

# How to avoid a CULTURE CLASH

Understanding different corporate cultures is key for success, but taking account of the different needs and styles of a global workforce can be tough. Peter Wilson talks to those meeting the challenge

**W**hen Mark Billington was sent to Singapore a decade ago to sort out a telecoms company's misfiring local office nobody at the London HQ really knew what was wrong.

A highly-rated executive from Hong Kong had been running the office and the assumption was their expertise would have helped to get things humming.

"When I turned up the locals were relieved, even though I was this western outsider taking over from Europe," recalls Billington, a chartered accountant and manager with 18 years' experience working outside the UK. "It took six to nine months to work out what had gone wrong and get things back on track."

The company's local office had been crippled by a culture clash that head office was not even aware existed.

"The manager was a high-flyer, very direct and forthright, even a bit loud and combative. That worked well in Hong Kong but very badly in Singapore. The local staff just stopped working and were getting nothing done."

"It took a while to rebuild trust and get people co-operating. But the whole thing wasn't their fault, the problem was in London where they had totally overlooked the cultural issues involved."

## CONFRONTING CULTURES

Many of the world's largest firms at that time believed cross-cultural challenges were restricted to occasional friction between a western manager and a local workforce, and that the solution was a crash course in how to bow correctly and find the right place to sit in a meeting.

However, globalisation and the growth in technology-based networking has forced executives to realise they can have dozens of different cultures interacting within their own workforces, let alone among clients and suppliers.

Des Pullen oversees the development of managers as the group human relations director of Associated British Foods (ABF), and says he is not surprised that the cultural differences between Hong Kong and Singapore could blow up.

"Often it's the executives who are quite like you that you can have the most difficulty with," says Pullen, whose group has 125,000 employees in 70 countries.

"If you send a French manager to China there is an obvious heightened awareness of the cultural differences and everyone is looking out for it. But it's a whole different trap when they look and sound like you because they can still be very much unlike you."

It was about a decade ago that ABF and other major firms realised a more



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deliberate approach to handling these cultural issues was needed, Pullen says, as email and Skype meant there were few cultural "islands" within any organisation.

ABF, which ranges from branded food and retail operations to the world's second largest producers of sugar and baker's yeast, has worked hard to "internationalise" its operations without imposing a single corporate culture on its network of businesses.

## A COMMON MISUNDERSTANDING

Erin Meyer is a US-born cross-cultural management professor at the INSEAD business school and author of the book *The Culture Map: Breaking Through the Invisible Boundaries of Global Business*.

"Most organisations and individuals underestimate the impact that cultural differences have on their own effectiveness. They have not thought about how to adapt conversational styles, or structure an argument, or handle meetings in various ways," explains Meyer.

"If you are not aware of these issues you will struggle to lead effectively. That doesn't mean the business will fail but it will miss opportunities because it is not getting the full contribution of all."

Meyer pointed to a common complaint from executives that team members from some countries say little in group meetings and appear disinterested. "If you have got a team involving people from China, the UK and Brazil working together, the British and Brazilians will speak two or three times more in meetings than the Chinese," she says.

"That is because the Chinese will want to prepare their thoughts in advance. If you are holding a conference call, you should contact them beforehand and say, 'We will be talking about this. Please prepare your thoughts and I will be calling on you to contribute.'"

Meyer's book uses research from thousands of interviews to compare and map 55 national cultures to eight characteristics: leading, communicating, persuading, deciding, evaluating, trusting, disagreeing and scheduling.

In the Hong Kong/Singapore situation cited by Billington, the two cultures share

**BRIDGING CULTURAL DIFFERENCES**

*There are four crucial steps to managing across cultures, according to Erin Meyer, a specialist at the INSEAD management school outside Paris*

**Recognise the key cultural dimensions**

You must first understand the cultural traits that have an impact on how people think and behave.

Each culture has its own approach to things such as how to develop trust, express disagreement, build an argument, behave towards a team leader and give or receive negative feedback.

One difference, for example, is the extent to which people are comfortable relying on nuanced conversations or explicit communication, which can often be in a written form.

**Be aware of your own cultural traits**

“Getting a good sense of where you line up on those various traits helps you to understand your own reactions and assumptions and patterns of behaviour,” says Meyer. “You can then question the way you do things and how that comes across to other people.”

In terms of communication styles, a British manager, for instance, is likely to prefer clearly written information, so he or she might follow up a phone call with an Indian colleague by sending an email summarising what was said and agreed.

**Identify how other cultures differ from yours**

By understanding the traits of other societies you can map them against your own and get a sense of what the challenges are. Meyer’s website erinmeyer.com has tools to compare cultures on various measures.

The Indian colleague may have been comfortable with the phone call, only to be perplexed when the British manager’s post-call email suddenly arrives. That email might seem arrogant and a sign that the Indian colleague was not trusted.

**Adjust your management style**

Once managers are aware of the relevant differences they need to be flexible enough to change their own behaviour to get the best contributions from their team. That might mean explaining things in a different way or structuring meetings and teams differently.

“Changing like that takes some humility, curiosity and emotional intelligence,” says Meyer.

The British manager could end future phone calls by warning the Indian colleague that just as a procedural matter he will be sending a summary email.



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preferences for a hierarchical leadership style and an aversion to direct negative feedback. The problem was compared to Singaporeans, a typical Hong Kong manager tends to prefer a more “top down” rather than consensual decision-making, to adopt a more “high context” communication style in which messages are implied rather than clearly stated, and to use a much more flexible and unpredictable approach to scheduling than the Singaporeans would expect.

**LESSONS FROM EUROPE**

Billington is now the south-east Asian regional director of ICAEW, overseeing a team of 24 local staff in four countries. Before moving to Singapore he worked at a joint venture in Paris where a German chief executive struggled working with his French team members: “Every meeting

got off to a bad start because the German was punctual and wanted to crack on and get straight into things while the French were happy to spend time meandering.

“Eventually, he laid down the law and said ‘This is the way I need things to happen’. No one was trying to annoy him, they just didn’t realise how wound up he was getting and you could see relationships really being put in danger.”

Meyer’s culture map suggests that Germans are much more focused than the French on being well organised and sticking to deadlines, building trust through performance rather than personal relationships, and having clear communication rather than more nuanced ways of sharing information.

According to Meyer there has been a major shift in the past few years in the

way that global companies have tried to handle their corporate cultures in different national settings. Cosmetics company L’Oreal is “a fascinating company that has done a lot of work on this issue,” says Meyer.

“They have a strong corporate culture that is very linked to French culture. They love to debate things and have felt that open confrontation leads to innovation and success. That comes from a key attribute of French culture, where the analytical process that children are taught at school involves testing a thesis against an anti-thesis to make progress.”

“Everyone in France wanted to work for L’Oreal but I can tell you that not everyone in Indonesia wanted to work for L’Oreal. They thought that sort of aggressive internal debate was unprofessional and disrespectful.”

L’Oreal’s initial response was to run training programmes explaining to foreign staff why such debate was important. “But now they have gone through a different type of change,” says Meyer. “Not ‘how can we shift our culture out to the world?’ but how can it be more flexible and less confrontational, especially with people overseas.”

**CROSSING THE DIVIDE**

“People have thought more about these issues in the UK than in most countries, certainly for much longer than say China or the US, which have given very little thought to this subject,” says Meyer.

“Europeans have always had contact with people from other cultures. Only one in 10 Americans have a passport and until now it has been very easy to have an entire career in the US with only superficial contact with other cultures.”

That has started to change only in the past 10 to 15 years, she says, and one of the main hurdles in the US and elsewhere has been a form of political correctness and a fear of anything resembling stereotyping.

“No one wants to talk about cultural differences because everyone worries about putting people in boxes. We all know that individuals are different and that they fit somewhere within a range of what their culture considers acceptable

and expected behaviour. It’s not about trying to understand either the individual or the culture, it’s about both.”

For Meyer, this explains why a national from one country, whose behaviour is totally fine at home, may be seen as rude or arrogant when they behave the same way overseas. Meyer is now working on mapping corporate cultures, so they can be compared to specific national cultures. Netflix, for instance, has a strong culture of radical candour. “It believes in transparency and brutal honesty, which can be a little tough when you first join,” she says. “It has worked very well for Netflix and helped it to avoid a lot of company politics but the company wanted to know what it is going to mean internationally, so we mapped out their corporate culture and compared it to national cultures. That is the future of where companies want to go with this.”

Pullen says a greater awareness of cultural differences has informed his company’s decisions about which managers are likely to succeed in foreign settings. “We made some pretty dumb mistakes at our operation in Harbin in rural northern China,” he says. “We were sending people who were prepared to go there instead of people who were most suited to the role and able to teach and help to improve the operation.”

“They used a directive rather than facilitative style, issue orders and then wonder why nothing was happening. It probably took us a decade to learn that we had to send people who were humble and great teachers and then spend a long time building relationships and trust and adjusting our style. When we got that right we made amazingly quick progress.”

Meyer says a powerful indicator of likely success is to ask a manager about their past experiences working with people from different societies.

“If they are able to see and articulate the cultural differences and how they played out, that is the sort of person you are looking for. Being open to changing their management style is always good but when they also have that sort of cultural insight, that is when you have a global leader on your hands.” ●