

Reaching A Compromise In The International business(Chinese Company "Fuyao" In The USA)

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Abstract:

After China as a member of the World Trade Organization (WTO) on 11 December 2001, Chinese companies access to the world marketing. Because of the international economics, the United States and China interested in each other's marketing. Global policy is determined by the mutual interest of them. Nowadays, there are some industrialists think: China stopped as a cheapest manufacturing environment for business. [1] Chinese enterprises pursue the supply chain and want to economize the traffic expenditures, resource cost, and tax rate.

In recent years, the United States is losing its status as a manufacturing power. The United States now lack industrial investors and bosses, young workers. In America, there are many former industrial centers, abandoned enterprises, the cheapest is energy resources such as electricity and natural gas.

Forasmuch many big Chinese companies are looking for access to the international marketing abroad, such as the U.S. In 2015, company Fuyao Glass(China) founder Cao Dewang decided to take over the abandoned GM factory in the U.S. and hired over 2,000 workers.

At the time, Dayton residents regarded Cao as their savior. Fuyao Glass had the great ambitions, their employees want to meld the two cultures together: the Chinese culture and the American culture aimed to build a global organization.

At the beginning, they have a very good relationship. But The Honeymoon Period Ended Very Soon. Local workers wanted to set up A labor union to defend their interests. However, the chairman Cao has shown himself to be resolutely opposed. Cao finally made a new restructuring in the company and use "The Classic Carrot-and-stick Approach".

In the end, Fuyao was able to introduce its management model into the Dayton factory, which swung back to profit from 2018.

Keywords:

Chinese management model, American management model, Fuyao Glass, conflict in the international companies.

Introduction

The Honeymoon Period

On September of 2019, one film called "American factory" was on Netflix, which produced by Higher Ground, a production company backed by former US president Barack Obama. It's a documentary that tells the story of a Chinese company's venture in Ohio. [2] Dayton is a typical automotive town in the United States, with a population of 140,000.

General Motors once had a facility in the city, However, the factory closed in 2008 since the global financial crisis that resulted in a downturn in the US automobile industry, over 10,000 local jobs were lost.

In 2010, Chinese companies want to directly supplying to US carmakers, so they began directly supply to US carmakers ramping up investment in U.S. manufacturing, re-opening

American factories. In 2015, Fuyao Glass founder Cao Dewang decided to take over the abandoned GM factory and hired over 2,000 workers.

At the time, Dayton residents regarded Cao as their savior. The government of Ohio also renamed the road as Fuyao Avenue, which in front of the company.

Fuyao Glass had the great ambitions, their employees want to meld the two cultures together: the Chinese culture and the American culture aimed to build a global organization. Therefore, their employees also had some “master classes” about American culture. The founder Cao said: “ We need to treat it like an American company. When in Rome, do as the romans do.” So he hired American people as President and Vice President, tried to De-Sinicization aimed to not upset the American employees.

Conflicts

At the beginning, they have a very good relationship. But The Honeymoon Period Ended Very Soon.

The company and American employees were on a collision course. Such as:

- The language barrier and cultural differences.
- Some workers claim unsafe working conditions, monotonous and heavy work.
- Local workers wanted to set up A labor union to defend their interests. However, the chairman Cao has shown himself to be resolutely opposed.

Understanding?

In order to minimize the conflicts, let American employees understand Chinese management model, Cao invited some supervisors to go to Fuyao Glass factory in China, to see the real Chinese factory.

The American colleagues were so amazed about the speed in Chinese Fuyao - “No stop”.

When these supervisors went back to U.S., some of them wanted to test the Chinese management model in American. But soon they found it was so hard to push it, American employees didn't want to see the “propaganda” of their company, they wanted to protect their own interest and rest time. Contradiction is getting serious, there have been 11 safety complaints filed against Fuyao, some workers claim unsafe working conditions and unfair treatment, and they want to bring in the union.

The transformation

Under Local Laws, The Setting Up Of A Union Depends On The Voting Of All Employees.

The founder Cao Dewang wanted to improve their management capabilities and quell the union rebellion. Professional Consultant LRI is against the UAW(United Automobile Workers), Fuyao Glass spent over \$1 million to them, brought them in to make sure that every employee goes through the session two or three times.

The ending

In the end, the union proposal was voted down. The company now employs about 2200 American and 200 Chinese workers. [3] Hired more young people, aimed to have a good atmosphere and culture. But Reviews About Fuyao From The American Employees is not very positive.

Conclusion

By this case, we can find that conflicts between the Chinese companies and American companies are not just because of the countries' interest. They have the different management models, different cultures, different ideas to time, to work, to salary, to life. Even we live on a big planet, but the world is really too complicated, it's very hard to find a solution. At first, the founder Cao made some decisions to adapt the American situation, but different thinking to union and safety made it unsuccessful. A certain degree of compromise is the main text in nowadays international business.

Источники и литература

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