

Occasional Paper No. 40

Careers in International/Asia Pacific Business:
Perspectives of an Experienced Japan Hand

William E. Franklin
President
Franklin International Limited

I have been asked to lead a discussion today about careers in international business. There is a Japanese proverb that says, "*Rongo yomi no rongo shirazu.*" Just because you read Confucius does not necessarily mean you understand what he says. Just because I have worked and studied in Asia the past 25 years does not mean I understand everything about Asia. In fact, I spend more time studying about Asia today than when I first moved to Tokyo in 1973.

After I accepted the invitation to speak here today, I read the report on business school rankings and learned Columbia was awarded an overall ranking of 99 percent. And also, not unimportant, Columbia Business School graduates rank number one in placement success with a median starting salary of \$88,000, a higher starting salary than any other business school graduates in the world. With that kind of success, perhaps you should be leading this discussion, with me as the audience.

I recently saw some demographic information which may help bring into perspective your opportunities, responsibilities and on your place or role in the world. If we shrink the world's 5.7 billion population to a village of 100 people with all existing human ratios remaining the same, here is the resulting profile. Of these 100 people, 57 are Asian, 21 European, 14 from North and South America and eight from Africa. It would consist of 51 females, 49 males. Of these, 80 live in sub-standard housing, 70 cannot read, and half suffer from malnutrition. 75 have never made a phone call and less than one is on the Internet. Half the entire village's wealth would be in the hands of six people. Only one of the 100 has a college education.

You are in a very elite group of only 1 percent who have a college education. But you are even more elite and distinctive, because you will soon graduate from what many consider to be the number one graduate Business School. The dictionary definition of elite is "the choice part, or a powerful minority group." Whether you realize it or not, the fact is that you are the choice part with the power of education and knowledge.

Of course that does not guarantee a good life. Having that degree does not guarantee anything. Your graduation will merely be the beginning of a new phase of learning in your life. I personally think that the most valuable thing to be learned in any university is how to develop your own personal method of learning, so you can be a good student the rest of your life.

But being part of this very elite group does give you the potential for power and wealth, probably much more than you now realize. Many of you will be important global business leaders. Some of you will be important government leaders. You will have far more power than you now realize, power to enhance the quality of your personal life, power to help others in the world who are less fortunate than yourself. It is not too early to begin thinking seriously about your personal values and how you will use your power.

Now why did I talk about all that? Well, you do not have very much uncertainty about finding a job, and I would imagine most of you have given a lot of thought in selecting a challenging career. The larger question will be how to create a rich, rewarding and balanced life. There are two things to aim for in life: one is to get what you want, and the other is to enjoy it. Only the wisest women and men achieve the second.

I will share with you five ideas or principles about careers and about life, because it is difficult to have a full discussion about your lifetime career without talking about your entire life.

Learning from Other Cultures

The first idea is to learn from other cultures. Let me read a quote from a speech by an American and see if you can guess who said this, "We have a favorable balance of trade. But if you think you can maintain that balance just by sending salesmen to Japan and China as you would to Montana or Chicago, you are mistaken. You must send people to live there to learn the culture, to learn the language, to learn the way of doing business there." John Wheeler said this in his inaugural speech as the first President of the United States Chamber of Commerce in 1912. Sometimes we are very diligent in learning about other cultures, but to be good leaders, we want to learn from other cultures. The other day I was looking at some speeches I made eight or nine years ago, attempting to persuade skeptical American audiences that American business and ideas were not finished and that Asia was not going to take over the world. You may remember how pessimistic everyone was about America then. Now in 1998, with America's current up cycle and Asia's economic problems, there is a temptation to totally flip-flop and say only the American way is the right way and reject all Asian values.

As future global leaders, I ask you to think about the possibility that a more rewarding approach is to learn from each other and to adopt and adapt the best from each culture. Isaiah Berlin said, "The great human delusion is monism, the proposition that there is a single, final solution, the ultimate over-arching truth." Sometimes Americans are so passionate about our ideals that we want the whole world to accept them. We feel some obligation to have all countries adopt our form of democracy now, to accept our concept of human rights now, and to accept our rule of law now. I think most Americans do this out of a sense of good purpose, but when we think that our ideals and institutions are the best way for all cultures, we automatically forgo the possibility of learning that other social and economic systems may have equal validity.

On my first trip to China as part of a government delegation almost 20 years ago, I had the opportunity to meet Mr. Deng Xiao Peng. After the official government discussions, he turned to

me and said, "I understand your company has expertise in tree growing and in utilization of the forest resource. Our country needs to improve both, will you help us?" We then met with the Minister of Forestry and that led to us becoming the principal forestry advisor to the PRC during the early 1980s. Mr. Deng said, "It does not matter whether the cat is black or white as long as it catches mice." He was open to ideas from other cultures. One time my friend Mogi-san was attempting to explain Japanese business philosophy to us. He said, "You Americans always talk about fairness, arms-length business transactions, objectivity, no favor to friends and very detailed contracts." All words that are pleasing to the ears of most American business women and men. He went on to say, "We think that is a very cold way to do business. We wouldn't want to do business that way. We want to do business with friends."

And later, many American companies learned that in order to have total quality systems we needed to adopt some Japanese ideas with respect to customer and supplier relationships, which, by the way, many Japanese tell me they learned a lot about from Dr. Frederic Deming. We learned from each other. There is a Zen saying: "In a beginner's mind there are many possibilities. In the expert's mind, there are none." I have observed in myself that I am a much better leader when I think of myself as a student of Asia than when I think of myself as an expert on Asia.

To be a good international leader, it is not enough just to study other cultures. We need to learn from other cultures.

Consistency Between Personal Values and Company Values

My second point is closely related to the first point. This may sound contradictory to the first point, but it is not. We need to be very conscious of our personal values as defined by our behavior, not just what we say, but how we spend our time each day. Write them down so you can look at them and update as you get new insights. Be aware that you are forming habits today, good habits and bad habits, that you may have for the rest of your life.

When you are selecting a company to join, do some research to see if the company's values are consistent with your personal values. This is important. You will not do your best work with an organization and people whose values are incompatible with your own. When I was at another university recently, a student asked me, "What is the biggest mistake you ever made?" My first response was that I had made so many that it would be difficult to say which is the biggest. But later, after I had an opportunity to reflect, I said to this student, "The biggest mistake I ever made was anytime I compromised my personal values." And it usually does not happen in big ways with big issues. Generally my values get compromised in small ways for small gains or no gains. One time I was offered a bribe of \$1,000,000 on a project in Southeast Asia. Of course, it is easy for anyone to decide what to do in a circumstance that is that black and white. But on a daily basis the choices are always in the gray areas where it is not so clear and the decision may seem so unimportant. But the cost for small compromises in your values is cumulative, and it can be a big cost to your effectiveness as a leader and a big cost to your total being. One needs to be vigilant every moment to see that does not happen. I heard John Wayne once say, "Perversion and corruption masquerade as ambiguity. I don't like ambiguity. I don't trust ambiguity." I do not like ambiguity either, but

ambiguity is part of reality for an international leader. Your day-to-day life will not be so black and white, as we like to see in John Wayne's movies. Always seek clarity, but learn to live with complexity and ambiguity.

It is my observation that individuals who have strong personal values have the most freedom, ability and perspective to learn from other cultures. This is even more important in Asia. There is a generalization that Japanese business leaders are selected based on their character, and American business leaders selected for their competence. I believe that is changing. The integrity and character of an American business leader is more important than it may have been at one time, and Japanese are giving more weight to competence.

When I moved back to my home country last year, I saw a survey that says a majority of Americans think a businessman will do anything for money, a politician will do anything for a vote, and a journalist will do anything for a story. That simply is not true. Be true to your personal values. That will be your greatest strength.

Experience Leadership

My third point is take any opportunity to experience leadership. It is helpful to study leadership, and study other great leaders. But you only learn leadership by experiencing leadership. You only learn leadership by being a leader. You learn leadership by leading a study project, by being secretary of the camera club, or by having a part-time job introducing a speaker.

There will always be temporary shortages of certain technical skills, but the law of supply and demand will correct that imbalance. But I have never been in any organization that had enough proven leadership. Some say leaders are made. Some say leaders are born. It is really not too important whether leaders are made or born because all of us have leadership potential that is never discovered or discovered late in life. I am talking about leaders who bring about win-win solutions. It has been my experience whether it is trade negotiations or internal corporate competition, only win-win solutions last.

The opening of the Japan building products market is an example of a win-win outcome. I will relate it to you briefly because it has some applicability to trade negotiations in general. Twenty years ago Japan's residential building codes included many restrictive materials-based specifications. Wood was excluded from many uses. Working cooperatively, North American and Japanese industry and government groups asked the Japanese regulatory agencies to consider using scientific tests to move from materials-based specifications to performance-based specifications. Wood would be required to pass the same fire and earthquake tests as steel, concrete or any other building material, but not be prohibited just because it is wood. After a very long process, the regulations were modified to be more performance based. Because leaders in Japan and North America took a win-win approach, there is a true win-win outcome. Japanese producers have more business. Foreign suppliers have more business. Wood housing boomed in Japan. And, most important, the Japanese people are the big winners with high quality, lower cost, safe wood homes. During the Kobe earthquake, 2x4 wood frame homes proved to be the safest of all. In the 21st century effective

leaders will be win-win leaders.

When facing different job opportunities ask yourself which job will provide the best opportunity to experience leadership. When you start out in your career, many times the worst place to work is the corporate headquarters because a young person has so little opportunity to experience leadership. You are usually better off to take any job in the field where you have measurable accountability for the results of an operation, no matter how small. Do not confuse being close to leaders at the corporate headquarters with leading. Do not confuse having proximity to power with actually having power. Experience leadership.

All Rests on Perseverance

The fourth point is to persevere. The German philosopher Yohanne Goethe once said, "In the realm of ideas, everything depends on enthusiasm. In the real world all rests on perseverance." I heard Paul Newman being interviewed recently. He was asked why some actors become very successful and some do not. "Is it luck, is it timing, is it connections or, in the end, doesn't talent rule out?" His response: "No, the most important element for an actor to succeed is tenacity." Nothing will be more important to your getting what you want than perseverance. Many times making that one final effort when you feel mentally and physically exhausted will be just enough to put you across the finish line.

When you join your new organization, you will see many things that need to be changed. I do not know about universities, but in corporations you are going to find many people who are opposed to change, they will persuasively deny it is necessary. There is a line in a Grateful Dead song, "Denial ain't just a river in Egypt." Many years ago I heard Jack Welsh being quizzed about how he was bringing about change at GE. He said, "Change has no constituency." Do not confuse what I said about win-win solutions with waiting until you get consensus before implementing needed changes, for it would be a long wait. Do not expect applause for making change, at least not while you are doing it. Expect failure, rejection and humiliation sometimes. I keep something on my desk that says: "Growth involves confusion and pain, moving from the comfortable known to the uncomfortable unknown." Most of us do not welcome confusion and pain, even when it is necessary and beneficial for us. You will need perseverance to bring about change. There is a Zen saying, "Before enlightenment chop wood, carry water, after enlightenment, chop wood, carry water." An effective international leader does a lot of chopping wood and carrying water. Perseverance.

Networking as a Requirement for Successful Business

And finally, network, network, network. If the United States is characterized as a market economy then Japan might be called a network system, and this holds true to some degree in many Asian countries. In any culture that is influenced more by rule of man rather than rule of law, networking is not an optional part of doing business; it is a requirement for successful business.

In many Asian countries, it is more customary to do business with friends. Traditional Chinese take it even one step further; the business is most often a family business. Many of us talk

about when China adopts the rule of law, as if that is inevitable and imminent. Many Chinese do not feel the rule of law is a necessary aspect of the human condition. Confucius said laws are too inflexible to handle all the diversity of human experiences. Chinese say they prefer to trust people, not laws.

Akio Morita, the co-founder of Sony, a fine man and a global thinker long before most of us, was being questioned at a dinner one day about the closed Japan market. Finally Morita-san said, "Well, technically the Japan market is open. It is just that sometimes the door is so small that it is hard for you big *gaijin* to get in." His good humor got him off the hook that day, but there was as much truth as humor in what he said. The system is designed to do business the Japanese way. Networking is not something you do in your spare time; it is an essential part of business.

To summarize, the first idea is learn from other cultures. Second, be true to your personal values. You will learn that success, on the whole, depends more on character than either intellect or luck. The third idea is to take any opportunity to experience leadership. Leadership must be experienced first in order to be learned. Fourth, in the realm of ideas, everything depends on enthusiasm. In the real world, all rests on perseverance. And finally, network, network, network. A couple hundred years ago Baron Charles Montesque said, "Commerce is the best cure for prejudice, peace is the natural effect of trade." If that was true in the 18th century, it will be even truer in the 21st century. Trade and investment bring more than just money and goods, they bring ideas. As 21st century leaders you have a great opportunity to help us all to overcome prejudice and bring about understanding and peace for all people. I have great confidence that is what you will do.