

Helping Asian and Western Organizations Work Together

How you build trust, manage people, plan, and make good impressions all are linked to cultural differences—and that’s where training comes in.

BY NEAL GOODMAN, PH.D.



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There has been a significant increase in the number of Chinese, Japanese, Indian, and Korean companies looking to gain a foothold in the U.S. Many of these companies will fail because of a lack of training for Asian and U.S. leaders, managers, and employees. This lack of training results in cost overruns, stress, poor productivity, and significant employee turnover. For many of the Asian leaders, this is their first venture in the U.S., while for the American employees, this is the first time they have worked with or have been led by Asian nationals.

Learning and Development (L&D) leaders can play a pivotal role in the success or failure of these ventures. Both Asian and American leaders and managers need cultural training when Asian companies begin operating in the U.S. The decision to establish operations in the U.S. often is made by the top leadership of Asian companies as part of their global expansion.

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Once the decision is made, it is left to the leaders and managers sent to the U.S. to sort out how to make this venture a success. *The Economist* reported that more than 70 percent of international mergers failed, mostly due to cultural issues. How you build trust, manage people, plan, and make good impressions all are linked to cultural differences. Basic standard operating procedures, such as how you

sell, lead, train, negotiate, motivate, communicate, and advertise, are vastly different across regions. What makes you a success in Asia can doom you to fail in the U.S. and vice versa. Almost all of these differences can be mitigated with appropriate training. Here are the key factors to consider and recommendations for L&D leaders based on more than 2,500 interventions that have helped Asian and Western organizations work more productively.

1. Core cultural values differ widely. For example, the importance of individualism versus the group is paramount. Chinese, Japanese, and Korean companies in the U.S. expect Americans to work extra hours with no extra pay out of loyalty to the company and the group, just as their national employees do. But the Americans share little group loyalty unless they are being paid to be loyal. The word for individualism in Japanese is “selfishness.” While the Chinese may interpret the Americans’ behavior as being lazy and disrespectful to their boss, the Americans think the Chinese, Koreans, and Japanese are meeting after work to discuss things behind their backs.

2. Diversity is a major area of misunderstanding. There are significant differences between organizations, but the general tendency in Asian companies is to be paternalistic and male dominated. In a diversity class

for Chinese managers who were about to come to the U.S., it was not uncommon to hear expressions such as “Men are genetically smarter” and “Women should get promoted less because they can get pregnant.” Such expressions in the U.S. would lead to the loss of good employees and lawsuits.

3. Communication styles. Americans tend to communicate their opinions directly in a cadence that is embedded in the U.S. culture. Many Asian cultures

are far more indirect. Rather than outright disagreement, an Asian manager may say, “That may be difficult,” meaning, “No, it cannot be done.” Recently, a large Chinese company wanted to bring together its newly acquired U.S. leadership team with its Chinese nationals. The goal for the meeting was to discuss how to integrate U.S. and Chinese operations. One day into the meeting, the Chinese were frustrated by the Americans’ monopolization of the discussion and were insulted by being interrupted during their presentations. A short cross-cultural activity illustrated to the Americans just how difficult it was for the Chinese to speak up based on their communication styles, especially if they were being interrupted. The Americans agreed to new communication rules such as calling on all people for their ideas and sending out agenda items prior to a meeting so all could be prepared to discuss the topic.

4. Cultural myopia. This is exacerbated when organizations are hierarchical, which is typical of most Asian companies because Asian leaders back at home will not listen to their subordinates in the U.S. For example, the head of HR for an Indian company that just opened a plant with 3,000 U.S. employees found that the U.S. employees were leaving by the hundreds, complaining that their Indian managers were managing the Americans as if they were still in India.

5. A model training solution. Cultural intelligence training should begin with those leaders who are part of the company’s global strategy, though this is rarely done. Programs such as “Working with Americans” should occur before setting foot in the U.S. Smart Asian companies that want to ensure the continued success of the U.S. companies they purchase must provide cultural training to the newly acquired leaders, managers, and employees. One major Korean company provided programs on “Working with Koreans” for the entire workforce of an American company to reduce the fear of the takeover. The training, which was delivered by an American who specializes in Korean-U.S. business relationships, provided an appreciation of Korean culture and work habits and illustrated the benefits of the new organization. Thanks to the training, the Korean company retained many of the employees who were vital to the success of the organization.

6. Cross-cultural teambuilding. The training should provide a chance for participants to complete and compare their cultural profiles on major

cultural differences in workplace norms and work together on how to bridge any cultural differences that could undermine trust. For example, Americans and Japanese need to discuss their preferred styles of decision-making. Americans see the deliberate process of the Japanese as “ready aim, aim, aim, aim, shoot,” while the Japanese see the American style of quick decision-making as “ready, shoot, aim,” which can result in poor quality.

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One note for instructors: Instruction styles also vary across cultures, with Americans more open to discussing personal perspectives such as the biases they have, while Asians are less introspective and not prone to sharing personal information in an open setting until they have had time to build trust. A social event in the evening is important to build relationships.

BUILDING CULTURAL COMPETENCE

The people charged with global expansion are pioneers, working hard to build trusting relationships for themselves, their company, and, in some cases, their nation. They work in unfamiliar environments, trying to overcome the unseen forces of cultural differences. Their motivation to succeed is great and their intentions are positive, yet without proper training they face misunderstandings, mistrust, frustration, and a career-threatening assignment. Not a single Asian company seeking to expand to the U.S. is looking to lose money, but many will fail due to a simple problem hiding in plain sight: the lack of cultural competence to succeed in a new environment.

What stands out in numerous studies, and from 35 years of experience working with Asian and U.S. organizations, is that cultural intelligence training will expedite success by creating a more intelligent, respectful, and inclusive organization. Those who go forward without proper training will be blinded by the cultural factors they cannot see.

If you are employed by an Asian company in the U.S. or are tasked with leading an Asian company in the U.S., please send me your case studies and questions at: ngoodman@global-dynamics.com. 