

## LOST IN TRANSLATION? RELATIONSHIPS IN THE INTERNATIONAL MARKETPLACE

“We have some concern... We don’t want our banks further weakened...” heard Hank Paulson, Secretary to the US treasury from his counterpart in the United Kingdom. The message sent from the UK was actually a British understated ‘no’ to the request for Barclays to take over Lehman Brothers. Hank Paulson subsequently recognised that what he simply took as a statement of concern and nothing more was incorrect.

In today’s ever flattening global marketplace, how can such a misunderstanding still be possible at governmental levels in the most critical of times? Technology has permitted us to access new markets using the English language as a common platform for communication. There is also an assumption that there is no interference between the sent message and the point of receipt, even in the same language between apparently similar cultures.

The time-share industry draws on expertise and services across many sectors, and across many cultures. The latest management research hangs on the development of trust between parties. On a cultural level, how can you be sure that the methods used to construct this trust are complimentary to both sides of the contract in hand or amongst your multinational teams? Is your organisation in possession of a clear cultural understanding of the environment in which you are operating? Are you confident that message sent and message received by your international clients, owners, service providers and suppliers is one and the same?

### “Oh, to see ourselves as others see us, it would from many a blunder free us”.

The Scottish poet, Robert Burns reflected on our judgement of others, and the observation that applying our own judgement requires the application of cultural and personal preferences. Almost three hundred years later, business that access global markets are increasingly recognising that the viability of continuing with a uniform approach to international market development is a concept now being challenged. Recent observations have included:

- ~ **Multinational teams:** Feedback from a recent appraisal exercise of a global services firm threw up an interesting combination of concerns. A Spanish senior manager had expressed concern over be assessed on a surprise cold pitch exercise; a Russian had taken control of a team and a Chinese associate had appeared to not engage with the brainstorming game. The American and British assessors were unsure as how to gauge the behaviour on the standardised assessment scale.
- ~ **Sales teams:** A North American development company had expanded their operations into the European market using the same telephone sales techniques as they had developed in the home markets. Sales in Northern Europe were hugely successful, and a leading member of the team was asked to start a Middle Eastern desk using the same successful method. In spite of an Arabic heritage and language fluency, he was unable to match previous sales results with the same techniques and the desk was closed at a loss.
- ~ **Developers:** Australian developers in a country in the Arabian Gulf were frustrated at the pace of progress in the negotiation of the lease of prime real estate, and were invited to discuss this in a public forum with the relevant government minister. Not only were they kept waiting for several hours, but the only opportunity to bring their concerns to his attention was within earshot of all others present.

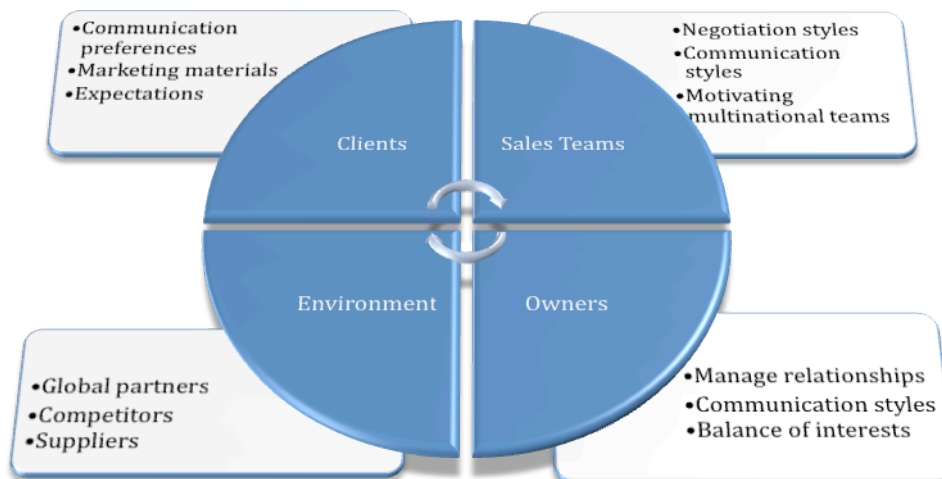
Misunderstandings and unfamiliar environments are time- consuming and expensive. Ensuring that you and your teams are culturally informed and equipped over the long term addresses the concern often voiced by multinationals of the increasing cost of locally tailored strategies.

- ~ **Owners:** An American manufacturer has entered into a joint production operation with a Korean firm who agrees to staff senior management positions with Korean nationals with extensive international contract negotiation skills. Within three months, relationships within the joint venture suffer, and within a year the joint venture in the US is terminated for no apparent cause.

### **Mirror, mirror on the wall..**

In preparing to examine and understand how cultural filters may negate the clear sending and receiving of an intended message, it is important to recognise one's own cultural preferences. However, one's own culture tends to be the most invisible of all, and requires an understanding of how you may be perceived by those you are interacting with.

The diagram here shows how deeply and subtly cultural differences may be affecting the optimal development of your teams, markets and relationships with suppliers and owners. Accepting and leveraging those opportunities created by differing expectations of behaviour, communication, negotiation and delivery, amongst others, permit the development of cultural agility in the international marketplace.



### **Cultural deconstruction and assessment**

How should an approach be adapted to a target culture? How do you manage the relationship with an overseas owner who demands a significant amount of your time? How do you access a target market in a culturally informed manner to maximise your sales team's time?

In order to provide an overview of what to look for, and how to address cultural barriers, we can deconstruct the first situation above. Here there appeared to be issues with the Spaniard, Russian and Chinese not behaving in a forecastable manner, which would permit a judgement to be made by the American and British assessors. A detailed breakdown of a cultural assessment may be as follows:

#### *Assessors*

1. Had the assessors acknowledged that they might be observing the assessment with their own cultural preconceptions, expecting behaviours that had made some candidates uncomfortable?
2. Were the candidates feeling under pressure to behave in an American / British manner, but displaying less than expected skills due to their discomfort?

3. Had there been any screening of the exercise to ensure that they reflected realistic situations that the candidates may encounter?
4. Was there an acknowledgement that culture may be an issue in the situation?

*General observations about Spanish culture:*

1. Relationships and trust in Spanish culture are built over time, and are greatly contextual in nature.
2. In business, personal attributes and character are valued as much as technical ability, experience or professional competence.
3. There is a preference for avoidance of uncertainty or risk in a situation, which characterises the cold pitch exercise.
4. A general drive to deliver great performances, with emphasis on communication, not the task at hand.

The general points above go some way to indicating a strong cultural preference for provision of high standards of performance and service delivery. The structure of the surprise cold pitch exercise prevented the candidate from sufficiently preparing the pitch, and with the risk of failure being augmented, personal pride could be damaged.

*General observations about the Russian culture:*

1. There is a cultural and historic preference for a clear hierarchy, and comfort with inequality.
2. Generally, a strong need for agreement is displayed with open conflict viewed as uncomfortable.
3. Clarity in situations is sought, with discussion and negotiation acceptable to a certain degree.

In the team building exercise, a more egalitarian culture such as the United States, there would have been some discussion about individual players' strengths and weaknesses in order to settle on a team leader. This uncertainty and open discussion may have forced the hand of the Russian candidate to feel that he had to direct proceedings and take control. This approach would have been reflected badly in a standardised assessment scale examining teamwork.

*General observations about the Chinese culture:*

1. In Chinese culture, the individual is less important than the group, so discord would be frowned upon.
2. There is a strong preference not to give individual opinions or brainstorm openly when more senior people (here the assessors) are present.
3. Confrontation by senior managers is extremely uncomfortable: any direction or feedback given by the assessors would have been met with apparent ambivalence, as the display of emotion is not seen as a virtue.

In Chinese culture, there is strong reticence to display discord within a group when more senior people are present. This applies not only to physical groups, but also to virtual teams. In being exposed to a culturally uncomfortable situation, the Chinese candidate had reinforced his cultural preferences and disengaged from the exercise.

Although the above may seem to be representing extremes of each of the cultures discussed, when feeling discomfort, individuals tend to re-engage with the most prominent culture of their background. Hence, whilst each of the candidates were seasoned professionals, when exposed to the pressurised environment of an assessment exercise, their underlying cultural characteristics could be seen.

**Developing trust and communication**

Route map for engagement

- ~ Understand the underlying values
- ~ Engage with counterpart bearing in mind preferences
- ~ Become aware of any socialisation time needed

Effective communication

- ~ Synchronise your tone, style and formality of language to the audience
- ~ Ensure all voices can heard without cultural barriers
- ~ Develop a culturally acceptable strategy for discord
- ~ Design an appropriate strategy for feedback

### **Agility in the international marketplace**

Where cultural barriers to trust and communication exist in a contractual relationship, this can cost organisations significant amounts of time and money. It can lead to frustrated contracts, fraught relationships and withdrawal of services. By being prepared to put your notions of anticipated and acceptable behaviour to one side; observe patterns of displayed behaviour, and integrate these differences into your management style, it is possible to minimise roadblocks and mitigate existing friction.

The last industrial cycle drove organisations to pursue the goal of streamlining processes; adopting uniform best practices and embracing restructured service provision. Whilst this drive ensured that each element of a value-chain operated at its most efficient level, there was scant attention paid to those nuances in international markets or multinational teams which would have benefited from a more locally responsive mindset.

With these efficient processes in place, today's management thought recognises the accessibility of global markets and the increasing exposure to international finance, customers and employees.

***The emphasis today promotes the development of relationship over product and the recognition of the importance of trust and interdependence in instigating and maintaining multicultural networks.***

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*Dr. Sara Macedo is the founder of Konsensia, a cross-cultural consultancy. Her e-mail is [saramacedo@konsensia.com](mailto:saramacedo@konsensia.com)*