Culture clash in the boardroom essay

Business, Company

The article talks about a meeting among executives of chemical company in China. The Almond Chemical Company was able to do business in China by having a 51% stake in Chongqing Chemical Company. The company being a foreign one, had established its business in China, and implemented its practices based on the European standards. However, this has not been easily accepted by most of the executive in Chongqing Chemicals. The executives were in the view that most of the standards applied in China were somehow wasteful and expensive. Additionally, based on the European standards, operations were much more difficult. Since the Almond Company was listed in the New York Stock exchange, it could not accept gifts and commissions in the course of doing business as this was against the U. S government's Foreign Corrupt Practices Act, which forbade foreign companies from accepting gifts and commissions. Wang, the human resource director supported using commissions as a way of securing business ventures. The finance director and the president of Almond China Liu opposed these views.

Based on the standards of Almond Chemicals, engaging in offering gifts such as paying for overseas trips was considered as an unethical business practice. However, in China such things as offering gifts and trips to certain executives were considered as a good business practice. Liu, the president indicated compromising on certain standards could have serious consequences. The executives of Chongqing were campaigning for the use of commissions because the financial performance of the company had gone down and they could easily secure business ventures using gifts and commissions.