
Recommendations on Management Style and Decision Making Process

Introduction

Globalization has accelerated the rapid growth of global economies which are mostly consisted of cross-border trade cargos as well as services. The economic globalization has brought about the penetration of cross-border labor from different countries to the production level in companies (Gao, 2000). In this case, Company A established a joint venture operation in China five years ago, and recently want to be more active in the daily management of Chinese factory. Consequently, John, as an experienced expertise of cross-culture management, has been in charge of the joint venture Chinese operation. The divergence between culture script and culture schema between John and Chinese co-workers results his management in an ineffective work. In other words, the things do not develop as successfully as expected. This report will illustrate his deficiencies and give recommendations on management style and decision making process from three aspects, namely, Motivation and Leading, Communication, and Relationship.

Problems Identification and Analysis

Motivating and leading

As an expatriate manager, who had succeeded in other international joint ventures for his company, John tries to implement various executive actions to improve efficiency within the Chinese organization in the same way. However, he has found that all of these restructures do not make sense. When an organization is at the point of transform between the top management the executive manager, who is chosen to transformation, needs to focus on getting staff to perform their tasks efficiently and effectively. In order to achieve this, appropriate leading style and motivating are the crucial factors. Employees in the host country always hold some existing expectations and assumptions, which are called leadership prototypes, about their leader's image. Obviously, leadership prototypes vary from one culture to another (Gerstner & Day, 1994). The better fitting between a foreign manager and expectations of local workers, the more likely the manager will be regarded as an eligible leader. The results of research by the GLOBE program provide typical attributes of manager emphasized in 62 countries. There is a distinction between Chinese emphasis and that of America. However, John, as a representative American manager, does not understand the leadership prototype differences in these two countries, and then rushes to work with various radical rearrangements in his American leading style.

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The United States is a higher prototypical country compared with China so that there are much more variables affecting people's assumptions of a leader (Gerstner & Day, 1994). It means that expatriate manager like John has to find a balance point between his own characteristics and potential team member's expectations in advance. The fundamental goal of leadership is to help employees to realize their potential in their working (Deresky, 2017). Managers need to understand the employee's real needs first so that they can satisfy them in the best way. Hofstede's cultural dimensions is a good starting point. Based on the uncertainty avoidance dimension, Chinese people prefer a stable and orderly working environment. John's sudden restructures put him in the opposite position to Chinese staff. In addition, in such a tight culture, people here want to work with a manager who is similar to them. John's actions demonstrated his diffidence from traditional Chinese people. According to power distance view, Chinese workers focus on the relationship with their supervisors. Nevertheless, John actually tries to remove the unions comprised of employees and does not consult them effectively. As for the collectivism dimension, there is an emphasis on group work and group benefit in Chinese organization, which means that reallocation of salary and job accountabilities cannot encourage employees working harder. Considering the meaning of work, Chinese political beliefs possess many aspects of Chinese working motivation (Deresky, 2017). People here believe that they are part of their group, and one of their major responsibility is to serve the society (Deresky, 2017). On the other side, in Chinese workplace with feminine culture, workers are concentrated on their relationships with managers and colleagues. Executions like firing managers, removing unions, and encouraging individual competition will be recognized as an undermining of their working harmony.

Communication

As John is an executive director who lacks Chinese language skills and experience, the first step for him is to identify and understand the local culture. The practices to do such actions are for conducting cross-cultural participation and management practices more effectively before coming to China to manage the business (Lawrence, 2007). However, John, who is eager to start work, does not realize that managers from different cultures have different views on the world. This means that the subjective reality of managers and the way to simplify complex reality are different (He & Liu, 2010). Further, John did not minimize the distortionary effects that may result from cultural differences before coming to China, but only based on past personal experience. This attitude error leads to John's consideration of existing information when making decisions is culturally constrained rather than objectively needed. Meanwhile, in the first six months of starting work, John has adjusted company's salary and job responsibilities in the absence of effective consultation with the union. He also implemented a series of reforms on the union since he did not get enough verbal opposition from the senior management team in China. In fact, according to Hofstede's Individualism-Collectivism index (2011), compared with individualism, collectivism is a societal characteristic. That is to say, unlike the individualistic

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culture of the United States, China is collectivist culture. And it needs to promote decision-making from the organizational structure rather than giving only a few high-level personnel decision-making power (Hofstede, 2010). Since cultural differences will lead to bounded rationality, communication is particularly important in the process of management decision-making and trade union reform. In the case, John has no effective consultation with the trade unions to reduce the subjective bias caused by cultural differences. At the same time, when he communicated with Chinese senior management team, he did not clearly distinguish the hidden meanings of different cultures for silence. Besides, John also ignored the possibility of silence representing refusal in cross-cultural communication. Obviously, the trust of employees and John in the enterprise is gradually lost with lack of communication.

Relationship

At the micro level, the various elements of cultural composition, such as the relationship between employers and employees, and the behavioral performance between employee and employee, etc. , all of these have an impact on the organization's operational development. These effects may not be easily noticeable, but they will subtly change the working atmosphere of the company to a certain extent. The case mentions that John's entering the Chinese company has made the company's employees' work attitudes become low morale as well as the productivity. The core reason for such situation is the lack of basic trust between employees and John. McDonald (2017) says that the leader's emotions have a direct impact on the subordinates, that is, if the leader's emotions are positive, then the whole company's working atmosphere will be full of joy and happiness, and employees will be fully motivated to work. Conversely, if the leader's attitude is negative and slack, it will have unpredictable losses for the company. Apart from that, establishing a healthy and benign employer-employee relationship can be seen as the key to the company's ultimate success and sustainable development.

A strong employment relationship can make employees feel happy at work. This factor is significant to Asian companies. A healthy employment relationship enables employees to work effectively, reduce conflicts and enhance mutual trust (Business 2 Sell, 2015). When considering the result of the bad relationship between employer and employee, because John himself knows little about Chinese culture and has insufficient understanding of the company's philosophy in the context of Chinese culture, John has little understanding of the importance of 'the relationship' idea relating to Chinese business. The case mentions that John's trip to China was his first time working in a non-English speaking country. And John himself does not tend to show any interests in Chinese culture. Under such circumstances, it is difficult for John's management work to progress effectively. And it seems like to cause bias and prejudice in the team easily. When considering the macro perspective, building a relationship with the government due to commercial purpose is quite difficult, extremely, Chinese government-business relationship is both unique and complicated (Zhu, 2015).

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The lack of legal and economic knowledge of the Chinese commercial market causes John to ignore the significance of the relationship in China. It is the core reason why John has encountered such a difficult situation, which the joint venture license of Company A may not be renewed in a year's time. According to Trompenaars's (1993) dimensions theory, universalism emphasizes the importance of norms; only the person who follows the contract can be trusted; the deal is the deal. As a contrast, highlight more on the relationship that can be developed during business than the existing contract; the person who is able to adapt the changing situation is more trustworthy; the contract can be changed due to the changing situation (Trompenaars, 1993). John, as an expert in the universalism cultural country, he overlooks the importance of relationship during business in China.

3. Recommendations

3. 1. Motivating and Leading

In order to fit better with Chinese leadership prototypes, John needs to understand attributes valued in China generally by the GLOBE program, and then adjusts his abilities and views to meet their expectation. Since motivation is situational, it is more important to know all about the relevant cultures both in company level and individual level (Deresky, 2017). Another suggestion is related to the reward system. He could set a plaque award labeled "Excellent Group" monthly to motivate staff efficiency as a team. As for the individual, extra training and bonus like free housing, school, and medical care will be much more preferred in China according to Deresky (2017), as employees feel that they gain attention and caring from their group, and it will bring their loyalty and hardworking back to the organization.

Communication

Because of cultural differences, first of all, the top manager should identify and understand the local culture in advance before taking over the cross-cultural management business. At the same time, John should actively carry out business handover with management. In this way, it could help him quickly integrate and adapt to the company. Secondly, when making decisions, John should try to avoid the limited rationality brought about by cultural differences. That is to say, he should consult and respect the recommendations of local management. Apart from that, he should also be more cautious about language or non-verbal communication to make the most suitable local cultural environment decisions.

Relationship

Because the cultures of different countries are different, when leaders enter new markets, they should effectively and quickly integrate into the local culture. In this case, what John needs to overcome most is the understanding of relationship building in China. It requires John to learn the Chinese language as much as possible in order to communicate fluently with his staff. This will quickly shorten the distance between John and other members of the company as well as building a relatively intimate relationship.

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Conclusion

As cross-border transaction has become increasingly prevalent in the trend of economic globalization, cross-culture management has taken up an essential role in the transaction between enterprises from different countries. This case study identified and analyzed John's mistakes of management style and decision-making process in terms of Motivation and Leading, Communication, and Relationship. Because of discrepant culture script and culture schema, attribution errors are penetrating the international business. Therefore, to successfully establish and manage a joint venture company, international managers need to understand the local culture, try to learn the native language, and be modest to communicate with the local managers.

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