Interkulturelles Management: Friktionen und Fallen in internationalen Projekten
Methodischer Rahmen und Erfahrungen mit der Ableitung konkreter, operationalisierter Handlungsempfehlungen

Ralf Borchardt, Dipl.-Ing.oec, MBA, DBA, cand. Ph.D.
GPM, Hamburg, March 4th, 2016
rb@borchardt-gmbh.de
+49 / 171 / 641 81 45
Key Messages for today / State of Science

- Cultural differences can be measured by empirical means
- Dimensions lay the grounds for a structured and comprehensive approach
- Insights can be used for backward analysis
- Insights may have prescriptive character
- The challenge is to make it operational
- The challenge is to have it sustainably implemented
How to describe cultural Differences?

- Again, you feel there are differences, but how can you describe them in a *structured* and *comprehensive* way?

- Hofstede’s research: one approach among others

- IBM: Why does one and the same process work perfectly fine in one country – but not in another?

- As a result, Hofstede identified four (five, six) dimensions to measure cultural differences

- Quantifiable indexes
Hofstede’s cultural Dimensions

<table>
<thead>
<tr>
<th></th>
<th>Power Distance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>To which extend do people obey formal positions and orders?</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Individualism</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>To which extend are individuals independent?</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Masculinity</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>How ‘result-oriented’ is a culture?</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Uncertainty Avoidance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>How well can a culture deal with uncertainty?</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Long-term Orientation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>How far ahead do you think? How far do the constraints of tradition go?</td>
<td></td>
</tr>
</tbody>
</table>

- Trompenaars, Hall, Meyer et al
Hofstede: you can measure and compare!

Scale from 1 (very low) to 100 (very high). Differences of 10 points between two countries show a significant difference in workplace, attitudes and behaviors.

<table>
<thead>
<tr>
<th>Countries</th>
<th>Power distance</th>
<th>Uncertainty avoidance</th>
<th>Individualism</th>
<th>Masculinity</th>
<th>Long-term orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>35</td>
<td>65</td>
<td>67</td>
<td>66</td>
<td>31</td>
</tr>
<tr>
<td>Netherlands</td>
<td>38</td>
<td>53</td>
<td>80</td>
<td>14</td>
<td>44</td>
</tr>
<tr>
<td>UK</td>
<td>35</td>
<td>35</td>
<td>89</td>
<td>66</td>
<td>25</td>
</tr>
<tr>
<td>France</td>
<td>68</td>
<td>86</td>
<td>71</td>
<td>43</td>
<td>-</td>
</tr>
<tr>
<td>Italy</td>
<td>50</td>
<td>75</td>
<td>76</td>
<td>70</td>
<td>-</td>
</tr>
<tr>
<td>Sweden</td>
<td>31</td>
<td>29</td>
<td>71</td>
<td>5</td>
<td>33</td>
</tr>
<tr>
<td>Russia</td>
<td>95</td>
<td>75</td>
<td>47</td>
<td>40</td>
<td>-</td>
</tr>
<tr>
<td>U.S.</td>
<td>40</td>
<td>46</td>
<td>91</td>
<td>62</td>
<td>29</td>
</tr>
<tr>
<td>Japan</td>
<td>54</td>
<td>92</td>
<td>46</td>
<td>95</td>
<td>80</td>
</tr>
<tr>
<td>China</td>
<td>80</td>
<td>40</td>
<td>15</td>
<td>50</td>
<td>114</td>
</tr>
<tr>
<td>South Korea</td>
<td>60</td>
<td>85</td>
<td>18</td>
<td>39</td>
<td>75</td>
</tr>
<tr>
<td>South Africa</td>
<td>49</td>
<td>49</td>
<td>65</td>
<td>63</td>
<td>-</td>
</tr>
<tr>
<td>India</td>
<td>77</td>
<td>40</td>
<td>48</td>
<td>56</td>
<td>61</td>
</tr>
<tr>
<td>Mexiko</td>
<td>81</td>
<td>82</td>
<td>30</td>
<td>69</td>
<td>-</td>
</tr>
<tr>
<td>Brazil</td>
<td>69</td>
<td>76</td>
<td>38</td>
<td>49</td>
<td>65</td>
</tr>
</tbody>
</table>
Challenge: Making it operational

- Again, a sound framework for analysis
  - Now you know where the differences are

- But you still have to make insights operational and applicable

- And: be aware of stereotypes and generalizations
  - There is no such thing as an average Indian or typical German!
India

(a mentality hard-wired totally differently)
Profiling (1)

- As a German you
  - Show little power distance
    - You are not familiar with protocol
  - Rate high on individualism
    - You assume your partner is in the position to make decisions
  - Rate high on masculinity
    - You are performance- and results-oriented
  - Dislike uncertainty
    - You prepare extensively for the meeting
  - Rate low on long-term orientation
    - You focus on this problem at hand
Profiling (2)

- An **Indian**
  - Shows high power distance
    - Has to obey protocol and acts within a narrow area of authority
  - Rates high on collectivism
    - Has to balance it out with others – and assumes you know this
  - Rates low on masculinity
    - Is rather relationship- and harmony-oriented
  - Is less concerned about uncertainty
    - Doesn’t feel the strong need for planning and structure
  - Rates high on long-term orientation
    - If it doesn’t work this time, it will somewhere in the future…
India: An Example for a Drama (1)

- You apply all what you learned about meetings, decision making and agreements. In brief, you:
  - Prepare for the meeting properly, structured and in detail
  - Clarify goals, options and constraints beforehand
  - Travel to India (travel, jet-lag, chaos, heat, humidity, germs, spices, traffic…)
  - Deeply discuss the concept/topic with your counterpart
  - Invest much time, heart blood and devotion
  - Highlight, re-consider and confirm all the details
  - Feel great because you see shaking heads
  - Summarize carefully
  - Gain a commitment (at least, you think so) and shake hands
  - Consider it done
India: An Example for a Drama (2)

- So far theory and expectation. In reality you might be irritated by
  - Indian negotiation folklore
  - Participants coming in and getting out
  - Some leaving and without notice, some not coming back
  - Partners writing emails while you talk to them
  - Or accepting lengthy phone calls, even private ones
  - The absence of an agenda or structure
  - People freely jumping to other details – and jumping back
  - Counterparts not being prepared for the meeting
  - Participants being late for the meeting

- In brief, you witness all the things you simply do not know from home
India: An Example for a Drama (3)

- Much of the former (both Indian and German!) can already be explained by Hofstede’s dimensions!

- Let’s now assume you successfully finish your walk through this bazaar. But the story goes on!

- The very next day you come to work, just to learn that all or some commitments are neglected

- What has happened over night?

- Let’s have a look!
India: An Example for a Drama (4)

Some explanations are:

- You misinterpreted the body language: shaking the head does not mean commitment.  
  - power distance, collectivism, high context cultures
- You overrun and overwhelmed people – Indians do not feel the need for extensive preparation.  
  - uncertainty avoidance, masculinity  
  - In addition, Indians are more pragmatists than theorists.  
  - And: Indians make decisions freely *in* the meeting, not *before*.
- Indians have a hard time in admitting deficits, freely mentioning concerns and bad news or just saying “no” – they simply don’t have the tools for doing so.  
  - power distance, collectivism
India: An Example for a Drama (5)

- Some more explanations are:
  - Indians have to get in sync with their peers and superiors – and assume you are aware of this **collectivism**
    - Consistently, any commitment is given under this constraint
    - An Indian individual can hardly give a commitment alone
  - Reality flows and things constantly change – any agreement is consistently relativistic and by nature of little sustainability **uncertainty avoidance**, **polychronic time**, **high context cultures**
  - Indians do not have a reconciliation mechanism for such a situation (‘rowing back’)
  - One way out then is to neglect handshakes – one thing you should never do in a German environment!
India: An Example for a Drama (6)

- Summary:
  - Sources of harmful conflict are manifold
  - An open mindset and bridging is mandatory
  - Functional thinking with narrow areas of responsibility
  - Even in case face-to-face works out great there are organizational challenges
  - Patience, openness and willingness to learn
  - Some Indians know and understand Western style
  - A remark on the IT development cycle: ‘works as designed’ problem
  - Strong QA right from the beginning – and continuously
Making it operational: One-Pagers

- One-Page Insight Summary for Indians
- Don’t misunderstand German distance or ‘arrogance’
- Never take challenging personal
- Expect Germans to come straight to the point – little warming up
- If you want to impress Germans, show you are a ‘structured’ and well ‘organized’ thinker & contributor
- When faced with a problem, look for solutions (instead of returning two problems)
- Bring each item to an end before moving on to the next one
- Do only one thing at a time
- Dedicate your full concentration on your partner
- And “stick” to agreements – and dates – unless explicitly revised
- Be prepared and be timely – understand what is important to Germans

- Something you can refer to
- Simple for operative use
- The result is important
- But even more: the process that leads to them
- Condensed result of a 1½ year process
- Designed for both parties
One-Page Insight Summary for Indians (1)

- Never take challenging personal
- Expect Germans to come straight to the point – little warming up
- If you want to impress Germans, show you are a ‘structured’ and well ‘organized’ thinker & contributor
- When faced with a problem, look for solutions (instead of returning two problems)
- Bring each item to an end before moving on to the next one
- Do only one thing at a time
- Dedicate your full concentration on your partner
- And “stick” to agreements – and dates – unless explicitly revised
- Be prepared and timely – understand what is important to Germans
One-Page Insight Summary for Germans (1)

- Understand collectivistic dynamics and protocol
- Understand that decision making and consensus building happen differently
- Your partner may not be in the position to make decisions immediately
- Know that any criticism might be understood as being personal
- Do not ‘punish’ for bad news
- Encourage decision making
- Do not misuse shared inside information
### Additional Dimensions: 24 in total

- Hofstede’s dimensions explain 60-70% of observations
- Other authors offer different dimensions
- Consistency: redundancies require consolidation
- Validity: each of varying relevance

<table>
<thead>
<tr>
<th>Hofstede: PDI</th>
<th>IND</th>
<th>MAS</th>
<th>UNI</th>
<th>LTO</th>
<th>IVR</th>
<th>MVP</th>
<th>LHC</th>
<th>UVP</th>
<th>IVC</th>
<th>NVA</th>
<th>SVIO</th>
<th>AVA</th>
<th>ART</th>
<th>COM</th>
<th>EVA</th>
<th>PER</th>
<th>LEA</th>
<th>DEC</th>
<th>TRU</th>
<th>DIS</th>
<th>SCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hofstede: IND</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hofstede: MAS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hofstede: UNI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hofstede: LTO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hofstede: IVR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hofstede: MVP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hofstede: LHC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trompenaars: PDI</td>
<td>S</td>
<td></td>
<td>M</td>
<td></td>
<td>M</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trompenaars: IND</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trompenaars: MAS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trompenaars: UNI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trompenaars: LTO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trompenaars: IVR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trompenaars: SIV</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trompenaars: MIV</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trompenaars: MVP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trompenaars: UVA</td>
<td>S</td>
<td>M</td>
<td></td>
<td>M</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trompenaars: NVA</td>
<td>S</td>
<td>M</td>
<td></td>
<td>M</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trompenaars: IVR</td>
<td>S</td>
<td>M</td>
<td></td>
<td>M</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trompenaars: EVA</td>
<td>S</td>
<td>M</td>
<td></td>
<td>M</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meyer: COM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meyer: EVA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meyer: PER</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meyer: LEA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meyer: DEC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meyer: TRU</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meyer: DIS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meyer: SCH</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Experiences that make you go ballistic

- Be ready for the unexpected!

  - It might go far beyond what you can imagine

- Stay cool and think before reacting
Key Messages for today / State of Science

- Cultural differences can be measured by empirical means
- Dimensions lay the grounds for a *structured* and *comprehensive* approach
- Insights can be used for backward analysis
- Insights may have prescriptive character
- The challenge is to make it operational
- The challenge is to have it sustainably implemented
- Operationalization: condensed and referenceable one-pagers
Workshops

1. Intercultural Issues

2. Leadership/Management/Senior Management Expectations

3. Sabotage – Collaborative and Non-collaborative Behavior


5. Business Strategy and IT
Thank you!