

# CULTURE MATTERS

Good working relationships are crucial to successful exporting. When it comes to multicultural situations, failure to understand your client's background can lead to risky business instead of a win-win outcome

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**H**AVE YOU EVER walked away from a meeting, completely baffled by why you failed to succeed at achieving any goals? Those who work in the export business are more than likely to experience this sense of bewilderment and frustration, due to the influence of cultural differences. Failure to understand differences in value systems can lead to miscommunication, delays, and even lost business.

The following scenario demonstrates a case where a lack of social and cultural awareness resulted in less than stellar results. An Australian software vendor's team had scheduled a project status update meeting in Kuala Lumpur with a Malaysian client. The agenda, prepared by the vendor, started with a proposal for the architecture of a new software solution. Although the vendor had been pushing for a decision for several months, the team was aware that the Malaysians were still not prepared to sign off on their recommendation.

After the usual exchange of niceties, the Malaysian project director, Aminah Ibrahim, addressed the first item on the agenda saying, "Datuk Ahmad still is not comfortable with the proposal". The Australian project manager, David McWilliams, responded: "But, Aminah, you know very well that we've asked countless times for a meeting with Ahmad to explain the proposal to him and he is never available. Moreover, each of you have gone over the proposal with a fine-tooth comb many times! Let me remind you that the longer it takes to get sign off on the architecture, the more costly the total installation will be!" he said, as he named and pointed his finger at the Malaysian team members.

In response, the Malaysian project director glanced at her Malaysian team, then looked down at her open palms and suggested, "Well, David, on that note, let's adjourn until we meet tonight for an early dinner".

The Australian project manager responded, "Oh, sorry. I forgot to mention that we're catching the afternoon flight back to Sydney. Maybe next time?"

On hearing this, the Malaysian team members stood up together and left the room.

What went wrong? Taking a closer look at the words and actions of both teams can provide some important clues regarding the importance of underlying values in this, and similar multicultural business meetings.

According to Dr Asma Abdullah, a Kuala Lumpur-based cultural expert, this type of situation is quite common when Anglo Saxon managers—who tend to be egalitarian as well as time-conscious and direct—work with Malays, who are hierarchy-driven, indirect and not so time-bound.

Confusing actions and interactions between different cultures can often be blamed on a divergence in values. In this case, the importance of consensus seeking, group affiliation, face-saving, and paternalism to the Malaysians versus the Australian tendency to value forthrightness, practicality, egalitarianism, and informality was a major cause of friction.

## MALAYSIAN CUSTOMS

According to Dr Abdullah, Malaysians share a strong sense of belonging, gotong royong or cooperation, and a spirit of collectivism that requires one to seek the views of colleagues before making significant decisions. So, in the case above, Ibrahim was unwilling to make a significant decision until her senior colleague was satisfied with the recommendation.

Group affiliation is another key value in Malaysian culture. Malaysians typically are involved in a system of relationships with colleagues and associates that contribute to a spirit of togetherness, founded on unwritten rules of trust and understanding. These relationships tend to take precedence over contractual obligations or a task. More often this value stems from common interests and backgrounds based on family affiliation and ethnicity. In this case, Ibrahim needs what she feels is sufficient time with the outsiders, including numerous meetings during business hours and after hours, to establish trust.

A strong sense of social sensitivity and shame encourages Malaysians to consider the feelings and reputation of other parties



**"THERE HAS TO BE A WIN-WIN OPTION"**

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## THE AUSTRALIAN ANGLE

In contrast, McWilliams came to the meeting with a differing set of values, beliefs, and personal cultural sense including forthrightness, practicality, egalitarianism, and informality.

Australian culture includes a belief that whatever needs to be said should be said honestly and directly without mincing words. Australians tend to be happy to meet conflict head-on and enter into arguments easily, without seeming to care what other people think about them. They rarely bear grudges and enjoy argument for its own sake. True to his forthright nature, McWilliams created a meeting agenda with a goal of sparking an exchange of information and discussion of agenda items in the hope that decisions made during a meeting could be recorded and people held accountable.

Australians are a practical lot. Whatever the challenge, Australians are generally willing to take it up, even at the risk of making fools of themselves. The traditional way of doing something may be scorned in favour of a way that is more clever or expedient. Australians like to innovate and employ lateral thinking to solve problems. They respect people who demonstrate a willingness to overcome, adapt and improvise. In this case, this means that McWilliams was willing to undertake expedient measures in order to solve problems. He views confrontation as necessary at times in order to get action.

Unlike the Malaysian hierarchical social system, Australians are generally egalitarian: no one is considered to be better than anyone else. The notion of a 'fair go' embodies mateship, freedom, support, tolerance for those who are less fortunate, and the idea of a common humanity. People who get ahead tend to

during an interaction, particularly if the others share one's racial heritage. Face-saving is intended to prevent damage to relationships and preserve the reputation of the other party. So, in the case above, Ibrahim reacted negatively to confrontation and what she viewed as overly casual or forward forms of address, such as using first names and dropping titles.

Another important value underlying Malaysian relationships is paternalism. The Malaysian society is a morally-based system of vertical relationships, including a code of personal conduct that tells how a subordinate should behave with others, especially with elders, and that manners should be practiced according to one's particular position.

A hierarchical society is likely to observe a paternalistic form of relationship, requiring those who are junior in age to avoid questioning their elders and superiors as a sign of respect and, reciprocally, a responsibility of leaders to care for and nurture their followers. Therefore, Ibrahim expects junior staff to be compliant with more senior staff's wishes. Avoidance behaviour is also apparent here, as Ibrahim is obviously not going to make a decision without being 'blessed' by her superior, Ahmad.

do so more by virtue of their character or personal achievements than by status derived from personal wealth or family background. There is muted acclaim for outstanding achievers, particularly if they are showy (aka the tall poppy syndrome). More respect is given to the quiet achiever, who is viewed more positively as a team player. As such, McWilliams expects information and experience to be shared freely, without impediments based on rank or seniority.

Many Australians feel embarrassed by what they view as pretentious shows and meaningless rituals and tend not to bother with them, preferring informal gatherings and exchanges. They value relationships that are open, friendly, relaxed, and personal, and to focus on personal qualities rather than business accomplishments and skills. McWilliams expresses this cultural preference for informality by communicating openly and directly so that understandings are clearly shared.

## BRIDGING THE GAP

Forging a good working relationship between two cultures is an important element of any multicultural business. As outlined above, the actions and responses of the key players in the case study were

- ▶ underpinned by cultural differences. The outcome of the meeting might have been more positive had the team members and managers been more aware of the other team's cultural sense. For example:
  - Both teams could benefit from getting to know one another better by spending social time together—including the more senior Datuk Ahmad—before engaging in project work. Any mention of time and the necessity of a plane to catch should have been avoided. Using threats and pressures to move things can backfire. There has to be a win-win option.
  - The Australian team could have been more effective if they'd shown respect by using the correct forms of address, including titles and rank, name order, naming conventions, and honorifics for each Malaysian group member. Also, they should have been sensitive in use of body language, such as not pointing fingers at team members.
  - A separate meeting between the Australian project manager and the Malaysian project director might have enabled both to clarify their concerns privately.
  - The agenda for the next update meeting should include a discussion of expectations for the meeting. More importantly, McWilliams needs to develop the agenda jointly with Ibrahim when they next meet. Obviously, the delay in signing off is due to some discomfort on Ahmad's part, which Ibrahim is not expressing. McWilliams will just have to be patient and build enough rapport with Ibrahim so she is comfortable expressing the real concerns.

Paying careful attention to the background and cultural insights of your clients and potential customers is a key factor in maximising the benefits and profits of your export business. **DB**

—Karen Huchendorf is the managing director of Global Interface, a Sydney-based cross-cultural training and development consulting firm she established in 1990. Malaysian cultural expert Dr Asma Abdullah recently retired from global energy giant ExxonMobil Corporation after spending more than 22 years in human resources development at the company.

## 'WE' CULTURE VS 'I' CULTURE

Malaysia is a 'we' culture and as such encourages individuals to work for consensus in the interests of the group. Australia is an 'I' culture, which encourages individual freedom and responsibility.

(selected countries from high to low)

'WE' CULTURES	'I' CULTURES
Japan	New Zealand
UAE	UK
India	Australia
Brazil	USA
Chile	Russia
Malaysia	

### TIPS FOR DEALING WITH 'WE' CULTURES FOR PEOPLE FROM 'I' CULTURES

- Show patience for the time taken to consult.
- Build consensus to move decisions forward.
- Expect tough negotiations—you must somehow persuade them to cede to the points which the multiple interests in your company demand.
- Appreciate that the negotiator can only agree tentatively and may withdraw any undertaking after consulting with their superiors.
- Give attention to esprit de corps, morale, and harmony.
- Don't assume lack of assertiveness means low commitment or motivation.
- Focus on group goals and rewards.
- Conducting business when surrounded by helpers means that this person has high status in his or her company.
- Aim to build lasting relationships.

—Based on the research of Trompenaars and Hampden-Turner as published in *Riding the Waves of Culture: Understanding Cultural Diversity in Business* (Nicholas Brealey Publishing Limited, 1997).

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