NJ Organization Development LEARNING COMMUNITY

Chinese and Asian Business Practices, and the Impact of Intercultural Factors on Change, Development, and Performance

Annual Sharing Day 2012

Presenter: Walter Schwab

- 8 years in Asia: *China, India, Indonesia, Japan, and the Philippines*

- Global professional services organizations

  – Marsh Inc. [Risk and Insurance Services]
     25,000 employees

  – ReSource Pro [Business Process Outsourcing]
     1,000 employees, doubled in size over the past two years

  – Accenture [Consulting, Technology, and Outsourcing]
     175,000 employees

  – Toppan Moore Systems [Software Development/Implementation]
     500 employees

- "100 Best HR Management Companies in China"
  by 51job.com for 2009, 2010, and 2011

- "Best Training Program in China" by 51job.com for 2010

Agenda & Objectives

- **China & Asia**

- **Intercultural Factors**

- **HR & OD**
    - **Change**
    - **Development**
    - **Performance**

China

- **1.3** – **1.5** billion people

- **4**th largest country in terms of land mass

- **18** of the world's 100 largest cities

- **#2 largest** economy in the world

- **9.3%** average GDP Growth (1989 – 2010)

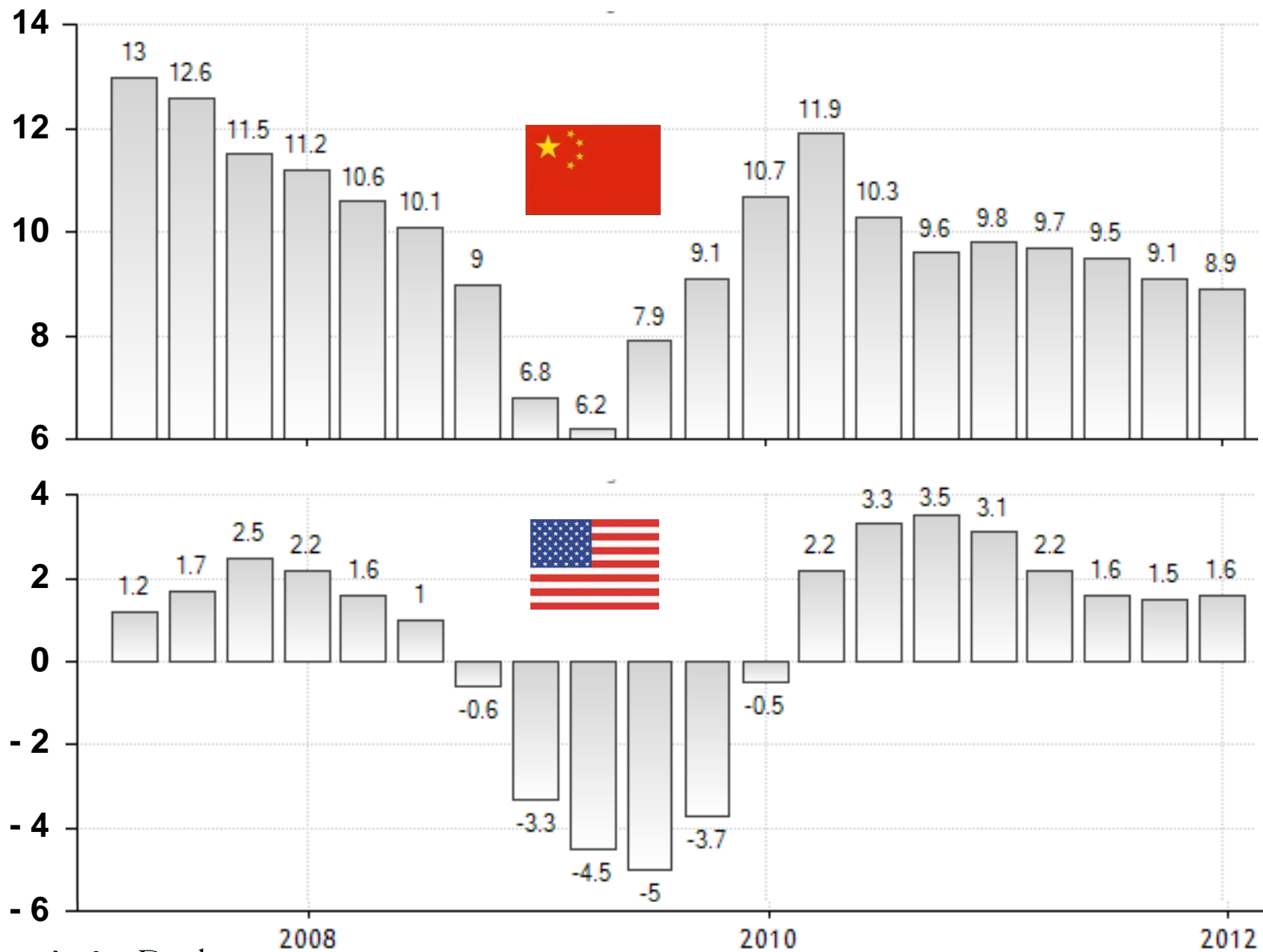**Source: The World Factbook, Central Intelligence Agency**

Asian Economies and Populations

- China (#2; 1.3 b*)

- India (#3;1.2 b)

- Indonesia (#15; 248 m)

- Japan (#4; 127 m)

- Philippines (#32; 103 m)

- Singapore (#39; 5 m)

- South Korea (#12; 49 m)

- Taiwan (#19; 23 m)

- Thailand (#24; 67 m)

- Vietnam (#42; 92 m)

Source: The World Factbook, Central Intelligence Agency

NJ Organization Development LEARNING COMMUNITY

Annual Sharing Day 2012

GDP Growth Rates (2007 – 2012)

Sources: www.TradingEconomics.com & The World Bank Group

Human Resources

HR in Asia tends to be:

- Small Teams
- Transactional
- Core tasks & compliance
- Paper-based requirements
- Limited technology
- Outsourced activities

NJ Organization Development
LEARNING COMMUNITY

Awareness and Culture

"Every judgment made by an individual is conditioned by his personality type and every point of view is necessarily relative"
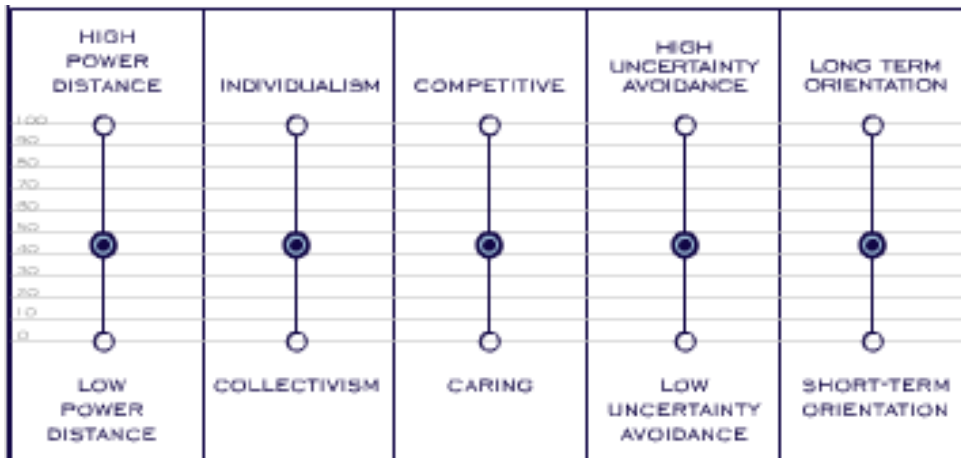
– C. G. Jung

"We see the world not as it is, but as we are"

– Stephen Covey

"Culture hides more than it reveals, and strangely enough, what it hides, it hides most effectively from its own participants"
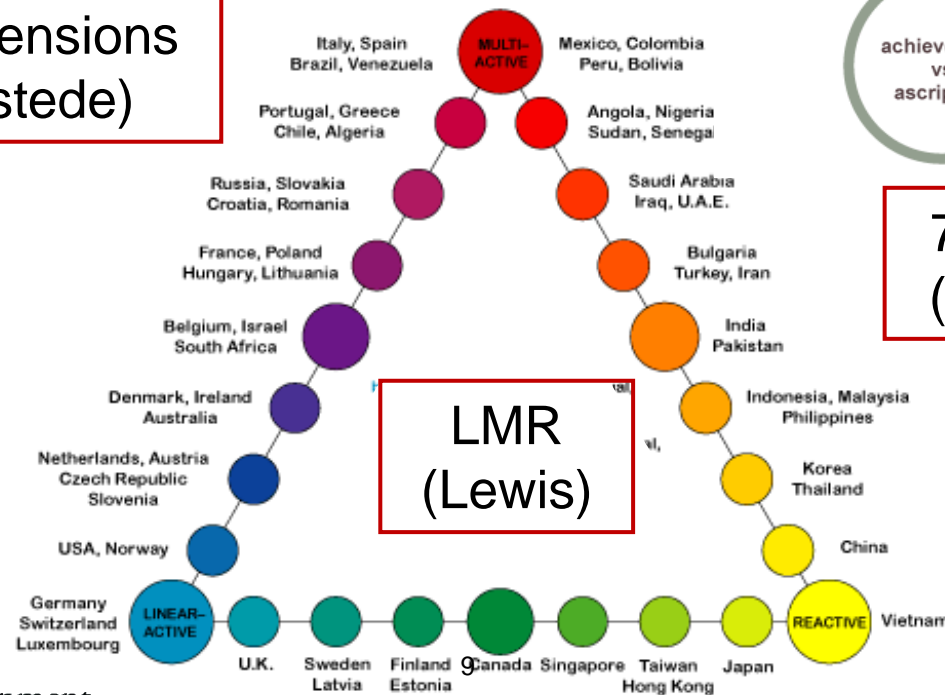
– Edward T. Hall

Cultural Dimension Models

5 Dimensions (Hofstede)

7 Dimensions (Trompenaar)

LMR (Lewis)

NJ Organization Development LEARNING COMMUNITY

Annual Sharing Day 2012

Key Cultural Dimensions

1. Authority - The way in which people view authority varies across cultures

    Autocracy - Respect for those in a higher position and obey authority

    Meritocracy - Respect for individuality; can challenge those in a higher position

2. Collectivity - The role of the individual versus the group

    Collectivist - Teaming is valued over individual contribution

    Individualist - Your interests typically prevail over those of the group

3. Communication – How and the way specific information is conveyed

    Direct - Require the facts only

    Indirect - Value being polite through quick passive words and tones

4. Time – How initiatives/projects are scheduled, organized and planned

    Circular – People and completion of transactions are more important

    Linear - Events are limited, scheduled sequentially, and prioritized

5. Uncertainty – Comfort with ambiguity, the unknown or undefined

    Defined - Strict structure, predictability, and clarity; risk is avoided

    Flexible - Enjoy modifiable structure, uncertainty and risk

Change

Potential Challenges:

- Importance of Tradition
- Visualizing the Change
- Importance of Relationships
- Aversion to Conflict
- Managing the Pace

✓ **Authority**
Collectivity
✓ **Communication**
Time
✓ **Uncertainty**

Recommendations:

➢ More leadership communications – meetings, written, etc.
➢ Clear examples of what the change is, how to do it
➢ Ensure consistent buy-in at the management level
➢ Leading by example, visibility
➢ Measure, track, and publicize progress
➢ Motivation & Reinforcement (making it fun, appreciation of gifts)

Development

Potential Challenges

- Traditional view of training, classroom style
- Non-participative
- Organizational hierarchies (establishing a safe environment)
- Awareness and expectations around investment, methods, etc.

✓ **Authority**
✓ **Collectivity**
Communication
Time
✓ **Uncertainty**

Recommendations:

- Group orientation
- Practical and useful
- Getting them used to it
- Minimize exposure
- Leverage external organizations and the value placed on education

Performance – Performance Management

Potential Challenges

- Group orientation
- Clarity of metrics
- Need for clear calculations
- Importance of face
- Confucian expectations

Authority
- ✓ **Collectivity**
- ✓ **Communication**

Time
- ✓ **Uncertainty**

Recommendations:

- ➤ Balance
  - group and individual goals
  - Variable and fixed rewards
- ➤ Focus (ie. narrow not full blown)
- ➤ Clarity around messages and consistency

Performance - High Performing Teams

Managing team activities

- Meetings
- Punctuality and deadlines
- Project management
- Feedback
- Brainstorming
- "Urgent"

Recommendations:

- ➢ Communication
- ➢ Facilitation
- ➢ Balancing roles and expectations
- ➢ Team activities and interaction

✓ **Authority**
✓ **Collectivity**
✓ **Communication**
✓ **Time**
✓ **Uncertainty**

Understanding Chinese and Asian Business Practices, and the Impact of Intercultural Factors on Change, Development, and Performance

May 8, 2012

NJ Organization Development LEARNING COMMUNITY

Annual Sharing Day 2012