

Gained in Translation

Understanding cultural differences in leadership



By Richard Berman

As global economies continue to integrate, record numbers of American workers now spend some or most of their professional lives outside of the country. The bipartisan Americans Abroad Caucus, which includes numerous members of Congress, estimates that between 4 and 10 million Americans live overseas, and while many of them work for subsidiaries or foreign offices of U.S. companies, a large number work for foreign companies. Not surprisingly, one of the major challenges that these workers face in the workplace is understanding the cultural differences that can affect their success.

To help business travelers and expatriate workers understand the nuances of working in other countries, a cottage industry of experts has arisen in the field most commonly known as business etiquette. There are dozens of books on the subject providing advice on everything from business-card etiquette in China (always accept cards with two hands) to shaking hands in Germany (keep the other hand out of your pocket), and a small army of consultants offers courses and one-on-one training for workers who are planning to work in other countries.

While mastering these outward protocols is important, the disparities between senior executives in different countries extend well beyond superficial cultural conventions. Knowing what these differences are — and how to navigate them — is a critical step toward succeeding in a non-American company, according to Dr. Robert Kabacoff, vice president of research for Management Research Group. “The reality is that leaders in different countries have different styles and approaches,” he says, “and it is critical to understand how they approach the leadership task differently.”

Kabacoff, a clinical psychologist who focuses on leadership, management and organizational development, has recently completed a 10-year research project of more than 55,000 executives in 20 countries and has uncovered some interesting data on how executives around the world lead their companies.

“We looked at 22 aspects of leadership having to do with how leaders create a vision, develop followers, implement their vision, achieve results, develop teams and how they foster

cooperation,” he says. “One of the things we really wanted to understand was which companies are most similar to the United States and which are different.”

As might be predicted, Canada is closest to the United States in terms of leadership style, but some of the surprises are which countries are least similar. “There is a stereotype that working in Asia is a recipe for culture shock, but we found that some of the biggest differences are between the United States and Germany, France and Sweden,” Kabacoff says. While the day-to-day protocols for doing business in Korea, Japan, China and other Asian countries might be different on the surface, he notes that Swedish and U.S. leaders have some profoundly different approaches to leadership. “In Sweden, innovation is a real key to leading, and leaders are comfortable in risk situations,” he says. “There is a greater focus on achieving consensus than you would see here, and there is also much more feedback given after a job is completed. American executives might do a post-mortem, but in Sweden it is a far more involved process.”

So what does this mean for Americans who are planning to work overseas? Helen Peters, who heads a leadership development practice for Torchiana, Mastrov & Sapiro, a Bay Area firm that provides personalized leadership development and career transition programs, says that there are two main things that people need to keep in mind. “It’s a very complicated topic to understand, but what the research shows is that in spite of the huge differences in how countries approach leadership, two universal qualities are empathy and vision,” she says. “Executives in every country are successful when they can see situations through other people’s eyes, and they also need to be able to see the big picture. It doesn’t matter if you’re in California,

Taiwan or Italy — those are universal skills.”

Understanding the intricacies of how overseas executives work isn’t just useful for employees who are headed out of the country to work. An increasing number of Bay Area residents work for companies that are owned or controlled from outside the United States, meaning that even though the majority of their co-workers may be American, in many cases decisions are made by executives based overseas. That means that certain workplace behaviors (such as more formal dress codes and rigid hierarchies) that may seem out of place in Northern California might find their way into a local subsidiary of an overseas company. For employees in these kinds of companies, learning about the role of cultural differences on leadership styles might be a good idea, even if they don’t plan to work abroad. The information might also prove useful for American companies that find themselves not quite in sync with overseas partners and vendors.

Because of the global nature of business today, creating common ground between executives in different countries is often not as simple as a one-to-one relationship. “It’s very rare for international companies to work in just one geographical region,” Kabacoff points out. “In many cases you’re looking at an interlocking system of executives from many countries, and each of them brings his or her own cultural perspective. Many executives also work in several places around the world in their careers, and successful ones know how to integrate the local customs and viewpoints into their thinking.”

This Thursday and Friday Dr. Kabacoff will be leading free sessions for HR professionals in the Bay Area who are interested in learning more about his research into global leadership. The program, entitled Success Strategies for the New Global Leader, is being organized by Career Partners International and hosted by Torchiana, Mastrov & Sapiro. To attend the presentations in Santa Clara, San Francisco or San Ramon, please contact Susan Ruegsegger at (925) 838-9720.