

Teaching Note

EUROPEAN OPERATIONS MEETING, CLASH IN BRUSSELS

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SYNOPSIS

This short case study is about initiating a discussion about national business culture differences. It is shedding lights on some salient features, which are often to be found but not always.

From one stimulus (Don's instruction), each manager reacts his or her own way.

This case study exemplifies and complements the reading of the guide BUSINESS CULTURES ACROSS THE WORLD.

TEACHING THE CASE

Discuss first Don's objectives and approach. Ask the students how they would have reacted to such a stimuli.

Then ask the students to screen each manager by main business cultures (Latin, Anglo-Saxon, Slav) according to their emotions, time appraisal, eagerness to establish a bond, respect for rules and policies etc.

Afterwards ask the students to relate each manager's nationality with features to be found in the guide or presented in class.

Finally ask the students to provide some advise to Don on what he should or could do to get a fresh start and discuss their ideas.

Ron

Ron is new in the job, and probably eager to make a quick difference and secure his position. His predecessor went to early retirement, meaning he was likely pushed out, meaning also there is supposedly room for improvements. His job is to push up the share price A.S.A.P. He is single minded: this is his mandate and his priority; he is not going to waste time and he hence goes straight to the point. At the end of the day he is not very comfortable, he faces a group of manager he had very few interaction with before, he knows he is quite demanding and his request is brutal and controversial.

Ron has been travelling to Europe every year to visit trade shows and he probably considers he knows Europe well. He is not interested in local difference; this is Europe period, which he refers to as "your country". Some Americans may indeed oversimplify Europe, not clearly grasping national differences, considering English as the good enough language to communicate in all circumstances, even with customers etc.

Ron has no time for small talks and lagging debate; he wants to set up the pace, his own pace (his metric of time is in hours and days). This is typical American business culture.

To establish his leadership with seven "aliens" he is blunt, assertive and imperative. His leadership is action oriented, with no room for adjustment, a mere "repeat after me". This overconfident style could be accepted in the US, but not in Europe.

Who's who?

Manager 1 is the first to react to what several of his colleagues consider a sheer aggression from Ron. He is hence brave, non emotional and his reply aims at trying to defuse the tension (calling an “information” his boss’ instruction). He sees the clash coming and tries to calm things down. He smartly requests time to think the matter deeper, and teamwork to prevent a personal conflict between Ron and some managers. This dislike of confrontation in the workplace, this pursuit of a form of consensus, this reference to good managerial practice and labour laws is typically Swedish.

Manager 2 is stiff, blunt, oversensitive to Ron’s intrusion on his turf, proud of his achievements, inflexible, unyielding to compromise. He takes the boss’ instruction personally; this hurts his feelings and he slams the door at Ron’s face. This kind of pride and arrogance is very Latin and can be the very attitude of some Spanish managers.

Manager 3 is conversely strictly professional. He remains cold-blooded and plans the next steps according to the instruction. Making people redundant (English word for terminating people) triggers less resistance in the UK than elsewhere in Europe; the whole process is relatively easy and well mastered (trade union steward involved, call for volunteers). While all other managers more or less distance themselves from Don’s demand, he will meet it in due time. This lack of emotion and easy alignment with Americans is often to be found with English managers in MNCs.

Manager 4 interrupts his English colleague, aggressively challenges Ron’s instruction and calls it “irrelevant”. He displays his emotion in a rude fashion. He is presumptuous when he claims he knows better than his American boss the right PR consultants in NYC. After the steam was off, he strongly recommends (almost bullying) Ron and he establish a personal relationship. This personal connection orientation in problem solving, high emotion and arrogance is very French.

Manager 5 has no concern for befriending his colleagues; he just wants to carry on growing. He even sees Ron’s instruction as an opportunity to channel more resources to his operation that was possibly looked down at until now. His country will soon be one of the largest industrial ones in Europe; this shining economical success creates some friction from time to time with others but he does not care. He is Polish.

Manager 6 is politely and firmly requesting that Ron proceeds in an orderly fashion. Such a project should unfold step by step, within clear guidelines. He will then dutifully work with his own colleagues, following Ron’s instruction. But the sacred cows must be spared: R&D and sales organization. This professional attitude, without emotion, very much focused on efficiency, taking the necessary time to get things done perfectly (in 6 days precisely but not in 36 hours) is truly German.

Manager 7 is stirring the pond by his question but he is not aggressive. He pushes Ron to think out of the box. In a matter of minute he could even imagine out of the blue a very surprising and creative solution. He relies on his talent of seduction to ultimately make the financial analysts change their mind. In every issue, he sees a solution and an opportunity, he is Italian.

Several angles

I suggest the students start finding which manager is Anglo-Saxon or Latin, observing emotions, tasks vs. relationship, relation with time etc.

Then the business dimension should be stressed too. Hofstede, Hall and Lewis do not teach us about economic and corporate focus (in Germany, Poland), about attitude towards labour laws (in The Netherlands and the UK), about the level of self-confidence and sensitivity etc.

Dealing with Turkish, Chinese, Russian people would necessitate for instance a perceptiveness of their particular forms of nationalism.

Management of this situation

This is not the purpose of this short case study, but the discussion in class will possibly encompass this angle. Here is how I would tackle the situation:

Step1: damage control.

I think we should first pity Ron. His overconfidence is in shamble. He has no plan for the next step. He wants to fire the whole bunch of European managers with the exception of the British one, but he can't. His first goal is to maintain his authority, which is dangerously challenged.

Here are my recommendations:

- 1 Forget the 36 hours deadline,
- 2 Reformulate his request, maintaining a fixed cost reduction (possibly restricting them in % of the revenue rather in absolute value ... this is sheer face saving) and stressing that any option to boost profit this very year is a priority,
- 3 Delay the press release until the following week until he is back at the HQ.

Step 2: manage the group

He should establish rules of the game: agenda circulated prior to the meeting itself, some room for discussion to let the steam off, a clear decision making process ... (Americans are good at that). He should also find at least 3 allies amongst the European managers (British and Polish naturally) and who else? He should try hard to bring a Latin manager on board I would recommend "massaging" the French one, flying him to NYC and then to HQ for a debriefing; being selected for this mission will flatter him. Or giving a carte blanche to the Italian one, with the risk of difficult control. Concentrating on the Anglo-Saxon managers would create or deepen a shift with the Latin ones, not helping the management of that group.

Step 3: manage each individual manager

He should be building up a personal relationship with the Latin ones, being an inspiring leader with the others, setting up a "corporate management culture" etc.

Conclusion

This story is only to initiate a discussion; there is nothing "right" or "wrong" about any manager's attitude or reaction, including Ron's.

Let me insist, Ron is not the bad guy, he is just a high flyer executive, newly appointed to a job, not 100% prepared to, formatted in a given business culture, never exposed to managing non US people

and under stress by the declining share price. He just acts “normally” for an American top manager, without realizing the consequences of his managerial behaviour in a multicultural environment.

The French manager is very angry and does not behave; but letting his emotion off may well pave the way to a later understanding with his boss.

This story is finally about everyday business life: corporate goals such as profit margin, fixed costs, growth, share price etc. a struggle between a new CEO and local managers defending their turf. The multicultural matter adds another dimension, one of the many layers, making the issue more complex and requiring a dedicated approach.

REFERENCES

BUSINESS CULTURES ACROSS THE WORLD, a practical guide.

Erwan Henry, 2019, Presses universitaires de Grenoble,

Prior reading of the Latin, Anglo-Saxon, Slavic chapters and American, British, German, Scandinavian, Italian, French, Spanish, Polish business cultures, is mandatory