

March 15, 2010

**Globalization forces us to examine the core values and practices of organizational development developed from a Western perspective – are they applicable in non-Western cultures of the world?**

**Introduction**

For most of the twentieth century, the global economy was dominated by largely Western firms, especially the United States. The extraordinary success of American firms and the transformation of the United States into an economic powerhouse since the end of World War II have resulted in a heavy bias in management theory and practices towards American values and ways of doing. After all, or as many in other countries thought, “you can’t argue with success.” Organizational development was formed in this crucible.

Organizational development (OD) historically has embodied the same tensions as management itself – how do you strike the balance between efficient production-performance, the *raison d’être* for American firms, while understanding and operating in a human-social context? OD’s roots are in the human relations and sensitivity training movements circa 1960 (Burke 1997), which emerged as a response to scientific management and the prevailing mechanistic metaphors in the United States. Rather than changing these mindsets and metaphors, historically OD in practice tended to provide the much-needed “soft layer” that made these modes workable from a human-relations standpoint. In this, OD was astonishingly successful.

On the other hand, OD absorbed along the way many of the tenets of scientific management, e.g. the process orientation, systematization of knowledge, diagnostic analyses. This was, in part, due to a quest to be effective in interactions with management, though the adoption of these tenets was also driven by their sheer usefulness in large organizations and probably also the simple diffusion of ideas that happens in any social context. So it would be fair to say that OD today owes not just its humanistic values, namely (1) human development, (2) fairness, (3) openness, (4) choice, and (5) balance of autonomy and constraint (Burke 1997), but also its systematized processes and practices to the American management orientation.

As we enter the twenty-first century, we are forced to examine our assumptions about how business should work and the applicability of organizational development as we know it in this new environment. American hegemony is being challenged in many realms, by Europe in social-democratic institutions and by Asia in economic power. Today it seems quite reasonable to “argue with success” when success is taking more than one form. While management is struggling with how to operate in an environment of large multinationals, global distributed teams, and an international customer base, organizational development practitioners are doing the same and going beyond to questioning its values base and practices as a profession.

Are the values of organizational development still relevant? What will it mean for the profession if non-Western clients have a differing set of values? Are the established practices and frameworks still relevant? How will they need to change and what skill sets will OD practitioners need to develop in this new world? We will seek to open up some of these hard questions for discussion and use a case study from a management consultancy to suggest some possible responses.

### **Different conceptions of business and cultural values**

If we examine value systems around the world, we could easily make the argument for a high degree of commonality among human values and we could just as easily take the exact opposite position that values are cultural driven and very different around the world. In truth, both are valid assertions. The human genome shows that human beings share over 99% of their genome sequences ("Human Genome Information Project" 2010). It should not be surprising that we share a number of biologically driven motivations as well. These motivations drive our value set, some of which have been shown to be universal. For instance:

*'The Harm/Care foundation can be understood by beginning with the fact that mammals by definition face the need to care for vulnerable offspring, and nothing could be more central to evolutionary success than keeping these offspring alive. It is therefore implausible that mammals learn entirely through domain-general learning mechanisms how to recognize suffering or distress in their offspring. Rather, many mammals have innate harm-detection modules that were shaped by evolution to be responsive to the proper domain of signs of suffering in their own offspring. In actual practice this module (or set of modules) is responsive to many things besides the suffering and distress of one's own children. For humans, suffering by or harm to almost any child-like entity is part of the actual domain of this module.'* (Haidt & Joseph 2007)

Similarly, the nearly universal Fairness/Reciprocity value is 'about how a suite of emotions may have evolved that helps social organisms reap the gains of reciprocal altruism with non-kin or distant kin' (Haidt & Joseph 2007).

Despite this striking commonality in shared values, Hofstede (2002) has noted that conceptions of business are "part of national value systems, which belong to national cultures." He finds significant differences between nations on five cultural value dimensions of Power Distance, Uncertainty Avoidance, Individuality, Masculinity and Long-Term Orientation. China, for instance, has a high power distance, meaning that the culture is relatively accepting of unequal distribution of power. This implies a preference for more formal organization and centralized hierarchy than, say, the United States. These more formal cultures tend towards high-context communications, meaning that most information conveyed is contextualized in the person and manner of conveyance rather than explicit coding. Collectivist cultures such as China also seem to depend more on personal connections to manage business relationships. American culture, in contrast, is less formal, more accepting of uncertainty and more individualistic. This translates into greater tolerance and flexibility in dealing with a broader range of ideas. This implies that American culture is what underlies, at least in part, the country's distinctive position as a net exporter of knowledge and innovation. Individualist cultures like the United States, however, foster a competitive working environment that may not translate well in non-Western countries (Ross 1999).

Since our case study will focus on the cultural differences between India and the United States, it might be worthwhile to review India's value dimensions. India sits very close to China on the Power Distance continuum, implying a similar unequal distribution of power and formalized culture. It is less individualistic than the United States but more so than China, landing approximately at the midpoint between the two. It is more long-term oriented than the United States but far less so than China. Surprisingly, given its relatively high degree of entrepreneurship, India is about as uncertainty-averse as China. All three countries are comparable on the Masculinity dimension. ("Geert Hofstede Cultural Dimensions" 2010). Together, these value dimensions imply that OD practitioners with a Western background working in India will need to be prepared to deal with employees used to a formal hierarchy, high-context communications, and dependence on social connections to manage business relations. They will also need to orient their language around the different ordering of priorities relative to American business culture.

March 15, 2010

Generally, every country can be placed on Hofstede's scale, and the results show significant differences between nations. There are some obvious implications for organizational development given the discipline's human orientation. These differences will have an impact on how OD practices are implemented in the client culture and how OD practitioners can effectively interact with clients. To be maximally effective, OD practitioners will need to surface their own deep-set values and norms, learn those of the client organization, reconcile the two within a coherent framework, and understand the implications for adapting OD practices, interacting with the client, and effecting change.

#### **An organizational case study: The clash of two cultures – Indian and American**

In one example drawn from our own experience, a global management consultancy was seeking to build a new practice in Hyderabad, India. This practice was not a back-office operation but rather was intended to draw from the top business schools in India to deliver strategy consulting projects to global clients. The Hyderabad practice would ideally be able to deliver high-quality work on par with offices in the United States, which at the time was the largest and most mature of the national consulting firms. At the point in time of the intervention, the India practice was almost three years old and 100 practitioners strong but nowhere near the consistent level of quality it needed to be at to generate strong pull from global client project teams.

To date, the practice had been tactically focused on building relationships with global partners, principals and senior managers with access to client projects. The implicit assumption among the Hyderabad practice was that their delivery quality was high and that the problem lay mainly in relationship access. This assumption was symptomatic of a broader set of norms in Indian business, in which success was largely driven through the relationship network. Furthermore, the professional culture tended to emphasize analytical horsepower and place less emphasis on "soft skills" and emotional intelligence. When practitioners in the more sophisticated US practice interacted with the Hyderabad consultants, they often misread the average Indian consultant's "soft-spoken bluntness." This had an impact on their willingness to staff the Indian professionals on client-facing projects.

Recognizing the problem to some extent, the Hyderabad office embarked on a small-scale rotational program of expatriate consulting managers from the United States. These managers were to serve in a myriad of roles – project managers, recruiters, liaisons with the American practice, subject matter experts, staffing managers, trainers, and mentors to junior practitioners. Among the most important roles, however, was developing the practice to the point where global teams were seeking out Hyderabad practitioners for client projects.

Part of the work was reframing the issue in terms of delivery quality and "soft skills." Another aspect was identifying and communicating internally the unique value proposition offered by the Indian practice. It was important to understand that the cultural differences between the Western and Indian practices offered advantages as well as challenges. For instance, the strong family orientation in Indian culture, when adapted to the workplace, translated into a free-flowing knowledge-sharing environment – indeed, an environment that the US practice had been attempting to foster internally but with only limited success. In a firm whose very business was essentially selling knowledge, this could be a sustainable competitive advantage.

The Hyderabad staff, as consultants, were busy, highly impatient and skeptical of anything that suggested "process," including interviews, focus groups, surveys, plans and even scheduled meetings. Managed change would need to be driven through the social web of relationships, especially key thought-leaders and project teams. Notably, thought-leaders existed at all levels of the organization, even at the most junior levels. With the sheer amount of interaction among the entire practice, it was not sufficient to concentrate on the senior leadership. As in any change management process, understanding the stakeholders and their motivations was critical.

March 15, 2010

Changing mindsets depended on personal credibility in both a professional and social context. In a sense, rotation managers would have to, in their person and behavior, offer affirmative answers to the questions: Are you smarter than me? Could you do what you're asking of me? Do I like you? Within a project team environment, rotation managers had to build trust in their professional competence and intellectual authority. Apprenticeship in the new mindset was woven into the fabric of project activities, as part of experiential learning. Beyond the project team setting, they had to be willing to take smoking breaks in the middle of the day – when individuals at all levels from practice leaders to analysts congregated and the real conversations took place – and drink into the night when the occasion called for it. In these casual conversations, there would be discussion on the future state of the practice and the key obstacles in “getting from here to there” (Schein 2002). Through these conversations, they were changing the organization through “cognitive redefinition,” what Schein calls “learning by seeing the world through the eyes of the role model.”

At the end of an intensive six-month period, there was some evident change in mindset. Though there was more training was needed, the deliverable quality was vastly improved and some practitioners were performing at a level that was superior to US professionals. Furthermore, consultants were voluntarily including more “soft skills” in their annual goal-setting. The practice was getting more “repeat business” from important principals, partners and senior managers. Within the larger firm was a growing awareness that the Hyderabad practice offered some unique skill sets and resources that they could get nowhere else in the global firm.

## Conclusion

This case study highlights the need for OD practitioners to be flexible and adapt to the values and norms of the organization. In non-Western cultures, these values and norms may be significantly different from those previously absorbed by the individual practitioner, as well as those embedded in the existing edifice of theory and practice. Established OD values such as openness and choice may not be as relevant in other cultures. A non-Western organization's ideal balance of autonomy and restraint may be very different than that found in a Western firm. The challenges of organizational development in an increasingly globalized world are not small. As a community, practitioners are going to have to take a hard look at their work and be open to the evolution of their profession. Globalization reminds us that OD practitioners are never purely observers but rather observer-actors that bring their own set of values and norms into a client organization.

While this degree of deep flexibility can be hardest part, practitioners should also be wary of being too subjective in their approach. Meeting strategic objectives sometimes requires that you attempt to modify ingrained norms, evolving them for a professional setting. Though some OD practitioners may have qualms about seeking to modify cultural norms, they should remember that culture and norms, as social constructs, are constantly evolving and not homogenous within the population in question. Also, any modification requires the implicit assent of the individual professionals. However, in cases where an irresolvable and deep-set clash of values between OD practitioner and client is discovered, the OD practitioner might need to be prepared to walk away.

Finally, the discipline of organizational development has been honed over a period of decades and it would be senseless to dismiss the value of the existing body of work out of hand. In the case of the management consultancy, for instance, success was achieved not by throwing out the change-management handbook but by adapting its lessons to the Indian culture and norms. As in this example, there may be *competitive advantages* that can be derived from the distinctive values and practices, that when hybridized, can make the larger organization stronger.

March 15, 2010

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March 15, 2010

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