

Case Study 1 - Utah Asphalt

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1. What are the key areas of difference in how Daniel and Jack view the situation from Daniel's point of view? What role did cultural differences play in their different perceptions?
 - a. Daniel knows Chinese culture better than Jack. He believes that the business deal is actually closed through the social activities and experiences; the officials did not really care to visit the plant and see the product as they clearly cared about partying in Vegas. Jack believes that the product should speak for itself and does not understand how to 'woo' the Chinese clients. Early on in the case study, Daniel often notes how Jack has little to no knowledge of how to entice a Chinese customer. This is shown at his stall with all the words being in English, he tried to take the Chinese businessmen to a cheap pizza restaurant, and he wore bright colors with a wrinkled shirt. From Daniel's point of view, Jack does not understand Chinese culture and should not be upset with Daniel's methods since these escorts were legal in Las Vegas, Daniel does not see the payments as unethical. He believes he was making the best decision for the success of Utah Asphalt's business. Additionally, Jack calls it a bribe, but to Daniel this is standard practice in business. They have different cultures, which influences their business and moral practices. Jack was born and raised in the US and has an ethical standard which is not necessarily followed in other parts of the world. Daniel's cultural views support a mindset of "doing what's best for the company to make sales," while Jack's opinion on bribery due to his cultural beliefs was that "this is

totally unethical [Daniel].” He believes in doing things ethically rather than what is necessary.

2. How did differences in ethical approaches contribute to the conflict between Daniel and Jack? What pressures does Daniel face and what are the messages he is getting from the corporate office?

- a. It seems that Daniel’s ethical approach is more utilitarian – do the most good for the most people. He believes he is making everyone happy by closing the deal, regardless of how he does it. He does not think he is hurting anybody during this process. Being from China, Daniel providing incentives was considered the ethical thing to do as he was able to convince these government officials to work with Utah Asphalt which contributed to the company’s success. He claims that “gift giving is strictly prohibited in China,” but apparently paying for entertainment opportunities is not against the law in China. As an American, Jack has been taught that business deals should be formed involving attraction to the products or company alone. With that, his ethical approach seems most similar to justice as he believes in doing the right, fair thing according to his morals. As Daniel arranged a meeting with the Sichuan provincial officials, he felt the pressures of negotiating a contract at all costs. He feared that these men would not appreciate the company’s site or presentation of the product. He believed the only way to close the deal would be through bribery and partying. Daniel recognized that the Utah Asphalt company would disapprove of his practices, so he provided an expense report

lacking several details. Even though Daniel is from a different cultural background, it seems that this pressure to make a deal led to him making unethical decisions. The corporate office did not agree with his approach to the situation, and have informed him that his actions are unacceptable, prohibiting him from ever using bribery as a business tactic again.

3. Crossed out

4. Why is cultural intelligence an important set of capabilities for managers and employees? How would you assess Daniel and Jack's cultural intelligence based on the facts of the case?
 - a. Cultural intelligence is incredibly important for managers and employees because it helps promote diversity and inclusion by being able to relate to people from different cultures or backgrounds. This helps to make people feel more comfortable and included when their culture is understood, which builds better relationships and fosters an equitable working environment. Jack does not seem to have high cultural intelligence at all. He does not try to conform to Chinese culture or learn much more about it. Daniel, on the other hand, has much higher cultural intelligence as he has learned and interacted with many different cultures, but mainly highlights his experiences with Americans. This also shows when he is in Vegas with the officials – he knows that the American company will not like what he is doing, but he knows this is the way to convince them to buy the product. However, his cultural intelligence is not perfect because he cannot see

why Jack is so upset, which shows his lack of understanding about the importance of moral business practice in the United States.

5. What can Daniel and Jack do to increase their cultural intelligence? What management practices could increase cultural intelligence among employees at Utah Asphalt?

- a. Jack should learn more about the nuances of Chinese culture, like showing up properly after a night of drinking is normal, not wearing bright colors, and being more conversational before talking about business to name a few examples. Jack should have asked Daniel more questions about how to be successful while doing business in China instead of just finding a seller and becoming relatively uninvolved. Daniel seems to have a decent understanding of American culture, and he asks questions sometimes to learn more, like when he discussed with Jack about why he wore suspenders and contrasting colors. To avoid confusion, they needed to speak more clearly about business practices instead of how Daniel said “I can turn a no or maybe into a yes.” As mentioned before, Jack should have learned more about Chinese culture so he would know what to expect while conducting business. Maybe Jack could have been a part of the visit, to ensure ethical behavior with the potential clients, as Daniel was representing Utah Asphalt. To increase cultural intelligence, Utah Asphalt could have diversity training for employees or promote it by hiring people from a variety of different backgrounds and potentially host events, like a potluck, where people can share more about their culture. They also

should encourage employees to research whatever culture they are working with so they can be knowledgeable of the other's values during contract negotiations, with consideration of both their own and the foreigners ethical guidelines.