

What Are the Signs of Cross-Cultural Management Issues?

When managers and their employees come from different cultural backgrounds, issues are likely to arise around initiative, competence, and feedback (to name a few). This chapter examines some of the most common cross-cultural issues related to the relationships between managers and employees. These issues are often perceived simultaneously by both manager and employee; however, in many cases, these people experience the same cross-cultural issue in different manners.

Manager's Perspective

Let's look at the manager's perspective first, before examining cross-cultural management issues from the employee's perspective. Issues may arise when New North American employees report to North American managers, or vice versa.

Lack of Initiative and Technical Knowledge

This is one of the most common issues experienced by North American managers, particularly those who manage employees coming from the Far East (including India), Eastern Europe, or Latin America. From a manager's perspective, lack of initiative manifests itself in the following manner:

- These employees are known to be competent, but they rarely put their ideas forward. In particular, they do not offer to take on parts of a project in which they are clearly the organization's experts.
- They rarely "speak out"; they may have concerns about the direction taken or the choices made in a particular project, but they do not express these concerns to anyone other than their cultural peers.
- They may keep running to the manager's office in order to ask for the manager's opinion or permission. As one Canadian manager puts it: "Whenever my Iranian employee has a problem, she comes running into my office and asks me to solve it." As a result, some managers start to avoid these people (sometimes subconsciously, sometimes deliberately). Managers often start questioning the technical competence of such employees ("They

would not need to run to my office at the first sign of trouble if they knew how to handle these problems”).

Loose Cannon

This issue, which is partly the opposite of the previous one, is more commonly observed in the case of New North American managers who have North American employees, or North American managers who have Scandinavian employees. In this case, employees take too many initiatives to the manager’s liking. From the manager’s perspective, employees who take too much initiative are “loose cannons.” This translates into the following situation:

- Loose cannon employees initiate or get involved in projects without consulting the manager. The managers find out about this involvement later on, often through a third party.
- They make and act on decisions that the managers consider theirs to make. In many cases, these decisions are made based on criteria that do not match the manager’s priorities. In some cases, this leads to significant disagreements between manager and employees, where the manager needs to have the employees redo an important piece of work.
- They consult with the managers on their progress less often than the managers would expect. By the manager’s standards, loose cannons do not provide enough information during these progress report discussions; in particular, they may not describe fully the issues they are currently facing.
- Loose cannon employees appear to managers as having a mind of their own. Because of their unpredictability, managers avoid putting these people in high-profile situations (e.g., making presentations to higher-ups) because they may say something they shouldn’t or answer a question inappropriately.
- In extreme cases, the decisions and reactions of loose cannon employees may be considered as insubordination by the managers. Here is what a Middle Eastern IT manager said of one of his Canadian employees:

In one of our first meetings, I made some suggestions for one of his projects. He answered that these ideas would never work. He said that he was the project manager and that he knew what he was doing. I stared at him; I could not believe how disrespectful he was. He stared back. I never got anywhere with him.

Unexpected Reactions to Feedback

New North American employees may have unexpected reactions to feedback provided by North American managers. Here is how this translates in practice:

- Some employees may not respond to the feedback they are given by the managers. For example, a Romanian engineer had to be placed on a Performance Improvement Plan by his manager in order for him to realize that his behavior did not meet expectations.
- Other employees may overreact by the manager's standards. A Mexican engineer who was given some negative feedback by his American manager in front of his colleagues resigned the next day. In his manager's mind, this reaction was not warranted; the initial issue was not major and certainly would not have prompted the average American engineer to resign.
- Some New North American employees appear not to appreciate the positive feedback that the managers give them. For example, a Polish engineer who had received all the technical and merit awards that the company had to offer considered quitting the organization because his skills were not given proper recognition.

Excessive Defensiveness and Negativity

Culturally determined defensiveness and negativity generate significant issues in the North American workplace:

- Some New North American employees may respond with excessive defensiveness when undesirable events occur. For example, a Russian IT specialist often answers that the problem is not his fault and that someone else created the current mess. He even has the documents to prove it, because he has saved the e-mail messages, letters, and reports that show that someone else is to blame. From his North American manager's perspective, his time and energy would be better spent working on fixing problems and improving the situation rather than assigning blame and responsibility to others.
- This defensiveness may carry over to instructions provided by managers. For example, a French engineer often finds reasons why he will not be able to meet his Canadian manager's requests, no matter how simple these requests are. In one case, his manager

pointed out that they spent more time discussing why it may not work than it would take the engineer to try it.

- Some New North American employees may continuously express reservations about projects and tasks, finding reasons why the targeted results cannot and will not be achieved. This negativity takes a lot of energy from the managers (and their colleagues, as discussed in the next chapter).

Excessive Deference Toward Managers and Higher-ups

The deference that some New North American employees show to managers and higher-ups is excessive by North American standards. This tends to occur more often with North American managers and employees from the Far East, Eastern Europe, or Latin America. In practice, this translates into the following situations:

- *Greetings that may make North American managers uncomfortable.* For example, a Canadian IT manager mentioned that he was frustrated with the way one of his Korean employees greeted him. Every morning, he would be greeted with “Good morning, sir,” despite his repeated attempts to make his Korean employee switch to first names.
- *Too much weight given to any suggestion made by managers or higher-ups.* Any opinion they express or any suggestion they make about the project of their New North American employees are immediately incorporated into the project plan, no matter how much or how little thought the managers have put into it.
- *Gestures that are considered inappropriate in the North American workplace.* For example, a Russian programmer bringing music CDs to her manager; an Indian engineer bringing small gifts from India for his manager and his manager’s manager; or an Italian technician paying compliments to his female manager about the way she dresses. In extreme cases, these gestures may be construed as “sucking up” to managers.
- *Too much information provided to management.* Some New North American employees copy managers on e-mails and documents more often than their North American managers think is appropriate, resulting in significant frustration for these managers (“This is a waste of my time. I do not need to know all this.”). Managers often react to this glut of information by skipping or deleting without reading any message coming from these

employees; as a result, they may not notice the truly important and urgent messages sent by these employees.

Employee's Perspective

Employees also experience cross-cultural management issues. In most cases, the descriptions they give of the same situation are different from the description provided by the managers. Here are some of the most common issues.

Micromanagers

This issue is more likely to be reported by North American employees who report to a New North American manager coming from the Far East, Latin America, or Eastern Europe, or by Scandinavian employees reporting to North American managers. Here is what employees experience:

- The managers do not provide them with enough freedom in their job. The managers are asking for updates and progress reports more frequently than employees would consider reasonable. During progress report discussions, the managers go over their action plan and next steps in more detail than the employees would like.
- Micromanagers tend to direct the activities of employees at a detailed level. By reviewing their progress frequently and continuously assigning tasks to them, micromanagers have an extensive control of their time.
- The managers are excessively involved in the decision-making process, even in the case of relatively minor decisions. In many cases, they end up making decisions that employees believe they can make by themselves. This usually results in significant frustration for the employees.
- When employees make decisions, the managers expect that employees will give a lot more weight to their opinions and suggestions. Here is the experience of a French engineer reporting to an Iranian manager:

I was writing a paper on a topic that was not related to my work. When I mentioned it to my manager, he asked me to change the topic to bring it in line with internal company objectives. I replied that this topic did not fit the theme of the magazine issue in which it was supposed to appear and that I had made a commitment to

my client, the editor, on this point. He did not answer, but his reaction clearly showed that he considered himself as the only client that should matter to me. I was transferred out of his department within two weeks.

Technically Incompetent Managers

This issue is more likely to be reported by New North American employees coming from the Far East, Latin America, or Eastern Europe who report to a North American manager. Here is what employees experience:

- When they ask the managers for advice or suggestions, the managers often respond: “I don’t know; you figure out what is best in this case.” After hearing this answer repeatedly, they end up wondering whether the managers have the necessary technical skills to do their jobs as managers. They think to themselves: “How was he or she promoted?”
- The managers seem interested only in discussing the “political” implications of the decisions to be made. The managers start progress meetings by discussing these items and leave the room as soon as the discussion turns to the technical aspects of the project.
- The managers may be hard to reach. Employees may not receive any response to their e-mail or voice-mail messages; meetings may be frequently postponed. Employees find it difficult to get the manager’s attention.

Unexpected Feedback

New North American employees sometimes experience surprise and shock when they receive unexpected feedback from the managers:

- In some cases, strongly negative feedback seems to come out of the blue. Everything seemed to be going reasonably well, with some minor issues here and there, when suddenly they find themselves on a Performance Improvement Plan.
- In other cases, New North American employees receive feedback from the managers in a way that makes them lose face in front of their colleagues. Their honor is put at stake.
- During their Performance Appraisal sessions, the managers ask them to act in ways that do not show the appropriate respect for clients, co-workers, or higher-ups.

Put on the Spot

New North American employees may find that the managers are routinely putting them on the spot. Here is how they perceive these situations:

- They are constantly asked to make commitments and to deliver results over which they have no control. For example, they are asked to gather data from experiments performed by some of their colleagues by the end of the day, but these colleagues are often traveling or rarely respond to e-mail or telephone requests in a timely manner.
- The managers routinely ask them to work on technical problems that belong to others. In many cases, they foresaw these issues and expressed their concerns, which were clearly ignored or overruled, and are now asked to fix them afterward.
- The managers ask them tough questions in front of others. They believe that any interaction with the managers may put them on the spot. As a result, these employees experience continuously high levels of stress and have a hard time communicating effectively with the managers.

Correlation between These Issues

Clearly, managers and employees do not experience a given cross-cultural management issue in the same manner. There are common correlations, even though they do not apply all the time:

- Managers who consider their culturally different employees as loose cannons are often perceived as micromanagers by these employees.
- Employees who perceive their culturally different managers as lacking the technical knowledge to be good managers are often perceived by these managers as lacking initiative. These employees are also likely to show excessive deference to the managers or higher-ups.
- Employees who believe that they are often put on the spot by the managers are often perceived by the managers to be excessively defensive and negative.

As these situations illustrate, cross-cultural managerial issues often translate into a questioning of the competence and skills of others. For

example, New North American employees who go regularly to the manager's office to get advice or discuss ideas may be quickly considered as lacking technical knowledge by their North American managers. Why else would they keep running to the manager's office? Similarly, North American managers who keep answering "I don't know. I want you to figure it out" are quickly considered technically incompetent by their New North American employees. Why else would they answer, "I don't know"?

What Is Going On?

In many cases, these reactions come from the fact that different cultures have different concepts of management. Being a good manager or a good employee requires different behaviors in different countries; behaviors that are considered positive in some countries are viewed negatively in North America, and vice versa. In this section, we examine how the concept of power distance affects cross-cultural manager–employee relationships; we also examine the dynamics of cross-cultural feedback.

Power Distance

Power distance is a measure of hierarchy (Hofstede, 1980). It represents the psychological distance between people and the managers in a given country or organization and the extent to which inequalities between those who have power and those who don't are accepted. A society with a high power distance leans toward a tight hierarchical structure in which individuals know their place and the limit of their roles. A society with a low power distance seeks status equality and interdependence among different layers of power.

Manager–Employee Relationships as a Function of Power Distance

Should powerful people be treated differently than others? Consider the following situation:

On December 23, 1988, the following news item appeared in the press: The Swedish king Carl Gustav experienced considerable delay while shopping for Christmas presents for his children, when he wanted to pay by check but could not show his check card. The salesperson refused to accept the check without ID. Only when helpful bystanders dug into their pockets for one-crown coins showing the face of the king, did the salesperson decide to accept

this for ID, not, however, without testing the check thoroughly for authenticity and noting the name and address of the holder. (Hofstede, 1991)

Sweden is one of the least hierarchical countries in the world (see Exhibit 2.1). In more hierarchical countries, heads of state never have to worry about shopping; their staff does. These leaders consider themselves as having to abide by a different set of rules than the majority. More important, the majority of their countrymen and women consider them as having to abide by different rules and accept this point as a fact, like one accepts rain. Contrast the difficulties experienced by the King of Sweden while shopping with the experience of other heads of state:

- The former Russian President Boris Yeltsin resigned once he had secured immunity from prosecution for himself and his family on charges of bribery and embezzlement.
- The former French President François Mitterand never had to answer to charges of insider trading.
- The Queen of England is the “only person for whom Harrods used to close its doors to the public for one day a year so she could do her Christmas shopping.” (Tan, 1992)

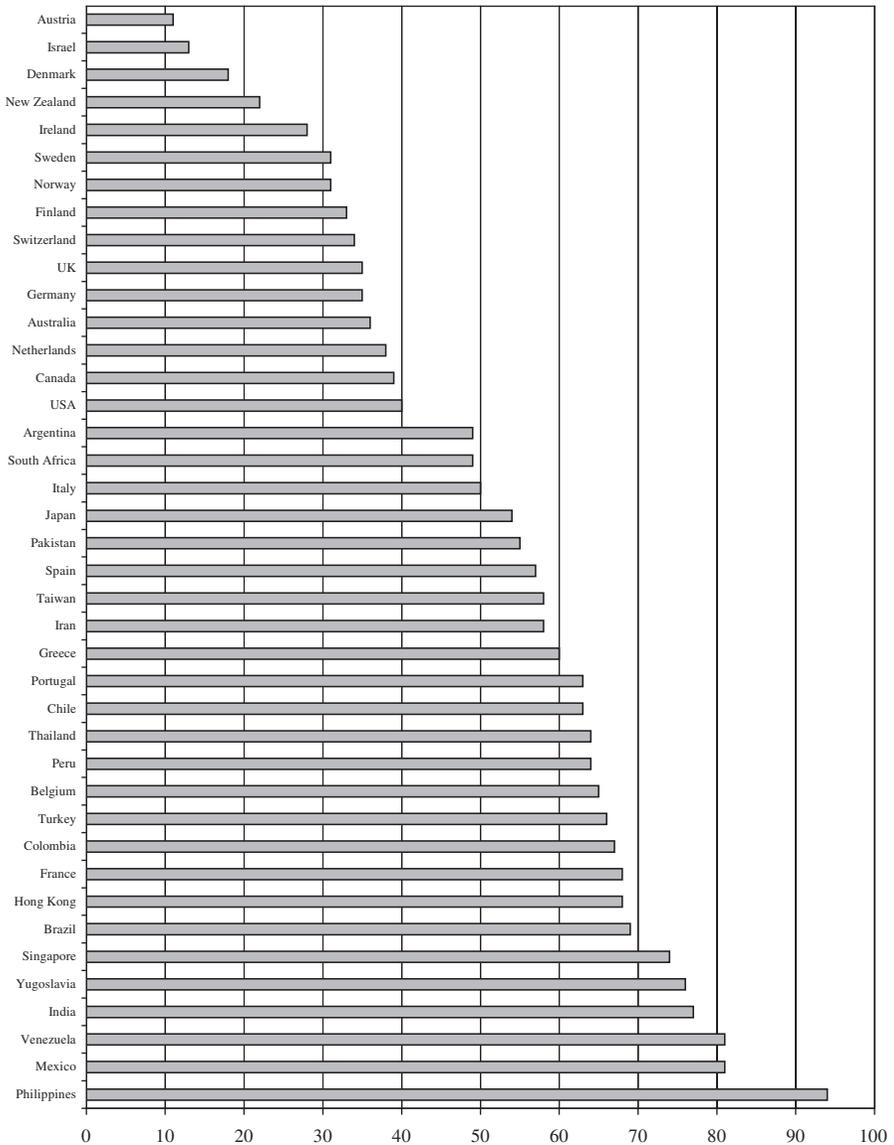
In his study of IBM subsidiaries around the world, Hofstede (1980) created a measure of power distance, thereby enabling a comparison of 40 national cultures on this scale. The power distance score of each country is obtained from the country average answer to questions related to authority and decision-making styles. Exhibit 2.1 represents graphically the power distance scores of the 40 countries covered by Hofstede’s study.

Exhibit 2.1 shows that attitudes towards hierarchy vary greatly around the world. There is no absolute right or wrong on this scale: A country with a score of 80 is not better or worse than a country with a score of 20; it is simply different. There is, however, a relative right and wrong: Using the American style of management in Russia will usually not yield much result, and vice versa.

On this scale, a difference of 20 can be considered meaningful: For example, most Americans who go on expatriate assignments in countries that have scores higher than 60 (like Mexico) or lower than 20 (like Denmark) will notice a significant difference in this area. In most cases, they will need to modify their managerial style to some extent in order to achieve their professional objectives in these countries.

Exhibit 2.1

Power distance scores of 40 countries. High scores correspond to hierarchical countries. Conversely, nonhierarchical/participative countries have low scores on this chart. Adapted from Hofstede (1980).



The power distance scale can be roughly divided into three ranges (below 35, between 35 and 50, and above 50), with Canada and the United States falling in the middle of the scale. In each range, corporations share broad common characteristics about the way they are organized, the way managers make decisions, and the approaches toward delegation (Exhibit 2.2).

The difference in managerial style between participative, mildly hierarchical, and highly hierarchical countries can be illustrated in the following manner. Consider the situation where a manager needs a picture of a horse (this “picture of a horse” is meant to represent any task or project that a manager may delegate to a technical professional, such as the design of a pump, an electronic component, part of a building, etc.):

- In participative countries, a manager is likely to say simply: “Draw me a horse.” Employees expect and are expected to handle responsibilities by themselves and “take it from there.”
- In mildly hierarchical countries, a manager is likely to say: “Here is a picture of a horse. I want something that looks like this.” A mildly hierarchical manager narrows down the range of options compared with a participative manager and provides this information upfront.
- In highly hierarchical countries, a manager is likely to say: “Here is a paint-by-number picture of a horse, you go and fill it in.” Highly hierarchical managers provide explicit directives to employees. Staff members are expected to implement the decisions made by managers as stated.

The amount of initiative that employees can take is also correlated with power distance: As power distance decreases, employees are expected to take more and more initiatives. In Scandinavian organizations (Sweden, Norway, Denmark, and Finland are on the low end of the power-distance spectrum), employees at low levels of the organization may initiate projects. As a Swedish sales engineer puts it:

When I sell to Swedish telecom companies, I have a hard time determining who is making the final purchasing decision. Often, the manager implements the decision made by the technical expert.

By contrast, in hierarchical countries, initiative is something that is reserved for people who occupy high-level positions in the hierarchy. This is particularly true in countries that have experienced

Exhibit 2.2

Delegation, decision making, organization form, and the role of manager as a function of power distance score.

	Participative	Mildly Hierarchical	Highly Hierarchical
Power distance score	Below 35	Between 35 and 50	Above 50
Most common form of organization	Decentralized Self-empowered teams	Hubs and spokes Matrices, combining project teams and functional departments	Pyramid Departments
Manager's role	Coach Managers have influence primarily through their ability to influence and convince team members. They usually have little disciplinary leverage over their subordinates.	Manager Managers give a fair amount of freedom to their subordinates, but keep the right to make the final decision.	The boss is the boss He or she plays a pivotal role in a subordinate's activities.
Typical decision-making process	The team usually makes decisions, with input from the manager.	Managers get input from all their subordinates about the decision they need to make. They make their decision and expect everyone to implement it without further discussion.	Managers make decisions primarily based on their own experience, then communicate their decisions to their subordinates.
Delegation	Managers delegate responsibilities; subordinates also delegate upward.	Managers delegate responsibilities.	Managers delegate tasks.

authoritative political systems in recent years (like Eastern Europe or parts of Latin America); in these countries, taking the wrong initiative could have unpleasant consequences. As a result, decisions are made at a much higher level than in nonhierarchical countries. For example, in the case of the creation of Euro Disney, the French Prime Minister was involved in the negotiations between Disney and the French government (Laroche, 2000).

The way people refer to the managers also reflects their concept of hierarchy. Employees in highly hierarchical countries expect and place a significant distance between themselves and the managers; as a result, they often address managers according to their position in the organization. Expressions like “Monsieur le Directeur” or “Madame la Ministre” indicate a significant amount of deference toward higher-ups. The use of first names does not come naturally to highly hierarchical people, as indicated by the example of the Korean IT specialist mentioned earlier.

Deference to higher-ups is expressed in hierarchical countries in a number of practical ways: Opening the door and letting higher-ups go first, paying attention to every word they say, trying to anticipate their needs, speaking to them when making a presentation (even when the audience includes many other people), etc. The psychological distance between manager and employee becomes physically obvious in some situations; as one Korean engineer put it: “In Korea, if I met my manager in the stairs and we started a conversation, I was expected to stand one step below him to demonstrate my respect for him.”

An important aspect of power distance is the fact that, if hierarchy is important to you, you tend to see hierarchy everywhere: In highly hierarchical countries, things and people are ranked according to criteria that are generally widely accepted within the country. Universities are ranked; for example, Japanese consider that graduating from the University of Tokyo is clearly better than graduating from any other university. For French people, graduates of the Ecole Polytechnique de Paris are clearly better than graduates from any other engineering institution. French engineering students are continuously ranked from first to last throughout their undergraduate studies. People also know their hierarchical position with precision: A French engineer was proud to say that he was 162nd in an organization of 150,000 when he retired. As discussed in Chapter 6, the rank attributed to a company or an institution plays a significant role in the career choices that hierarchical people make.

In mildly hierarchical countries, one can say, to paraphrase George Orwell, that “all employees are equal, but some are more equal than

others.” Rankings exist, but they are far less precise than in hierarchical countries. For example, a North American student is classified as “being in the top 10 percent,” whereas the same student in France might be 45th out of 500. There are general tiers: On the engineering and science side, universities like MIT, Caltech, Stanford, and other similar institutions are considered as being part of the first tier, whereas other, less well-known institutions are considered as second tier.

In nonhierarchical countries (like Sweden), people are considered as equals to first approximation. There, asking people to rank universities draws vague responses; nonhierarchical people simply do not think in these terms.

As power distance increases, employees increasingly expect that they will have to provide more information more often to the managers. Hierarchical managers expect to know what is going on in projects within their jurisdiction in more detail than do nonhierarchical managers. As a result, hierarchical employees provide more information to the managers than nonhierarchical employees; in particular, they copy the managers on more e-mail messages, meet more often, and provide more detail about their work when they meet with the managers.

Employees also expect that the managers will tell them what to do to a much greater extent; in particular, the managers will give more detailed instructions when delegating tasks or responsibilities. They also question decisions made by the managers less often and to a lesser extent. One American pharmaceutical researcher working in Latin America described:

Basically, whatever the boss says goes, period. Latin Americans put little value on what employees do or say as compared to the boss. Many of the Latin American members of our team expect to ask the managers for permission before doing anything.

With increasing power distance, the relationship with the managers will be less trusting and more adversarial in nature. When things do not work out, people in hierarchical countries have a much stronger tendency to see mistakes and assign blame to people, whereas people in less hierarchical countries tend to see learning opportunities and look for solutions. As a result, employees coming from highly hierarchical countries may have learned defense mechanisms that include the following:

- Copying people on e-mail messages so they can prove they sent the requested information on time and as specified

- Saving correspondence, memos, and e-mails so they can prove they did everything as expected
- Warning the managers about the risks of failure related to their projects (In their minds, this transfers the responsibility of failure to the managers.)

When Managers Have Significantly More Hierarchical Employees

As described in Appendix B, most immigrants to North America come from Latin America, Eastern Europe, and the Far East—all parts of the world that are more hierarchical than North America (see Exhibit 2.1). Therefore, they are usually accustomed to management styles that are significantly more hierarchical than what they experience when they join North American organizations.

This situation, where managers are noticeably less hierarchical than employees, can result in miscommunication, missed opportunities, and significant frustration on both sides. For instance, when managers delegate tasks or responsibilities, they usually do not provide enough information, according to employees' standards, for them to know what they need to do. For example, managers may say, "Draw me a horse," whereas employees are used to being handed paint-by-number pictures of horses.

Because they have insufficient information to do their job properly, employees come back to the managers with questions. They may say things like: "You asked me to draw you a horse. What kind of horse do you want? Male or female? Should that horse be white, black, brown, striped like a zebra, spotted, etc.? Do you want a plough horse or a racing horse?" As far as hierarchical employees are concerned, it is obvious that the managers already have the answers to these questions; they just have not communicated them yet.

To the employees' surprise and dismay, their less hierarchical managers do not provide specific answers to their questions. They often answer something like: "I don't know what kind of horse is best in this case. You figure it out." One Swedish manager working in Canada told his Canadian employee: "I pay you to figure that out" (Berg, 2002). In the minds of these managers, it is clear that they expect employees to determine for themselves the best kind of horse needed. They do not have the answers. They could figure it out, but they consider that this task is not the best use of their time—it simply is part of employees' responsibilities, as far as they are concerned.

For employees, this response usually generates a high level of stress. In their minds, the managers know the answer to their question, but refuse to give it to them. They think they are in a bind: They have to