

Next Practice

from Imagination Lab

Seeing Work Practices Through A Cultural Lens

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A large French organization in the telecommunications industry makes the winning bid for an American one of similar size in the same industry sector. Although senior French management foresees few difficulties in the acquisition, the Director of Engineering, having worked in internationally mixed organizations before, thinks differently. He argues that the performance of the new organization is likely to be hamstrung by "cultural problems" which, he says, "should be dealt with immediately." His colleagues disagree with him, and correctly point out that "both companies are engineering organizations." Says one colleague: "French or American – we all deal with the same technical and engineering issues, with the same engineering and technical processes. Radio waves and electrons don't care about culture."

Too Much Consistency?

The growth of global organizations in the world seems proof that international companies should make practices like work processes and systems in their organizations consistent. Many organizational leaders believe this is a means of making their business more streamlined and effective, creating wider and deeper teamwork across divisions and countries. But this may not be the case. Yes, employees in global organizations increasingly use the same set of work practices, and they may even be dealing with identical technological challenges. But it is just as true that employees in different countries may often understand these issues in dissimilar ways. They may mobilize to meet the challenges according to local cultural norms. Unless understood and corrected for, divergences in how work practices are understood may become impediments to organizational effectiveness. Consequently, when senior managers try to make practices consistent without heeding cultural values differences in a global organization, they may be weakening overall company performance.

Symptom	Problem	Solution
Evaluation of practices yields unreliable data	Assumption that practices are unrelated to values	Capture data about both practices and values

Five months into the acquisition, tension between the two organizations has risen sharply, even though, formally, several important short-term goals have been accomplished. A single plan for evolving next generation technology over the coming 2 years has been produced by a mixed team of French and American engineers. The number of vendors and suppliers is now even lower than either organization had on its own. But a growing percentage of projects are missing deadlines throughout the organization, despite a rising number of meetings. "I refuse to hold another meeting," said one American Director in a widely distributed email, "until I know exactly what the hell we're meeting about!"

Seeing Practices Through the Lens of Values

The potential for misinterpretation of practices in global organizations is very real, given the variety of possible interpretations of even simple things, which differ from country to country and culture to culture. Complex messages are particularly susceptible to misinterpretation, since they are built on a series of assumptions about what is normal or desirable. For instance, requiring that all meetings have a fixed agenda, including a specified time duration, and specifiable action items, is likely to produce chaos in those countries where meetings serve very different purposes. In cultures with a strong emphasis on unvarying rules and regulations, the specific times, agendas, and outcomes of meetings are often closely monitored. In cultures where meetings often serve as forums for a process of consensus-building, agendas and schedules are felt to be secondary to the need to let this process run its course. Differences in the subtle links between practices and values among employees in different cultures must be identified before a means of generating consistent practices can be designed.

Top management has become very nervous after the loss of a large contract because of errors in a proposal by a core proj-

ect team. Also, several senior American engineers have left to join other companies. The Director of HR pointed out “many of those who left knew most about how to maintain the fragile legacy technologies that will not be replaced for another two years.” After deciding to double the amount budgeted for head-hunters for technical staff, the senior leadership also decides to survey the entire organization, in the hopes of determining what sorts of underlying factors for these problems could be identified.

Generating a Comprehensive Picture

The Imagination Lab’s research, involving an ongoing series of interviews with senior managers around the world, is creating a picture of the sort of approach to surveying organizations that is needed. Although organizational surveying – often called “climate survey” – has been in management’s toolkit for several years, the “climate” approach has focused largely on practices and perceptions of practices. Our data suggests that organizational surveys in large international organizations should simultaneously gather data in the areas of work practices *and* cultural values, using a consistent format. Furthermore, the survey instrument should be structured in a way that does not make respondents self-conscious about providing information about their cultural values.

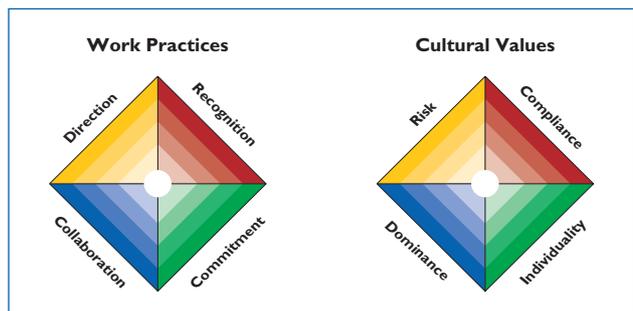
Thanks to work done over the years by many different researchers, we know there are 4 key sets of work practices, which together generate a coherent picture of organizational operation: **Direction** - management’s style and attitude as it affects employees; **Commitment** - personal attitudes towards work and the organization; **Recognition** - motivation and recognition of employees; and **Collaboration** - cooperation and teamwork within groups and departments. A survey instrument that can be relied on to characterize organizational work practices will cover these four areas.

Work Practices	Cultural Values
Direction	Risk
Commitment	Individuality
Recognition	Compliance
Collaboration	Dominance

Research also shows that peoples around the world differ in several basic ways, most importantly how they perceive risk, approve of hierarchy, comply with formal rules, and practice self-reliance. A comprehensive survey also looks at these 4 areas of individual values: **Risk** - attitudes toward risk taking, structure and ambiguity; **Individuality** - attitudes toward contribution and self reliance; **Compliance** - attitudes toward rules and exceptions; and **Dominance** - attitudes toward hierarchy, power and equality. Such fundamental values are important because they act as lenses for understanding organizational practices, and as filters for perceptions.

Armed with the survey data 2 months later, Senior Management has identified problematic areas. Most American employees perceive a strong sense of **Direction**, but their **Commitment** scores are relatively weak. Cultural Values scores show that a very strong

Compliance ethic prevails among them. On the French side, there is a significantly stronger level of **Commitment** to the enterprise. And in the area of **Compliance**, the French organization shows significantly more acceptance of flexibility towards policies and rules. “It’s clear,” says one Director, “on the basis of these scores many clashes will result from the large gap in values relating to flexibility and the reliance on rules.” “I wish I had known,” adds the HR Director, “that these American engineers were so willing to leave the organization. It’s difficult to find good replacements.”



Conclusion

Global leaders overlook the central role played by cultural values in affecting organization performance at their peril. Despite intensifying global commerce, important cultural value differences persist in international workforces, so managers must continue to cope with – or falter before – the challenges of integrating the cultures of diverse offices, divisions, and companies. An effective way of managing this challenge consists of gathering data about both work practices *and* cultural values. With such data, areas of likely convergence and divergence can be identified in advance. Instead of looking through only one of the two lenses – either work practices or cultural values – managers who use data-gathering techniques that integrate both of these aspects begin to generate a true stereoscopic depth of understanding of their complex organization.

The ideas in Next Practice represent the collective interests of the Imagination Lab Foundation research team. Contact Peter Bürgi (peter@imagilab.org) if you are interested in the topic of this issue.

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Established in 2000, Imagination Lab Foundation is a non-profit research foundation that conducts research on play, imagination and emergence as it relates to life, primarily in organizations.

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