happened to know of some Chinese businesspeople who wanted to look into the possibilities of expanding their line of nonprescription medicines. This superior contacted the Chinese businesspeople, and they agreed to work with John out of their offices in Shanghai.

After arriving in Shanghai and sewing in, John reported to work. He discovered that his supervisor in China would be Fang Da-chun, a fifty-year-old businessman who had recently been able to amass considerable wealth working with American firms desirous of expansion in China. Mr. Fang was impressed with John's Chinese skills and immediately began including him in meetings with other Chinese. Grateful for this attention, John shared some of his ideas for the manufacturing of nonprescription drugs.

One afternoon Mr. Fang invited John to a meeting with the executives of a Chinese pharmaceutical company. Mr. Fang presented some ideas about possible future joint ventures between himself and this company. John was pleased to hear Mr. Fang present some of John's own ideas, but he was not pleased after the meeting when he realized that Mr. Fang never made a connection between the ideas and the person who had originally developed them. John concluded that he could not work with Mr. Fang, and he began to consider drafting a letter to his company in the United States recommending the severing of ties with Mr. Fang.

If John asked your advice concerning whether he should send a letter to his American company, what might you tell him?

1. In Chinese, the syntactic form that indicates the relationship between an abstract concept (e.g., a person's

idea) and the person responsible for the concept is difficult. You might suggest that John may not have learned this grammatical form, even in advanced studies of Chinese language in the United States.

2. You might tell John that he has encountered a problem common in China: people take ideas with no thought of giving anything in return.

3. Mr. Fang feels that since he is looking after John for his business acquaintance in America, he should be compensated in some way, such as being able to use John's ideas. Tell John this.

4. You might explain to John that Mr. Fang is likely to show his gratitude in ways other than mentioning John's name during the meeting with the Chinese pharmaceutical executives.

5. You know that John feels that his ideas have been stolen from him. You are also aware that Mr. Fang feels that John's ideas have become part of shared knowledge and that there no longer has to be an explicit link: made between the idea and its originator. Inform John of this.

Explanations for "Whose Ideas Are These?" begin in the following section.

#### *Explanations for "Whose Ideas Are These?"*

1. There is no indication in the incident that there is special difficulty in Chinese syntax regarding the type of relationship between one's ideas and ownership of those ideas. Indeed, no such syntactic form exists. Please choose again.

2. This is not the best answer. It may seem, in the short term, that the Chinese are inattentive about giving anything back in return for using someone's ideas. It is quite possible, however, that if John were patient, he would find that he would receive many benefits from Mr. Fang and other members of his collective. If, after he

cools down, John reacts to Mr. Fang's behavior at the meeting in a gracious way, he will show that he understands how to make contributions to a collective. While a willingness to make a contribution to a collective may interfere with the praise that one's ego expects, there are more important concepts than "personal ego" in Chinese culture. Please choose again.

3. This is not a good answer. While Fang Da-chun was clearly using John's ideas at the meeting, this behavior did not stem from Mr. Fang's expectations that he be compensated for looking after John. Mr. Fang's behavior stemmed from other aspects of Chinese culture. Please choose again.

4. This is a good answer, but members of the validation sample felt that it would be difficult to integrate this into John's thinking as he considered drafting a letter. John might have been able to entertain this possibility after (a) calming down and (b) becoming more familiar with the expectations and obligations of membership in a collective. If John comes to be treated as a valued member of a collective in China, Mr. Fang may later show his appreciation for John's contributions. For example, Mr. Fang might introduce John to other Chinese businesspeople or to government officials who could be helpful to the American company for which John works, people John might not have access to without Mr. Fang's connections. It must constantly be kept in mind that behavior in China is based on membership in collectives. If John makes a contribution to the collective (e.g., his ideas), then he will eventually receive benefits that stem from his contributions. Mr. Fang did not feel the necessity to mention John's name when discussing his ideas since the ideas are now part of the knowledge held by the collective. Mr. Fang, as a senior and high-status member of the collective, felt that he had the right-and obligation-to put forth the ideas of the collective in the most effective way possible at the meeting. Given the respect for age and status in China, it was much more effective for all concerned to have Mr. Fang present the ideas than for a much younger and less experienced person, particularly a foreigner, to present them. Mentioning the originator of the ideas might have been helpful to John's

ego, but enhancing one individual's ego is not a priority in Chinese culture. Incidentally, this distinction between "source of good ideas" and "announcer of these in a public forum" is not unknown in the United States. A middle-level foreign service officer in the Department of State develops an important diplomatic initiative. Who announces this to the press and eventually to the general public, the midlevel officer or the secretary of state? If it is the latter, the officer knows that rewards will come at a later date and in a form different from immediate public recognition. In addition to this answer, there is another that helps with the interpretation of the incident. Please search the alternatives for this other helpful perspective.

5. This is a good explanation because it summarizes accurately the probable interpretations made by both John and Mr. Fang. Socialized in an individualistic culture, John has come to expect that his name will be associated with his contributions. Socialized in a collectivist culture, Mr. Fang feels that once a person makes a contribution to a collective, the collective is considered the owner of the idea. Mr. Fang is aware that if John makes contributions, there will be various benefits that John will receive. These benefits might include introductions to high-status people, the seemingly sudden removal of "red tape" restrictions that were hampering John's plans, and information about investment opportunities that other Americans, who are not members of a Chinese collective, would never hear about.

John feels that Mr. Fang has "stolen" his ideas. Such an idea would never occur to Mr. Fang, who felt that he was doing exactly the right thing to propose the ideas to the company. To the Chinese, "ideas" and "knowledge" are very abstract concepts. Neither ideas nor knowledge is treated as property with commercial value. When John shared his ideas with Mr. Fang, they became common knowledge, and there was no longer any explicit link between the idea and its originator.

This incident and set of explanations help shed light on a problem that is puzzling to many teachers in the United States (and, more generally, North America and Europe). Teachers assign term papers and students hand them in without citing the sources of ideas presented in the paper. Given their perspective, teachers often write

"plagiarism" on the papers, and the students can face disciplinary hearings. If the teachers were socialized in a collective culture, however, they would have a different perspective. Once knowledge is written down in books, it is available to all; there is not a great value placed on linking individual contributions with the names of the people who made the contributions. Making these links does not seem to be the best use of time to many collectivists.

The administrators of programs that sponsor students from collectivist cultures need to be aware of the problems that such students face. Students need to know the expectations for the preparation of term papers and the Western concept of plagiarism prior to the start of their formal studies.

Wang, M. M., Brislin, R. W., Wang, W. Z., Williams, D.,  
& Chao, J. H. (2000). Turning bricks into jade.

Yarmouth, MN: Intercultural Press

## "Acknowledge Reality"

Rolf-Ernst Breuer and Deutsche Bank AG (Germany)

Title: Chairman

Headquarters: Frankfurt

Business: The world's largest bank, as a result of its recent acquisition of U.S.-based Bankers Trust, with more than 2,200 offices in over 50 countries.

Employees: 95,847

Rolf-Ernst Breuer is a proud man in a country that struggles with pride.

An optimistic realist, Breuer has a vision of where he wants to go, helping Deutsche Bank become the world's largest financial institution. Reflective about its past, he is also decisive about its future-willing to buy Bankers Trust for \$10 billion, he was just as willing to scrap the deal if the return on investment wasn't just right. He's not afraid of the realities he faces: satisfying regulators in two continents, eliminating jobs, and handling revelations about the bank's support of the Nazis.

Proud of his roots, Breuer is frank about the past, present, and future. He's honest about Deutsche Bank's past mistakes in going global and its need for a new corporate culture that thrives on speed and delighting customers. He doesn't fool himself about the strengths of German quality-or the country's bureaucratic shortcomings. And he's clear about acknowledging the bank's part in the World War II Holocaust. He even commissioned historians from around the world to write *The Deutsche Bank: 1870-1995*, a book documenting the bank's past.

Says Breuer, "There is a difference between guilt and responsibility."

Rosen, R., Digh, P., Singer, M., & Phillips, C. (2000).

Global Literacies. New York: Simon & Schuster.

## "Craft Social Ground Rules"

Peter Ma and Ping An Insurance Company (China)

Title: President and CEO

Headquarters: Shenzhen

Business: Founded in 1988, Ping An is one of China's three national insurance companies. Its formation was a breakthrough in the reforms of China's insurance system. Ping An maintains relationships with 160 foreign insurers, enabling them to provide services in more than 700 countries and cities.

Employees: 130,000 in 400 branches in China, Hong Kong and the United States, plus offices in London and Singapore

Walk into the headquarters of Ping An Insurance Company and look up, and you'll see a bust of Confucius-not at all surprising in this Chinese company. But look again. Facing Confucius from across the lobby is none other than Sir Isaac Newton. In fact, paintings of great Eastern and Western thinkers serve as a backdrop all the way down the entry hall to where Confucius and Newton peacefully coexist.

Ping An blends the best of Chinese and Western traditions-and not just in artwork. "Confucius says people should love each other, obey the rules, and respect each other. Yet in modern society, we must advocate change and innovations. By blending the past with the present and integrating foreign experience into the Chinese environment, we've created a highly competitive enterprise," says the company's CEO, Ma Mingzhe, or Peter Ma, as he's known outside China.

Ma has a deep understanding of the principles of human relationships and knows that a fast-changing world requires a set of guidelines to clarify commitments and responsibilities -- not unlike those of Confucius himself.

Rosen, R., Digh, P, Singer, M., & Phillips, C. (2000).

Global Literacies. New York: Simon & Schuster.

## "Leverage Knowledge for Competitive Advantage"

E. T. "Ted" Kunkel and Foster's Brewing Group (Australia)

Title: President and CEO

Headquarters: Melbourne

Business: One of the world's ten largest brewers whose flagship brand, Foster's, is the third most widely distributed beer brand in the world. Global assets include joint ownership of Canada's largest brewer, Molson Breweries. Exports to more than 130 countries, with international growth of more than 40% since 1993.

Employees: 8,207

"Consider a beer can," begins Thomas Stewart's recent book on intellectual capital. It is, he says, "an artifact of a new economy, evidence of how knowledge has become the most important component of business activity." A beer can?

The transition from heavy steel to lightweight aluminum marked the transition to the knowledge age, Stewart explains. "It still holds twelve ounces of beer, but the can contains dramatically less material and energy-and more brains." Knowledge and innovation have been substituted for raw material.

Ted Kunkel just hopes it's a Foster's inside that smart beer can. According to the company's ads, Foster's is "Australian for beer." And according to CEO Kunkel, not only Foster's beer but the company itself is "unashamedly Australian"; fun, egalitarian, and optimistic, like its commercials. But don't be fooled into thinking Foster's is just a beer company. Behind that frothy, happy go-lucky, work-hard-and-play-hard Australian facade lies a company that has fully recognized the power of knowledge.

Rosen, R., Digh, P, Singer, M., & Phillips, C. (2000).

Global Literacies. New York: Simon & Schuster.

## "Cultivate a Global/Local Mind Set"

Jean-Louis Beffa and Saint-Gobain (*France*)

Title: President and Director-General

Headquarters: Paris

Business: Founded in 1665 by order of the Sun King, Louis XIV. With 580 companies in 42 countries, it has many international markets and product lines, including glass, ceramics, plastic, and iron businesses. In 1986, after a change in France's political climate, it became the first company to be re-privatized.

Employees: 108,000

When Jean-Louis Beffa visits the Palace of Versailles, he can't help but notice the windows. His pride in the craftsmanship is well founded: those windows were created by the company he now leads, Saint-Gobain.

The market for palace windows has dwindled in the ensuing 330 years of Saint-Gobain's corporate history and Beffa has focused on balancing products, sectors, and geographies to allocate opportunities and risks worldwide. "By being in different businesses around the world, we buffer the cyclical nature of the business," he says. "It's not good to be dependent on anyone business; we overcome that by becoming more global."

A diversified group with decentralized organization, Beffa sees his role as CEO to be one of spreading limited resources around: "My job is to get senior executives to share risks and money. There is ongoing pressure for each business to provide cash to the holding company, and we allocate net cash flow back to the businesses."

By developing a global/local identity, strategy, and leaders, Beffa has created a flexible consumer-oriented strategy with emphasis on local execution. With the company achieving its highest net income in history in 1997, his strategy must be working.

Rosen, R., Digh, P., Singer, M., & Phillips, C. (2000).

Global Literacies. New York: Simon & Schuster.

## APPENDIX I

### SAMPLE TRAINING MODULE FOR AMERICANS LIVING IN CHINA

## "Learning to Fit In"

*Here is what one student wrote:*

My critical incident took place in the most ordinary of places - at the dry cleaner's just around the corner from my host family. After wearing my corduroy jacket almost daily for several weeks, I realized that I needed to get it cleaned, and my host mother told me where to go.

I went into the small establishment and dropped off the jacket, asking to have it back as soon as possible because I needed to wear it to stay warm as the autumn days became chillier. The attendant promised me it would be ready the next day.

Following school the next day, I stopped in on my way home to pick up my jacket. It was ready and quickly was folded and wrapped up for me in paper, a different procedure from what I was used to in the U.S., where I'd get it back on a hanger. "This is a different system," I thought, "but it has its advantages: no waste of hangers going back and forth as we have back home." I was feeling accomplished in my observational skills and ability to see the pros and cons of a small difference across cultures.

As I was about to leave, she held up her hand, asking me to wait, she'd forgotten something. She opened a drawer under the counter and pulled out a small, sealed envelope. "Voila vos boutons"-here are your buttons! Totally mystified, I opened the envelope to discover the six braided leather buttons that used to be on my jacket.

"You must have forgotten to remove them before bringing them in, monsieur," she explained. "Fortunately, we noticed that before your jacket went into the machine."

My earlier confidence about how attuned I was to small everyday subtleties seemed to vanish. This lady cut the buttons off my jacket and now she's just giving them back to me to deal with. What kind of service is that?

My anger about what had been done wrong paralyzed my abilities to explain in French what was bothering me. For about half a minute I sputtered something, not feeling I could explain myself clearly. Meanwhile, the person in the back who had done me the good deed of removing the buttons was brought out to explain to me again how lucky I was that she'd caught it and lectured me on the fact that I should think about doing this beforehand next time,

because sometimes there is too much dry cleaning to allow them to double-check such things.

Defeated, I left the shop and walked around the block three times before I could go back home and face my host mother. I headed in, greeting her as she was going out to run errands, and went into my room to sit and suffer my defeat in peace.

An hour later, my host mother came back, knocking on my door. "I hear you might need some help with sewing on some buttons," she said to me with a gentle smile. As it turned out, the dry cleaner was on her errand list, and the owner had related my performance to her. We had a little chat about it and I learned all about how careful one must be with leather goods sent to the dry cleaner-that the owner was right that I should have thought to remove those buttons. At that point, it seemed useless to try to explain that I'd sent that jacket to a dry cleaner's half a dozen times back home and that I'd never taken off the buttons then, and they seemed to have survived....

Ultimately I realized that my first observation about a cultural difference-folding the jacket up in paper, saving on hangers was a "safe" insight I'd been able to make based on what I'd learned through my cross-cultural orientation. But that was external-I wasn't really involved and didn't have much to lose one way or the other. After I'd thought over the rest of the situation, I realized that, yes, I was really involved here as a person and that I had to be ready to have others assume that my actions were possibly as erroneous (despite being based on my own safe assumptions about "how things are" back home) as those that I was criticizing as the outsider.

### Procedure

At the reentry weekend, the workshop leader takes the following steps to facilitate discussion of the incident:

Introduction: The leader begins with a short introduction, including observations such as:

\*All of you experienced certain incidents during your summer or year overseas that, upon reflection, were very important.

\*These were situations which helped you better understand

or appreciate the cross-cultural experience.

\*Perhaps there was an experience that demonstrated to you the variety of ways in which we can communicate or an uncomfortable situation that vividly showed your lack of understanding of the host culture.

\*By becoming more aware of the cross-cultural issues you have faced, you can now begin to identify the skills you developed to deal with those issues.

Personal example: The leader can begin with a personal critical incident (sample follows) in order to set the tone for discussion and provide a model for presentation. The incident itself should be short (no more than three minutes to relate).

I have always been a night person. I enjoy staying up late and talking with friends, and relish having the quiet peacefulness of the night to myself. I prefer sleeping in late in the morning.

Soon after I settled in with my host family, I went out one night with friends I'd met through my family there, and came home at about 10:00 P.M., relatively late for a small town over there, but usually about the hour I would begin to sit down to study back home.

Once I'd settled in at my desk in my room to study and write letters, the hours passed by quickly, though I had no concept of the time. Just as I was re-reading a long letter I'd written, I heard some stirring noises in the hallway, and suddenly, with a loud click all of the lights went out!

I was in total darkness, confused, unprepared, trying to understand why they would be so cruel as to turn the lights out that way-just to conserve electricity?! The next day, my host mother explained to me what had happened-that my host father had awakened in the night, saw the light under my door, and assumed I'd fallen asleep without turning off the lights. In order to be "correct" he decided to cut off all the lights in the apartment rather than look in on me.

I was apologetic, explaining I was awake but had just lost track of time, and I promised it wouldn't happen again, thinking with dread that I'd be sacrificing my hours of solitude.

This incident made me realize that I would have to change my hours and habits to comply with those of my host

family. My commitment to being a part of the family and pleasing them helped me to adjust to their way of living, even if it meant giving up something I enjoy very much. This sacrifice helped me understand more about myself, my values, my habits and how they differ from those of my new family.

Discussion issues. List the following issues on newsprint to use as a guide during the discussion of the incident:

1. What I learned from the incident: about myself, my host country, and the United States
2. How I dealt with the situation
3. How I could have dealt with it
4. What cross-cultural skills resulted from the experience

Group work: Now ask the students to form small groups. Instruct the groups as follows:

First choose a recorder who will take notes on your discussion. You will each be able to share your own incident and discuss it with the other group members, using the four questions shown on the newsprint. The recorder should keep track of the major issues and skills mentioned, in order to report them to the full group when we come back together.

Then choose a group leader. Group leaders should monitor the clock so that each student has time to recount his or her incident. They should also encourage all group members to participate in the discussion, drawing out various points of view and individual differences. Leaders should help the group focus and summarize their discussion so the recorder can spot the major issues and skills to be reported.

Report: All the groups reassemble and recorders report on their discussions. Closure: In summary, the leader should emphasize the importance of what students have learned, highlight the skills they have developed, and reiterate the fact that these skills can be valuable assets in the future.

### Reflections on Using This Method

Alumni of the exchange program from the past three years are invited to participate in the reentry orientation. The reporting out of the exercise allows older alumni an opportunity to reflect again on their experiences and to provide to the discussion the kind of insight that comes from distance, while the newer returnee brings a fresh, immediate view. When incidents are read at the reentry orientation, the insights of one student often trigger similar or related ones for others. It is not unusual to find that a small detail of one person's experience throws light on unnoticed aspects of other students' experiences, which then can be identified and analyzed as critical points of learning.

The facilitator performs an interesting role in this exercise-staying out of the way of participants' learning but making sure that it occurs. The participants provide the content for the workshop and have a lot to learn from each other. However, without a skilled facilitator, important insights might be missed, and the full value of the overseas experience might not be realized.

Fowler, S., & Mumford, M. (1995). Intercultural

Sourcebook: Cross-Cultural Training Methods. Maine:

Intercultural Press, Inc

## "The Dinner Invitation"

After a couple of months in China, Jason seemed to be settling down somewhat. He was still excited and pleased with his company's decision to transfer him to the main office in Shanghai. The city was very crowded, but there were some interesting places to visit, and he was enjoying the opportunity to practice his Chinese. Although he had studied Chinese for two years while enrolled at the university, it almost seemed like a new language upon his arrival in China. Still, he was making good progress. One person he was thankful for was Cao Jianfa. Xiao Cao, as everyone called him, worked with Jason in finance, and had really helped him get acquainted with the office and, to some extent, with Shanghai. Xiao Cao's English was much better than Jason's Chinese, which allowed them to communicate fairly well in English. Xiao Cao had picked Jason up at the airport upon his arrival and showed him how to commute to work, accompanying Jason during the first week. Xiao Cao had invited Jason to lunch on several occasions, showing him the good places to eat, and had also invited him to dinner or other evening social activities a few times. Their conversations had ranged from matters at the office to their families. They also coached each other in their language development. At the office they worked well together, sharing responsibility for several finance projects and analyses.

Jason thought it would be a good idea to invite Xiao Cao to dinner at a nice restaurant far helping him out so much, so he asked Xiao Cao if he would like to go to dinner on Friday. Xiao Cao responded in Chinese, "Dui bu qi, you shi," meaning literally, "I'm sorry, I have things (to do)." Jason, feeling the answer was a little cold, was curious about what Xiao Cao had to do that would prevent him from going out to dinner, so he asked, "Are you busy? Working late?" Xiao Cao, seeming a little uneasy, responded, "No, I just have same things to take care of." Jason, sensing the uneasiness in the conversation, became puzzled and a little frustrated. Not wanting to create a bad situation, he said to Xiao Cao, "Well, when you'd like to, maybe we Carl go out some time..."

During the remainder of the week, Jason felt a bit awkward around Xiao Cao. He spent the weekend by himself and could not keep from wondering why Xiao Cao did not seem interested in going to dinner with him. What might explain Xiao Cao's behavior?

1. In China, it is only appropriate for the host colleague to invite the foreign colleague to evening social events.

2. Xiao Cao was simply carrying out his initial responsibility to introduce Jason to a few places, but he had no further interest in a personal relationship with Jason.

3. Xiao Cao had to work Friday evening but was embarrassed to divulge this to Jason because, to the Chinese, working late means that one is not working productively during the day.

4. Xiao Cao felt that he had developed a trusting relationship with Jason and, as such, could trust Jason to understand when he had "things."

5. By saying that he had "things," Xiao Cao was implying that he had to take care of some personal affairs. Xiao Cao did not wish to specify them because by doing so, he would reveal the relative importance of various personal affairs compared with Jason's request.

Explanations for "The Dinner Invitation" begin in the following section.

#### *Explanations for "The Dinner Invitation"*

1. This statement is simply not true. Social life in China is reciprocal. While it may be easier, initially, for the host colleague to invite the guest colleague simply because the host knows more about the local scene, it is perfectly appropriate (and actually expected) for the guest to reciprocate with something like a dinner invitation, when he or she feels ready to do so.

2. This is not a good answer. While Xiao Cao may have been obligated to show Jason around initially, one cannot conclude from the above incident that Xiao Cao had no further interest in developing a personal relationship with Jason. On the contrary, there is considerable evidence that Xiao Cao did value Jason's companionship and felt quite comfortable with him.

3. This is not a good choice. It is not true that the Chinese consider working late to be evidence of low productivity. To the contrary, the Chinese are generally encouraged to go the extra mile for their organization. Working late is equated with working hard.

4. This is a possible answer. Xiao Cao felt enough trust had been developed between Jason and himself that Jason should have been able to understand when he had "things (to do)." In China, it is very common for people to give ambiguous explanations such as "I have things." The person giving this answer may or may not have specific things to do. However, it is considered to be a polite way of turning down an invitation. People don't expect further questioning when such a reason is given. Chinese people will feel their trustworthiness is challenged if their friends or colleagues try to find out what "things" they have planned.

Chinese people spend a lot of time, resources, and energy developing a trusting relationship. Once such a relationship is established, a lot of assumptions will be made. For example, if a Chinese person makes plans to meet her friends for dinner on Sunday night and later finds out for some reason that she cannot attend the dinner, she will tell her friends that she "has things." She will assume her friends will understand that she is missing the dinner for sufficient reasons. She won't need to worry about explaining to them what she will be doing instead of going to dinner with them.

An American will often refuse an invitation from an acquaintance with the phrase "I have other plans." However, in such a case, the relationship is not such a close one as that which has developed between Cao Jianfa and Jason. Jason felt that he and Xiao Cao were buddies and that they were close enough that Xiao Cao should offer a plausible reason when declining an invitation: "Oh, I would love to, but my child is ill and I will be needed at home" or "I'm sorry, but I previously arranged an appointment with some old friends at that time." Even if Xiao Cao had said, "I've got some stuff to do for my dad," Jason would have felt better. Xiao Cao's "I have things" seemed cold to Jason. From Xiao Cao's point of view, however, it is the very closeness of the relationship that allowed him to say no more than "I have things." While Xiao Cao was most likely made uncomfortable by what seemed to him like a

lack of trust on Jason's part, Jason probably thought Xiao Cao was being unnecessarily secretive.

Xiao Cao was also protecting his emotional privacy by being unclear about the exact nature of the things he had planned. Chinese people have virtually no personal privacy; they are hardly ever alone. The privacy of their thoughts and plans can be very important to them, and they do not expect to have that emotional privacy challenged by a friend.

5. This is a good answer. By saying that he had "things," Xiao Cao avoided comparing the relative importance between the "things" and Jason's dinner invitation. Such an indirect approach is often adopted by the Chinese to avoid hurting other people's feelings, as a more direct response might do.

There are many other instances in these incidents of the Chinese preference for indirectness and saving face. By simply saying that one has "things," the person declining the invitation is avoiding a situation wherein a comparison might be made as to the relative importance the declining person assigns to the activities in question. Rather than creating a possibly embarrassing situation (and loss of face), it is much more harmonious to give the indirect "I have things."

Wang, M. M., Brislin, R. W., Wang, W. Z., Williams, D., &  
Chao, J. H. (2000). Turning bricks into jade.

Yarmouth, MN: Intercultural Press

## "Share the Wealth"

Joe Kingsley had been working for a Chinese-owned and-operated company in Bengbu for about six months. The division he was working in had a small collection of Chinese-English dictionaries, English language reference books and novels, and some videos in English, including a couple of training films and several feature films that Joe had brought at his new employer's request when he came from Iowa. Joe knew that some of the other divisions in the company had similar collections. He had sometimes used his friendship with one of the guys in another department, Gu Bing, to borrow English novels and reference books, and in return he had let Gu Bing borrow books from his section's collection. On other occasions, he had seen friendly, noisy exchanges, where one of the other workers in his division had lent a book or video to a colleague from another section.

Joe thought it was a great idea when a memo was circulated saying that the company's leaders had decided to collect all the English-language materials together into a single collection and put them in a small room that was currently being used for storage, so that all employees could have equal access to them. Now he would no longer have to go from department to department trying to find the materials he needed.

Joe was very surprised to hear his co-workers complaining about the new policy and was astounded to see them hiding most of the books and all but one of the videos in their desks when the young man in charge came to the department to collect their English-language materials. When Joe checked out the new so-called collection, he found that the few items there were all outdated or somehow damaged. He also noticed that none of the materials he had borrowed from Gu Bing were in the collection. He asked his friend why the Chinese were unwilling to share their English-language materials with all of their coworkers, when they had seemed willing to share them within their departments and with individuals from other departments.

What explanation do you think Gu Bing gave Joe?

1. By restricting access to their materials, co-workers in each section were able to maintain a certain necessary control over their colleagues.

2. This was not normal behavior among Chinese co-workers. Something was very wrong with the relationships among the people in the different departments. Joe hadn't noticed this because he was an outsider and couldn't detect the subtle signals.

3. The workers simply felt it would be inconvenient for them if they had to go to another room every time they needed English-language materials.

4. The workers in each division felt that they needed to keep their materials so that they had something valuable to exchange when they needed information or help from colleagues in another section.

5. Joe didn't understand that the divisions in Chinese companies are in much greater competition with one another than are similar divisions in an American company.

Explanations for "Share the Wealth" begin in the following section.

#### *Explanations for "Share the Wealth"*

1. Although Gu Bing would be unlikely to give the situation such a negative interpretation, this is a good answer. The question was not so much one of having control over others as of ensuring cooperation among all by maintaining a balance of power. When access to knowledge or information is restricted, the person who can grant access has a certain power. Everyone in the company understood that if they wanted to get things done, they had to stay on the good side of the people who controlled access to the information (or goods, services, people). They also knew that such relationships were facilitated by the fact that many different people, or departments, had control over valuable materials. Having and keeping power over small things, like having access to a Chinese-English dictionary, contributes to getting and keeping small amounts of power over large numbers of people. This system is reciprocal and is referred to, generally, as *guanxi*. Look for an answer that takes the cooperation

angle into account.

2. There is no support for this answer in the incident. Both the friendly exchange of favors between departments and the hoarding of materials within departments are quite normal among Chinese colleagues. Look for a better explanation.

3. While this explanation appears to be reasonable on the surface, remember that Joe felt that it would be *more* convenient for him if the English-language books and videos were all in one location. As it stood prior to the memo, the materials were spread all over the company and had to be sought out one by one. As one of our validators pointed out, however, this is the explanation that Gu Bing would most likely have given to Joe, the real answer being a bit embarrassing, as Gu Bing may have felt it reflected negatively on the Chinese. Choose another answer.

4. This is the best answer. Chinese relationships are based on a complex system of *guanxi*, or connections (Luo and Chen 1996; Fang 1999). One way of establishing good *guanxi* is to exchange favors, small and large, over a long period of time. Often the result of this is that Chinese will withhold information, goods, and services from others, even those with whom they are ostensibly cooperating, such as colleagues or fellow researchers working in the same field at other institutions. If they don't withhold information and access to materials (or even people), then those resources won't be available as bargaining tools later on. It is common practice for a Chinese person who has done someone a favor to make a very specific suggestion as to something that he or she might be offered in exchange in the future to even out the *guanxi* debt. The Chinese in each division may have feared that by pooling the relatively rare and valuable English-language materials, they were setting up a situation where one division or group of people might gain control over all of them and subsequently have undue power over everyone else, since everyone needed to use the materials. Joe may have seen his colleagues as stingy, foolish, or simply inefficient, because he didn't understand the importance of those materials in developing *guanxi* and maintaining a balance of power among the departments.

5. Not a good answer. Chinese companies are no different from American companies in that there is both cooperation and competition among departments for skilled personnel, scarce resources, the attention of the leadership, and so forth. Controlling access to information is an important way that divisions within an organization acquire and maintain power. Try to find an answer that better addresses this issue.

Wang, M. M., Brislin, R. W., Wang, W. Z., Williams, D., &

Chao, J. H. (2000). Turning bricks into jade.

Yarmouth, MN: Intercultural Press

"Practice What You Preach"

Shelly Lazarus and Ogilvy & Mather Worldwide (U.S.A.)

Title: CEO

Headquarters: New York, New York

Business: A subsidiary of WPP Group plc, the world's largest advertising and marketing services firm, with a network of 40 companies in 83 countries. Clients include American Express, IBM, Ford, Mattei, SmithKline Beecham, and Mattel.

Employees: 8,500 employees in 359 offices in 100 countries

Shelly Lazarus sacrifices nothing of her personal life to the fast-paced, global world of brand advertising. With confident humility, aggressive insight, and authentic flexibility, the Ogilvy & Mather CEO fosters a creative environment for people to excel while enjoying a life outside work.

Every firm has to be clear about what it does and how it does it, especially if it's in the branding business. Lazarus knows that strong principles make strong brands, and Ogilvy & Mather is brand maker for some of the most famous products in the world. It has created its own brand as a lean-forward company that stands by its principles and unleashes creativity around the world.

Lazarus exemplifies the changing role of women in America. She shows her cultural heritage in her strongly held values, direct style, and commitment to self-development and creative individualism.

Rosen, R., Digh, P, Singer, M., & Phillips, C. (2000).

Global Literacies. New York: Simon & Schuster.

## "Communicate Deeply About Change"

Daniel Vasella and Novartis AG (Switzerland)

Title: President and CEO

Headquarters: Basel

Business: Johann Geigy began selling spices and natural dyes in Basel in 1758. After World War I, the Swiss formed a chemical cartel of Ciba, Geigy, and Sandoz to compete with the Germans. The cartel dissolved in 1951, Ciba and Geigy merged in 1970, and in 1996, Ciba-Geigy and Sandoz reunited to create Novartis. Now the number two maker of generic drugs and pharmaceuticals, number one maker of crop protection products, and largest producer of jarred baby food (Gerber) in the United States.

Employees: 87,000 operating in 275 affiliates in 142 countries worldwide

At the time, this was the largest merger in history, a \$30 billion deal to bring together two large multinationals, Ciba-Geigy and Sandoz, to form one of the largest pharmaceutical and life sciences companies in the world. It was a "merger of equals," says Novartis CEO Daniel Vasella, a forty-five-year-old former hospital physician.

To symbolize the company's fresh image, it began with a new name, Novartis, from the Latin term novae artes. And while Vasella and his team didn't know the meaning until after it was chosen, it was the new start they needed: "Novartis" means "new skills,"

"As Andre Gide wrote, 'One doesn't discover new lands without consenting to lose sight of the shore,' " Vasella noted in one of his quarterly communications to all Novartis employees during the merger. "We must courageously and boldly push ahead, surpassing the standards we set for ourselves and achieving the 'slightly impossible.'" His strategy to communicate deeply throughout the organization led to a 43 percent increase in net profit the first year, and the company is moving full speed ahead.

Rosen, R., Digh, P, Singer, M., & Phillips, C. (2000).  
Global Literacies. New York: Simon & Schuster.

## "Integrate And Align Your Company"

Sir Peter Bonfield and British Telecommunications (U.K. )

Title: CEO

Headquarters: London

Business: A \$23 billion telecommunications giant. Its Concert Communications Services is the world's leading provider of seamless global communication services for multinationals, with more than 3,700 customers in 50 countries, including 40% of the Fortune Global 500. BT recently formed an alliance with AT&T; together they bought a 30% stake in Japan Telecom.

Employees: 129,000, down from 245,700 in 1990

"The data wave is breaking higher every day. Monopoly, bureaucracy, and stagnation are out; competition, choice, and innovation are in."

Sir Peter Bonfield knows what he's talking about, having led British Telecommunications' dramatic transformation from monopoly to global competitor with the administrative ability that has marked British history. The company's transition from regulated to unregulated, from public to private, from national to global, and from voice to data has been dramatic-and fast.

BT has emerged as a fast, market-driven business riding the crest of that data wave. To make it work, Bonfield had to create a business-literate workforce: employees know where they're going and how to weather adversity, develop aspiration goals, and measure success. It's the complete alignment of vision, values, strategies, goals, and success indicators that has made this company world-class.

Rosen, R., Digh, P, Singer, M., & Phillips, C. (2000).

Global Literacies. New York: Simon & Schuster.

"Be a Mirror and a Modernizer of Your Culture"

Keshub Mahindra and Mahindra & Mahindra, Ltd. (India)

Title: Chairman

Headquarters: Mumbai

Business: Tenth largest private sector business in India.  
World's largest manufacturer of tractors and India's  
biggest manufacturer of utility vehicles.

Employees: 17,000

Keshub Mahindra is both a mirror and a modernizer of his rich Indian culture. He understands how his view of the world is influenced by the rich mix of cultures, languages, and religions that is his homeland.

Mahindra accepts that others have different values; he remains constantly curious about other people, places, and cultures. Because he sees opportunity outside India, he looks globally for new customers, capital, suppliers, and talent-but he doesn't stop there. Instead, he brings the best of the world back to India to modernize this country for a new era.

Rosen, R., Digh, P, Singer, M., & Phillips, C. (2000).

Global Literacies. New York: Simon & Schuster.

## REFERENCES

Analysis: Empowering the individual. (2003, August 22).

Retrieved on January 28, 2004 from [http://www1.chinadaily.com.cn/en/doc/2003-08/22/content\\_257151.htm](http://www1.chinadaily.com.cn/en/doc/2003-08/22/content_257151.htm)

Casse, P. & Deol, S (1985). Managing intercultural negotiations. Washington, D.C.: Sietar International.

Chen, P.W. (2003). Prosperous entertaining, part one.

Retrieved January 18, 2004, from <http://www.executiveplanet.com/business-culture-in/132272513543.html>

Clifford, M., Engardio P., Malkin, E., Roberts, D., &

Echikson, W. (2000, November). Moving up the ladder.

Retrieved January 17, 2004, from [http://www.businessweek.com/2000/00\\_45/b3706005.htm](http://www.businessweek.com/2000/00_45/b3706005.htm)

DeMente, B. L. (2002, January). Asian business codewords:

it isn't what you know! Retrieved January 17, 2004, from <http://www.apmforum.com/columns/boye50.htm>

DeMente, B. L. (2002, April). Asian business codewords:

the importance of titles. Retrieved January 17, 2004, from <http://www.apmforum.com/columns/boye48.htm>

- Dresser, N. (1996). Multicultural manners. New York: John Wiley & Sons, Inc.
- Fowler, S., & Mumford, M. (1995). Intercultural Sourcebook: Cross-Cultural Training Methods. Maine: Intercultural Press, Inc.
- Hofstede, G. (1997). Culture and Organizations: Software of the mind. New York: McGraw-Hill.
- Hu, W. & Grove, C. (1999). Encountering the Chinese: A guide for Americans. Yarmouth MN: Intercultural Press.
- Morrison, T, Conaway, W.A., & Borden, G.A. (1994). Kiss, bow, or shake hands. Avon, MA: Adams Media Corporation.
- Morrison, T., Conaway, W.A., & Douress, J.J. (2001). Dun & Bradstreet's guide to doing business around the world. Paramus, NJ: Prentice Hall Press.
- Romell, R., & Schmid, J. (2004). U.S. loses its connection, as telecom giant moves operations to China. Retrieved January 17, 2004, from <http://www.sunherald.com>
- Rosen, R., Digh, P, Singer, M., & Phillips, C. (2000). Global Literacies. New York: Simon & Schuster.

Triandis, H.C., Brislin, R., & Hui, C.H. (1988). Cross-cultural training across the individualism - collectivism divide. International Journal of Intercultural Relations 12, no. 3, 271

U.S. Department of Labor. (2003). Unemployment rate. Retrieved January 17, 2004, from <http://www.bls.gov>

Valdes, J.M. (1994). Culture bound. New York: Cambridge University Press.

Walker, D., Walker, T., & Schmitz, J. (2003). Doing business internationally. New York: McGraw-Hill.

Wang, M. M., Brislin, R. W., Wang, W. Z., Williams, D., & Chao, J. H. (2000). Turning bricks into jade. Yarmouth, MN: Intercultural Press.

Weiner, R., Murphy, M. & Li, A. (1991). Living in China. San Francisco: China Books.