

Chapter 1

“When in China...”: A Teaching Case in Global Leadership

Ivonne Chirino-Klevans

*Kenan-Flagler Business School, University of North Carolina Chapel Hill, USA
& International School of Management, Paris, France*

EXECUTIVE SUMMARY

Leading in a global environment requires the development of unique skills such as openness, curiosity, inquisitive mind, tolerance to ambiguity, among others. It is not enough to be willing to reach out to other cultures to be successful in a global business environment. Understanding that adjusting our leadership style according to the context is key in creating effective synergies when doing business across cultures. This teaching case is a tool to be used in the classroom as a resource for a Leadership Course, Organizational Behavior course or Global Business course.

TEACHING CASE

Michael sat on the porch at 7 am in front of his computer as he had been doing for the past 8 months. It was the start of a new day browsing his professional social media site hoping to find his dream job... again. He had been a successful business development executive for an important learning technologies research institute. He was still wondering what had gone wrong and how his dream job had vanished right in front of his eyes. Michael was a middle age industrial engineer who had been quite successful as an individual contributor in roles that required great attention to detail and a strong level of conscientiousness. Early in his life he had learned discipline and work ethic from his parents. He came from a military family. His Dad had been stationed in 2 different countries. Although Michael's family lived at base overseas

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his mom always made a point of helping Michael and his brother John get to know the local culture, have local friends and learn about different local traditions. The exposure to different cultures helped Michael's family develop curiosity about other cultures, openness to new information and experiences; disciplined questioning of their assumptions about other cultures, and very importantly, enjoyment in the process of experiencing new and different traditions. As an adult Michael usually found himself looking for jobs that would put him in cross cultural environments and those experiences helped him launch a successful career in global business development. He was very good at seeking out new experiences in global market environments in order to accelerate his understanding of a new culture and how to approach it from a business perspective; he was very skilled at cultivating wide networks in new regions of the world to help his company position their products. He had a unique ability to develop multiple sources of information by creating trust with global clients demonstrating real interest in their history, institutions, and points of local pride in other countries. If there was a new market to explore, his boss knew that Michael was the right person for the job. He did not only identify the local country's best practices but he was quite skillful at building on those existing best practices in different locations before introducing his own ideas or headquarters' mandates.

Mike's boss, Henry, had been in the company for almost 30 years. He had started as a business analyst and worked his way up to VP of Marketing. He knew the company inside out, had survived 3 mergers and one divestment. In fact, he was one of the only 3 founding members of the company who were still employed there. He had a keen eye for identifying talent. The first time he met Mike he was impressed with his charisma and ability to connect with others. Both necessary skills in a business development role. Henry was the kind of boss that many people would love. He would take the time to get to know his direct reports. He knew that empowerment was key to help employees succeed, but only when one as a leader is able to understand the things that matter to your people. His employees loved him. He was able to adjust his leadership approach according to the situation. He was firm when he needed to be. He would not put up with commitments not kept, deadlines missed or excuses. But he allowed his employees to try new things and make mistakes if these mistakes were used as learning experiences. Accountability was the name of the game.

Michael had been hired by Henry to help open new markets in Beijing and Shanghai. During the job interview Henry could identify Mike's passion for opening new markets around the world and could see the internal drive and commitment to high standards. That is what this new role needed. The company had had some success in Beijing in the past but changes in leadership ended with the relationship they had with important customers in that city. And Mike would be the new face of the company in China with the goal of recovering and finding new customers. Henry was sure Mike was cut for the job.

"When in China..."

After a month on the job Mike was sent to his first assignment in China. Henry had high expectations and Mike knew it. At the same time Henry took the time to better get to know Mike and provided him with the right mentoring and empowerment to get things done. Michael made a couple of trips to China and felt that he was starting to get some success with the company's previous client. Mike understood the importance of "saving face" in the Chinese environment, and not only for him but also for the customer he was trying to regain. He knew that the more face he had the more likely it would be to continue to gain the trust of their Chinese customer, which they had lost before Mike had joined the company.

Mike was getting ready to visit his client in China. He felt things were going in the right direction and he was estimating that a couple of more trips would land a new order from this client. This order would mean regaining the trust they had lost. The week before Michael's trip he received some bad news. Henry had fallen ill and he had made a decision to retire early. He had been secretly battling a disease and he was ready to find more balance in his life. This news were not good news for Mike. He was losing a great mentor and supervisor. And with that the empowerment that he had managed to obtain. Henry assured Mike that his new boss would be someone with great expertise and with a strong drive to get things done. Mike was not sure anyone could replace Henry but he was willing to give it a try. Allen was appointed to take on Henry's job. Allen was a no nonsense kind of person, straight forward in his approach to people and with little patience for excuses. Some people would say that Allen had only survived the last lay off just because he would always get results. But he has not a "people" person. He had been a successful executive and this was going to be his first time in charge of global markets. He had never had the opportunity nor the interest in traveling overseas and his leadership responsibilities had only been in the USA with American customers. And he was ready to make a difference in this new role. The first day on the job Allen called Mike to his office asking for an update on the business development initiatives in China. When Mike discussed the fact that he was planning his third trip to China Allen said he wanted to join him. Allen was not pleased that Mike was taking that long to produce the next big order with a client that already had a relationship with the company. Mike discussed the importance of recovering trust and how he had to start building a network in Beijing so that the client would again trust them. Allen was still hesitant.

The following week Allen and Mike flew to Beijing. A driver was expecting both of them at the airport and took them to their hotel. It was late at night and they knew that they had a long day ahead of them. The next morning a driver took both of them to the client's office which was in a very modern in a very modern and elegant building just outside of Beijing. Upon arrival they were taken to an office where they were offered tea while they were waiting for Mr. Tang. Allen had not slept well. He had barely had anything to eat as nothing at the hotel's buffet resembled

anything he usually had for breakfast. He had not had his morning coffee and to his disappointment he had only been offered tea at the office. While they waited Allen asked the receptionist if there was any coffee. The receptionist made a couple of phone calls and someone brought two small envelopes of instant coffee. This was going to be the first time Allen tried instant coffee. "What kind of office is this?" He thought. In that moment Weiyan stepped into the room greeting Mike. She was confused to see someone else with him. Weiyan had been Mike's contact in China since Mike started to rebuild the relationship with that company. She was Mr. Tang's most trusted employee. Mike very well understood the concept of *gūanxi* and was always very cautious to discuss with Weiyan before meeting with Mr. Tang. Mike introduced Allen to Weiyan. Allen was surprised not to see Mr. Tang and asked Weiyan when they could see her boss. Mike noticed that Weiyan was surprised by Allen's assertiveness and lack of deference for her. Weiyan politely replied that Mr. Tang was not going to be able to meet them because he was traveling. It was hard not to notice Allen's reaction to the news and asked if Mr. Tang had not been told that they were coming all the way from the USA just to meet with him. To which Weiyan politely replied, "yes" Mr. Allen. Allen seemed to be losing his patience. He did not do well with jet lag in addition to his low frustration tolerance. He was visibly annoyed and asked Weiyan when Mr. Tang would be back to which Weiyan answered "I am not really sure. Maybe after tomorrow". Allen was getting ready to let everyone know his opinion about this delay. In that moment Mike thanked Weiyan for her hospitality and asked if they could use the office that Weiyan always had prepared for him during his trips to the company. He thanked Weiyan for preparing his favorite Long Jing tea for his visit and asked if the driver could be available to take them to the hotel in the late afternoon. Mike had been working very hard on this relationship to let it spoil now. Weiyan very politely walked both Allen and Mike to a perfectly clean and organized office with all the needed technology for a productive day of work. Including a fresh pot of Long Jing tea. Once by themselves Allen demanded an explanation to Mike. Did he communicate to Mr. Tang in advance about their visit? And, why was he so passive about not having the meeting today? Didn't he know that they had only 2 days in China to get the new order from the client? Mike tried to explain to Allen the importance of being patient in the Chinese culture, as well as making sure that they kept a good relationship with Weiyan who ultimately would allow them to have access to Mr. Tang. Allen started to think that Michael was not professional and did not know how to get things done. He was getting impatient and he was not going to spend a full day at an office where he could not even get his normal morning coffee.

At about noon Weiyan entered the office where Allen and Mike had been working. She mentioned that Mr. Tang would meet them for lunch and that a driver was waiting for them to take them to the restaurant. Mike thanked Weiyan for having

made arrangements to have lunch earlier, to which Weiyan smiled. Allen could only think about how hungry he was. At the same time he asked Weiyan, "I thought Mr. Tang was traveling and could not meet us today". Mike just took a deep breath. Weiyan politely responded "He is back".

At the restaurant Allen and Mike were seated at a table. It was a traditional "hot pot" restaurant. Weiyan knew this was one of Mike's favorites. Weiyan arrived 10 minutes later. By herself. Mike thanked Weiyan for choosing his favorite restaurant. Allen asked where Mr. Tang was. Five minutes later Mr. Tang arrived. He was accompanied by one other gentleman. Allen introduced himself to Mr. Tang. Mr. Tang, through his translator, welcomed Mike and Allen. Mr. Tang ordered drinks and Weiyan gave the order to bring food as well. Allen's face could not hide his surprise at the size of those beer bottles. He was not sure he wanted to start a business meeting with a drink but at the same time it had been a long morning already. He reached out to one of those beer bottles and started to pour it on his glass. Mr. Tang briefly looked at him and when Allen finished pouring Mr. Tang took the bottle and poured Mike's and Weiyan's glass. Allen was not sure what had happened. But he was eager to start talking about business. At that moment a group of servers started dancing with what seemed to be noodles. Allen could not believe his eyes. This was a great show, but he was there for business! He had just exchanged a couple of pleasantries with Mr. Tang's translator and now this! Mike started noticing Allen's annoyance with the situation and tried to start a light conversation with Weiyan and Mr. Tang. Allen would interrupt a couple of times. Then the food arrived. Several plates were placed in front of Allen. There was hot water, noodles, and other seemingly edible items that Allen could not recognize. Weiyan started demonstrating how to prepare one's plate by placing each food item in the hot pot. To which Mr. Tang followed and then Mike. Mike had gone to other hot pot restaurants in the USA but there was nothing at the table that he could recognize. And he was not willing to try. He so much was craving a well done steak. They had been eating and exchanging small talk for about 30 minutes. And Allen could not take it anymore. He asked Mr. Tang if he had seen the new catalogue with their products and when was he placing their first order. Mr. Tang looked at Mike with a straight face. He exchanged some words with Weiyan and Weiyan responded that Mr. Tang wanted to get back to us at a later time. Allen could not hide his frustration. Mike knew they could not jeopardize the relationship that he had been nurturing for the past 2 months. And Allen was getting ready to spoil it all. Mike talked to Mr. Tang through his translator saying that they will be willing to wait and that they understood. The lunch ended and upon arriving to the Hotel Allen called Mike and said "You don't know how to do business. We were supposed to leave that lunch meeting with a new order from Mr. Tang and you were not able to get this deal done. I think we need to make some major changes at the office when we return".

CASE ANALYSIS

1. What do you think are the sources of power of each character?
2. What are the cultural dimensions that you identify on each of these characters?
3. How would you describe the level of self-awareness of Allen, Michael and Weiyang?
4. Analyze the level of emotional intelligence of each character.
5. What motivates each of the characters in the case?
6. Using any framework, how would you describe each of the character's personality?
7. How would you rate the level of empathy of these characters?
8. What conflict management styles do you identify in this case?
9. What are the best practices that you identify related to cultural competence?
10. What communication styles is used by each one of the characters?
11. What elements of a high-context culture do you identify in the case?
12. What mistakes were made by Allen in terms of cultural competence?
13. Are there any ethical issues that you identify in this case?
14. What advice would you give to each of the characters in this case?
15. What would you recommend to anyone in Michael's position?