



A Position Paper from The Summit Global Network

Cultural Agility and the Future of Growth

Our position is that “cultural management” is too often an attempt to pay “lip service” to what’s believed to be a “diversity” issue. However, we’ve found that global organizations enhance profit and growth through an appreciation of the contributions and utilization of what we’re calling here “cultural agility.”

1. Why cultural agility is vital to performance growth

An enormous amount of research has been undertaken in relation to organizational¹ culture, from a variety of perspectives and disciplines including anthropology, sociology, organisational behaviour, management science and organisational communication. Edgar Schein is considered a founding father in the field of corporate culture and he defined organisational culture as

The deeper level of basic assumptions and beliefs that are: learned responses to the group's problems of survival in its external environment and its problems of internal integration; are shared by members of an organisation; that operate unconsciously; and that define in a basic ‘taken-for-granted’ fashion in an organisation's view of itself and its environment.

(1999, p. 24),

Schein proposed that there are three levels of organisational culture,

- Level 1 – artefacts which are visible such as organisational structures and processes; these are hard to decipher but this is the easiest level to observe in an organisation; they are what is seen, heard and felt;
- Level 2 – espoused values that are the strategies, goals, and philosophies; these may or may not be consistent with exhibited behaviours; and

¹ We use the spelling consistent with the country of the writer’s primary business site.

- Level 3 - shared tacit assumptions that are the unconscious and taken for granted beliefs, perceptions, thoughts and feelings; they are perceived to be the ultimate source of values and action.

Organisational culture is important because cultural elements determine the strategy, goals, and modes of operating of the organisation. These important elements, which are largely invisible, affect relationships with managers, attitudes towards customers, and strategies for career advancement. From this perspective, organisational culture is the sum total of all the shared, taken-for-granted assumptions that a group has learned throughout its history. It is the shared mental model and the foundation for success.

Given that organisational culture represents the accumulated learning of a group and a specific way of thinking and feeling and world perception that contribute to a group's success, Schein (1999) argues that the difficulty in affecting change in organisational culture is understandable. Kotter and Cohen (2005) disagree with Schein's viewpoint, arguing that if an organisation is 'open', it can get 'buy-in' to the process, thus assuring that change is possible and successful.

The difference between open and closed organisations is mainly one of adaptability to continual change (Mink, Esterhuysen, Mink and Owen 1993). Therefore, intelligent, open organisations are focussed on being adaptable and agile rather than seeking stability or continuity. The degree of openness or otherwise exists on a continuum because no organisation will ever be completely 'open' or completely 'closed' For example, during a time of little or no change, an organisation focusing on a culture of stability and continuity should be successful. In times of continuing change, with the need to be constantly adapting, an organisation that is focusing on maintaining stability will struggle to be successful.

As such, cultural agility helps an organisation to be open, flexible and responsive which are all necessary ingredients for performance growth

References

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- Mink, O, Esterhuysen, P, Mink, B & Owen, K 1993, *Change at work*, John Wiley & Sons, San Francisco.

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2. Success in the Borderless World

We have come to the point where the world is truly without borders and talking about a 'global marketplace' is almost an oxymoron. This is clear for corporations who operate around the globe. However, it's equally true for smaller businesses because if you have a website, you are a global player. At any time, someone on the other side of the world can be looking in your on-line shop window. Quite quickly, technology has all but obliterated the barriers to doing business with anyone, anywhere, for nearly everyone.

So while 'going global' is so accessible these days, it's important to understand what's required to successfully do business in other parts of the world and achieve consistent results in those markets. While either technology or bricks and mortar give you a presence, success depends on your organisation's ability to understand and adapt to different cultures. Ultimately, leaders need to make local decisions about every aspect of the value chain – from product development to customer service.

Doing this poorly can mean lost opportunities, weak customer relationships, poor teamwork, staff turnover and ineffective alliances. The need for leaders to have skills to support cultural agility is as important in head office as it is in local field locations.

Fostering a leader's personal cultural agility is a critical place to begin, as this will have an immediate impact on decision-making and relationships. Companies accomplish this often by rotating executives into overseas assignments to provide real, hands-on experience. However, our experience is that the executive is rarely prepared or coached for the new skills required in these roles.

Over the past fifteen years, I've worked on five continents and lived on four, which has given me a huge opportunity to observe global companies and expatriate leaders, not to mention learn personally. I have found that focusing on the following key areas are an excellent start to working effectively in different cultures. Or, as a seasoned global manager, use this as a scorecard to improve your skills.

1. Be curious—Seek to learn more and understand why. Listening is crucial because you can't learn if you're the one speaking. Ask for input and then ask, 'what makes you think that?' When working overseas, it's not uncommon to feel unsure or

ill at ease at times; becoming curious and taking an ‘I wonder why?’ approach can help you learn what’s needed or generate new ideas.

2. Shift perspective—In order to adopt a different way of engaging, we need to be able to ‘turn-off’ our own ‘default’ settings. Can you stop your automatic assumptions, historical ideas and paradigms about how things are done? When I’ve worked as an expatriate, I’ve been able to integrate myself most effectively when I’ve attempted to suspend as much as possible my own beliefs. This has enabled me to be open to new ideas and learn quickly.
3. Look for commonality—While it’s easiest to see what’s different, look further to find what’s common. Multi-cultural teams that are successful have a strong sense of what’s in common. It is more powerful to leverage what is common.
4. Observe—One of the best ways to learn what works is to simply observe what’s happening around you. You can do this extemporaneously, in the environment around you. Or, seek out those who are respected and effective, and observe their approach; take a more focused approach and ask how they would handle specific situations.
5. Evaluate results, don’t judge the approach—When I travelled to Vietnam a few years back, a popular turn of phrase was ‘same same but different.’ While you may be struck and distracted by the different ways that people get from a to b, what’s important is the result that’s achieved. When issues arise, focus the conversation on what needs to be accomplished to get a quicker resolution.

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3. Why cultural agility is vital to performance growth

In entrepreneurial organizations, culture doesn’t just rely on geographical boundaries. Culture is set—primarily—by the founder’s values. This is both good and bad. It’s good because everyone knows and understands the founder’s focus on operations, quality and customer service. It’s bad because the culture is limited to the founder and his or her ability to personally influence each employee. To correct this, entrepreneurs need to build the corporate culture beyond their technical expertise in operations.

To build a corporate culture beyond themselves, successful entrepreneurs have done the following:

1. They thought, planned and acted like a big company.
2. They shared their dreams and why they started the company and used these emotional messages to generate emotional commitment from their employees.

3. They focused on building systems and processes that standardized activities and enhanced training.
4. They used metrics to hold people accountable and track progress.
5. They blamed a system, or a lack of a system, when a problem occurred. They didn't blame the person.
6. They celebrated success and learned from mistakes.
7. They invested in and trained their employees as if this would be a life time career.
8. They built a management team around them and hired smart people to grow the company.
9. They built a business that had a separate identity and a separate purpose from their personal lives.
10. They let go of the need to control everything.

Building culture in an entrepreneurial organization means establishing and communicating values that drive the desired behaviors and generate results. Entrepreneurial companies that generate results will find that expanding across borders is easier than they thought.

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4. Around the Block or Around the World

I was having trouble finding what I was looking for on recent visit to a Target store, so I asked a woman stocking the shelves for help. She also couldn't find the elusive item, then asked a number of her colleagues for their assistance.

It's a normal scene in customer service, except there was one difference. She was only speaking English with me—all conversations with her fellow Target employees were in Spanish.

When the topic of cultural agility comes up, most people assume it is only needed to work across national borders. "Intranational" cultural differences are seen as the domain of "diversity," where managers are trained to include everyone's different viewpoints to make a stronger team.

This experience at my local hometown Target highlights the significant cultural borders that managers and business leaders must skillfully navigate in order to lead high performing teams. These are the same cultural agility skills whether the team is spread around the world or around the store.

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Our intent was to provide a cross-section of ideas about the creation, management, profitable application of cultural agility from global thought leaders. We hope you've been able to identify some immediate application for your organizations. Please see other position papers on a variety of topics on the Summit Global Network site, and visit these contributors' sites to find out much more about their approaches to client productivity and market leadership.

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