CULTURE-BASED MANAGEMENT

GETTING THE BEST FROM GLOBAL TEAMS, PROJECTS, AND COLLABORATIONS
“THEY JUST DON’T GET IT”

- History of approach not working
- Recognized cultural pattern
- Continued using ineffective approach
THE BAD NEWS

"Culture has emerged as one of the dominant barriers to effective integrations."
--Deloitte

“Nearly 50% of companies failed to achieve stated objectives.
--Aon Hewitt

“Culture clash was the No. 1 reason for a deal’s failure to achieve the promised value.
--Bain

“Even M&A veterans will require new tools for analysis and integration.”
--McKinsey
GOODWILL IS NOT ENOUGH

Cultural difference creates problems for companies with

- Good reputations
- Compatible products
- Honorable intent

Even when they’re the customer

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THE GOOD NEWS

- Each tendency has strengths and weaknesses
- None is inherently better
- Diverse teams outperform

Through cultural *synergy*
Achievement/Endowment Attitudes Towards Status
PUTTING CULTURE TO WORK

ANALYZING AND RECOGNIZING TO CREATE STRATEGIES
PLAY THE RIGHT GAME

- Recognize mismatch
- Change your approach
USE CULTURE-BASED STRATEGIES

- Watch for confusion
- Explain and ask
- Tailor your approach
MANAGING WITH CULTURE

INTEGRATING DIFFERENCE AND CREATING SYNERGY
1. ANALYZE STAGE

Identify cultural tendencies and resulting differences in:

- Goals
- Strategies
- Policies and systems
THESE DERIVE FROM

Values

And priorities
2. RECOGNIZE STAGE

Determine

Potential and current problems

And potential synergies
3. CAPITALIZE STAGE

Avoid a cultural tug-of-war

- Establish goals
- Design policies & systems
- Model culture
- Reward appropriately

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DEALING WITH RESISTANCE

- Create a sense of urgency
- Explain reward system
- Goals drive policies

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4. DEVISE CULTURAL SYNERGIES

Show respect
Celebrate success
Be positive!
For the US manufacturer in China

For the US-Japanese software project
CULTURE-BASED MANAGEMENT

1. Identify cultural orientation
2. Assess problems & synergies
3. Design a goal-based culture
4. Devise cultural synergies