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# How China Transforms an Executive's Mind

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## LESSONS FROM THE CHINA LABORATORY

Seen through the eyes of a modern Chinese executive, a typical Western businessman is an antique. The Westerner's manner of linear analysis and individualism may be perceived with polite curiosity, but what does the Chinese executive really think?

In *The Art of War*, Sun Tzu advises: "One cannot enter into alliances without knowing the designs of one's neighbors." Yet most Westerners do not know how to prepare for working with Chinese; the usual solution is a cross-cultural workshop that compares and teaches specific behaviors. Studying expatriate executives who are highly effective in the Chinese environment shows that they have been receptive to learning from Chinese patterns and now think and behave differently than they did before.

China today is a laboratory for studying global leaders because it is the center of rapid change and a nexus for the integration of global systems. Its culture throws conflicting views into stark relief. During the next ten years, almost any mid-sized and large business in the world will be dealing with Chinese as suppliers, partners, employees and customers. To remain competitive in that world, today's international firms will have to diversify their leadership and develop a global mindset. Chinese executives have been facing their own cultural dilemmas and learning to work with the West. Westerners are now under pressure to learn from the East as well.

This article describes the results of layering Eastern and Western thought processes by describing a select group of expatriate execu-

tives in the China laboratory. It shows how working in China has changed the way these executives think. They have learned new ways of perceiving their environment and new ways of reacting and acting within it. They have become more complex, more connected, and more personal as the basis for their consistently impressive business results.

## The Forerunners

Today in Shanghai and Beijing, executives from virtually every nation rub shoulders with each other and their Chinese colleagues daily, carefully watched by headquarters and under great pressure to produce profits. Based on our work with more than 200 executives in China since 1990, we identified 30 exceptionally effective individuals for in-depth interviews, based on their public engagement, reputation, influence and professional status. Most head the China or Asia operations for companies like BP plc, BASF Corp., BHPBilliton, or Boeing Co. Predominantly male, half of the participants are European, a quarter of them are North American, and a quarter are Asian. Three interviewees are Chinese who spent long periods in the West before leading multinational firms in China; we profit from their insights into Chinese culture from "the other side". This article draws extensively on all the interviews.

Leadership is highly personal. This article therefore focuses on the behavior and attitudes of the most effective international executives in China and examines how they developed the traits and skills that make them successful. Research on global executives generally shows that, in addition to good business skills, they need the intellect

to deal with high complexity, the emotional resilience to deal with strange and perhaps unsettling situations, the personal strength to endure the ups and downs of a risky career and lifestyle, and the motivation and ability to learn from experience. China-based expatriates need these attributes; but to be extraordinarily effective they also apparently need something more.

### Five New Practices

The executives we interviewed have all learned essential lessons from the way many Chinese people think, and they have developed techniques to incorporate this into their own approaches:

- *They just “Go”*
- *They switch between thinking modes*
- *They do not discuss emotions but attend to people*
- *They strengthen their attention and concentration*
- *They are connected beyond themselves*

This article describes these five specific practices. Together these practices reflect a different mindset; a new way of approaching the world using both the right and left sides of the brain more fully, paying attention to intuition and soft patterns, picking up on situational details and relating to the whole. There are, therefore, overlaps in the practices – but we find it useful to define them separately, set each in context, let you hear the executives’ own words, and share insights into how they learned these skills. Finally, we sketch some ways companies can assess candidates for positions in China and can train their skills for greater effectiveness.

### JUST “GO”

The first practice of effective executives in China is to develop the skill of intuitive strategy. In the ancient Eastern game of *Go*, the rules are simple in outline but complex in execution. Winning is all about gaining

territory; the player must strike a balance between speed and security as he moves his pieces around the board. Negotiating the inevitable costs and benefits of each move, he loses a few stones but gains an advantage. As opposed to chess, there is no linear logic in the way the game turns out. While chess predominantly trains analytic thinking, in anticipating the next move and the consequences many steps ahead, the *Go* player trains his ability to act out of awareness. There is no time for thinking in the game, and when skilled, the player is a master in intuiting strategy. Business in China is like playing *Go*. “You watch them do business and they are masters at this game. They confuse even the most sophisticated strategist,” said James McGregor, author and businessman.

### Holistic Strategy

Chinese business strategy can be contradictory and mystifying to Westerners because Chinese work on two strategic levels; in some situations they will be tremendously cooperative and straightforward, in others they act like war-strategists, manoeuvring fast all over the board, gaining territory like the *Go* soldier. For the Western executive, used to approaching problems with one argument following the other in a linear movement towards a conclusion, meeting such a holistic strategy can result in confusion or even humiliation. To focus on linear strategy is at the same time to constrain the business situation to a certain set of problems that have to be analyzed and certain solutions that have to be outlined, thereby denying the distinctive strength of the pace and passion of the Chinese market.

Effective executives learn to recognize and use both strategies. When things get difficult, they do not approach issues in their habitual linear way, but instead leapfrog problems and just “go.” “Instead of my usual problem-focused ‘get to the point’ kind of attitude, which turned out to be so unproductive here, I have learned to step away from disagreements and go ahead and trust my intuition. It’s a completely different way of

working and it took me years to learn," says a business owner. Since intuitive strategy is largely unexplored in the West, there is little direction on how to achieve it. The best place to learn this skill is in China, where strategists have developed the methods over centuries.

### **Flexible Response**

Adam Williams, chief representative of Jardine's and best-selling author recalls, "Once a Chinese interlocutor wrote in my planner 'Never say No.' I saw this as the Chinese way, leave open perpetual possibilities, you can retreat or go forward, which can be very assertive. Over the years I have come to feel more confident in such understandings of the gut."

There are rules and regulations in Chinese business, but the way rules work is extremely complex and differs in each situation. "In principle, everything is forbidden, but everything can also be negotiated," says Peter Batey, chairman of APCO Asia and now of Vermilion. "You hit the wall of rules regularly, but then what you have to do is to check out the limits, and adjust. Once you are in this process of non-confrontational dialogue you are on your way to reaching your goal."

### **Contextual Problem Solving**

Effective executives in China first learn to turn off their usual linear strategy of focusing directly on the problem, and then learn to *just go*. The China president of BHPBilliton, Clinton Dines, describes himself as "a contextual problem solver. There is the problem, in the middle, and I just pussy foot all around it, checking the context and understanding where it sits before I go in to actually solve the problem. That's the Chinese way and I use it. Some of these guys who fly in and out, the first few meetings they are just wide-eyed: they think I'm crazy while I focus on the opportunities in all the small practical things."

Given the pace of Chinese business, linear strategy will not be sufficient to keep up high

performance. To grasp new opportunities, today's executives rely on intuitive strategy.

### **SWITCH YOUR THINKING MODES**

The second practice of effective executives in China is learning to switch modes between linear analytic thought and intuitive holistic thought. "Some time ago I was on a project with a Chinese team, who drew maps of influence, maps of personal and family and business relationships, then stood back and thought about things that could happen. And they saw the impact move from one map to another. They are masters; they showed me how to see the big picture. Although I now know the maps were not even so sophisticated, I can feel the many more hidden layers that come into play, of people, of interests, of long-laid plans. I can feel them like a seismologist and I have learned to play the existing forces," recalls Joerg Wuttke of BASF China. How are we to take seriously this wide-ranging use of soft patterns, of feeling movements in a tough business intelligence context?

### **Eastern and Western Patterns**

Many studies show that Easterners focus on context and relationships, Westerners on individual details and abstract categories. Richard Nisbet showed Chinese and North American children pictures of a hen, a cow, and grass, and asked which belong together. North Americans answer "the hen and the cow – both are animals." Chinese choose the cow and grass, "because the cow eats grass." Such examples highlight the way East and West perceive the world in distinctive ways.

Effective executives are aware of the distinct difference between Western and Eastern understandings and appreciate that each must be recognized on its own terms. Wang Ning, professor at Tsinghua University shares: "I have developed a method to understand the Western writing: I have to completely detach from the Chinese language in my

thinking. I cannot allow myself to translate, because then the meaning disappears." Likewise, executives learn to activate a new way of understanding and develop the ability to switch between the two. Note that they *switch* and do not *mix* thinking modes, because the two are qualitatively different, and cannot be used simultaneously.

### **Solve Problems Doubly**

Switching modes of thought makes effective executives skillful problem solvers. They pay close attention to particular circumstances when resolving conflict. They postpone judgment and are concrete and practical in a typical Eastern way in some situations, while they use abstract speculation and linear analysis at other times. Linear thinking splits things into components, sequentially analyzes them, and step by step puts them together in new ways to create new results. In business, this means focusing on problems and identifying models for solution.

Intuitive thinking, on the other hand, seeks patterns and pays attention to the circumstances of a situation. In praxis this means going away from problems and attending to small particulars and relationships instead. Problems are recognized but are put on hold. Chinese leaders see their advantage in "being able to contain different options. We don't polarize – it's the last thing a Chinese would do. We get moving instead," according to Jiang Weiming, chief executive officer (CEO) of Novozymes.

### **Deactivate Analysis**

Focused analytic thinking is what Westerners usually equate with intelligence, and formal education is often an effort to sharpen our analytic tools. Westerners also use intuition, which is the source of much creativity but is rarely a well-developed skill. When working in China, the effective executive learns to listen to his intuition. To do this, he pays less attention to his habitual understanding (linear left brain) and focuses on his

other understanding (holistic right brain). Unfortunately, when we use one form of thinking, the other seems like nonsense. Logical thinking cannot draw on intuition; likewise, intuitive understanding cannot be divided into components and put in verbal abstract terms. "The most difficult part really is to not think the way one usually thinks," says Roberta Lipson, an early China investor and co-founder of CHINDEX.

The only way to develop our second, less prominent understanding is to train it while also paying less attention to the first. Training in using the right brain and focused coaching can help extend intuitive understanding, but the culture in which we live continuously activates one way of understanding and deactivates the other. It is, therefore, probably only the hard knocks of cross-cultural living that provide sufficient training in the second mode: "People, even mature experienced people come here, and when they finally realize that this is a completely different reality, a completely different perspective, they become very emotional. I have to tell them over and over: what you see is not what it looks like to you," says Lipson. Those moments, when an executive recognizes he can go no further within his current framework and strategy, push him to rely less on well-developed habits and reach for alternative resources.

### **DON'T DISCUSS EMOTIONS – ATTEND TO PEOPLE**

The third practice for executives is to leave emotions unspoken while paying close attention to people. "After five years working in China, I became country head for another firm wanting to expand their business here. I watched the reaction of Dr. Wu, the Chinese manager who had been in charge so far. Since the business was changing, I hoped he would continue to run the existing product division and support me," described a British executive. "We got along well, but Dr. Wu resigned because he had not been fully informed of the changes by head office and

concluded they did not trust him. I knew they simply hadn't paid attention. Not only did I spend time with Dr Wu, I also arranged for several people from headquarters to call and write to him. This personal attention made the difference. In Europe we just forget to take care of people."

In China, things are practical. Like minor aches and pains, emotions are best ignored; however social recognition must be upheld. "In negotiations I use feelings just to watch and see. Actually there are no feelings in business, just reactions," says a top Chinese executive.

### Focus on Personal Networks

Although feelings are rarely expressed in words, the Chinese expect business to be personal. Being a responsible person who is part of a trusted circle, and being available to people, is the basis for much of Chinese social status within a group or organization. This is difficult for busy executives unless they can value the importance of in-group status.

Attending to the personal level is easy to strive for and hard to do. In China it is often assumed this means using one's network of business relationships (*guanxi*), but this very network is a cultural construct, a "very complex mutual testing system for human personality traits before trust can be built," says Hans-Michael Jebsen, fourth-generation based in Hong Kong with Jebsen Co. In a similar fashion Lipson noted: "You have to be able to show qingyi (sincerity); when you finally close a deal its because of the qingyi you have been able to elicit . . . qingyi is when you show your deep rooted values, you show you are trustworthy and passionate; they have to be able to feel it." To become a trusted business partner or member of tight circles, executives learn Chinese modes of thought and being. They understand that actions are significant in themselves; that bringing a small gift or letting an older person enter a doorway first shows respect and appreciation. These small signs are visible to others and therefore important; the emotions behind them remain unspoken.

### Leave Emotions Be

The Myers/Briggs personality typologies widely used in corporate personality assessments grew out of C.G. Jung's work on Chinese thought. In his model, Jung contained opposites, identifying contrasting types such as thinking/feeling, sensing/intuiting, and judging/perceiving. During therapy he encouraged patients to quickly move ahead when faced with life-dilemmas instead of trying to solve the emotional problems involved: "The most serious problems in life are all insoluble; the way to deal with them is to outgrow them," wrote Jung. In the I-Ching, Jung saw the power of withdrawing from emotions and focusing on details surrounding an issue. For instance, he did not talk directly about a client's lack of assertiveness, but used images and stories and then let the emotional process proceed in peace.

Research led by Richard McNally of Harvard University supports this, concluding that debriefing people who have undergone trauma is counter-productive. The team found that distracting oneself from painful thoughts benefits healing – a very Chinese approach.

### Seek a Different Level

"Recently we had some painfully difficult meetings with our joint venture partner, after which they refused to see our Board member. We had to send them a note stating headquarters' concerns, and we thought the relationship was poisoned. To our surprise, they did not answer the note but instead invited us to attend a performance of Carmen with their CEO. My colleague thought this was a cheap way of bribing us. But really, they have no such illusions. In their mind we were emotional, and therefore not easy to talk to. They had to find a way around us; they warmed our relationship with a pleasant experience, and then the CEO asked if our CEO might help the director of the troupe cooperate with a German opera house. Of course he had done his homework and knew our CEO is an opera fan. From their perspective, if it worked and our

relationship improved, all was well. And if not, they would switch and try another way. Not that it would solve the problem obviously, only move it a bit.”

This is how the Chinese often deal with emotions in business; they know exactly where they are, and then they distract, rephrase, research the situation, go to practicalities, circle the periphery of the issue and return later. In the meantime, they tend their relationships, and trust that the emotional issues will resolve themselves. This allows them to operate on completely different levels.

### **See the Flip Side**

Chinese can also display strong emotions in business and are then perceived from a Western perspective as “rude and demanding.” One executive recalled the arrangements for receiving a high level Chinese official in France. The official’s staff arrived early and was shockingly unappreciative of the host’s efforts to accommodate his guest’s special wishes. Instead they issued military-like orders to the hotel and the host’s staff. The hierarchical system is strong in China and has its own social rules and regulations – in this case the staff were representing their boss and focusing all kindness upwards to him, leaving none for the colleagues whom, they assumed, were equally focused on making the official happy. Chinese EQ has many different applications in different situations and not all of them are soft, but they all focus on people.

Despite their reputation as inscrutable, the Chinese show but do not hang onto their emotions. Emotions are like a storm that passes over, recognized but not important in the long run. What counts is how you treat people; Chinese show their feelings for one another by how they act, not with words.

### **Pay Personal Attention**

Many of the executives groaned about the amount of time spent with individual employees, yet they know this is the key to staff motivation and loyalty. Research by

Lufthans and Youssef indicates that paying attention to developing human, social and psychological capital improves an organization’s competitive advantage. Multinationals commonly talk about the long-term view and investing in people; in China this is a daily reality.

“You have to win Chinese colleagues over to be part of a team. It’s very hard but very effective. So it’s lots of time one on one, showing you care for them individually. And you need one person personifying the corporate culture for a long time – this person then becomes the corporate values,” says McGregor. Ruby Chang remembers: “I have learned about taking care of people from the Chinese. Like when I invited a Chinese member of a delegation to Hong Kong to dinner. He had already basically accepted but he had to call the rest of the delegation. He said to them ‘I have been invited to dinner by this lady but I will say no because our group will have dinner together,’ so he is telling them he has given up my offer to have dinner with them. Then he waited for them to convince him that it’s better for him to go with me. So I learned this is how Chinese take care of all involved. You can use this for many things.” The China Head of Fischer-Rosemount, Dale Lyle sees that “in the States I swim with the sharks, I keep my distance and focus on results. In China, I have lost an inherent aggressiveness. I am convinced that learning to pay attention to people has made me a more effective manager and a well-rounded person.” In China you do not get ahead by acting openly competitive, but by attending to the personal level.

### **STRENGTHEN ATTENTION AND CONCENTRATION**

The fourth practice of effective executives is achieving a *high enough* level of attention and concentration to switch between linear analytic and intuitive thought. In situations where one has to really understand and operate within different thinking modes, the ability to focus in the moment is essential. “Get into the situation, forget about yourself

and go ahead and do the work; its all about mindset," advises David Wang, China head of General Electric Co. and then of Boeing. Gaining this focus is rewarded by speed of thought and action.

In the holistic perspective, linear causality goes ignored, and as a result the intuitive Chinese can catch the moment powerfully. Because they do *not* evaluate, reevaluate, and reflect much on what they do, they are free to act quickly, to "go." This intensely practical way of getting things done was noted by many interviewees. A European executive described this: "In planning a visiting program last month, it was amazing how a thousand practical issues could painlessly fall into place as I worked with my Chinese staff. They know all the details, they have an almost collective focus on what has to be done, no egos are displayed, they sidestep all hierarchy for the purpose of effectiveness – open ends closed with ease, the result we ended up with was very effective."

### **Be Single-minded**

The executives tend to see the Chinese as contagiously enthusiastic and often almost hyper-focused in the way they go about things. Jiang shares a typical situation: "Whenever on my travels to remote areas, I sit down for some time at a restaurant and eat my noodle soup, I can be sure that some uneducated peasant will sit very quietly beside me for the whole time, observing me. In one case he just looks intensely at my shoes, because afterwards he will go home and copy them, and eventually he will make shoes that are better than mine. I know it's wrong to copy of course, but he doesn't; he just wants to learn."

### **Take the Right-Brain Shortcut**

Research demonstrates that intuitive understanding occurs much faster in the brain than does linear reasoning. "I suspect the Chinese brain is hard wired to lock-in in a way we cannot; it's the way the Chinese students work – this is a great strength." Ruedi-

ger Ilg, a neurologist at the University of Munich, has used brain scans to show that deductive analysis uses only one area of the brain, but intuition activates three separate areas of the brain to work together rapidly as an associative nerve center for pattern recognition.

To get things done quickly, effective Western executives learn to use right-brain performance and intuition to stay hyper-focused on high priority tasks. When top management from headquarters flies in or during important negotiations, effective executives enter into flow, in which the urgent matter at work becomes a "higher purpose" while other problems are minimized.

### **Use the Energy**

Right brain functioning gives leverage to an extraordinary energy that draws the executive's full attention to the task, regardless of distractions. "When the intuition is at work, you know what you do and you reach your goals sort of painlessly and elegantly" recalls Peter Feldinger of Novo Group. It is a feeling of being intensely alive: "People say I look younger; I have a spring in my step. I can think faster, I'm so clear headed – I feel no burden, my focus is extraordinary. It's like seeing an entire plan mapped out without ambiguity," reflects Husayn Anwar, regional director of BP. Top executive positions anywhere demand focus, commitment and energy. In China, the extremes of pressure from headquarters, endless days with banquets and cross-time zone conference calls, and the widespread difficulty of delegating, combine to force executives to activate their intuition.

Paying attention to intuition does not guarantee the right focus, but the interviewees believe the lack of it guarantees a vague focus that rarely brings satisfactory results.

## **GO BEYOND YOURSELF**

The fifth practice of effective executives in China is developing a sense of purpose based on being connected to something larger than

themselves. "I am inspired by the sense that China's time is coming and the Chinese unity of purpose. This is tied to their strong sense of community." They describe needing to return to nature: "to feel small on a big windy ocean," "the hills and open space restore perspective," and many refer to religious belief: "I go to a church or a temple; it's about going to reflect, to know that all religions tell you to be good, to be positive." Jebson says, "I believe in a church culture; it's a way to be together and help causes and have a group of people to whom you connect and feel responsible for." Williams jokes about his "increased tolerance of the supernatural and unexplained: you cannot live here long without falling over Feng Shui men and Buddhist monks curing disease and seeing extraordinary things and people. You learn to see the magic."

### **Feel the Connection**

Connected executives see their privileged positions as bringing social responsibility. "In my position I can use power, not for the pleasure of power but to realize things for others. If you have social recognition, people will follow you. If you have a position that lets you add a drop of water to the glass of development for people, you must do it," says Jean-Claude Germain, head of PSA Peugeot Citroën in China. This perspective also breeds humility and tolerance. "You learn not to dominate, to postpone conclusions, to withhold opinions, to be patient. Everything else is unproductive for business; humility is a necessary working tool for China," adds Williams. These executives are deeply connected to their surroundings. They know that everything they do affects others, and that they cannot affect anyone without also affecting themselves.

### **Reflect on the Flow**

The leaders we interviewed know that high concentration and top performance cannot be sustained endlessly. Many mentioned the pattern, referring to the ebb and flow of

energy, and reporting: "If you are on a high for some days, you will be on a low soon after." The skill is to use passion despite the risks involved; "There is real fragility in this mood, one can lose wind," clarifies Dines. Less reflective executives can be caught in the downturn, leading to depression and even addiction as is documented by clinics for expatriates.

Becoming aware of oneself in a larger context takes the skill of meta-cognition, learned through practices that encourage attention to detail and time for reflection. Effective executives in China set aside time to consciously reflect, they think about what they do and about how they think. "I take time every day," "Yes I reflect – all the time," they all say. "I withdraw for 30 minutes, let my brain flow, take notes about what really is the situation? What do I really want to do? The more you think, the better you are," states Tom Behrens-Sørensen, China president of Maersk Sealand. Every executive interviewed has a time and method for pulling back and reflecting; some say they want more time, but no one goes without.

### **Give Back**

The executives interviewed have achieved worldly success. As heads of companies, their jobs become increasingly abstract and they spend more time in formal roles. This distance from concrete life tends to dull feelings and lead to frantically busy lives that can feel empty. These executives seek ways of contributing to society, which also helps them remain in touch with their feelings in a hard-nosed business world. According to a study of 629 German donors by the Bertelsman Foundation, most give to charity as part of a search for meaning; their motivation is the desire to take responsibility for and contribute to the community. The British study *Why Rich People Give* demonstrates the influence of religion on this attitude. "To improve schools for the handicapped, to help children with heart defects get an operation to save them is important. I am so privileged in life and that brings responsibility with it,"



reflects Ruby Chang, executive with the Swiss trading house, Edward Keller Group.

Westerners flock to Rotary Clubs, other charities and environmental organizations to contribute to China while the Chinese build schools in their ancestral villages – this is not all about generous genes. We feel we must give back – and that makes us feel right. And when we feel right, we are effective, which feeds back into passion and flow. By going beyond themselves, the executives we interviewed find purpose, nourish themselves, and renew.

## **SELECT AND TRAIN FOR SUCCESS IN CHINA**

Human resources are the largest challenge facing companies in China and those coming to China. How are they to find, hire, train, develop and retain the people who will make their businesses successful? At the executive level, part of the solution to this challenge usually involves non-Chinese expatriates.

### **What Works**

Good selection for positions in China must be built around the research on who is able to successfully adapt to new places, who has the makings of a global-mindset, who has cultural intelligence. Our research on executives who are highly effective in China demonstrates certain patterns:

- They are at least bilingual, and 75 percent speak Chinese; 80 percent of our interviewees speak 3 or more languages fluently.

- They are highly resilient, positive and curious.

- They welcome new experiences; most of them actively sought opportunities to go overseas or grew up assuming they would move between countries.

- They have strong family and community ties; 90 percent interviewed have marriages over ten years duration, and all participate in social and charitable organiza-

tions or contribute time and knowledge individually despite demanding jobs.

- They are explicit about the importance of activities that give their minds free-range, including reflection, reading non-business materials, or focusing on music.

At first glance an unrelated list of attributes, these traits do form a whole. Speaking multiple languages testifies to intellectual ability and increased cognitive complexity; resilience and curiosity indicate cultural intelligence; family and community ties suggest emotional stability and the ability to feel connected; the skills honed in what is usually termed “hobbies” keep the right and left sides of the brain communicating closely. All these are muscles needed for growing the additional specific skills for China.

### **Encourage the Right Brain**

Designing a seminar that tells business people about China is easy. Designing a program to develop the China skills discussed here is difficult and is our ongoing research focus. There are some quick starting points for corporations and individuals, though. Most basic is encouraging practices that develop the ability to feel intuition, to use the right brain together with the left, to teach reflection and concentration and paying attention. Our research shows that effective executives are curious about themselves: they will do assessments and seek reflection and insights from others. Companies can encourage this by providing resources on-line, access to testing, and feedback through coaching. Biofeedback and awareness of brain use patterns can be helpful. Corporate trainers can be encouraged to use methods that develop the right brain. Using visuals such as territory mapping for strategy, or mind maps, is one of many current ideas about how to increase whole-brain creativity. Organizations can also encourage reflection by accepting that executives set aside regular time that is not interrupted. Individuals can develop rituals that focus attention on the present moment or at least engage in activ-

ities that demand concentration, like golf, or squash, playing a musical instrument, or learning *Go*.

### **China Changes Your Mind**

The work described here explores the impact of Eastern thought on a select group of Western executives who have extensive exposure to China. Their experiences run parallel: their perspective has been challenged by seeing that little can be accomplished in China through typical Western-style business thinking and methods. Their analytic thought patterns have been challenged, and they have learned to think holistically. Their new cognitive style switches between linear analytic and intuitive approaches. And finally, their individualism and habits of emotional expres-

sion have been challenged and changed as they learned to stop talking about feelings in order to focus on persons. Through all this, they gain immediacy and connectedness to a larger whole.

According to the leaders interviewed, China teaches them to think, feel and act differently than they do at home. Effective executives in China use all the five practices described here regularly to reach their performance goals. These men and women may be harbingers of the global mindset that leaders probably need in order to be successful in the integrated and competitive world of global business.



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Two books central to understanding the traits and development of global executives are Morgan W. McCall and George P. Hollenbeck's, *Developing Global Executives. The Lessons of International Experience* (Harvard Business School Press, 2002) and Stephan Rhinesmith's, *A Manager's Guide to Globalization: Six Skills for Success in a Changing World* (McGraw-Hill, 1993). McCall and Hollenbeck set out to understand what makes global executives successful, what can derail them, how they learned what they know, and how to distil this into a learning path for individuals and organizations. Based on extensive interviews with executives labeled by their companies as successful, they outline the traits and skills of these executives and examine how they were learned. Rhinesmith focuses on the need for global mindsets and identifies six key competencies that managers will need for success in the globalized world. These are: getting the big picture, balancing paradox, emphasizing process over structure, appreciating differences, managing change, and openness, which Rhinesmith then links to a global HR system. In "Developing Leaders for the Global Frontier," *Sloan Management Review*, fall 1998, 21–32, Hal Gregersen, Allen Morrison, and Stewart Black also examine the characteristics of global leaders and ascertain that having such leaders determines the success of a firm's globalization efforts.

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cultures successfully. Early and Ang provide a valuable definition and exploration of the abilities they define as constituting CQ as an addition to IQ and EQ. *Cultural Intelligence* provides both an overall concept and framework for use, as well as a thorough review of the literature related to cross-cultural interaction, and of assessment and development processes related to intercultural abilities. In *Moral Intelligence: Enhancing Business Performance & Leadership Success* (Wharton School Publishing, 2005), Doug Lennick and Fred Kiel analyze original research, concluding that the best performing companies have leaders who promote moral intelligence throughout their organizations. Lennick and Kiel see emotional intelligence as necessary to business functioning, but moral intelligence as the key to knowing right from wrong, with the most important skills being integrity, responsibility, compassion, and forgiveness. Rhinesmith states that in the globalized world, people are a firm's strategic edge. In "Investing in People for Competitive Advantage," *Organizational Dynamics*, 2004, 33(2), Fred Luthans and Carolyn Youssef examine the roles of human, social and positive psychological capital in organizational results and how to manage these. They determine that positive psychological capital including the traits of personal efficacy/confidence, optimism, hope and resiliency have significant impact on individual performance and suggest interventions to strengthen these as a way of enhancing competitive advantage.

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las Brealey, 2005). Nisbett gives detailed examples of how Eastern and Western people see and interpret the world differently, e.g., comparing whether they prioritize relationships or categories. Michael Bond's book *Behind the Chinese Face: Insights from Psychol-*

*ogy* (Oxford University Press, 1991) is based on long experience and extensive academic research. Written for the layman, it provides psychologically informed insights into how Chinese act and think differently than Westerners.

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In this podcast, RANE founder David Lawrence speaks with Emily de la Bruyere and Nathan Picarsic of Horizon Advisory about what impact an executive order banning transactions in publicly traded securities that could support the Chinese military industrial complex could have on US financial services. U.S. President Donald Trump recently issued an executive order stating that China is exploiting U.S. capital investments to fund its military growth and ambitions. The order, which goes into effect in January 2021, bans any transaction in publicly traded securities that the United States finds could support the Chinese military-industrial complex. In China, the victory of the British-made artificial intelligence over the country's young prodigy sparked new discussion within its technology community. This defeat was not only the defeat of man by machine but also the triumph of Western technology, its prowess, and international reach. The launch of the Soviet Union's satellite has had a profound impact on the psyche of the American public, creating widespread fears of the superiority of Soviet technology. China, like the United States, has undergone a sudden change of tact, initiating a new financial and strategic effort almost overnight, funneling enormous resources into artificial intelligence. Now, the Chinese public has awakened to the infinite possibilities of AI, and the power that it has. Blockade of China. There are more than one billion people in China, and there are roughly one billion neurons in the brain. Suppose that the functional relations that functionalists claim are constitutive of human mental life are ultimately definable in terms of firing patterns among assemblages of neurons. Now imagine that, perhaps as a celebration, it is arranged for each person in China to send signals for four hours to other people in China in precisely the same pattern in which the neurons in the brain of Chairman Mao Zedong fired (or might have fired) for four hours on his 60th birthday. During those four hours Mao was pleased but then had a headache. Chinese executives have been facing their own cultural dilemmas and learning to work with the West. Westerners are now under pressure to learn from the East as well. This article describes the results of layer-ing Eastern and Western thought processes by describing a select group of expatriate executives in the China laboratory. It shows how working in China has changed the way these executives think. They have learned new ways of perceiving their environment and new ways of reacting and acting within it. They have become more complex, more connected, and more personal as the basis for their consistently impressive business results.