

Vive la différence

Managing Intercultural Differences ?

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The challenge

- wherever in the world, to manage a firm requires the cooperation of people to the achievement of a common goal under the pressure of buyers and competitors
- each one of these people has his own life, his own desires, his objectives, his strategy ; no magic can spontaneously put these individual desires and attitudes into harmony with those of the other people
- yet the capacity to integrate individual action into a collective behavior is a universal requirement of the efficient management of an organization
- and doing that at the international level is always "messy" (Kenichi Ohmae)
- "transcultural competence is becoming the major distinguishing capability of leaders of the 21st century" (Fons Trompenaars)



The ingredients of culture

- **knowledge, experience, beliefs, values, actions, attitudes, meanings, hierarchies, religion, notions of time, roles, spatial relations, concepts of the universe, artefacts, etc.**
- **and all this would have the same meaning and impact everywhere on the efficiency of firms ?**
- **there is no "one best way" or "one only way"**

The assumptions

- **the world is not globalizing, it is fragmenting itself**
- **cultures are not converging**
 - superficial behavior converges
 - cultural differences accentuate
- **cultural differences are not going away, but becoming more entrenched (when you feel under pressure, ...)**
- **we did little progress, if any, in recognizing that the things that motivate, inspire, and generate commitment depend on each individual's culture of origin**
- **it is certainly not the "end of history" (Francis Fukuyama)**

We have plenty of evidence to that

▪ we have evidence

- from "stories" (special tribute to Larry Prusak)
- from research work
 - Hofstede
 - Turner and Trompenaars

Hofstede's four value dimensions : from a survey among IBM employees

short power distance

high power distance



collectivism

individualism



low uncertainty avoidance

high uncertainty avoidance



feminity

masculinity

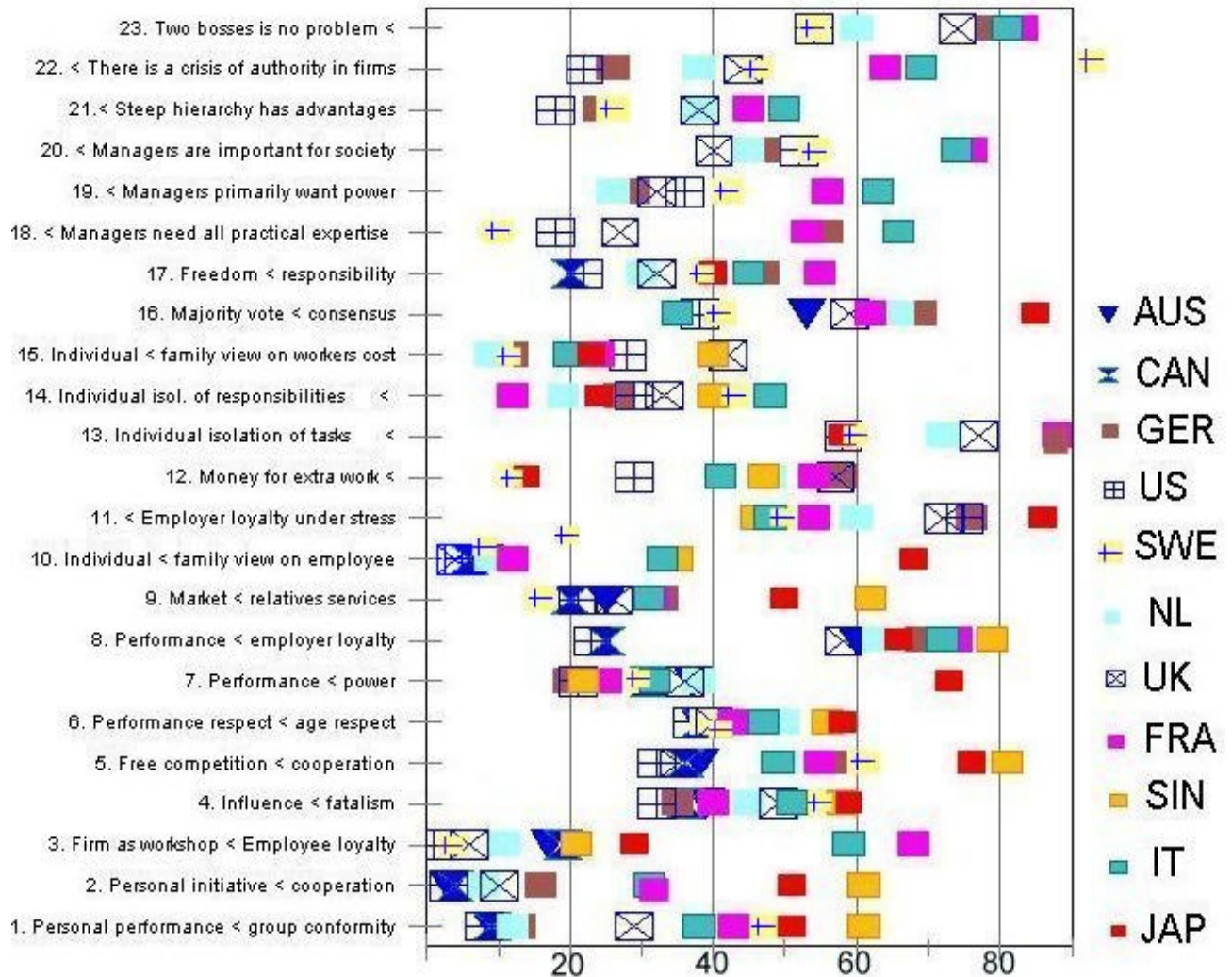


How we perceive each other (Stuart Miller, Understanding Europeans)

<i>American behaviour</i>	<i>Americans see own behavior as</i>	<i>Europeans see American behaviours as</i>	<i>European behaviour</i>	<i>Europeans see own behaviour as</i>	<i>Americans see European behaviour as</i>
Take pride in accomplishment	You become someone through doing things	Petit bourgeois	Take pride in yourself and your group	Maintain dignity by living out your calling	Vanity without substance
Put freedom and initiative first	Respecting the individual	Socially irresponsible	Put duty and obedience first	Respecting the common good	Blind obedience, prone to dictatorship
Do it, theorize later	Being practical	Rationalization, error prone	Theory before action	Doing it right	Impractical, idealist, action is often too late



Turner-Trompenaars (Seven Faces of Capitalism) and Laurent (Europe 1992)



The french model : the logic of honour (P. d'Iribarne)

- the basic virtue which allows a monarchic system to be efficient is "Honour"
- you are here to accomplish the duties that tradition imposes on the specific group to which you belong
- if my duties are largely defined by the rituals of the community to which I belong then I have a hard time admitting the authority of my boss or at least having him defining what should be my objectives to achieve
- in the meantime, and because you have this sense of honour, you know there are limits you are not supposed to overpass

- **the french model, or the french way of keeping together**
 - duties which refers to your belonging to a specific group of people (a cast)
 - permanent informal adjustments
 - moderation in the case of overt clashes
 - the resort to recognised non questionnable leaders in the case of a crisis
 - cooperation which leads you to make more than your due for people with whom you have a personal relationship

Some consequences in the management of firms in France

- **Management by Objectives never made it**
- **reporting is not natural**
- **performance appraisal is difficult to implement**
- **linking it to remuneration is even more difficult**
- **motivational approaches can't be the same (different incentives are required)**
- **the french executive is supposed to have precise answers to any questions that subordinates might have (he is supposed to be an expert more than a facilitator or a team-builder as in the anglo-saxon world)**
- **selection of the elites is narrow (the cast of the "Grandes Ecoles")**
- **Corporate governance : leaders are not challenged enough by their directors (too much cross-participations)**

Concluding ?

- **the government of a firm cannot free himself from a global understanding of how societies are functioning**
- **if as a leader you have to generate enthusiasm, you need to understand what makes people being enthusiastic in a specific culture**
- **it is not that easy to find the adequate trade-offs between trying to build a strong corporate culture internationally and taking into account each local culture**
- **there is a natural tendency for every culture to pretend to know what is best for everyone**
- **nothing happens without trust : you need to have it in others, and you need others to have it in you**

*Father, Mother, and Me,
Sister and Auntie say
All the people like us are We
And everyone else is They.
And They live over the sea,
While we live over the way,
But, would you believe it ? They look upon We
As only a sort of They !
All good people agree,
And all good people say,
All nice people, like Us, are We
And everyone else is They
But if you cross over the sea
Instead of other the way
You may end by (think of it !) looking on We
As only a sort of They !*

Rudyard Kipling "We and They"