A Comprehensive Analysis on Cultural Diversity

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ABSTRACT
Diversity has become an integral part in any business desiring to obtain growth and success. As demographics in the labor force continue to change, and worldwide markets develop, diversity in the workforce has become a necessity. This is displayed in the Harvard Business School’s Wendy Peterson case study. The company AccountBack, had recently promoted Wendy Peterson to Vice President of Sales at the Plano Texas office. Peterson had developed a strategy to break a emerging Chinese market in the area, but felt she lacked the right personnel. In light of this, Peterson hired business professional, Fred (Xing) Wu, who had access to the Chinese market leaders in the Plano area. After only a few months working for AccountBack, Wu signed the office’s largest client. Peterson was pleased since it showed her strategy was working, but she was not pleased with the way Wu neglected to follow company policy and her guidance. Because of this, Peterson had doubts about their working relationship and Wu's future with the AccountBack. Wu appeared to not take Peterson’s concerns seriously and even requested an assistant. Later he stated he had been offered an opportunity with a competitor. Peterson felt she needed to either grant Wu's request, or let him go. Peterson knew her decision would no doubt affect the office personnel’s morale, her growth plan for the area, and possibly even her career. This decision may never have been necessary if Peterson would have taken the time to study the Chinese cultural customs and values, and then focused on similarities instead of differences. Then perhaps, she would have noticed that she was not integrating Wu into the company, she was alienating him.

Keywords-- CEO, AccountBack, Products

I. INTRODUCTION

Decisions
Important decisions should not be, and are not, easily made. Generally, a single important decision will have a considerable effect on all future endeavors. This was the case for Wendy Peterson, a newly promoted Vice President of Sales for AccountBack. Peterson was caught having to decide on letting one of the company’s most promising sales associates basically do whatever he wanted, or letting him go and quite possibly hurting her career. Poor decisions made early on steered Peterson to this point, and now had forced her into a possible no win situation.

II. CASE ANALYSIS AND ORGANIZATION

This case analysis paper is written for the purpose of analyzing the Wendy Peterson Brief Case, and then offering recommendations to the aforementioned situation. This paper offers analysis by utilizing given background information and assumptions, and answering the given case related questions. The team accomplished this by use of applicable literature, theories, methods, and their leadership knowledge. This is by no means meant to represent the only actions Peterson could have taken, but simply what the team felt where the most relevant.

This paper is organized as follows. First, in Section III Background, an account and overview of the case will be discussed. Then, in Section IV Questions and Analysis, the case related questions, Part One and Part Two (seven questions), will be listed and then answered accordingly. After that, in Section V Recommendations, the case related question Part Three will be listed, answered, and also serve as the recommendation given by the team. Finally, in Section VI Conclusion, the case study and the team’s recommendations will be discussed.

III. BACKGROUND

AccountBack and New CEO
AccountBack was founded by Will Gleason, a former account, and Travis Hardiman, a software engineer, who designed and built software which automated accounting functions for small and medium-sized businesses. The software had a modular design and was
easily adapted to businesses changing needs. The software was well received and in time, contract renewals generated the greatest income. Businesses which initially licensed the software, did so at a hefty price. With costs of licensing the software and training of employees, it generally made financial sense for most businesses to stay with AccountBack for “at least four years.” This earned the firm a great deal of revenue, even though, with time the business started to backslide.

Because of this, the firm hired a new Chief Executive Officer (CEO), who “was determined to reignite the company’s growth.” One of the first things he did was to replace a number of vice presidents of sales, with “the company’s most enterprising young sales directors.” Wendy Peterson was selected as one of these new leaders. She was promoted to vice president of sales for AccountBack’s Plano, Texas, office. If her office met revenue goals set by the company, she and the team would receive a “substantial bonus.”

Wendy Peterson

Wendy Peterson joined AccountBack right out of college. She had graduated, at the top of her class, with a degree in economics from an Ivy League university. She was a very hard worker and “excelled as a junior manager”. She received praise from both “clients and colleagues” no matter where she was. Peterson started out “working on and managing client engagements.” She later moved over to sales, and even though she had never been involved with direct sales before, she excelled again. Because of this and more, she was selected to be a new vice president and manage the Plano sales team.

Peterson was the youngest vice president for AccountBack when she took over the Plano office. The office had 11 salespeople, 3 sales assistants, and an annual revenue stream of $9 million. When she arrived at the office she immediately began to implement efforts to energize the workers. She “brought in specialists from inside and outside the company to educate” the team on the industry and the company’s services. She was hard working and most felt encouraged by her, and appreciated her efforts. Of course not everyone felt this way, and some deemed her efforts as overzealous. One AccountBack veteran “resisted her” and her initiatives. Peterson terminated him, despite his longevity and successful track record with the firm.”

While there, Peterson did research which revealed “a cluster of fast-growing service businesses founded by Chinese entrepreneurs from mainland China” in the area. Part of Peterson’s growth plan for the office was “breaking into and dominating this market.” It was a “close-knit Chinese business community,” and she felt she would need to hire someone who could win their business. Diversity was lacking in the office so she put out to hire a Mandarin speaking business professional. The person whose resume rose to the top was Fred (Xing) Wu.

Fred (Xing) Wu

Fred (Xing) Wu was a 39 year old Chinese male who immigrated to the United States in 2004. Once in the U.S., his entrepreneurial spirit shone and he established and sold a successful printing business within a few years. After this, he went to work for a U.S. based Chinese manufacturing company, as a sales executive. Because of his previous printing business and his participation in Chinese social activities in the Dallas and Plano areas, Peterson felt Wu was the person she had been looking for. Even though, he had “little hands-on experience in software sales”, Peterson was “impressed with his access to executives at” the target companies. Peterson did not initially “click” with Wu, but believed the relationship would progress over time.

Wu’s first month at the office was notable. He arrived early to work and often stayed late, and appeared very dedicated to learning the company’s products and services. During this time Wu was very inquisitive and Peterson was impressed with his attention to detail. After a month, it was time to establish Wu’s sales revenue goals. Wu stated he might need additional time to land large Chinese accounts. Even though this was uncommon, Peterson agreed since she felt a longer sales cycle would give him more time to build relationships. After this meeting is when Wu started to change.

The Chinese Market and Office Conduct

Wu vigorously set out to engage the local Chinese business leaders, and from that point on was rarely seen in the office. Peterson became concerned with this, since she had specifically informed him she liked to maintain daily contact. When present, Wu would keep to himself and rarely participated in office functions. Wu failed to perform simple tasks required by all the sales associates. When confronted with this disregard for policy, Wu stated he was too busy or it conflicted with engagements he had committed to with business leaders. After a few more months Peterson became even more concerned, but Wu reassured her he was close to landing a very big deal and that it took time. Shortly after this, Wu signed his first account.

Wu managed to land a deal which would be worth over $400,000 in annual fees. This new client would be “the single-largest client of the downtown office.” Peterson was pleased, and felt relieved since it validated her strategy for the Chinese market. Later she “noticed an increase in quarterly earnings from the client.” She was told Wu had invoiced the client for additional add-on services without informing her; company policy stated managers must approve such services. Peterson asked Wu why he would sale the client such services so early on. Wu was taken aback by the questions and walked out of her office, only to return a few moments later with an email validating the customer’s request for the services.
Peterson “firmly reminded him” that her approval would be needed for any future changes to a client’s service plan.

A short time later, Peterson met with Wu to go over his annual review. She reminded him of company policy and how she liked to be “kept abreast” of his endeavors. She wanted him to start summarizing his “efforts every few days” on the company’s online sales tool. Also she questioned some of the decisions he had made during the year. With this Wu stated since he had the largest client for the office, he wanted an assistant. Peterson instinctively identified the request as unreasonable, but needed to take into account the consequences of any decision she would make. Later in the day, Wu told Peterson, “A competitor had approached him recently about an opportunity.” Even though, he appreciated Peterson’s dedication and AccountBack’s products, he felt he would not be able to continue as a sales executive without an assistant. Peterson asked for Wu to please reconsider his request and possible decision, and for them to meet tomorrow to talk about it. Peterson knew any decision she would make would affect the office and possibly her future. Peterson wondered how it had gotten to this point, and if she really only had “two choices – terminate or cave.”

IV. QUESTIONS AND ANALYSIS

Key Cultural Factors

Identify what the group sees as key cultural factors related to this case from the perspective of United States culture and from the perspective of Chinese culture. Discuss each factor and show how they might impact how the behaviors of both Wendy Peterson and Wu in the Plano branch office.

The key cultural factors the group identified were the Chinese are a High Context culture favoring an implicit communication style, are more introverted, prefer business relations to be more relationship-based than transaction-based, value outside the office relations more, and prefer to avoid conflict. In contrast, Americans are a Low Context culture favoring an explicit communications style, are more extroverted, prefer business relations to be more transaction-based than relationship-based, value in office relations more, and prefer to actively identify and resolve problems.

Since Wu was born and raised in China, he would have been more prone to act in accordance with Chinese culture rather than American. This showed in his dealings with Peterson, AccountBack personnel, and his business clients. According to Hall (1989), the Chinese culture is High Context and given more to implicit communication. Wu demonstrated this by not directly coming out and discussing how he felt or specifically how his current business dealings were progressing. Wu preferred to work alone and to just assure Peterson everything was fine and that, “he was making significant progress”, and “in the coming months, he would close a deal.” This follows a study by Shehane, Huan, & Ali (2014), which found that Chinese business management practices rarely encourage transparency, or employee involvement and participation. Wu demonstrated his resistance to involvement and his introversion in that he “rarely chatted with the rest of us about anything outside of work”, and opted not to join in for office gatherings.

Wu preferred to spend most of his time developing business relationships in accordance with the Chinese customs and culture, as stated by Xiao-Morris (2010). Peterson stated Wu spent most of his time in the office for the first month, but after that, he was rarely there. He neglected to perform simple tasks, simply stating, “he was just too busy.” He felt the regular office tasks were not as important as building relationships. Once developed, the business relationship was not something the Chinese pass on to others. When Peterson suggested that she or someone else in the office accompany him to his meetings, he quickly dismissed the idea. This business relationship is something the Chinese maintain and develop, in accordance with the guanxi (reciprocal favor) and xinyong (personal trust) principles, according to Zhao, Flynn, and Roth (2006). This of course led to most of Wu’s time being spent with prospective clients, not in business settings, but rather in social settings in order to build xinyong. When confronted by Peterson, Wu would not argue or question Peterson’s logic, he would simply avoid confrontation and just assure her all was well. This behavior is in line with research on how Chinese core cultural values influence business, by Roth, Tsay, Pullman, & Gray (2008).

In contrast to Chinese culture, according to Hall (1989), Americans are a Low Context culture and prefer an explicit communication style. Peterson demonstrated this by expressing how she felt and identifying what she expected from her employees. When speaking with Wu she stated, “I’d like to be kept abreast of your development efforts, so I know when and if you need help from me, or someone else in the company.” Peterson was more extroverted and “rarely spent time in her office. She had a “hands-on approach”, “liked real-time updates”, and was known for “generating ideas for new business” in the office. Even though, some of the employees did not appreciate these methods, and thought of her more as an overzealous micro-manager.

Since Peterson had developed management skills established in Americanized business principles, she was more inclined to have daily office contact with her sales staff. She felt business should be done in the office, where she could be keep abreast of daily activities and kept in the loop of any sales progress. Peterson looked at business relationships as transaction-based, and once the initial
relationship was established, it would be handed over to an account service manager. She, as well as the American businesses AccountBack dealt with, had no problem with this, as long as contracts were honored and customer service upheld. If a problem or issue was to arise, Peterson would attempt to identify it and actively resolve it. This is in line with findings in the research of Roth et al., (2008). Peterson attempted to do this with Wu, but it went against his understanding of how to deal with and resolve conflict. Since neither clearly understood exactly how the others culture dealt with an issue, they found themselves not knowing how to move forward.

Diversity Characteristics

Identify characteristics related to diversity (other than U.S. and Chinese culture). Discuss each of these characteristics and show how they might impact the behaviors of both Wendy Peterson and Wu in the Plano branch office.

For this question the group decided to focus on two types of diversity, those being, Social diversity, and Functional diversity. According to Simons & Rowland (2011), Horwitz states, social diversity includes Age, Gender, and Race/Ethnicity, and functional diversity includes Functional expertise, Education, and Tenure (at organization).

First we will start with Wu. For social diversity we are informed that Wu was a 39 year old male Chinese immigrant. For functional diversity, Wu had functional expertise as a businessman and had “launched and operated a successful printing business in Dallas.” He had experienced entrepreneurship and sold his business for a profit. Later he went on to work as a sales executive for a U.S. based Chinese manufacturing company. Wu had spent two years in the U.S. for college, where he studied business and economics. Wu was new to the AccountBack, and hired by Peterson because of his access to “close-knit Chinese business community” in the Plano area.

With these characteristics one might understand how the behavior of Wu would be different than an average American sales associate. Wu was a more mature male and had the knowledge of how to start and run a successful business in a foreign country. He may never have worked for a woman before, and was possibly accustom to doing things his way and by himself. Since he had owned his own business he did not have to report to a manager or management. When he did work for a business, it was in China or in the U.S. for a Chinese owned business. These businesses would have more than likely followed Chinese practices and he would have had more freedom to do his own thing as long as he was producing. Even though, Wu was new to AccountBack, after only a few months he was more successful than most other sales associates. This may have made him feel superior and therefore the idea that he should be treated differently.

Next let us take a look at Peterson. For social diversity we are informed that Peterson was a female who was approximately 30 years old. For functional diversity, Peterson had graduated top of her class from an Ivy League university, and had at least eight years of functional expertise in sales and management with AccountBack. She was no stranger to how the business operated and in fact had developed new programs utilized by the company, and generated “lots of new business.” She had recently been promoted and was serving as the youngest vice president in AccountBack, and was in charge of an “annual revenue stream of $9 million and a team of 11 salespeople, and three sales assistants.”

With these characteristics one might understand how the behavior of Peterson might have been one of confidence in her ability, and in her newly instituted management techniques. She was assigned to a senior position and had the confidence of the new CEO behind her. With her Ivy League education and successes up to this point, it would have been difficult to influence her initiatives or cause change to her way of management. This was displayed when she terminated a successful veteran sales executive for resisting her way of doing things and questioning her management technique.

Plano Branch Office

How has Wendy Peterson taken charge of the Plano branch office?

Peterson managed the Plano office well. She developed a vision, set standards, planned, and executed professional development exercises for her team to participate in, both in and out of the office. Peterson displayed confidence, and in return hoped this would rub off on her staff. She went into the position knowing it would be a challenge, but she possessed the strong will to succeed. She motivates those around her to work towards one common goal: increase the company’s sales. “Leadership is the capacity to translate vision into reality.” (Key-Roberts, 2014). Peterson does this by making her vision a reality for the office. Even though you cannot always make everyone happy, the proof was in the numbers. “Under my direction our performance improved, and the team exceeded 2010 targets for new business by 15%”. Peterson was building cohesion amongst her staff; it showed in their work results. “Resistance is part of the human condition. If it were easy to change, we would all be enlightened masters at this point, for we would be able to follow through on practicing the actions we know are good for us” (Paul, 2014). Resistance is the action, and emotion displayed by Peterson’s colleagues. People do not like change; it gives them an uncomfortable feeling, while already being forced to meet new expectations. This proved Wendy was taking full responsibility, for everything the office did or failed to do. She was caring
for her staff with compassion, through the lunch parties, and team building exercises. She took charge of the office by leading from the front, and inspired her staff to be the best.

Evaluating Wu’s Performance

What is your evaluation of Wu’s performance? Wu’s performance was unclear. Although he had landed one large client which would generated sizable revenue, he sold software add-ons that the client didn’t necessarily need. This leads one to question Wu’s integrity. Why sell a client items they don’t need if your employer is not pushing for it? His work ethic was also questionable. He was not in the office very much because he said he was supposedly meeting with clients. He never updated his sales reports and turned in the bare minimum that was required. All these factors can lead one to believe that Wu was not passionate about his job. Wu appeared to be selfish, and not a team player; this was demonstrated in his day to day actions. Wu printed his business card in Chinese (Mandarin) instead of keeping it how the company published it. There is always somebody amongst the team who wants to be different, and creativity should be encouraged, but Wu’s actions appeared to scream: me, me, me. It seemed as if he was at this job for selfish reasons; to heighten his public persona amongst the Chinese businesses. He did not attend meetings, and his communication was poor with Peterson. Wu did a great job in the sales arena with the Chinese market, but was lacking in team cohesion and the following of instructions. Effective communication is vital, and Wu was being perceived that he was better than everyone else. Due to his access to the Chinese market, he felt he was entitled to an assistant. Peterson could possibly improve the relationship, by sitting down and speaking with Wu. Hearing him out, and in return him listening to her, and then maybe the two could come to an agreement.

Response to Wu’s Performance

If you were Peterson, how would you respond to Wu’s request for an assistant? What factors would you consider? What specific actions would you take to improve Wu’s performance, as well as your working relationship with him?

One of the reasons that Peterson brought Wu onto her sales team is because she wanted to go in a new direction and her current sales team lacked the specialist knowledge to make that happen. Wu impressed Peterson with signing his first large client with annual fees of over $400,000. Wu established relationships with the Chinese market; however he was going against protocol when asking for an assistant, being a new employee. Wendy Peterson had a tough dilemma when trying to decide whether or not Wu should have his own assistant. “People of different cultures see the world even more differently from us than we are used to, yet the false consensus effects leads us to behave as though people of other cultures see things just like we do” (Psychology Dictionary, 2015). Cultural diversity is something that Peterson needed to consider when dealing with Wu and she had not experienced this set back before. Regardless, if she agreed to his request, she would be going against her rules for other sales employees and that could create further tension in the workplace. Typically only the most senior salespeople at AccountBack received their own assistant who had more than 30 accounts each and other salespeople at the company shared assistants. Wendy Peterson should not give in to Wu’s request. Managing cultural diversity in the workplace requires communication, team building, time, and timetables, which Peterson clearly developed. She sat down with Wu when he first started and developed a clear sales strategy, even being a little more lenient on him than the others by giving him a longer sales cycle at six months instead of the normal three month mark. Wu agreed to these established guidelines, yet continued to go against the grain.

Peterson never took the time to understand Wu’s cultural beliefs, schedules, and communication style which was obviously different than what she was accustomed to. Although communication is the key for business to be effective, people from Asian cultures often are disinclined to give their manager bad news. Another difference in cultures is how time is viewed. The meaning of a schedule or deadline and its perception could cause a great misunderstanding. Peterson had a welcome lunch for Wu and allowed him to spend his first few weeks reviewing AccountBack’s suite of products and services. This was a great introduction to the company, however Peterson should have sat down with Wu and taken the time to get to know him before she started giving him sales goals and so forth. By understanding Wu’s culture and how he interacted with others, she would have developed a better understanding of the cultural differences.

Evaluating Peterson’s Performance

If you were Peterson’s regional director (her immediate supervisor), how would you evaluate her performance? What factors would you use as the basis of your evaluation?

People in new leadership positions often feel stressed to lead in a particular dominant way. Peterson showed very good leadership qualities with her sales team, however there were a couple of things which were lacking. She was unable to build a personal relationship with some of them, including Wu. Without this personal connection, her subordinates could not follow her no matter how great of a leader she was. She had a strong vision of how thing’s should be done, yet the way that Wu worked conflicted with her leadership style. Peterson was not sure if the problems stemmed from her leadership style or if it was due to cross cultural differences. Although her leadership style may have worked with most of her sales team, it was not effective across the
board so she should have reconsidered her approach with some of them. Peterson should have focused on the development of her subordinates. “Leaders who are aware of subordinates strengths are more likely to place them in positions that play to their abilities, creating the conditions for individual and unit success” (Key-Roberts, 2014). Peterson knew that Wu was familiar with the Chinese market, but by not becoming familiar with the cross cultural differences, what she perceived as a weakness, could have possibly been a strength when working with the Chinese business community.

**Peterson’s Diversity Challenges**

What are the particular challenges and dilemmas in managing subordinates who have different cultural backgrounds, working styles, and are diverse in other ways from your own?

The particular challenges that Wendy Peterson faced in the Plano AccountBack office were multifaceted. She was young and energetic and the composition of her team varied in depth and diversity. Her initial team consisted of a total of 11 salespersons and three sales assistants employing only one Hispanic person. Some of them are veteran, “old school” salespersons and others are fairly new to the sales world. The issues in this team were made quickly apparent in Peterson’s initial foray with the younger members of the team easily identifying with her and the more seasoned members viewing her tactics as disruptive and counterproductive.

Peterson’s troubles in managing the diversity in her team were further highlighted when her chosen tactics of employing team building exercises and bringing in outside specialists to make the office more effective, collegial and team-oriented further highlighted their differences. This is acceptable when the problem the employees face is a lack of understanding their differences, but in most cases, the real problem is that employees cannot adapt or adjust to those differences. (Molinsky, 2015)

This was also the case in the management team of AccountBack. While most of the executives were well-seasoned veterans, there were four new VPs. The differences in management were shown when Peterson was assigned a “stretch goal” of increasing revenues 30% over previous years.

Not one to turn down a challenge, Peterson allowed herself to be fueled by her own aspirations and the motivation (Simonek, 2009a) of a lucrative bonus and quickly began to ensure that her sales team worked their hardest to ensure the office’s goals were met. It was these personal manipulations that paved the path for her strong interest in the untapped Chinese market. This would bring an entirely new set of factors into play when she hired Fred (Xing) Wu. Wu was exceptionally qualified having established himself as a successful businessman in the Chinese market and having strong roots in Chinese culture. Wu would surely be an asset by Peterson’s account.

AccountBack and Peterson employed an ethnocentric mindset in their business model. An ethnocentric model is one where higher headquarters, although global, controls the business model, and the same standards are applied throughout their environment. (Moran, 2014d) This was evident when Peterson did “her due-diligence” in assessing the Chinese market herself and set out to hire the right person for the job.

Peterson’s approach was typical of American-style management and in its current state is at risk of failure of meeting her goals and the goals of the company. In order to more effectively manage the diversity, Peterson should have focused more on similarities and less on differences.

**V. RECOMMENDATIONS**

**Turning Back Time**

Make the assumption that the time clock could be rewound and discuss how the group would have managed the Plano branch office and Wu’s performance in particular. Support your position.

Assuming Peterson could start from square one, her approach should have been multifaceted. There are various approaches when it comes to management of multicultural teams and there is no one size fits all approach. As with any issue in management of human capital, it is imperative that leaders understand what they are getting into in order to effectively communicate this to their subordinates. This allows the leader to effectively tie his or her goals to the company’s strategy. The important factor is that Peterson must focus on integration rather than alienation amongst her team.

Peterson was a “doer” by her own account and relished new challenges. Why was she unable to focus on that and why was she unable to translate these desires to her team? As previously stated, Peterson was fueled by personal wants and focused on “What?” rather than “Why?” In her defense, focusing on “What?” is something easily translatable as this is associated with the neocortex of the brain, the part that is responsible for analytical thought and language. The limbic part of the brain is responsible for feelings and human behavior and controls “Why?” we do the things that we do. (Simonek, 2009b) By telling her team what they were to do, rather than why they were doing it, she created varying levels of consensus and countered the integration and inspiration she hoped to achieve.

Upon her assumption of leadership, she should have called an informal meeting where she briefly learns the operations of the office and informs the team of her values and the team’s path for the future and how it all ties
to the strategy of the company. This would have given her team the vision and inspiration they needed and a chance to get to know their leader; paving the way to easily defining expectations. This is a good example of managing diversity through managerial intervention. (Brett, 2006)

In managing Wu and the Chinese market, part of Peterson’s analysis should have been to include a culture map (Figure1). This easily displays the differences and similarities in the two cultures, giving Peterson a more solid starting point in her management of Wu and the Chinese Culture. The map focuses on eight scales: communicating, evaluating, persuading, leading, deciding, trusting, disagreeing and scheduling. (Meyer, 2014) These are variables that fall in line with the Continuum of Cultural Variables. (Moran, 2014a)

![Figure 1. Graph showing cultural variables for China and the U.S. Compiled information from De Cremer (2015), Doyle (2009), Meyer (2014), Moran (2014c), and Wood (2014)](image)

A quick glance at the map identifies that although Chinese and American culture might be different, it does share some approximate similarities that could prove useful in employing an adaptation strategy (Brett, 2006) to manage Wu and the Chinese market; similarities upon which Peterson could build in managing through intercultural similarity. (Moran, 2014b) The map also helps explain Wu’s behavior and will give Peterson a better chance of establishing a more effective relationship with Wu.

Rather than employ an ethnocentric mindset (Moran, 2014d) in setting expectations for Wu, Peterson should have approached the initial setting with Wu like she did with her team and started with “Why?” he was hired versus “What?” he was expected to do. Her approach would be one where she focuses on the three areas where American and Chinese culture are similar: trusting, leading, and persuading. Focusing on the trust, Peterson’s actions would have laid the groundwork for the relationship as trust is something not easily given by the Chinese. Her conversation would have positively affected the relationship by showing that she respects his culture and expertise in the market. Peterson would then be able to establish herself as the leader and create a hierarchical environment; one Wu is more familiar with. The last area of similarity in Chinese and American culture is on matters of persuading with principles first. As the opportunities arose, Peterson would coach Wu on company affairs as a matter of principle, and do so in a manner that focuses on integration using hands on exercises as the staple method in training. The end result is a more solid employee/leader relationship ensuring Wu’s effectiveness on the team, Peterson and her team reaching their goals, and AccountBack cornering the Chinese market.

VI. CONCLUSION

The Wendy Peterson case centered on managing cultural diversity, to include customs, values, and styles of communication. Even though, there did not appear to be a big difference between Peterson and Wu, there was. This was displayed in the way they both interacted with those around them, and each other. Peterson was more extroverted and favored an explicit communication style,
while Wu was more introverted and favored an implicit communication style. Peterson was very direct with Wu, but he obviously was not fond of this approach and eventually the relationship came to an ultimatum. Peterson should have taken the time to understand Chinese cultural customs and values, then she would have seen the importance of establishing a personal relationship with Wu first, just like he was doing with the Chinese market leaders. She would have seen the need to use implicit communication with Wu, and not explicit, which troubled him and later alienated him. Then Peterson could have then focused more on the cultural similarities and laying the foundation for a trusting relationship.

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