

Embarking on a Cross-Cultural Journey

Globalization and international business bring people from all culture and business together. In the new economy, to expand and co-exist, business must connect money and culture, and understand values that each market has.

Business leadership is more a vision of future and the ability to energize others, from diverse cultures, to pursue it.

What makes culture?

Culture is a rich combination of personal history, economic and technological influences of the societies in which an individual develops.

Culture allows us to develop meaning for our interactions with the world. The ability to establish and communicate multi-cultural awareness facilitates our relationship development, enabling us to acknowledge and engage individuals, and identify cultural nuances.

The biggest challenge for global leaders is that of managing global teams.

The Principles of International Business - Essentials for Global Leaders

Cultural Quotient - CQ

- 21st century global leaders need to understand their own firms, and anticipate the shifting sands of the global market place in which they compete.
- What global leaders need is a geocentric perspective enhanced by an understanding of the legal, economic, political, historical, and cultural context of the firms in which they work.
- Global leaders require a framework that allows them to deal more effectively with today's competitive challenges in the world market place, and to integrate management skills with an in-depth cultural understanding through concentrated area studies and intensive training in cross-cultural leadership.

Although many international executive training programs and business schools pride themselves on their diversity and openness to learning from a variety of cultures, many are still heavily predicated on an Anglo-Saxon-American view of the world.

Many MBA graduates and even employees from Western/European organizations, tend to end up junking their own cultural values and overemphasizing a set of values they think are necessary for success in an international business environment.

Please note that an all Western or European leadership style may not necessarily bring corporate success to Asia, and corporate leaders who are managing in a global environment must take this into account.

Examples:

In Spain, leaders are often expected to be very precise about what needs to be done. Leaders who solicit opinions instead of issuing directions are seen as weak.

In some parts of Asia, leaders who are seen asking teams for their contributions and opinions may actually be the most effective.

In Japan, a superficial look might find that a consensus-driven style appears to dominate. However, it is much orchestrated from behind the scenes.

In Singapore, the leadership style tends to be very directive. However, people are given a high degree of leeway to deliver set objectives.

In China and Vietnam, a new kind of internationalism is emerging - a new Asian business elite, which combines Western charisma with Eastern pride. Everything is still experimental and exciting. Everything to them is possible.

In America, firms replaced by other professional managers often bring in a CEO directly from 'outside' the organization. Some still embark on Future Leaders Programs such as Jack Welch, who develops talents to groom internal CEOs for General Electric. American firms are at an advance stage of development in the area of grooming executives than many Asian firms.

In China, expansion from within family to keep the fortune holds true. For example, we have Li Ka-Shing of HKG-based Hutchison-Whampoa who is getting ready to pass the baton on to his two sons.

Western CEOs virtually have no direct connections to top politicians. Governments are treated at arm's-length and business is done by business people.

In China, business connections, especially to top government, officials are very important.

European and Japanese leadership have something in common - they are consensus-oriented.

American and Chinese leadership have the tendency to apply 'Individualism' decision-making policies, taking personal accountability for decisions made.

European and Americans are deadline driven, while the Chinese will choose to slow down the pace, depending on the situation which will be advantageous to them.

Westerners are more linear logical thinkers, and are somewhat more straightforward than the Chinese. Sometimes they make the error of treating someone as a subordinate when their status is high in an organization.

Westerners build transactions first, then relationship ensues, that is, they start with contract, and then alter it to fit the circumstances. Often they return home with mere signed papers; for the Chinese, it's just a symbol of progress and nothing more. Sometimes, legal drafts indicate 'bad faith' and no sense of commitment.

For the Chinese, where 'guan xi' comes, commercial transactions will follow. The Chinese emphasize on value-laden relationships. Face is an essential component of the Chinese national psyche - the mark of personal dignity.

One fundamental principle of leadership in the international arena is that leadership is not 'one-size-fits-all'.

So, is there such a thing as European vs. an Asian style of leadership?

Leadership styles in many countries are changing.

Examples:

Singapore used to have a very data-driven and fairly risk-averse corporate culture, but now it realizes the need to loosen up. Hence, the training emphasis now is more on EQ rather than just IQ.

In China, you may not have a high opinion of someone, but you would not tell the person that because respect for face is much more important. However, things are changing as some Asian leaders sometimes mistake aggressiveness for assertiveness; and lose powerful qualities such as the ability to maintain harmony in relationships, which is a cultural hallmark in many Asian countries.

In Asia, the current trend is towards the discreet rather than the flashy CEO. There is also a growing recognition that successful organizations are built by a strong group of connected leaders, rather than by a single dominating leader.

The interesting thing about Asia is that you can find the micro-managing style of leadership alongside the big-picture, charismatic style, which doesn't concern itself with much detail.

Despite cross-cultural differences, there are universal leadership attributes, such as trustworthiness, honesty, integrity, intelligence and optimism - although different cultures may have different ways of developing trust.

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