

# Effective Communication

## *China Office → US Headquarters*

China is a priority at Microsoft. Everybody understands that this is a country we cannot lose.”

-Jun Tang, President, Microsoft China

- Make China a priority
  - Make sure that headquarters is committed to making things work in China.
  - Get the top people involved.
  
- Find a GM/President with solid international/China experience
  - Must have the ability to work effectively with both the local Chinese workforce and corporate office.
  - Give them control of the local operation:
    - Hard to control things in China from headquarters.
    - Best decisions are often made locally.
  - Must have the ability to adapt plans to fit the local environment.
  - Must have strategic as well as operational ability.

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“In our case, we are lucky because the president himself makes an effort to know and understand China.”

-Paolo Gasparrini, Managing Director, L’Oreal China

- Cross-cultural education
  - Make sure people at headquarters understand China.
    - Educational seminars
  - Arrange VIP trips to China
    - Microsoft: Bill Gates visits China operations every few years.
    - BP China: Offers a course to foreign executive visitors through Tsinghua University – “China through Chinese Eyes.”
  - Send Chinese staff to work at headquarters
    - 3M: Sends top performing Chinese staff on work rotations in the US.

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There are a lot of difficulties getting fast information about China. It is very important for headquarters representatives to be close to the market. They have to know exactly what is going on in China.”

-Dr. Elmar Stachels, China CEO, Bayer.

- Shift Decision-making to China
  - Saves time and money in the decision making process.
  - Examples:
    - BP: China CEO is also a Corporate Group VP.
    - 3M: China Director is also Asia Regional Director.
    - Alcatel: China CEO is also a member of the corporate executive committee.
  - There are now more than 100 regional headquarters of MNCs in Shanghai.
  - More than 600 MNCs have established major R&D Centers in China

# Performance Reviews in the Chinese Context

- Performance reviews are not found in traditional Chinese companies; be careful when checking references.
- The new generation of Chinese professionals has responded positively to Western style performance reviews.
- Localizing performance reviews
  - Similar format, different content
    - Evaluating risk taking
    - Evaluating problem solving
- Reprimands and praise
  - Careful attention should be paid to making reprimands in private.
  - Even jokingly reprimanding or criticizing an employee in front of his or her colleagues can cause loss of face.
  - Care should also be taken when praising an employee publicly. Make sure that this does not cause other employees to lose face.