

Bridging the Cultural Divide



For international companies managing local staff performance, introducing “best practice” standards or the latest management fads is often not nearly as successful as a common-sense approach to overcoming the fear of failure, says Les Lothringer.



“Cheshire Puss ... Would you tell me please, which way I ought to go from here?”

“That depends a good deal on where you want to get to,” said the Cat.

“I don’t much care where,” said Alice.

“Then it doesn’t matter which way you go,” said the Cat.

“So long as I get SOMEWHERE,” Alice added as an explanation.

“Oh, you’re sure to do that,” said the Cat.

Alice’s Adventures in Wonderland, 1865 - Rev. C. L. Dodgson [Lewis Carroll]

This mythical discussion between the youthful Alice and the all-knowing Cheshire Cat illustrates the twin business challenges of deciding where to go and how to get there. Deciding where to go is strategy; how to go about it is tactical. Strategy is usually pitched as the hard part. In reality it’s the tactics that are hard - the actual implementation, the hands-on work.

The Same Recurring Challenges

Discuss with many China-based foreign CEOs and senior executives what concerns them

most here in China and you’ll find that most report the same things. These include the drag on their time from micro-managing, difficulties with usefully training local staff, motivating local staff to be more effective, reducing HR turnover and sensitising them all to quality standards and the whole culture of quality.

A common approach some organisations adopt is to simply introduce “best practice standards”, theirs or someone else’s, along with the operating manual, and then assume that everything will work out just like back home. This is not always the case.

Recent developments in the field of Western medicine can serve as a useful reference point to open a discussion into the well intentioned yet sometime fruitless Western approaches to the management of staff within Foreign Invested Enterprises here in China.

Evidence-based Analysis

Western medical practice, a discipline that is thought to be entirely scientific, is undergoing a renaissance in the methods and approach to patient treatment. This new approach, entitled “evidence-based medicine” is, quite simply, the application of the scientific method to clinical medical practice. You might be forgiven for thinking, when you visited the doctor, that the medical diagnosis and the treatment you received were indeed always scientifically based. After all, the scientific method has been with us for a very long time now. Yet when it comes to medical treatment - well, no, actually, not always!

A great deal of medical practice has, in fact, been based upon authoritative medical opinions and what has supposedly worked somewhere else in the world. And therein lies the problem. For a good deal of what is

supposed to work has not necessarily been scientifically proven, but is just adopted procedures that have appeared to work sometimes somewhere else. Just one example was the practice of placing new born babies to sleep on their front, instead of their back. This practice, possibly originating in the United States but backed by medical celebrities, persisted for years and contrary to any evidence that it was any good and against evidence that it was not.

Turning now to business management, if this criticism sounds familiar that is because management and particularly consultants to management commit the same errors of judgment. In place of statements like authoritative management opinions, try “world’s best practice” or “best of breed”. These are usually mantras that enable consultants to promote methods and procedures and company managers to be convinced that what they have bought and are applying will achieve their performance goals.

Factually speaking, no one actually knows what “world’s best practice” is and the use of this or the “best of breed” label may well be a substitute for the critical analysis and realistic long-term thought needed for the situation a manager finds himself here in China. And what works in the West does not necessarily work here in the East.

To consider why, let us recognise some Chinese work and management traits.

The Persistence of Cultural Factors

While the conversion to a market economy proceeds swiftly and haphazardly, social traits change slowly. I refer to the Chinese tradition of heavy bureaucratic administration and methods, often contradictory, resulting in a mountain of office paperwork yet no formal procedures for dealing with it. There is also a strong cultural trait that leads to the avoidance of taking initiatives that might result in personal “mistakes” and blame. These factors pose major challenges for foreign companies in China. The obsession with bureaucratic group decision-making and a deeply felt need towards error avoidance are highly problematic features of the East Asian management style when encountered in a Western management context.

And the desire to avoid mistakes may run very deep. For many action-oriented managers, this can be a highly aggravating trait when trying to get things done. Obsessing about it, arguing with their staff about it and wishing it was different is pointless and arrogant. The desire to avoid errors and the lack of a practi-



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cal, empirical approach are characteristics of the Chinese education system. Several of my Chinese colleagues point to the tediousness in their university training and the lack of practical relevance, where an over-emphasis on book work and unquestioned theory dominates. So, when it comes to maximising the performance of foreign ventures here, just what does work?

A Practical Example

For most companies, it is actually not all that hard. I’ll demonstrate that with a couple of 70%-30% JVs that I renovated – what I did and what I didn’t do. At all times, practical and simple solutions defined the approach. What I didn’t do was to ride the crest of the latest management fads that originate in the West; attractive as they are to managers, certainly rewarding for consultants and sometimes disastrous for organisations.

These two manufacturing JVs, located in Shanghai’s adjacent provinces, needed industrial, application-specific skills and the Chinese and foreign management needed immediate, or near immediate, profit-generating feedback to assist them in dealing with their actual problems. This feedback was needed in sufficiently fine detail to lock in lasting changes, particularly in how they approached and solved their business challenges. So our target was not just solving the immediate business problems, but also locking in systematic thinking in the leadership team, who could then use that to go on to create better and more competitive solutions, consistent with the higher performance found in fully developed industrial economies.

Part of this transformation in managerial style was achieved by us all working on the problems of the day. Many problems were technical and some were complex, thereby appearing to require even greater technical strength. Both the Chinese and Western senior staff had the necessary technical knowledge and the mental power to work out what additional knowledge might be needed. What they lacked though was what I like to call “driving force”. That is, the confidence to go “the whole nine yards” in pushing through

solutions in the face of organisational resistance to change. And this brings me to the key point. The fear and inexperience behind their objections was always couched in technical terms and what they asserted to be technically feasible or infeasible. Of course I have seen this in the West, where non-technically minded CEOs get “snowed” by short sighted technical staffers.

Saying Goodbye to All the Excuses

How we got past that was firstly to work though all their technical objections, while applying an admixture of leadership, coaching, mentoring plus some old fashioned pushing, dragging, discussion and encouragement. What really instilled confidence was simply - and as early as possible - to propose a technical solution that worked and one that they either would not have thought of or else dismissed as unworkable. As I mentioned above, senior staff had the knowledge and mental power to work it all out; it’s just that they wouldn’t.

Note that we did not have the time to spend (or waste – depending on your point of view) on the standard coaching and mentoring to bring about psychological change. With our approach, managers grew more confident simply by dealing successfully with the risk and uncertainty attached to new initiatives. In the part I played, we required no special equipment, software, methodologies, visions, strategies or “world’s best practice”. It just required a deeper appreciation of technical matters, recognition of real world psychology of people and a preparedness to deal with the two most frequent and usually unstated objections – “it can’t be done this way” and “we’ve never done it this way before”. □

Mr. Les Lothringer B.Sc., MBA, Grad. Dip. Acctng, is a veteran business manager and consultant with over three decades of commercial experience including Business Re-engineering, Management Consulting, Interim Management and Profit Improvement in diverse industries throughout the Asia Pacific Region. Les may be contacted via the Shanghai-based TalentSpheres Group, E-Mail les.lothringer@talentspheres.com