



Culture Clash in the Boardroom

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Overview

- o Almond Chemical
- o Headquarters in Munich, Germany
- o Parent Company to Almond China
 - o Two ventures stem from this
- o The companies stock is exchanged on the New York and Frankfurt Stock exchange
 - o This means it must follow rules and conditions of the SEC

The Problem

- o It is customary for Chinese companies to offer a commission or gift on sales.
- o It is becoming increasingly difficult to generate and make sales in the country.
- o The Chinese executives feel it is a waste of money to buy safety equipment and remove of waste by product.

The Problem cont.

- o The company put all of its best employees on the venture and they had only made 60% of their projected sales.
- o The two feel that they will never see eye to eye on the issue.

*“We are not just a Chinese Company, We
are a Global one.”*

What are both sides of the argument for/against Almond Chemical engaging in business bribery in China? How would your team reach an agreement on what to do and what do you think the ultimate solution should be?

Arguments

Chinese

- All other companies in the country participate in these practices and in turn have a higher percentage of sales.
- The parent company is depending on this countries sales in the future
- Expenses are too high and they need a tighter control on cost (unnecessary protective equipment).

Germans

- Plans to set the standard for new companies coming into that industry in China.
- Uphold the standard set by the SEC.
- Remain ethical by all means necessary.



Chinese Solution

- o To find a way to provide a commission or gift on the sale:
 - o Trips
 - o Golf Outings
- o Provide less protective gear or provide gear meeting Chinese standards

German Solution

- o Create no room for question always maintain a standard of ethics, which include providing no commission or gift.
- o Practice the same standard of safety at all chemical plant across the globe

ULTIMATE Solution

- o The company could create a recruitment trip in which it allows potential customer to visit the company headquarters in Munich, Germany.
- o Maintain standards of safety across the board and get all managers on the same page when it comes to cost.

Any Questions???