

IN THIS ARTICLE

*International Management Development,
Predeparture Training*

*Many experts view the Pacific Basin as the next major hub
of worldwide business. Here are some guidelines for
recruiting and developing effective managers to work in Asia.*

Managing Effectively

ASIA in

ONCE UPON A TIME,
there came a Texan to Shanghai
to do some business.

In his first meeting
with his Chinese hosts,
he put his feet up on a table.
Then, he used a business card
to clean his teeth.

The Chinese hosts
abruptly left the room.
Meeting adjourned.

BY CLIFFORD C. HEBARD

YOU SEE, IN SHANGHAI, it's considered highly offensive to show the soles of your feet. And business cards are considered prized possessions.

The moral of the story is fairly obvious: People who recruit and manage businesspeople to work in Asia need to know the cultural and business customs of Asian countries.

Peter Koveos, who directs the Kiebach Center for International Business Studies at Syracuse University's Crouse Hinds School of Management, says:

"Most economic activity in the world is going to take place in the Pacific Basin. So, it's important that companies learn now how to operate in countries over there, especially China. China and the United States are going to be *the* two economic powers of the twenty-first century."

One example of global expansion is McDonald's. Bob Wilner, McDonald's director of international human resources, spends most of his time in China, the fast-food restaurant's newest market. He says that the number of McDonald's is expected to increase from 46 restaurants to 300 by 2000. "We're growing at an unbelievable rate in every country in Asia in which we're doing business."

"With such rapid growth, there's an overall shortage of management talent throughout Asia, especially in China," says David Hoff, director of international resources at Anheuser-Busch. Hoff cites one reason as the Cultural Revolution of the 1960s and 1970s. Most schools in China closed, so an entire generation didn't receive much education.

"In Japan, it's particularly difficult for women to make it out of the secretarial ranks," says Hoff. Anheuser-Busch makes it a point to recruit women in Asia. In its joint venture with a Chinese brewery in Wuhan, Asian women have been particularly effective in sales.

In addition to the cultural hurdles, assigning expatriate managers to Asia is expensive, according to a report in the *Economist* (June 24, 1995). The costs include high salaries, extensive insurance coverage, and frequent paid leaves. Despite the drawbacks, the accounting firm Price-Waterhouse estimates that 450,000 "expats" are

now working in China and that the number will increase through 2000.

"The cost of expatriates is enormous," says Hoff. "As a long-term strategy, companies need alternatives."

One alternative Hoff is working on is hiring foreign nationals, developing their talents in the United States, and reassigning them abroad as local managers. In fact, George Renwick, president of Renwick and Associates in Arizona, says that it's a mistake to impose "global managers" on Asia.

"It's much more effective to take Asian managers and enable them to lead Asian organizations more effectively. I'm concerned that, out of our ignorance, we're creating an American model for the global manager. Out of our arrogance, we're imposing this model on Asia. And out of our impatience, we're insisting that Asian managers develop quickly along the lines of this model. In doing that, we

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may be rendering them ineffective in the long-term in their own societies—and inadequate as our managers of their people."

Wilner says that McDonald's tries to develop local people in Asia, finding that more effective than bringing in someone from halfway around the world who doesn't know the marketplace or the customers.

In another example, Renwick points to an international financial-services firm in Taiwan. Its most successful unit is headed by a Chinese manager from Hong Kong.

"He's outstanding," says Renwick. "But he couldn't manage the Korean operation, the Indonesian operation, or the Spanish operation. He's not a global manager. He's an outstanding country manager. That's what we need."

Mores and models

John Gillespie—vice-president of Clarke Consulting Group, based in Redwood City, California—recalls a meeting in Tokyo in which the Japanese participants had carefully arranged the room. When the American and European participants arrived, they rearranged the chairs to form a "U." The Japanese watched and said nothing. In the meeting, they also said nothing. Unwittingly, the Western participants had silenced their Japanese colleagues by assuming that the Western way was the only way.

Pacing is another factor influenced by culture. Westerners' typical "do it now" approach can work against them in Asia. "In Manhattan," says Gillespie, "I talked with a couple of Americans who were planning to set up business in Asia. The whole time, they talked rapidly and interrupted me. They had better slow down and listen." In fact, Gillespie says that Asians say in confidential interviews that Americans interrupt and never listen.

"In Buddhist societies, silence is admired. In a Japanese context, when you finish saying something, you expect silence. In Asian cultures, too many words are considered suspicious."

On the other hand, a Japanese executive comments that Japanese and Americans are about 95 percent alike. But he adds that they can be different in such important aspects as common sense, assumptions, and showing respect for others.

In addition to certain customs, technical expertise is important in the Asian business arena. Says Koveos of Syracuse University, "The main sense one gets is that things have happened so fast during the past five years—and the world has changed so much—that I think it points even more to the need for people with technical expertise, as well as a deep appreciation of world developments and world cultures."

Last September, Syracuse launched the Shanghai Syracuse School of Business in partnership with the East China School of Technology. Faculty are from both schools. The curriculum includes courses in accounting, finance, and communication—to meet the need in Shanghai's large financial

WOMEN MANAGERS IN ASIA

Women managers expatriated to Asia may find themselves doing business in cultures in which women are secondary to men and don't have equal status in the workplace. In Japan, for example, sexual harassment, withholding paychecks, and abrogating contracts are common treatment toward women, even at the managerial level.

"I think that the biggest drawback for businesswomen in Japan is that it's difficult for them to participate on an equal footing in the after-hours activities," says a Japanese consular official.

"The 'social grease' of Japanese business is harder for them to access. They can't afford expensive dinners and parties; golf games aren't going to be offered. But foreign businesswomen in Japan face the same problems that foreign businessmen in Japan face. Being a foreigner is more of an issue than being a woman or a man."

Another Japanese official suggests that expatriate women managers in Japan seek women of equivalent rank and position and then behave like them in professional situations. "That way, the women will be considered polite and appropriate and still get their business done."

Still, acceptance of women in Asian business is growing. As economies develop, there's a greater need for the best and brightest, no matter what the gender. In fact, one woman manager's experience confounds the stereotypes.

"Asia has a bad rap about being sexist," says Sea-Land's Mancigli. "Before I went, I read some books and adjusted my style. I didn't feel

discrimination, sexism, or harassment. I was chosen because I had marketing expertise."

But, Mancigli adds, she was often asked who was watching her children. "Asians are very direct," she says. "Family is important. They'd get a real kick when I'd answer, 'My husband.'"

Mancigli says that her own role as an expatriate was unusual for a woman. "I traveled all over. The position was new and involved work with all of the core Asian countries."

Before a sales meeting in Japan, she was warned that customers might not talk to her or look at her, or that they might fall asleep. "I heard all of the horror stories. But they didn't happen. I just drank up all the knowledge I could."

Clifford Clarke of Clarke Consulting Group says that one of his clients, a woman expat working in Japan who was vice-president of human resources for the Bank of America, found that Japanese male employees opened up and shared their problems with her more readily than they did with her male American counterparts. Consequently, says Clarke, she became a great source of information on Japanese men in the workplace—though she says that the Japanese men prob-

ably wouldn't have been as open with her if she

had higher status; then, they would have felt competitive. And the men's behavior became more sexist in the after-hours social scene, in which a lot of Japanese men conduct business.

Clarke says that other women expats report that they had to prove themselves with every Japanese man in the workplace, no matter what their credentials. Conversely, a man's reputation in Japan precedes him; he doesn't have to prove himself repeatedly.

Some women expats also say that Asian men tend to have great difficulty reporting to women. Unfortunately, when these men seek transfers to other departments, male American expats often support the move. Clarke says that Japanese men simply don't know how to behave when working with a woman (especially one of a different ethnicity) for the first time in their lives. They actually don't know what to say.

Interestingly, Clarke says that he has heard many times that on a continuum of communication styles, American men are at one end, Japanese women are at the other end, and Japanese men and American women fall close together in between. Like American women, Japanese men tend to be supportive, respectful, tactful, and indirect in their communication styles. And they express themselves with feelings as well as facts.

Clarke points out that it's unfair to expect Asian men to adapt immediately to working with women expats. The men need training and development in less threatening situations, such as behavior modeling.

center for workers with such skills. About 70 students enrolled right away. According to Koveos, they're rapacious learners.

"It's like kids getting Christmas presents for the first time."

But Renwick cautions that technical know-how alone isn't enough.

"Effectiveness in Asia depends not only on what we do, but also on why

we do it and how. Yet, most lists of international competencies omit attitudes," he says.

Renwick has asked Chinese people to describe the best Western manager they've had. Here is a sample of



PROFILE OF THE GLOBAL MANAGER

The following "Profile of the Transnational-Global Manager" provided by John Gillespie, vice-president of Clarke Consulting Group, lists some desirable qualities for effective managing in Asia.

- ▶ global experience outside the home country
- ▶ global knowledge, attitudes, and perspectives toward international issues, events, and business
- ▶ multicultural knowledge and expertise of national cultures

- ▶ a knowledge of working effectively and simultaneously with employees from different countries
- ▶ cross-cultural interaction and communication skills
- ▶ adaptation skills for living in foreign cultures
- ▶ a willingness to modify one's management style
- ▶ a catalyst-type personality for creating cultural synergy through practicing key skills and integrating national differences.

some of their comments:

- ▶ "He was genuinely interested in me, my welfare, and my professional development."
- ▶ "I was really comfortable."
- ▶ "He was kind."
- ▶ "He really helped me when I was in a difficult situation."

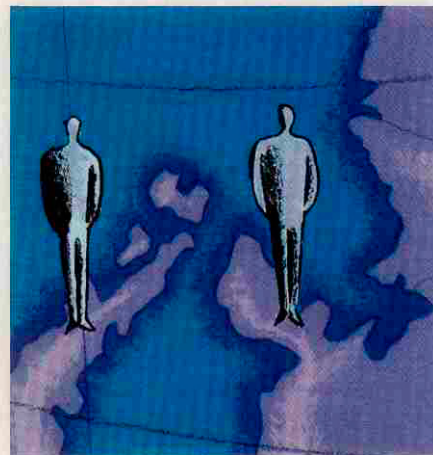
Different ways of learning

For a specific program, Koveos cites Hanso, Korea's largest paper company, as a model for developing managers who can work effectively across cultures. A group of Hanso's people spent time in the United States, including four weeks at the University of California in Irvine, a week of leisure travel, and seven weeks at Syracuse University to study management.

"Now, there's a company that knows it has to globalize," Koveos says. "Hanso helps managers understand how international economic, social, and political developments affect industry. The winners in the global arena will be companies that take the time to prepare—and that help their people see the big picture."

"Companies should go out of their way to show that they respect the local value system. They should learn how to live within the system rather than try to duplicate their home systems."

Renwick agrees. "Training is just one means of development. I find that many of our assumptions about how people learn, why they learn, and how they use what they learn don't apply in Asia. So, if a company relies heavily on training to develop



■ *The winners in the global arena will be companies that help their people see the big picture* ■

managers, it's important to re-evaluate its training methods before training managers to work in Asia.

"Chinese learning patterns are different from Western patterns. Chinese reasoning is different. And the way Chinese make decisions is different. We need profiles and models of highly effective Asian managers with distinct Asian attitudes and competencies, for developing our Asian managers."

Renwick also points out that people's learning patterns are influenced

by language and the way they learn language. "Chinese languages are based on ideograms, or characters. You can't determine how to pronounce a character just by looking at it. So, learning Chinese depends on a teacher, imitation, and repetition."

A guide to development

When training Asian managers, Renwick recommends starting with a best-practices study—not concepts, theories, or models.

"Talk with highly effective Western managers and Asian managers, and the people who work with them, to determine why they're effective. They become the models for developing others, instead of our own notions of what a global manager should be."

"The insights and guidelines we need for developing our managers are often available in the company. Find them and develop a process through which the knowledge can be articulated and shared."

Renwick recalls a discussion between himself, Don, a manager returning from China after four years, and Don's successor, Bill. Don had developed insights and made mistakes that Bill could learn from.

Says Renwick, "We analyzed how the Chinese reacted. And I asked Don how he'd handle the same situations today. His answers showed what he learned—about himself and other matters."

Renwick suggests that small companies that wish to develop managers to work in Asia should find people with experience as expatriate managers.

"Spend a few hours with them examining what they learned. Get their recommendations in such areas as government relations and working with joint-venture partners. Anticipate real situations that are likely to occur and ask how they'd handle them."

Overall, Renwick recommends these guidelines for developing managers to work in Asia:

- ▶ one month of intensive language training
- ▶ one month of orientation in the country to learn about the people, issues, and how the company operates
- ▶ intensive cross-cultural training on cultural adaptation and professional

performance in such skills as negotiation, supervision, and marketing—as they apply to the particular culture

- ▶ one month of working closely with one of the company's experienced managers in the region
- ▶ an assignment that the potential expat isn't quite ready for.

"A job that's a little over a person's head is often the most effective way of developing him or her," says Renwick. Generally, he says that he has observed three weaknesses in other development programs: insufficient language training, cross-cultural training that favors adaptation over job performance, and a lack of follow-up or ongoing support.

"Some people are well-adapted. But they're not getting the job done. As for follow-up, I find that I can be of more use to expatriates in their first three hours on the job in Asia than I was for the three days before they left."

On a personal level

Before Dana Mancigli of Sea-Land Service moved to Hong Kong to run one of its business units, she prepared.

"The key is building your relationships from the United States so that they'll be there when you go over. You know who the players are, their needs, and their concerns. Once you've established loyalty and rapport with local people, they'll automatically make introductions for you in the marketplace."

People skills are especially important when managers are working in different cultures, says Wilner. At McDonald's, expatriate managers must be able to motivate and lead teams, counsel employees, and conduct performance reviews—common in McDonald's U.S. training.

Training consultant Hank Fieger of Santa Monica, California, emphasizes the similarities: "We all need to be appreciated, listened to, and understood. And we all need clear expectations."

Fieger advises enlisting expatriate managers with people, technical, and influencing skills and who are good at strategic thinking. In particular, he says that conflict management in Asia often requires a third party in order to save face, which is considered a

DO'S AND DON'TS IN ASIA

Here are a few tips from Roger E. Axtell's book, *Do's and Taboos of Hosting International Visitors* (John Wiley and Sons, 1990).

China

- ▶ People typically have three names; the first is the family name.
- ▶ People tend to ask very personal questions, such as your income.
- ▶ Politeness, humility, and grace are appreciated and respected.
- ▶ Hugging or taking someone's arm is considered inappropriate.
- ▶ Winking or beckoning with one's index finger is considered rude.

The Philippines

- ▶ Handshaking and a pat on the back are common greetings.
- ▶ English is the language of business, government, and education.
- ▶ In business and at social events, American practices prevail.
- ▶ Some people may express anti-American sentiments.

Indonesia

- ▶ Handshaking and head nodding are customary greetings.
- ▶ Punctuality is important.
- ▶ Business dealings tend to take longer than in the United States.

Japan

- ▶ The country is adopting Western customs quickly.
- ▶ Business cards are exchanged before bowing or handshaking.
- ▶ A weak handshake is common.
- ▶ Lengthy or frequent eye contact is considered impolite.
- ▶ It's best to phrase questions so that they can be answered with a "yes."

Malaysia

- ▶ "Malaysians" or "Malays" is correct.
- ▶ It's considered impolite to touch someone casually, especially on the top of the head.
- ▶ It's best to use your right hand to eat and to touch people and things.
- ▶ In business, decision making is slow.

Singapore

- ▶ Western-style handshakes are common.
- ▶ Business lunches tend to be long and informal.
- ▶ No smoking is permitted anywhere.
- ▶ American negotiating methods may be viewed as pushy.

South Korea

- ▶ Men bow slightly and shake hands, sometimes with two hands; women refrain from shaking hands.
- ▶ Women play secondary roles in society.
- ▶ Family names are first, then surnames.
- ▶ It's considered polite to cover your mouth while laughing.
- ▶ Business entertainment is important and extensive.

Thailand

- ▶ First names are used frequently.
- ▶ Public displays of temper or affection are frowned on.
- ▶ Western humor, especially sarcasm, is often misunderstood.
- ▶ Businesspeople take a long time to make decisions.
- ▶ It's considered impolite to point at anything using your foot or to show the soles of your feet.

high priority in Asian culture.

But, Fieger adds, "I'm beginning to see past some of the obvious cultural differences. On some level, we believe that there are differences so we think that we need to do 'business in Asia.' But maybe part of our role is to find others who support the belief that things aren't as different as we thought." ■

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