

# Coaching and Culture – Towards the Global Coach

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“If you don't know where you're going, it's difficult to say if you are lost.”

Chinese proverb.

An absolute change in the business environment is upon us. In the bright new world of *GloCos*, a term coined by Goldman Sachs in 2003 to describe the world's *Top 25 Global Companies*<sup>1</sup>, the needs of both organisations and management have changed irrevocably. The *global manager* is now a standard by which most executives will be measured. The corresponding term *global coach* comes to mind immediately once it is clear *cultural competency* will be a prerequisite for managers in the future. Companies and management in this new global workplace also will increasingly use innovative technology and new business structures, such as *virtual teams*, to accomplish in minutes, work that was previously done over many weeks and many frequent-flyer miles.

Consequently, coaches and the coaching industry must rise to the challenge. In order to provide continued excellence in coaching we must integrate real knowledge of cultural differences and corresponding innovative organisational structures as they influence both the global workplace and managers in a multicultural work environment. Awareness of cultural differences can be the key that leads to success or failure in the multicultural business context and mastering culturally relevant coaching skills may be an essential component to executive coaching in the future.

## A New Playing Field

*Natalija, a bright Czechoslovakian global manager, has identified a promising employee on her Chinese team in the Hong Kong office. She contacts the employee directly and offers him a managerial position on her staff. The employee's shocked silence is palpable to Natalija over the phone - she has made him uncomfortable but she doesn't know why. Natalija was not aware that even though she is an upper level executive, in a Chinese context she may not be seen as having the right to pull this employee out of his team and promote him. For the Chinese, a collectivistic<sup>2</sup> culture, group affiliation is considered much more important than individual recognition, as opposed to a more individualistic oriented cultural background typical of most Northern European and North American business people.*

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<sup>1</sup> Who will produce the next *GloCo*? Goldman Sachs - Global Economics Weekly, 10 December 2003; and *Getting Globalization Right*, Goldman Sachs, 2003

<sup>2</sup> Hofstede, G., *Culture's Consequences*, 2d ed. Sage, 2001.

*Natalija is also having some difficulties with her team in Tokyo. She eventually comes to the conclusion that the German coach who had been very helpful in a team-building exercise in the Johannesburg office of her multinational might be just the person to help one of the key specialists on the Japanese team. A few weeks later she receives a call from the upper manager of the Japanese team who appears to be quite offended. The German coach has refused to disclose what was being said during the coaching sessions. Natalija soon learns that the concept of “confidentiality” is interpreted quite differently in Japan.*

*Natalija also is very uncomfortable with a team she cannot drive and control like a “squad”. She feels that mainly providing business direction is not “real” management. Natalija comes from a culture where a high rank implies full power over lower-level employees and where instructions have to be followed - no questions asked.*

Business has changed. With innovation in telecommunications, corporate teams are now dispersed on a global scale and will be increasingly so in the future. *On-site teams*, for which a face-to-face direct relationship on a daily basis is possible between managers and subordinates, are increasingly being replaced by *remote teams*, where employees are either working from home; from an office location close to their residence; or from another country altogether.

The widening variety of geographical locations for employees in global companies has led to increased contact between individuals of diverse backgrounds and cultural beliefs. These cultural differences introduce an additional level of complexity in the arena of management in the global marketplace. Issues related to the use of power, the importance of hierarchy, performance and outcome evaluations, gender and ethnicity, and even such seemingly innocuous issues as the use of humour in the workplace, may present significant challenges.

Also, the new crop of international executives coming from emerging markets such as Central Europe or China will soon add their belief systems and practices to the “mix” of global business. Currently, the typical international manager’s behaviour is based on a North American model and is seen as an assertive person, who thinks *inductively*<sup>3</sup>; communicates and deals with conflict *directly*; and who works hard towards attaining short term objectives and keeping time frames. With the arrival of Asian colleagues, for example, the executive marketplace may be obliged to expand its array of desirable behaviours to include such things as: long term vision, discretion, subtlety, and respect for historical resources.

### **New Business Environment**

*Helen, a U.S. citizen, is a large accounts executive for an American telephone company. Among her clients is a national bank that has just merged with a huge European financial institution. Consequently, Helen is now responsible for managing sales teams in France, Germany, Italy and the UK. She is not comfortable, however, dealing with her European colleagues who have what seem to Helen to be endless business lunches - during which wine and beer are consumed. Her customer is also now considering a relocation of back office support services to a location in Bombay. After an initial visit to discuss bidding with local telecommunication companies, Helen is somewhat shocked to discover quite different negotiation practices are commonplace in India. Helen’s personal coach back in New York is*

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<sup>3</sup> *Inductive* modes of thinking start with facts, some examples being the US and Switzerland, while *deductive* cultures, such as France favour reasoning stemming from theoretical bases.

also at a loss as to how to support and empower her. The coach is embarrassed and feels inadequate.

In addition to experiencing *culture shock*<sup>4</sup>, which will be discussed further, Helen is discovering the effects of global business transformation. This transformation involves fundamental changes in the way business is done on a global scale and is being driven by leading corporations aiming for dominant worldwide status.

For example, *GloCos* are moving vigorously towards new “vertical” organisation layouts, far from the classical pyramid shaped “by country” management system of the past. This shift prioritizes the *functional* needs of the company over geography. Additionally, trends towards *externalisation* and *delocalisation* in global business have created a breakthrough towards improving *Expense to Revenue Ratios (ERR)*. Other multinational companies will now be forced to follow the above-mentioned *GloCos* and their modified business practices in the new global marketplace, simply to be able to survive.

The *matrix* management model, as defined by Frederick Taylor in 1911, was a landmark concept, but impossible to implement until powerful information technology systems became available to handle increased volume and complexity of data. Viewed in terms of a multi-dimensional matrix model, the relative importance of: product categories, marketing channels, customer segments, and geography can now be re-examined and prioritised in terms of the company’s priorities worldwide. Gone are the days when a multi-national company had local management deciding upon local branch strategies. Even distribution channels are most often designated within the larger matrix organisation and are no longer country specific. Lines of communication are based on need and expediency as opposed to an imposed hierarchy. This organisation model can be immediately reactive and extremely efficient.

Lowering product costs via manufacturing, marketing and distribution savings together with a shift towards minimising infrastructure expenses have been areas of business concern in recent decades as well. Executives now focus on the *Expense to Revenue Ratio (ERR)* which indicates how they compare to their competitors in terms of *efficiency*. A low ERR demonstrates that superfluous expenditures have been eliminated, usually through a combination of improved technologies together with reorganisation strategies such as: *vertical structures, delocalisation and externalisation*.

*Vertical structures* lead to savings by eliminating layers of management and hierarchy and centralising administrative and financial tasks that were previously replicated in each country where the global company has branches. Vertical structures also allow for the implementation of *standard operating procedures* resulting in tighter overall control in international business. Change and unexpected events at any of the global companies’ locations can subsequently be addressed quickly by *virtual teams*.

*Delocalisation and externalisation* became increasingly popular as of the 1980’s, when business focus was on *production cost hunting*. Large plants were often relocated to areas of the world where labour costs were significantly lower than in economically prosperous countries. In increasing efforts to cut *infrastructure expenses*, all back office activities are now exposed to possibly being relocated to countries where high skills are available at lower cost, or to being outsourced. It is important to understand that *delocalisation* of back office

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<sup>4</sup> Ward, C., Bochner, S., and Furnham, A., *The psychology of culture shock*, Routledge, 2001.

services has only become possible because of the implementation of *vertical structures* - itself a consequence of improved information management.

Thus, we see clear trends of global companies moving toward a model of lean, adaptive, and efficient international operations in which *business* and *functional unit* executives are increasingly required to manage diverse and semi-autonomous teams from afar.

### **The Global Executive**

In tandem with the need to integrate organisational change in order to remain viable in the global marketplace, businesses now need a new kind of manager. This new breed of executive will be someone who is able to master an innovative array of business concerns and methods such as *virtual teams*; *remote operations*; complex changing environments; decision process uncertainties; and, of course, cultural differences. Consultants and publications have already identified these people as *global managers*, or *global executives*, and have defined their skills, qualities, and strengths; as well as possible weaknesses. An interesting characteristic of current *global managers* is that they usually employ the “manager as coach” model themselves and are therefore familiar with coaching techniques. Today’s global managers are accustomed to leadership in its myriad forms worldwide and most often bring practical personal experience to their own management repertoire.

In the new business environment, efficiency prevails and the ability to react quickly to change is the top criteria of global companies. Of course, such innovations are oriented towards stream-lining tasks rather than managing people. On-going needs for flexibility and human interaction, however, can be addressed by the use of equally innovative organisational tools such as *virtual teams*, which, in turn, imply profound changes in management. For example, reportees are far away and dispersed, and it is not possible to exert as much control as if everyone were housed together in the same building. Consequently, when using virtual teams it becomes helpful, even necessary, to empower intermediate levels of management and to strongly encourage initiative. By encouraging initiative, however, employees are also being encouraged to take more risk. It is crucial, therefore, to establish an environment where employees are allowed to make mistakes and to reinforce an over-all *blame-free* atmosphere of corporate culture.

Classic management techniques such as *directing* or *delegating* will not work particularly well and *facilitation* is preferable when working with teams and individual employees in this model. The paradox is that despite a strong task orientation, new global organisations need to focus much more attention on their people, whose subsequent involvement, dedication, and commitment to the team will bring about the most positive business outcome. The new global executive has to be not only a business specialist but also a human specialist.

### **Cultural Competency**

*Olivier is an experienced Swiss manager who works for a petroleum company. He receives a new assignment: reorganising operations in Southern Africa. In Botswana, the general manager of the subsidiary just retired and he must promote one of the existing intermediate managers. Olivier favours a competent Korean expatriate but a local person argues that he deserves the job, being the son of a tribal king. Olivier is now faced with managing a*

*difference in cultural beliefs where ascription<sup>5</sup> - promotion according to status - is valued as opposed to achievement. As with Helen, Olivier experiences culture shock.*

Skill at dealing with cultural differences cannot be underestimated and can be crucial to success or failure for the global manager. Some hierarchically oriented cultures, who may be accustomed to a more *autocratic* management style, would be especially uncomfortable working in the changing workplace described in the previous section. French executives, for example, may particularly dislike the idea of interdependence and the sharing of management prerogatives. *Hierarchically* oriented cultures such as France and many Asian countries prefer a social structure that includes stratification and the existence of “respected superiors”, while *egalitarian* cultures such as the United States and most northern European countries, favour social differentiation based on professional achievement.<sup>6</sup>

For the global executive, there are three types of relationships in the workplace that are likely to be affected by cultural differences: the executive as a member of a multicultural management team; as the leader of a multicultural team; and as an individual relating with others - albeit peers, upper management, or customers.

Regarding teams, cohesion in multicultural teams can often be very high and provides its own source of satisfaction and motivation for team members<sup>7</sup>. However, it appears that either team cohesion is almost immediate, and trust is evident right from the start, or not at all. Therefore, global managers need to be aware and well-versed at encouraging the *swift trust* phenomena, or risk failure. This apparent paradox may be due to the fact that team members are encouraged to contribute as individuals and think for themselves. Also, cultural differences may afford some protection against the pressures of autocratic or normative management.

Issues related to individual relationships in the global workplace stem from the varying perspectives regarding ways of being, thinking and behaving. An *inductive* American will not easily accept the deductive approach of a French person, considering this as a lack of *pragmatism*<sup>8</sup>. A very *particularistic*<sup>9</sup> African, whose culture easily tolerates exceptions to rules, will be hurt by the *universalism* of a Swiss, who most likely prefers the same standards and procedures applied to everybody. A German person will always start and end a meeting right on time and this may possibly upset the *polychronic* employee who expects that the company bus will leave only when it is full<sup>10</sup>. Ultimately, an experience in expatriation that goes poorly may result in the previously mentioned *culture shock*, which can be understood as a transitory form of depression<sup>11</sup>. Interestingly, ending an expatriation, and returning to

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<sup>5</sup> Trompenaars, F. and Hampden-Turner, C., *Riding the Waves of Culture: Understanding Diversity in Global Business*, McGraw Hill, New York, 1998.

<sup>6</sup>Hofstede, See note 2.

<sup>7</sup> Leigh, A. and Maynard, M., “Virtual teams”, Chapter 17 in: *Leading your team, how to involve and inspire teams*, Brealey Publishing, London, 1995.

<sup>8</sup> Hall, E.T. and Hall, M. R., *Understanding Cultural Differences: Germans, French and Americans*, Intercultural Press, 1990.

<sup>9</sup> Trompenaars and Hampden-Turner. – See note 5.

<sup>10</sup> In monochronic cultures people concentrate on one activity or relationship at a time and are usually always on time. In polychronic cultures, people may deal with multiple tasks or relationships simultaneously and may have a more flexible concept of time management as noted in: Hall, E.T., *The Dance of Life: The Other Dimension of Time*, Reprint, Anchor Books/Doubleday, New York, 1981.

<sup>11</sup> Ward, et all - See note 4.

one's country of origin, often induces the same effect and has been called *reverse culture shock*.

### **New Challenges for Executive Coaches**

*Werner is currently coaching the General Manager of an airline company operating in the Middle East and Eastern Europe. The manager is an Egyptian citizen who has lived in California and Malaysia in the past, but who is currently based in Stuttgart. Werner sometimes has difficulties understanding his client who can be very factual and rational but may suddenly switch to long digressions on the political dynamics of the airline industry.*

The question for executive coaches is the following: how shall we adapt to the changing environment? Do we, for example, continue on using our current coaching rules and tools, possibly adapting some of them, or do we need to invent new concepts to cope with cultural differences and the new global marketplace? Are the precepts behind much of coaching theory culturally neutral or even applicable in a multicultural environment? How do I coach someone whose background is very different from my own?

While cultural differences in business have been addressed by such authors as Hofstede<sup>12</sup>, Trompenaars<sup>13</sup>, Lewis<sup>14</sup>, Marx<sup>15</sup>, and Brake & Walker<sup>16</sup>, the domain of intercultural coaching remains largely unexplored.<sup>17</sup> There are two reasons for this. Firstly, most multinational companies until very recently have continued on in the “country-specific” mode of operations. They have been slow to incorporate the lessons learned by the *GloCos* and are now scrambling to catch up. Secondly, although the number of managers capable of dealing with multiple cultures is increasing, the coaches actually able to provide quality services oriented to the multicultural business environment are still very uncommon. This is not because of a lack of coaching expertise, but due to the fact that relatively few professional coaches have had concrete experience themselves in international operations. It is only now, with the arrival on the coaching scene of a certain number of former global executives, who acquired their years of international experience by having worked themselves in differing multicultural settings, that this need will start to be addressed.

In regards to coaching techniques, we can identify a number of challenges. Firstly, tools developed and appropriate for one culture, especially psychometric tests, might need to be reconsidered for another culture. For instance, an *introverted* Italian employee, as measured using the MBTI, might end up actually appearing more *extraverted* “in person” than an *extraverted* Finn or Japanese person. Additionally, a significant number of the tools currently used in coaching were developed based on management techniques which are dated or inappropriate, and therefore unhelpful in a multicultural environment.

Secondly, if we assume the coachee is in an executive position in a modern global corporation, the notion of hierarchy may be significantly changed. The global executive now relates to a cloud of superiors, subordinates, peers, customers, and service providers, some of

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<sup>12</sup> Hofstede G., *Software of the mind: Intercultural Cooperation and its Importance for Survival*, McGraw-Hill, New York, 1991.

<sup>13</sup> Trompenaars and Hampden-Turner – See note 5.

<sup>14</sup> Lewis, R, *When cultures collide: managing successfully across cultures*, Intercultural Press, Yarmouth, 1999.

<sup>15</sup> Marx, E., *Breaking Through the Culture Shock*, Brealey Publishing, London, 2001.

<sup>16</sup> Brake, T., Walker D., and Walker T., *Doing Business Internationally: The Guide to Cross-Cultural Success*, McGraw-Hill, 1995.

<sup>17</sup> The only solid reference currently available is the text *Coaching Across Cultures* by Philippe Rosinski (2003).

whom may not even be employees of the same company. Written procedures may exist and everyone's role may be described in a job definition, but a significant part of decision-making processes rely upon individual relationships and mutual trust. The new companies are made up of a fine-tuned camaraderie, where everyone has an area of expertise but serves a common vision. *Cohesion* is more important than discipline and *action* is the primary source of job satisfaction.

Expectations are also key in the interactions between the coach and the coachee. In addition to the emotions generated by the interaction between two personalities in coaching, there is another emotional interaction which is caused by the coming together of two cultures. Most coaches have a good understanding of the psychological theories that attempt to explain human behaviour. But relatively few coaches are aware that the meeting of two cultures triggers something else which we can describe as an encounter between two different visions of life. Our response to these differences is not normally one we are conscious of, it is not at the level of emotions, but rather is expressed through cognitive processes such as *prototyping*, *categorising* and, ultimately *idealising* or *pejorating*.<sup>18</sup>

### **Towards a *Global Coach***

The average modern global executive is usually more familiar with cultural differences than today's average coach: he spends his whole life in international meetings and has no problem flying on the same day from Kuwait to Bolivia to mediate a business squall. Travelling is easier for the international manager than for the coach, and conference calls with peers, subordinates and bosses who are physically located in different countries have become the accepted method of communication in the international workplace. Dealing with cultural differences becomes a normal aspect of day-to-day business interactions.

However, although most coaches have a limited familiarity with cultural differences at this time - many may have a better understanding soon. Becoming well-versed in cultural differences via training and self-education is quite possible, and is analogous to the therapist who has no personal experience of divorce but is trained well enough to be able to help his patient who is recently separated. In addition to her knowledge of human nature, acquired training and personal self-exploration, today's coach should consider cross-cultural training. A special responsibility also rests with coaching supervisors who may misinterpret the actions of a *global coach* based on limited knowledge about cross-cultural differences and a lack of experience in multicultural business settings.

As mentioned above, cultural differences have been studied in depth for many decades now. A vast array of multicultural learning tools and resources has subsequently been developed, and can lead the interested coach from a general awareness of culture to the acquisition of a deeply integrated knowledge of cultural differences. It is now clear that a combination of didactic and experiential training methods provide the best path towards understanding and eventual *cultural competency*.<sup>19</sup>

Training on virtual teaming is less common. Current management classes usually focus on *directing a team* or *facilitating projects*. The problems of business at a distance are just now

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<sup>18</sup> Ward, et.al. See note 4

<sup>19</sup> A comprehensive starting point: Fowler S. & Mumford M., *Intercultural sourcebook: Cross-cultural training methods*, Yarmouth: Intercultural Press, 1995.

coming to the forefront together with other concerns regarding the use of modern technology. Specialists agree that maintaining human relationships has become increasingly important, not less so, with the use of technology. Despite breakthroughs in terms of usability and reliability, technology cannot replace the need for person-to-person contact and that most subtle and rich information source, non-verbal communication - that is lost over a long-distance phone line.

## **Conclusion**

*“If you don’t know where you’re going, it is difficult to say if you are lost.”* This old Chinese proverb tells us that what we do should be tied to a deeper understanding of what we intend to accomplish. It does not mean that there is only one understanding or one truth, but rather like having a good map in hand when we arrive to a new city; it helps to know which way to turn next. The *global coach* has to understand that interactions between people are also interactions between cultures.