

## **American Factory Documentary Analysis**

### **The American Dream**

Sydney Hovenstine

MGT 3030 – Global Business



<https://www.abc.net.au/news/2019-09-11/american-factory-documentary-review-netflix-obamas/11496116>

The documentary “American Factory” follows the opening of the Chinese glass manufacturing company, Fuyao, in Ohio. At first, the opening of Fuyao provided a sense of relief for the thousands of people who lost their jobs after the closure of automotive manufacturer General Motors. This sense of relief was quickly replaced by other sentiments from the clashing cultures between Chinese and American workers. Content from chapter four including collectivism vs. individualism, power distance, and folkways shows the disparities between employees from vastly different countries.

When Chairman Cao visits the Ohio production facility to see how his new American investment is going, he is disappointed by the lack of productivity. This can be partially blamed on the fact that China is a more collectivist country while the U.S. is an individualist country. The documentary follows a business trip taken by the American management team to China where the Americans are extremely impressed by how well employees work together to increase efficiency. When the team returns to Ohio and attempts to implement some of the Chinese strategies they learned, they are met with resistance and disinterest from employees; a stark difference from China. Due to Americans generally being more independent and reluctant to work as a team, their production facility was losing money and significantly less productive than the Chinese facilities.

Companies can benefit greatly from understanding whether a country they are planning to do business in is more collectivistic or individualistic. The mutual lack of cross-cultural literacy at Fuyao led to many challenges and the loss of profits. A company should address these challenges and discuss ways to work together despite their cultural differences. Fuyao attempted to communicate with their Chinese employees that Americans have distinct attitudes in the workplace, but they failed to discuss this immediately, leading to feelings of animosity on both sides.

Throughout the documentary, there were many examples of the contrast of power distance between China, which has a high power distance, and the U.S., with a lower power distance. For example, after revealing that they work 12-hour shifts and only go home once or twice a year, an employee at the Chinese plant states “we work whenever we’re asked by our leader”. The Chinese workers do not question their supervisors at all, while the American workers are constantly making requests and lobbying

for change within the facility. Fuyao is backed by the Chinese government which further expands the distance between employees and supervisors.

It is imperative that companies understand how differences in power distance affect the workplace culture and overall attitudes. Fuyao was not prepared to deal with American workers demanding a union because they are from a country where employees do not question their supervisors. Before opening an international facility, a business must do ample research and speak with someone from the country they are planning on doing business in to anticipate the attitudes they will be facing with future employees. Without these steps, companies will experience the frustration, confusion, and loss that Fuyao did at the beginning of their American endeavors.

As if the differences between the Chinese and American Fuyao facilities were not stark enough, folkways are another example of their contrast. When the American supervisors visit China, they attend a meeting where they are introduced to their Chinese counterparts. While both groups are from upper management, the Chinese are dressed in professional business suits while the Americans are wearing graphic T-shirts and jeans. The folkway that was not taken into consideration by the Americans was the dress code they should follow while meeting the managers for the first time.

An essential part of successfully operating an international business is understanding the mores, values, and folkways of the country where the facility will be located. If the Americans were not supervisors but rather a company attempting to receive financing from Fuyao, they are putting themselves at a disadvantage by failing to research the folkways of China and wearing casual clothes to a business meeting. If possible, businesses should utilize a native from the country they are investing in to better understand these crucial elements of international business.

To conclude, the lack of research regarding individualism vs. collectivism, power distance, and folkways led to misunderstandings between Chinese and American employees at Fuyao. The company was supposed to bring relief to an area devastated by the closure of General Motors, but struggles with cultural differences led to a hostile work environment. Companies should utilize these differences to promote togetherness and create a positive work culture for employees of all backgrounds.