

Response

[Business](#), [Management](#)



Supervisor 9 April Case response The case identifies management conflict between Chen, who leads the China team of Levendary Café, and the team at Denver that Foster leads. While Levendary operates as a chain store with standardized measures and mechanisms for attaining customers' satisfaction, Chen appears to deviate from operational values that the Denver office holds. Some of the major deviations are financial reporting approaches, menu, and restaurant layout. The Denver office believes that the deviations are a threat to the company's sustainability while Chen believed they are the only ways for profitability in the Chinese market. Chen's contract is also running and offers him autonomy over operations in China and while he is willing to corporate with Denver on the required changes, he demands that change in his responsibility will need to be defined and Mia Foster has to decide on an action (Bartlett 1- 13).

Foster has many options to consider but she should redefine Chen's roles through a new contract and through mutual agreement with Chen. This is because of such factors as Chen's willingness to work with the company, Chen's commitment to success of the company, implications of Chen's contract, demonstrated ability of Chen to ensure success of the business in China, and management competency of Chen to sustain the current stage of the company's growth in China.

Chen states that he is willing to continue working with the company, even after expiry of his current contract and this means a dedicated employee who should be retained, especially for his recognized output and to reduce possible costs of recruiting and training a new personnel, which may be a recurrent activity should a suitable replacement be hard to find. The fact that

Chen has successfully spearheaded Levendary café's expansion initiative also shows his commitment to the company's goals and makes him an ideal asset. Denver's office may not be comfortable with his initiatives but he implements these for the best interest of the organization and victimizing him for this would be unfair. With the realized success in China, noting that the company is almost breaking even in the region, Chen is likely to promote sustainability of Levendary in the region or in any other region and he should therefore not be forced out of the company. Chen's contract also grants him autonomy and this means that restricting his authority is a breach of contract. This entitles him to resign and take legal actions against the company and while apparent implications could include monetary compensation for the remaining period on his contract, the breach is likely to portray a negative image of the company, especially because the victim is a local and the company is foreign. Chen may not be a professional manager but his enterprising person or local baron traits may still be necessary for the company's growth in China. A risk avoidance strategy (Kerzner n. p.) that redesigns a system is therefore the best option and would involve a mutual consent between Mia and Chen for restructuring management of the Chinese subsidiary. Under the new arrangement, Denver would assume more responsibility and authority of the Chinese market, because this would meet Chen's demand, and Chen would spearhead expansion measures based on new guidelines.

A conflict exist between Denver and China offices and while Chen proves to be uncooperative but important, redesigning his contract based on his consent, would resolve the conflict and allow Denver authority over

operational decision in the Chinese market.

Works cited

Bartlett, Christopher. “ Levendary Café: The China challenge.” Harvard

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Kerzner, Harold. Project management: A system approach to planning, scheduling, and controlling. 11th Ed. Hoboken, NJ: John Wiley & Sons, 2013.

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