

Unlimited Potential

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Newsletter

Going Global: Are You Ready?

The marketplace as well as the workplace is increasingly multicultural and diverse. Never before have people been required to work together with colleagues and customers from so many different countries and worldviews.

More products and services are being consumed outside of their country of origin than ever before, thus increasing global competition. In addition, organizations are outsourcing offshore in order to stay competitive. Many functions are being shifted to India, the Philippines, Malaysia, Russia and other countries because of low labor costs, the availability of highly-educated workers and the stabilization of technology.

From the U.S. alone, Forrester Research predicts the migration of 3.3 million service and knowledge-based jobs overseas by the year 2015, 70 percent predicted to move to India. While this fuels political debate, there may be little that will actually stem the tide.

As opportunities for global expansion increase, so does the trend toward more diversity in the workplace. Successful companies are recruiting professionals with different backgrounds, cultures, styles and motivations. Yet this great resource presents increased possibilities for misunderstanding and cultural blunders.

It is obvious that organizations will need to expand the capacity for people to handle the challenges of working with other cultures if they are to participate successfully. Those companies that continue to struggle with domestic diversity will find themselves even more challenged.

Leaders must be flexible and be able to adapt to this diverse workforce and global consumers. This requires an understanding of the historical, political and economic references of people. Leaders must understand differences in worldviews, communication styles, ethics and etiquette of the people they deal with, both internally and externally.



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When Cultures Collide

According to Richard D. Lewis (*When Cultures Collide: Managing Successfully Across Cultures*, 2000), the world's several hundred national and regional cultures can be put into three groups:

Linear-active: These are the task-oriented planners such as the Germans, Swedes, Swiss, Americans and the Dutch. In these cultures, people focus on a scheduled timeline and like to do one thing at a time.

Multi-active: These are people-oriented cultures that are more focused on interactions and dialogues, such as the Italians, French, Spanish, Mexicans, Portuguese and Arabs. They don't care as much about schedules or timelines. Meetings may run long; the priorities are the relationships that come from them.

Reactive: These are the more introverted cultures. They are respect-oriented listeners such as the Japanese, Chinese, Finns and Southeast Asians. They like to concentrate on what a speaker is saying and rarely interrupt. They often speak in monologues and may express ideas using a passive voice.

This simple perspective can help one to begin to understand basic differences in ways of doing business in foreign countries. However, one must be cautious to avoid working with unverified assumptions.

According to Charles M. Hampden-Turner and Fons Trompenaars, in their book *Building Cross-Cultural Competence* (Yale University Press, 2000), there are six dimensions to consider when doing business with a foreign culture.

1. *Universalism versus Particularism:* This is the degree to which a society emphasizes sameness or not. Those that do, value following rules, codes and laws. Those that don't value sameness believe that laws may or may not apply, depending on mitigating circumstances and friendships.

Of 46 countries surveyed, respondents in predominately Protestant, stable democracies (Switzerland, the U.S., Canada, Sweden, Australia, the U.K., and the Netherlands) stated that it is more important to follow the law than to protect a friend. Respondents in Catholic countries (Brazil, Spain, Poland, France, Mexico, Cuba and Venezuela) stated that it is more important to help a friend than to uphold a law when the two are in conflict. Those in Buddhist, Confucian, Hindu and Shinto countries (South Korea, China, Indonesia, Nepal, Japan and Singapore) side even more towards defending a friendship than upholding the law.

2. *Individualism versus Communitarianism:* This is the degree to which a society values competition, self-reliance, self-interest and personal growth versus cooperation, social concern, altruism, public service and societal legacy.

Individualist business cultures see profit, pension-fund management, market share and teamwork differently than *Communitarian* cultures. *Communitarian* business cultures see teamwork as a social goal and a business goal. *Individualist* business cultures view teamwork as a path toward more profit.

3. *Specificity versus Diffuseness:* Relationships can be either diffuse or specific. In a diffuse relationship, a manager's authority would extend beyond the office. In social situations, the manager would be expected to maintain superiority. In a specific relationship, the manager would act like one of the gang once they were out of the office and into a social environment.

4. *Achieved Status versus Ascribed Status:* Reputation can be either achieved or ascribed. If it is achieved, it has been earned through action. Ascribed status is attached to lineage. *Universalist* countries such as the U.S. and Australia lean toward achieved status while *Particularist* countries such as Korea, Japan and France lean toward ascribed status.

5. *Inner Direction versus Outer Direction:* This is the degree to which a society values inner direction and personal freedom versus an outer direction, such as the beauty and power of nature in the environment and in relationships. American managers are the most inner-directed and believe that they are masters of their fates. Managers in other countries may perceive this in a negative way, believing that Americans are not concerned with others or the consequences of their actions on the whole group.

6. *Sequential Time versus Synchronous Time:* Sequential time is clock time. Synchronous time is cyclical time or what is called "good timing." All societies have particular ways of organizing themselves in relationship to time. For countries that are sequential in their time-orientation, time is money and there is only so much time available before it runs out. In other countries where time is not linear, life is a dance.

Different Ways of Doing Business

Imagine the conflicts that can arise when these cultures with different priorities try to work together. They exist on a different timeline and often irritate each other. People from a data-oriented culture (Swedes, Germans, Americans) like to get information by doing research before they act. By contrast, dialogue-oriented people (French, Spanish, Arabian), gain much of their information through a network of personal contacts.

Other major differences occur in the way that cultures view leadership, status, and time and the ways in which they communicate.

Anglo-Saxon, Germanic and Scandinavian cultures are especially time-dominated, equating time with money. Asian cultures see time as cyclic and unfolding in due course. The Japanese, for example, are less concerned with how long something takes to happen than with dividing time for “properness, courtesy and tradition.”

Organizations are structured by two primary leadership styles – either with a *task* or a *networking* orientation. A *task-oriented* leader focuses on tackling issues, designing strategies, distributing tasks and promoting efficiency. A *network-oriented* leader is concerned with the status of the leader, chain of command and motivating employees. Managers who are task-oriented prioritize technical competence, value facts and logic, and are results-oriented. Managers in network-oriented cultures tend to be more extroverted and to rely on their ability to persuade and inspire.

American managers can be assertive, aggressive and goal-oriented. They may value individual freedom, but exercise teamwork and show corporate spirit. German and British managers value punctuality, orderliness, written procedures and unambiguous instructions. In Asia, managers motivate workers to improve by appealing to the reputation and prestige of the group.

There is no set of cultural perspectives that is right or wrong. To take a judgmental stance or to try to convince others that a particular way is better for business will not work. People cannot negate their worldviews. Managers must seek to understand and accept what is in place and work within a different set of perspectives. American managers must accept that although American English may be the language of business, it does not mean that business should be done their way.

One Size Does Not Fit All

Change initiatives and new strategies should be approached with strong local leadership and input. Leaders from headquarters should meet with local leaders to listen and learn.

Global communications present some interesting challenges. The English use understatement and reservations; they may be vague in order to avoid confrontation and to be polite. Spaniards, French, and Italians use language to be eloquent and expressive. Germans use logic. American speech tends to be direct and to the point. The Japanese use words that can sound like diplomatic platitudes, while their tone, gestures and body language convey what they are really saying. Hard negotiating may be veiled in pleasantries, which can mislead the Westerner. In Asian cultures, “yes” may mean “I understand” — and not “I agree.”

Notions of etiquette differ. There is no such thing as international etiquette as each culture sees its own as the norm. Appreciating diversity means understanding both the big and little things that help form a unique culture.

Leaders and managers need to clearly understand their own preferences. They also must recognize and accommodate other people’s preferences, (even if they cannot see their advantages), rather than trying to change them. There are many different methods, positions and styles with which people can accomplish goals and succeed in today’s business environment. Leaders who can effectively understand, appreciate and motivate colleagues from multiple cultures, generations, regions and countries will become increasingly effective as business evolves in this century.

Leveraging Cultural Diversity

Leaders and executives in organizations must broaden their framework of diversity to include the cultures — both domestically and abroad — with whom they do business, (including race, religions, genders, national customs, age and generational differences). Leaders must also realize there are a variety of ways in which people work (communication styles, negotiation skills, relationship to time and status).

As this century evolves, it becomes increasingly important for leaders to be open-minded and flexible, with a high degree of emotional intelligence, if they are to be effective. They must still produce results. This requires the ability to manage the tension that arises when people from different cultures don't see eye-to-eye.

Organizations and their leaders are responsible for encouraging multi-cultural awareness. To facilitate this, it is necessary to enable discussion of differences through the use of neutral descriptors and vocabulary, so that people can address cultural differences and experiences in a way that is non-judgmental and non-threatening.

It may be necessary to expand current diversity awareness training and workshops to include global perspectives. The services of coaches and consultants can help employees and leaders learn about other perspectives and human differences.

People must move beyond simply accepting cultural identities and differences to a place where they can be leveraged for competitive advantage, superior performance and creative growth. There is tremendous creative energy and innovation that can be harnessed when people from different perspectives work successfully together. Global business is challenging in large part because cultural habits and attitudes blind people to other ways of doing things and make them unwilling or unable to change.

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