

EMERSON ELECTRIC (SUZHOU) CO., LTD. (A)

Eddie Turrentine was very surprised when his General Manager invited him to be his successor in March 2000. Eddie was at that time the Procurement and Material Manager of Emerson Suzhou Electric Co., Ltd., a subsidiary of American conglomerate Emerson (its products are sold under the brand name Copeland - a major Emerson division). The GM, a Taiwanese named Wang Wei, told Eddie that he would offer his resignation the following day and was planning to recommend him to be the new GM. Eddie remembered Mr. Wang saying:

I have been thinking about this for several weeks and made my decision. I want to propose you to be my successor. You have the necessary experience and knowledge to run this operation. You are the right person to keep this organization together.

These words were totally unexpected for Eddie:

I had never planned to be the GM. I remember how surprised I was when he told me this. At the beginning, I was a little bit hesitant to accept. I had never been a GM before. Mr. Wang Wei, the Taiwanese GM, was a very honest man. He told me that he truly believed I could do a better job than he did and that he was going to support me. I finally accepted when I was officially offered the position.

This case was prepared by Prof. Juan Antonio Fernandez and Research Fellow George Chen at CEIBS. The case was prepared as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation. Certain names and other identifying information may have been disguised to protect confidentiality.

Copyright © 2002 by CEIBS (China Europe International Business School). No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means – electronic, mechanical, photocopying, recording or otherwise – without the permission of CEIBS. To request permission to reproduce materials, or to order copies, go to <http://www.ceibs.edu> or write to Case Development Center, CEIBS, 699 Hongfeng Road, Shanghai 201206, People's Republic of China.

Eddie knew he was facing a difficult challenge. There were many issues to tackle in this organization, especially those regarding people. As Eddie said:

So, there I was, the new GM. To tell you the truth, it was difficult to decide where to start with my new job.

Copeland Corporation

Edmund Copeland founded the company in the U.S. in the early 1920s. Mr. Copeland patented and produced the world's first electric refrigerators and helped make them a household fixture in America. After participating in various other markets, including war materials during the 1940s, Copeland Corp. moved in the second half of the century to concentrate exclusively on its core competence, that is, the manufacture of air conditioning and refrigeration compressors. At the time of writing this case, Copeland employed over 10,000 people in more than 20 facilities worldwide, achieved annual sales of more than US\$2 billion, and was one of the world's largest manufacturers of HVAC¹ compressors. Throughout the early 1980s Copeland enjoyed its status as the world's No. 1 compressor supplier in HVAC markets, although it was serving customers primarily with 20- to 30-year-old technology, reciprocating (piston driven) compressors. However, at that same time, the industry was on the brink of making a shift to more efficient and reliable scroll (orbiting) compression units. Copeland already possessed a significant developmental advantage in this new arena and also owned a number of patents relative to the new technology, but lacked the capital base which would be required for the expansion needed to sufficiently penetrate even the U.S. unitary (new home) market. Additionally, existing factories were not attractive candidates for conversion to this latest innovation in the industry, so it was not difficult to concede that these facilities would continue to serve the declining reciprocating compressor demand until their eventual phase out. The company had the potential to become the market leader, but it was in need of strong corporate support and funding to stimulate growth.

Acquisition by Emerson Electric

In 1985 Emerson Electric, a U.S. corporation with more than 75 divisions, purchased Copeland Corp. from individual ownership. The integration into this huge corporation provided Copeland with the necessary financial backing to expand its horizons globally. Emerson is regularly ranked in America's Fortune 100 and is usually listed approximately 250th – 350th among the world's largest corporations, with US\$15.5 billion in sales in 2000. As the new largest division in Emerson, Copeland garnered the lion's share of the corporate capital investment budget and aggressively constructed scroll manufacturing facilities around North America.

¹ HVAC refers to the heating, ventilation and air conditioning industry.

With the financial support of Emerson, Copeland prepared to attack the global markets via manufacturing in regions where demand was buoyant and where investments were of relatively low risk. The Company was already exporting approximately 25% of its production abroad. While European investments were successful and Asian joint ventures provided adequate returns, the company had routinely balked when confronted with proposals for any large-scale, wholly-owned initiative in the Far East. Finally in 1994, a 500,000-unit-per-year scroll factory was built and opened in Thailand. The Company soon realized that the vast majority of the market served from this location was actually in China; further, importing products into China was not as simple a task as was originally perceived. Clearly the company had not done its homework prior to making this investment. Emerson Electric had fallen into the same trap as so many other western companies before it: it assumed that the Asian market for its chosen product was so vast and so virgin that careful analysis was not entirely necessary prior to moving into the arena.

Emerson Electric Comes to China

Having learned this valuable lesson, the company conducted an exhaustive, two-year feasibility study, and the decision was finally made to move forward in its largest investment initiative ever outside the U.S., a US\$180 million facility to be located in Suzhou, China. The feasibility study concluded that customer demand, competitive environment, labor market, local supplier capability and other contributing factors were reasonably favorable, making the decision attractive enough to proceed.

The project was to be completed in three phases over a two-year period, all in accordance with Copeland's Plant Technology Franchise Guidelines, a gate management system used in implementation of the company's facilities. The factory was also tasked with shouldering the additional burden of representing Emerson's commitment to excellence in Asia, functioning as its flagship enterprise in the region. Should the venture prosper, the company would be likely to invest even more heavily in the near future. Failure, on the other hand, might limit such activity for years to come. Needless to say, many eyes were intently watching the project.

Located only 70 kilometers from Shanghai, China's largest city, Suzhou was known to have a modern, but relatively empty industrial park completed in the 1990s. The Park's Singaporean management team was eager both to lure investment projects and to grant the necessary concessions to interested parties. The Park management was also well connected with local employment agencies and provided Emerson with reports indicating that labor was available in sufficient quantities and at lower rates than could be found in more metropolitan areas like Shanghai. Relatively high unemployment rates seemed an early sign that retention of hourly associates might not be of immediate concern. Several local vocational schools offered a steady supply of young, talented

individuals for development in a cooperative learning environment. Also, a fair number of state-owned enterprises (SOEs) with unstable futures located in the area had some experienced engineering talent who might be made available. Overall, Emerson management deemed the Suzhou area an attractive environment for building a diverse and high performance work team.

As far as identification and development of a local supplier base was concerned, Suzhou's proximity to Shanghai was a definite advantage, as it granted accessibility to the businesses currently serving that city's expanding automotive manufacturing industry. While capable stamping and, to some extent, casting vendors were present in Suzhou, Shanghai firms complemented with forging shops and precision machining enterprises. Initial on-site surveys provided promising results for all of Emerson's needs.

Other less significant factors playing a part in the decision included presence of English speaking schools, reasonable proximity to most customers, a competent subcontractor base, and a stable, well-developed infrastructure in communications and transportation.

Recommendations resulting from the feasibility study approved at the corporate level included the following strategies:

- Target initially large OEMs² using 3.0-5.0 Kbtu/hr. compressors as the major market segment.
- Include investment capability for manufacture of larger compressors in capital plan for the factory but hold investment for smaller capacities.
- Phase in the investment in three parts to reduce exposure in case of failure and to roughly match demand.
- Identify and hire bilingual Asians to champion the project, staff top management with one local Chinese and the balance with 1/2 overseas Chinese expatriates and 1/2 U.S. expatriates.
- Utilize a temporary workforce to respond to the anticipated seasonal swings in demand.

Although the Asian financial crisis prompted Copeland and Emerson to hesitate for some period of time, the project was launched in June of 1998, and production began in early 2000.

² OEM refers to an original equipment manufacturer.

People and Cultural Issues at Emerson Electric Suzhou

Meanwhile, the staffing procedure began with the acquisition of a Taiwanese General Manager in March 1996 who would also serve as the project leader. Soon after, he began to seek out and hire key staff. The hiring plan did not include the identification of a Human Resources Manager, at least not in these early days, and thus the process possessed no real guidelines or framework to ensure that any form of standardization was present for similar positions. Many offers were made and deals were struck by a variety of methods. These resulted in a variety of compensation packages, contractual agreements and promotion expectations for the future.

This activity, the GM's hiring of staff at all levels at various wage scales and with wide ranging competency levels within each level, represented, in retrospect, the beginning of a situation which would soon manifest itself as a large problem potentially endangering the success of the investment.

Only after the recruitment of most staff positions had been completed, was the corporate mandate that at least one local Chinese manager be placed on the General Manager's team finally fulfilled with the hiring of the plant's HR Manager. In making this move, the GM used as a selling point to the other directors the notion that this individual would be capable of understanding and reporting important but difficult-to-detect behaviors amongst the factory staff, which might otherwise go, unnoticed. The new HR Manager was in his 50s, coming from a local SOE. As Eddie mentioned:

We hired a Chinese to be the HR Manager so he could help us to form the local organization. He was a Suzhou local with many connections. You know, he had good 'guanxi'³.

Many middle management staff, primarily supervisors and engineers, were required to attend four- to six-month training programs in the U.S. and were subsequently required to sign lengthy service contracts with the company, purportedly to ensure the company's return on investment in the cost of the training. Eddie said:

We selected a lot of new people and trained them. We even sent 20 of them to the States for training. It was a six-month training program. We signed a three-year contract with those people. The idea was that if they left after the training, they would have to pay back the cost of the training. We had one case of an employee that left 17 months after the training. He had to pay back all the training cost, which was an amount almost equal to all his salary during those 17 months.

³ Guanxi is a Chinese term difficult to translate. It refers to the network of contacts a person has that can help him or her to obtain personal and organizational benefits. Frequently, it has a negative connotation.

As the facility was still in a start-up mode, the team in place was, for a time, under little pressure to perform. Cost allowances had been planned well in advance for start-up inefficiencies; the company's sales forecast included only a small percentage of input from the new facility; and employees were kept comfortable to ensure that all had sufficient time to adjust to new responsibilities. During this first year of relative calm, however, the real storm was brewing just below the surface. The market began to grow at a quickening pace. Corporate sales commitments were quickly raised, and pressure on the facility to produce doubled and then tripled. Customers who were thought to place the bulk of their emphasis on long-term value were suddenly demanding lower prices and threatening to shift allegiances to competing suppliers. All of these issues were occurring just as the large group of middle management began to realize the opportunity for upward mobility promised to all might actually be available to only a selected few. To make matters worse, this source of employee dissatisfaction went largely unnoticed by top plant management, as the HR Manager had tried to keep this information from them.

During the production ramp up, several cultural differences between the U.S. employees, the overseas Chinese and the local employees became apparent. The results of these differences ranged from small, even trivial misunderstandings to those damaging enough that they might even endanger the stability of the plant staff. These basic cultural differences coupled with predictable resistance to change demonstrated by both sides would require skillful management to resolve.

Early in the project, during the facility construction phase, it became evident that the result-oriented American style would definitely clash with the personal relationship management style exhibited by the Chinese. For instance, American managers were seen as being unnecessarily eager to push the production system even before installation was complete. In fact, these managers were among the few whom had been informed of the changes in the external business environment and the implications these changes would have internally. While the vast majority of the workforce thought it prudent to methodically test each individual piece of equipment prior to actual use, the few Westerners felt a need to force through the first few pieces of product. These U.S. managers, thinking they might teach others a lesson in manufacturing principles, actually forced their will on the others, creating no small amount of strife.

All of the middle management staff was persuaded to work throughout the night just to push the factory's first twenty pieces of product through assembly. The Chinese saw this as needless, as the next day was spent mostly idle, awaiting the test results from the samples. This was the first of many such incidents that would begin to tear the organization apart before it really even had a chance to form. Soon, it became obvious that the different levels of conflict avoidance within each group would also play a role in the unfolding story. As actual production piloting began, the Americans demanded

an early morning meeting to outline the day's activities and goals, as well as a late afternoon wrap-up session in which any responsible parties with incomplete action items were criticized for poor planning or execution. The Chinese, preferring to avoid conflict whenever possible, generally agreed to the daily schedule even when acutely aware that the agreed schedule could not possibly be met.

Naturally this silent conflict was quite detrimental to goal achievement, as the Americans, blind to the differences, merely pushed harder. In fact, as due dates for deliveries drew near, these managers found themselves performing the work of engineers and supervisors, ignorant of the fact that the quality of their work was only tolerable. Although these managers eventually recognized that some differences between the two cultures were already negatively impacting the group's performance, their reluctance to change led to a belief that whatever behavior was most comfortable to them was always the best way to do business.

On the other hand, the Chinese also contributed to the worsening situation. To many in this group, it was obvious that the expatriate group was pressing too hard. In fact, many of them had even had similar experiences with other westerners in previous assignments. Like their American counterparts, these Chinese middle managers saw a need to change their own style.

In building his management team for the plant, the General Manager originally planned to accommodate only one local Chinese and, as he assessed his needs, he elected to fill the HR Department Manager slot with this selection. Everybody agreed that this appointment would help to ease communication between the Americans and the Chinese.

Furthermore, as the number of staff grew, there was an increasing need for an effective personnel management system. Unfortunately cultural differences and a lack of awareness of these began to undermine the well-intentioned original plan. The HR Manager, being a long time employee of an SOE, had strong beliefs in the Chinese idea of maintaining power distance. In staff meetings the Americans almost always regarded his silence as agreement, when it actually often represented something very different. While American managers felt quite at ease to express their opinions and to attempt to sway group decisions their way, the HR Manager thought it best to wait to hear the opinion of the GM and usually merely agreed with his ideas. Thus the original intention of getting the local Chinese perspective was largely never realized.

Soon the entire organization found itself mired in indecision and one-sided decisions. The Americans continued to push, albeit with little result, and the Chinese continued to plod, methodically checking every item to the finest detail. The result was an inefficient, unmotivated employee base that witnessed endless bickering at all levels of the

organization.

Next, a quite unexpected phenomenon occurred, strangely jolting the entire employee base into a survival mode that has started the improvement initiative. The Taiwanese GM decided to quit the team to join a telecommunication company. Unrest among local employees immediately became a major concern for all, as the sudden vacancy led most to believe that something was terribly wrong and that maybe they should all be considering a career change. The prevailing notion was that the boss was abandoning a sinking business.

Coupled with these personnel issues, suddenly the peak season was upon the industry, and the facility was, of course, ill equipped to handle the rapidly approaching demand. Clearly, quick and decisive action was required to right the ship and secure the investment's future prosperity. Given the attention the factory was receiving at top levels in the corporation and in the industry, it was also imperative to give the Board and stockholders a reason to feel confident that the situation was stable and that the decision to invest had been well advised. There existed a number of issues that had to be tackled urgently to ensure a truly successful venture, namely in the areas of people and cultural issues.

What to Do?

Eddie was really worried about the complexity of the situation. He saw the need for quick action in order to improve the situation. One long-term solution for the people issues could be the development of a company culture that would allow for the growth of employees while also supporting the business goals of Emerson. Eddie mentioned:

Our company has many high volume manufacturing facilities with a lot of people; we have a lot of experience in managing high volume operations but we don't have much experience in managing multicultural organizations. We have to improve in that aspect.

In some respects, Emerson currently had a strong management team, but it needed to further develop managers of the future to assure the company's long-term success. Eddie saw this as his main task for the near future:

If we fail in China, it won't be because of the Chinese. It will be because I have not been able to create the right environment for people to cooperate, whether Chinese or American. I want to be very clear about that.

Eddie Turrentine

Comments by the American Managers

Eddie Turrentine, Procurement and Material Manager and current GM

We had some conflicting styles in our organization. For instance, the Chinese are focused on relationships while the Americans are focused on results. A second difference is the way we set objectives. I remember the first management meeting to set the objectives for the year. The Americans were very aggressive and ambitious with their objectives while the Chinese were more conservative and prudent. Our Taiwanese GM asked: 'How many defects do you think we will get?' David, our Operation Manager, said zero. The GM couldn't accept it and plugged in a number himself. Another difference is what we understand by respecting people. We wanted to be the preferred employer in Suzhou. What a preferred employer means for an American is totally different from what it means for a Chinese. For me, it means really caring about them and giving people the chance to grow. For a Chinese, to be a good employer is quite different. Hierarchy is very important for them. I'm the manager and you do what I tell you. Too often, they don't listen to their workers. You don't do this in America. I would not want to work for that type of employer.

Our previous General Manager was from Taiwan, could speak Chinese, and had an MBA from Harvard. He was a very smart man. He was in his mid-thirties, very young.

I knew Mr. Wang already, we had worked together for five years in Alabama. When He invited me to come to China I was excited, because he knew a lot, and I had no doubt that I could learn many things from him. He was asked to stay three years in this post but when the unit was ready to run, he decided to leave. I think he was afraid of failing.

The Chinese love meetings. We had meetings all day long and every day. They are used to solving problems in meetings. I respected my GM but I don't like to waste my time with so many meetings. One day I told him: 'I have a job to do. If you want to see me, you can see me after hours. You want to meet me at five in the morning, no problem. I must run a factory and I've got a lot of things to do here. That is my job'.

He created a very hierarchical organization. We had one supervisor for each production line. Each line had 12 people on average. There were too many bosses.

David, the Operation Manager, and the HR Manager had an awful fight. David said: 'I don't know why we hired all those people. We have too many bosses here'.

China has an old culture. They have their own way of doing things. For instance, they don't like to talk openly to each other. They keep problems to themselves. No one tells you what is going on. As Americans, when we don't like something, we tell you directly. We don't have problems with that.

I remember when we produced our first compressor on Nov. 12, 1999. This first unit had to be shipped back to USA for a 3-month test. My boss was very afraid that something might go wrong. That's one reason that he presented his resignation. He got out of here before the results came back from the States. Finally, nothing went wrong. Our first compressor was perfectly OK, but he was already no longer here.

David Warth, Operation Manager

Communication was difficult when I arrived here. First, it was just the language problem. We didn't understand the Chinese language. A lot of the Chinese people we hired didn't speak English either. But a bigger issue was the cultural problem; we were mixing people with different styles. Some of the Chinese managers we hired were very traditional. By that I mean to say that they preferred to tell people what to do. We had problems of understanding each other, and we had some conflicts between the two groups, especially when it came to discipline or personnel issues. The way I work is to confront the issue directly, face to face. It seems to me that Chinese managers don't like that.

Chinese managers believe that knowledge is power. But, our idea is that knowledge should be shared and transferred to the other members of the organization. We want people to share knowledge, that is our way.

Chinese supervisors just care for how many people they have under them, to get a nice computer and an office. But that is not a supervisor for me. The supervisor has to be engaged in the business. He is also another worker with more responsibilities. He has to be productive and help his people to be productive.

The Chinese are sometimes very confused with the way we Americans do things. They don't understand our rules. We cross hierarchical lines when we need to; we don't care about that. They are very careful with the hierarchy and not to offend their boss. We Americans just want to get the job done, that is what matters for us.

Chinese managers are very attached to power. They like to control people and they like to be asked for permission all the time. They also love meetings and making speeches in meetings. That model doesn't work too well for us.

In China, if you have an idea or you want to do something different, you must get the permission of your boss and get many signatures. We tend to believe that this

practice only serves to slow things down. Probably neither group's way is really best; I imagine that somewhere in the middle is the right thing for China.

Steve Howard, Manufacturing Engineering Manager

The Chinese are used to following a leader, doing what the leader says. They want clear directions and don't like to make decisions. That is surprising to us.

We expect people to learn and be able to solve problems independently, to have initiative. If somebody just repeats what I already know, then I don't need that person. I want people with their own ideas.

If I ask my engineers their opinions about a problem, they will look at me wondering why I am asking them. They think I am the boss so I must have all the answers and tell them what to do.

I had to take into account this idea of 'losing face' when managing my Chinese subordinates. Chinese people say: 'This is my territory, this is my area, and nobody can come to it. If you interfere, I will lose face'.

They seldom ask others for help. For example, I have five engineers. Each of them is responsible for a different area. If somebody were in trouble, he would never ask for help from the other engineers. He thinks if he asks for help, they are going to think he is stupid because he cannot do his job.

Our previous GM was from Taiwan. He expected everybody to follow him. He was very smart, and intelligent, but different from us. He was educated in USA, an MBA from Harvard.

At that time, the communication among the people was not very good. We didn't talk to each other. Everything was channeled through the GM. There was a lot of tension among some of the managers.

Another problem we had at that time was unclear expectations. We didn't know well what his (the GM's) expectations of our jobs were.

Chinese people are more worried about hierarchy than us. For instance, in China, a supervisor has a higher position than an engineer does. In USA, they are at the same level. Our Chinese engineers want to be promoted to be a supervisor. They don't want to stay as engineers. They all want to be bosses.

I would say to somebody from the States coming to work in China to be patient. Try to be a patient person. We are not used to being patient in the States, but that is a talent we have to acquire here.

Comments by the Chinese Managers

Judy Zhang, Material Buyer

I had been working for 10 years in an SOE in fiber manufacturing industry and was even promoted to the position of R&D Manager. I had another two years of experience in a foreign company in charge of purchasing of mechanical product. That was before joining Emerson Suzhou. My previous experience was always in well established organizations and I have been used to following clear leadership.

American managers have a different style. They are very straightforward. They care about results more than maintaining good relationships. To many Chinese, they are too assertive.

The Americans set very tight deadlines that were beyond our usual capabilities and then pushed the deadline and made everybody very stressed. At first, we were unfamiliar with this. But after some time, we gradually got used to it and our standard improved. They call it 'shoot before you aim'. Now through our communication, we gradually got used to the American way of management. They also started to learn the Chinese way, which is more conservative and also more focused on details.

You know, we were brought up and educated to follow the leader's instruction. When we were children, the highest praise from our parents was 'this kid is so obedient (tinghua)'. So we are used to behaving in the same way to get positive appraisal from our leaders.

In our mind, a good leader should be someone who can set a good example, show integrity and make correct and smart decisions. The management team should be united, speak in one voice, and have a long-term commitment to the organization. They should give us the right direction and win our confidence and trust. As long as the leadership is clear and the commitment is there, we Chinese can learn and adapt to the leader's requirement.

We don't have problems in changing to the American style. To me, I have learned a lot from the Americans. I like to learn. I like to make changes. Otherwise I would have stayed in the SOE.

Some foreign managers came to China only on a short-term assignment or because they didn't have a position in their home country. They use China to get a promotion. To be honest, we were afraid of that especially when we saw our GM resign. I hope the new GM can really pull the team together.

Jonas Chen, Production Supervisor

I had spent several years in a large SOE before joining Emerson Suzhou. I didn't like the work in the SOE. They behave as bureaucrats, not as professional managers. The organization was too hierarchical and inefficient. Before you put forward any new suggestions, you needed to think it over to see whether you might offend anybody, either your managers or your peers. That's why I wanted to make a change.

I felt puzzled when I found that there was also cultural conflict here. We could clearly feel the different and conflicting cultures in our company.

The departments under the Taiwanese GM were very formal, with strict reporting lines and orders to follow, a bit like in the army. Whenever any task was to be done, they had meetings to discuss the various possibilities to do it, compared pros and cons, and then chose one. Every step was in accordance with the rules.

The ones under American managers, like us, were active, open with each other and enthusiastic. We cared about the results more than the system. And in fact there was no system yet. Our managers just gave us the objective and direction. It was our job to find the way to achieve results. If it worked, then let it be the 'system' for next time. If it didn't, we tried another way. The problems were solved on the floor, not in the office.

HR was the only department under a Chinese manager. The whole group was silent and just listened to the HR Manager. The HR Manager only followed the GM without independent input. I think they just did not have any experience of key personnel issues in a foreign company, so they were not prepared. Whenever any decision was to be made, they just reported to the GM and asked for his instruction. They didn't want to have trouble with the staff. They wanted to 'keep order'.

I know the Taiwanese GM tried hard to be the 'bridge' between the Americans and the Chinese, but it seemed he was not successful. I don't know why. I just felt shocked when I heard of his resignation. He had made many verbal commitments to us, saying if we did well we would be promoted or would have the chance to go to the States. When he left, we had a strong crisis of trust. We wanted to know what would happen, and we wanted to have a say in it.

Xiao Dewen, HR Manager

It is not unusual for any organization to have problems at the beginning. It is important to solve those problems as a team and learn from each other.

We learned from the Americans, from their advanced management experience and their technology. They also learned how the Chinese think and behave. So far, we have worked together very well. We all have to learn and we have accumulated many valuable lessons. We will do better and better.

Some of the practices that have been successful in the States may not be that successful in China. Successful management in China must be based on strict policies and discipline. At first, we didn't have well-established policies. But we were improving. During that process, we had debates and those were acceptable. One example was about attendance control. We, in China, are used to punch in and out at our work place. Our salaries are based on that. We deduct money on a pro rata base from those who often come late or leave early. In this way we encourage people to be punctual. This is normal to us. The Americans didn't accept that at the beginning. They thought that such control was the responsibility of the line managers through a process of disciplinary action: verbal warning, written warning, and termination. However, there were times when attendance became a problem and different managers dealt with that in different ways. Some were strict, while others were not. HR should ensure internal equity so through discussion with the Americans, we came to a compromise: operators needed to punch in, while office staff didn't. And it worked well.

We need to be open-minded with each other. We now do much better, and we will continue do so in the future.