

# 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



### *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*

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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:

- *G* *111 111 N A111 111 111 -*. 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.
- *T 111 111 111*. 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.
- *G 111 N A111*. 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.
- *T 111 111 111 111 111*. 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.



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



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



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



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

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