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Leading Change in Mergers and Acquisitions in Asia–Pacific

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1   Possible answers

1.1   Assess the main differences between these three examples that have utilized different lenses of the Kaleidoscope model. Do you think the cultural self, the external factor or the organizational culture is the most influential in each example?

The main differences appear to be based on place of birth/socialization, age and stage of life. Susie Wood is British and in her early 30s, still single. Mr Lam is in his mid-50s, born and raised in China, married with grown children. Phillipe van Uiderquist, although born and raised in Sweden, spent a considerable amount of time in the USA. In his late 30s, he has a young family. These differences affect their attitudes to work, their values around work and their ambitions for the future.

The cultural element is reflected in the cultural self and seems to drive expectations. Each individual brings very significant "baggage" in terms of their beliefs about "the right thing to do" with respect to working practices, communication and relationships. This affects their self-efficacy (Bandura 1997). Self-efficacy is the belief in one's ability to achieve goals or to have a direct influence over one's own destiny. The opposite of self-efficacy is subscribing to a belief system where forces other than oneself, such as collectivism and the collective force of a community or a population, are placed at a higher value. Notably, the cultural self also carries within it strong attitudes to the giving and receiving of trust.   This extends to whether one's loyalty is to oneself, typically found in individualist cultures, as in the case of Phillipe van Uiderquist.   The alternative is loyalty, to one's team or country, as in more collectivist cultures and the case of Mr Lam.

The external factors provide a lens through which a situation is viewed. Prolonged exposure to a situation such as economic prosperity or hardship can have a strong bearing on attitudes and behaviours. Nevertheless, with a shift to another lens, such as history or education the same issue may be viewed from a different perspective. For example, someone whose family has lived with the legacy of the Cultural Revolution in China may not respond well to power struggles in an organization.

All of these influences in turn are likely to have an impact on the organization's culture. In the CIL case study, the organization's culture has been diluted by multiple mergers and/or acquisitions. It does not have a strong and coherent culture with a corresponding set of values that its employees can subscribe to. As such, the door is open for individuals to espouse their own individual values and beliefs, some of which may be sub-conscious or hidden as in the example of the high-context mindset (Hall 1976) of Mr Lam. This can be construed as sabotage by those with a low-context mindset (Hall 1976) and is one possible difference that not only causes confusion, but mistrust.

1.2 If you selected a different person from those mentioned in the study, such as Dennis Smith or one of Susie's direct reports, which lens of the Kaleidoscope model would you select? Why?

Dennis Smith (President, Asia–Pacific)

As always, I would begin with the cultural self, since this is the part of the model that makes sense of personal identity.

Cultural self

Dennis is very "English", at least on the surface. He speaks with received pronunciation and has been with CIL since he left university some 20+ years ago. He has a need to tread a traditional path in his life and in his career – at least for the sake of appearances. On the other hand, he really likes the Expat way of life, which takes him out of the norm of his peer group in the UK. Being in Asia allows him to explore his non-conventional side.

Historic lens

I have selected this lens, because status and financial advancement are very important to Dennis – because of his own perceived elevated status in British society, thanks to the class system and a privileged background. His decisions appear to be based upon a sense of entitlement or an adherence to rank and to his superiors. His is an old-fashioned approach to leadership that is based on a belief that the vestiges of the British Empire should still be respected based on its historical status. Being based in Hong Kong prior to the handover in 1997 reinforced this.

Organization culture

Dennis just wants an organization that is run by people like him, who recognize his status. Even though he is careful to be seen to give autonomy to the local entities, this comes from a paternalistic sense of the "motherland" leading the way. He wants the status quo to be protected, which means the seniority, role and status that affords him both the lifestyle he wants and the freedom to live on the edge – that is, as long as no one knows about it. He therefore may be seen to be

weak or sycophantic at times where stronger leadership would have been preferred, even necessary. This is compounded by the fact that the organization culture is generally characterized by white middle-class, middle-aged men in leadership positions. If, as with Dennis, they are acting in their own self-interest, they will be expending a lot of energy tying to protect their positions and status. The acquisition by Tojitsu and the backwards merger with Konia presents a threat to this. Overall, the mission and purpose of the organization is compromised.

Lee Ser-Hai (direct report)

Cultural self

Lee is a Singaporean with an extrovert personality. His cultural references are Chinese, and he has benefited from being part of the generation of Singaporeans that have experienced huge economic growth. This has brought with it a complex mix of traditional Chinese beliefs and a sense of the grandeur of belonging to the generation that has contributed to the success of the Asian powerhouse.

Education lens

This lens was selected because Lee was educated to degree level in Australia. To all intents and purposes he has a very Western approach and style. He is very "gung-ho" and makes his presence known, being very keen to step up and make presentations to senior management, especially where it concerns local market conditions. Despite this, he has been extraordinarily deferent to country managers around the region and to Dennis Smith (Susie's boss). Yet he made it clear to Susie that he had wanted her job and that he thought she was not up to it, as she did not understand the way things were done in Asia. This mix of Western education and Chinese Singaporean beliefs makes Lee a complex individual. He knows enough of Western management and working practices to navigate the political landscape of the company, yet his beliefs are causing him some internal conflicts. The disappointment he feels at not being promoted to Susie's job caused him to expend much energy in an attempt to derail her.

Organizational Culture

Lee managed to successfully exercise a political campaign of "divide and rule". He led a campaign to discredit Susie amongst his peers and also at local country manager level, on the basis that Susie had no knowledge of local market cultures. This was only thwarted because he demonstrated little maturity and depth in his work as a result – he was too busy playing politics. Susie recognized what his game was, and simply chose to ignore it by working hard and achieving her goals. If Dennis Smith or any of his management line had been taken in by Lee, then Susie would have been in trouble. They recognized his behaviour as exhibiting a loss of "face" due to the fact that Susie was female, not Asian – and specifically not Singaporean – and had been seconded from the UK to do a job that he thought he should be doing. The impact upon Susie was that she was responsible for a team member that she could not trust and the impact upon the organization was lost productivity due to all of the energy expended on organizational politics.

1.3 Can you see any common threads or patterns? What would be the impact of these shared characteristics across the whole organization? How could you use that synergy for further benefit?

The common thread appears to be that each party is very focused on their own viewpoint, whilst thinking that those who do not share this viewpoint are wrong. This can lead to frustration and resentment. Yet in each case they have not made this explicit, with the possible exception of Phillipe van Uiderquist, who is so forceful and vocal that he alienates other people through his aggressive behaviour. These factors can be brought to awareness through coaching; otherwise the impact could be detrimental to the organization. The danger is that each party could go off and "do their own thing" which manifests itself in behaviour that seems set to sabotage the established structure, cause breakdowns in communication and further frustration and stress to individuals. Teams underperform and there is a failure to achieve corporate objectives.

These examples also have in common an apparent desire to succeed and to work within an organization that is characterized by a strong organizational culture and ethic and a management team that is focused and all heading in the same direction. Strong leadership is required. Furthermore, ethno-relative, bias-free leadership is essential in this multicultural environment. This may be achieved through an increase in self-awareness and through an understanding of how our culture affects our emotions, thoughts, decisions and behaviour. This in turn impacts the kind of manager or leader that we currently are or aspire to become. Furthermore, "unlearning" may subsequently be required to change any ingrained and unhelpful cultural behaviours. Unlearning can help to identify those cultural patterns that are no longer serving the leader and to rebuild other more constructive patterns of behaviour. A coaching programme can help.

Most importantly, there is strength in difference that may be leveraged so that individuals together are markedly more effective than the sum of their individual efforts. For example, Susie and Mr Lam can achieve synergy if Susie respects Mr Lam's status in Chinese society and also presents business proposals to him in a way that not only communicates the long-term benefits to China, but positions him favourably. This may be very difficult for someone who believes in advancement based on merit. Mr Lam can support Susie by recognizing the skills she can bring to his operation and can offer to help by introducing her to his business contacts. In this way, they can achieve their goals and possibly even exceed them if they understand each other. Coaching with the Kaleidoscope model could help each of them individually and both of them as a team.

To achieve group synergy, it is necessary to find the common purpose, patterns or "threads", which the Kaleidoscope model can help with. This may be accomplished by asking each team member to identify which lens has the most resonance for them and to explain why. Identifying common, complementary perspectives can be powerful in the context of teambuilding, as can an appreciation of opposing differences and how these may be leveraged for competitive advantage.

Once this is established, it is necessary to explore the differing approaches to achieving it. Individualist cultures such as the UK and the US go about this in a very different manner to the collectivist approach of, for example, China. As the CIL case study showed, personal advancement may be of prime importance to some leaders whilst advancement of the team, company or country may be important to others. In addition, timeframes need to be explored. The UK, for example, is short-term results orientated and China has traditionally been more long-term. With examples such as these brought to awareness, understanding can ensue and the strengths residing in a "both/and" approach to business problems may be acted upon. It should also be noted that sometimes compromises need to be made and this may be difficult for those people with ingrained patterns. Again, an element of "unlearning" may be required at this point. An intercultural coach can help.

Significantly, the participants who use the Kaleidoscope model have reported an increased level of self-awareness. "I didn't realize my religious beliefs had influenced so many areas of my business life and impacted so many of my decisions", said Susie Wood.

 A "both/and" approach does not mean that all entities carry on doing business as they have always done; neither does it mean that everyone changes to fit a new organizational culture. It means that the pros and cons of different attitudes, approaches and practices are explored in order to find a "third way"; the best approach given a certain context or set of circumstances. This "third way" may transcend barriers and complexities such as matrix management structures and can contribute to a new team or organization culture. This is essential in environments where change is a constant such as in an agile product development team, for example.

This approach of advocating a new "third way" of building teams, improving communication and enhancing relationships takes time and may be best incorporated into a formalized organization-wide change programme. It also takes courage. It does not advocate polarities or an either/or perspective. It acknowledges that there are lots of grey areas and paradoxes within which there is an opportunity to find a better way, a more creative and productive way of doing business globally.

2   References

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