

Morgan Cancel

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## Michelin Case Study Midterm

### **Introduction**

Michelin, a global leader in tire manufacturing with operations in more than 170 countries, hired Oliver Chalon to lead a critical turnaround of its North American division following declining sales and poor financial performance. The company needed employees to fully support and adopt a new strategic direction, making motivation and leadership effectiveness central to achieving organizational goals. With nearly two decades of international leadership experience and a reputation for driving results, Chalon was expected to energize his team and drive the change they needed. However, his demanding management style, which had been successful in Europe, didn't deliver the results he was expecting. Instead, he created distance between himself and his American employees. This case highlights the importance of cultural intelligence in global leadership, as managers must understand and adapt to diverse cultural expectations regarding communication, motivation, and workplace relationships to effectively execute organizational strategy.

### **Cultural Analysis**

Cultural differences between French and American management styles played a significant role in the leadership challenges Olivier Chalon experienced after relocating to the United States. Although Chalon had extensive international experience and believed his

leadership approach would translate effectively, he underestimated the extent to which national cultural norms shape communication, feedback, expectations, and workplace relationships. Concepts such as cultural intelligence and national culture frameworks help explain why behaviors that were motivating and effective in European contexts were interpreted differently by his American team (Dunung, 30). These contrasting cultural norms influenced how employees interpreted communication and feedback, contributing to differing expectations about appropriate managerial behavior.

One major cultural difference involved communication norms and the way employees interact with authority. In many European professional environments, particularly in France, open debate with superiors is encouraged to refine ideas and strengthen decision-making. Chalon expected his team members to challenge his viewpoints and offer counterarguments, as this had been a normal part of his previous leadership experiences in Europe. However, in the American workplace context, employees were less likely to openly disagree with their manager, as direct confrontation can be perceived as disrespectful or inappropriate. This dynamic can be partly explained by Hofstede's concept of power distance, which shapes employees' comfort in expressing disagreement with authority figures (Dunung, 210). Although the United States is generally classified as a low-power distance culture, workplace norms often encourage respectful, indirect disagreement with authority. In contrast, French professional culture places strong value on intellectual debate, making open counterarguments more acceptable in managerial discussions. As a result, team members often nodded or remained silent during meetings, which Chalon mistakenly interpreted as agreement with his decisions. This cultural misunderstanding hindered communication and reduced psychological safety, making employees less willing to voice concerns about the strategic direction. Consequently, differences in national

communication norms contributed to misalignment between managerial intentions and employee perceptions, affecting both decision-making and workplace expectations.

A second important cultural difference influencing Chalon's challenges involved contrasting expectations around feedback and employee motivation. Chalon intentionally provided very little positive reinforcement, even when employees performed well, because he believed that maintaining high pressure and emphasizing improvement would push his team to achieve better results. This shows a European performance culture that often prioritizes rigor and continuous development through critical evaluation. In contrast, the American workplace culture tends to place greater emphasis on positive reinforcement and recognition as key motivational tools (Dunung, 255). In this case, Chalon learned that American managers are often trained to offer multiple positives for every negative one, emphasizing a cultural focus on building confidence. Because his feedback was primarily critical and direct, employees felt discouraged and insecure about their performance, which negatively affected morale and motivation. This illustrates how cultural differences in motivation systems and communication norms can shape how feedback is interpreted and whether it enhances or weakens employee engagement.

Finally, differences in expectations regarding professional relationships and workplace openness also contributed to misunderstandings between Chalon and his American employees. In many American organizational settings, informal conversations and personal sharing are used to build trust and strengthen team cohesion. This reflects a more relationship-oriented workplace culture, where leaders are often expected to be approachable through social interaction and emotional connection. Chalon, however, was accustomed to a more task-oriented professional environment in which work and personal life are kept clearly separated. As a result, he perceived questions about his family as intrusive and maintained a more reserved demeanor, believing he

remained accessible by keeping his office door open and engaging in occasional informal conversations around the office. However, this cultural difference influenced employee expectations about how leaders should build trust and maintain team cohesion. His formal interaction style was interpreted by employees as emotional distance or lack of engagement, despite his belief that he was making appropriate efforts to adapt to workplace relationship norms.

### **Leadership Challenge**

Oliver Chalon's leadership style created challenges with his American team because it did not effectively align with the motivational, communication, and relational expectations required for leading in an international organizational context. Leadership involves influencing and inspiring employees to take action toward achieving organizational goals, and effective leaders must understand how individual values, attitudes, and workplace norms shape employee behavior (Dunung, 515). In today's increasingly interconnected and "flat" global business environment, managers are expected to lead across cultural differences and integrate diverse perspectives into the decision-making process (Dunung, 27). Although Chalon had previously been successful with a demanding, performance-driven leadership approach in Europe, he did not adapt his style to motivate and engage his American employees during a critical period of change in the division.

A central reason Chalon's leadership style created challenges was his failure to adapt his established leadership approach to his American team's cultural expectations. Effective leadership in international contexts requires not only awareness of cultural differences but also the ability to adapt leadership behaviors to local norms (Dunung, 255). Although Chalon

possessed significant global experience and demonstrated general cultural intelligence, he relied heavily on a results-driven leadership “formula” that had proven successful in several European environments. He assumed that fluency in English and prior international exposure would allow his leadership style to translate seamlessly into the American workplace. However, leadership contingency theory suggests that managerial effectiveness depends on adjusting leadership behaviors to the needs and expectations of followers and the situational context (Shonk). By defaulting to his familiar performance-pressure approach, Chalon struggled to inspire commitment and engagement. His belief that minimizing praise and emphasizing continuous improvement would push his American team to achieve higher performance standards fell short. This leadership style proved not to be a one-size-fits-all approach with the American team, where employees are more likely to demonstrate initiative and commitment when leaders recognize accomplishments and reinforce progress toward the goal at hand. This proves that global leadership requires not only deep cultural knowledge but also the ability to take that knowledge one step further and put it into practice by changing leadership behavior to remain effective across different organizations and cultures.

Communication style also created leadership challenges, particularly regarding employee participation and decision-making. Chalon expected open debate and direct counterarguments from his team, as this had been a productive communication norm in his previous leadership experiences. However, effective global managers must recognize that communication practices that support participation and collaboration may vary across organizational environments (Dunung, 225). Because Chalon did not actively adjust his communication approach or establish personal relationships with his employees that encouraged upward feedback, employees were less likely to express concerns directly or alternative perspectives. Leadership research suggests

that persuasive communication and inclusive decision-making processes are critical for aligning teams around shared goals and improving performance outcomes (Dunung, 515). By failing to modify his communication strategies, Chalon unintentionally weakened his influence and reduced team collaboration.

Another leadership challenge stemmed from a misunderstanding of the US organizational culture regarding employee-manager relationships and how leaders demonstrate accessibility and engagement. Effective global leaders must understand that relationship building, in the proper cultural context, influences trust, likability, communication openness, and employee commitment. Chalon believed he was approachable by maintaining an open-door policy and engaging in informal interactions. However, his more formal, reserved leadership style did not align with the expectations of American employees. Because of this style of leadership, relationships were strained, negatively affecting overall morale, employee motivation, and feelings of closeness. Dunung suggests that managers who actively cultivate professional relationships are better positioned to encourage collaboration and motivation (Dunung, 260). Because Chalon did not properly adjust his relational leadership approach to the expected depth that is of the American organizational culture, he faced greater difficulty fostering team motivation and initiative. This illustrates the importance of leadership effectiveness in relationship-building behaviors that align with local workplace expectations.

### **Global Leadership**

If advising Chalon, one important action would be to implement a structured recognition and feedback system designed to improve employee motivation and performance. Research suggests that employees are more likely to demonstrate commitment and enthusiasm when their

efforts are acknowledged and when feedback is delivered in a way that builds confidence and direction (Dunung, 255). To maximize feedback and recognition, I recommend scheduling regular one-on-one meetings with team members to discuss progress, offer positive feedback, and connect individual contributions to the greater organizational goals, so employees see and feel they are making a difference. In addition, I would suggest introducing visible recognition initiatives. This could include highlighting employees each week who have gone above and beyond to reinforce and reward desired behavior. It is critical that employees know their hard work is not going unnoticed, and this would be a great initiative to shine a light on individuals who deserve extra recognition each week. By intentionally adjusting how he motivates employees, Chalon would be better positioned to generate engagement and encourage proactive participation.

A second action Chalon should take is to invest more deliberately in relationship-building activities that strengthen trust and communication within his team. Rather than relying on more formal accessibility, he should organize regular informal team events. This could include regular team lunches, dinners, or non-work-focused events. This would create opportunities for employees to build personal connections with Chalon and the rest of the leadership. Cultivating a work environment where genuine professional friendships live is invaluable to communication, feedback, motivation, and initiative. According to Dunung, global management research emphasizes the need to develop strong internal networks and to dedicate time to relationship-building activities to enhance cohesion and organizational output (Dunung, 260). By creating opportunities for engagement and connection among leadership and employees, Chalon could reshape employees' perceptions of his leadership style and foster a more supportive environment rather than a critical one. These acts have the potential to cultivate an environment

where communication is open, and employees feel motivated to take action in support of strategic change.

While implementing structured recognition practices and investing in relationship-building would improve Chalon's leadership effectiveness, these recommendations only reach their fullest potential if pursued alongside his continued participation in the leadership development sessions he began attending. These sessions provide an opportunity for him to reflect on how cultural differences and expectations shape leadership behaviors and to better understand why approaches that had previously been effective were not producing the same results in the United States. To implement meaningful change, Chalon must move beyond simply recognizing cultural differences and genuinely believe in the effectiveness of adapting his leadership style to local norms. Developing this deeper level of understanding would allow him to apply new practices with greater commitment and authenticity. In addition, he should create structured opportunities for employees to provide direct feedback as he adjusts his leadership approach. This could look like holding a team meeting or having individual conversations to discuss which behaviors and systems are helping or hindering his leadership effectiveness. By encouraging this open dialogue that goes both ways within the team and leadership, Chalon would reinforce trust, improve the flow of communication, and allow opportunity to align his behaviors with the employee's expectations. A consistent cycle of leadership development and a two-way feedback system would support more sustainable improvements in motivation and overall team effectiveness.

## **Conclusion**

Overall, Olivier Chalon's challenges at Michelin highlight how cultural differences can significantly influence leadership effectiveness in international organizational contexts. Although his performance-driven leadership style had previously produced strong results in European business environments, it did not fully align with the motivational, communication, and relational expectations of his American team. These differences contributed to misunderstandings that weakened employee engagement and made it more difficult to implement the needed strategic change. The case overall demonstrates that successful global leadership requires more than just technical expertise or prior international experience. The case shows that international leaders need the ability to be flexible and open to change, accepting that there is no one-size-fits-all approach. In this scenario, implementing balanced feedback, investing in relationship-building, and continuing to participate in leadership development sessions that deepen his understanding of cultural expectations would position Chalon better to foster the motivation and initiative needed to achieve the overall organizational goal. In sum, this case reinforces the importance of cultural awareness, flexibility, and ongoing leadership development for effective management across cultures in diverse business environments.

Works Cited

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