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Required Reading for Growing Companies

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foreign perspective

Bruce Beach, Ontario - Anne and I are here for the thirtieth year. The blue waters of Lake Huron stretch out before us. It's ten days after Labor Day and the cottages around us are empty. I have my daily routine of riding my bike five miles into Kincardine (a small town of 12,000), having coffee, reading the paper, riding back, having a beer, a swim and a nap. Walks on the beach with Anne, sunsets, star-gazing and card playing fill our evenings. It's pretty idyllic.

In this "foreign" land I muse upon how my appreciation of the importance of cross-cultural understanding has grown over the years since we began our regular trips to Anne's "home" land.

Underneath the apparent easy, relaxed Canadian friendliness toward Americans, there are some hard historical economic and political realities which continue to condition Canadian attitudes.

Thirty years ago, the Canadian dollar was worth \$1.06 US dollars. At that time there was a slight condescension regarding our "weak" currency and an insistence that we pay our cottage rent in Canadian dollars. Since then the Canadian dollar's continued decline brought it to a low of \$.64 US. Over this period, I became a "filthy rich American," and the word "Yank" began to have not-so-friendly overtones. Americans began to be seen as more and more "materialistic" and "uncaring" in contrast to Canadians, with their comprehensive social programs for the ill, the infirm and the elderly.

The historical Canadian political view of the US was strikingly called to mind this year by the following obituary in *The Globe and Mail* (Canada's equivalent of *The New York Times*) on September 8, 2003:

DIED THIS DAY [IN 1814]:

Two U.S. Navy sailors... Seamen killed when a boarding party commanded by Lt. Miller Worsley of the Royal Navy seized the frigate USS *Tigress* at anchor in False Detour Channel, near Mackinac Island. Worsley had led 77 survivors from the Battle of Wasaga and paddled 500 kilometres by canoe to spring a surprise on the enemy.

The prize crew then stalked the sister ship USS *Scorpion* in darkness and took it without loss. The cutting-out action ended a long period of U.S. naval supremacy on the Great Lakes during the War of 1812.

While we Americans may feel that these Canadian views of the U.S. are unfair, hostile or outrageous, Anne often points out to me even more distorted views of Canada expressed by Americans: 1)

Canada is politically part of the United States, a collection of additional states somewhere up north; or 2) although it is a separate country, Canada will automatically fall in line behind any U.S. foreign policy initiative; or 3) in any event, Canadian culture is the same as the US. American bias seems to block inquiry, the answers to which would quickly begin to correct impressions and delineate differences.

In business, such bias is rapidly becoming unaffordable. The ability to comprehend cross-cultural views, truly understanding "where others are coming from," whether they be suppliers, customers or employees, is increasingly a prerequisite for CEOs worldwide as more and more businesses seek to fuel

their growth by extraterritorial expansion.

And there is extraterritorial expansion. A CEO of a small business I know in Frederick has a principal sales office in Amsterdam, and many of his prime prospects are in the European Union. One of my clients has established sales offices for his large firm in Mexico, Taiwan and ten countries in the Middle East. Likewise, we here in Baltimore have been educated, at the very least as readers of the local press, regarding the Irish parent corporation of Allfirst Bank and Ahold, the Dutch parent of U.S. Foodservice and Giant Food.

The August, 2003 issue of *The Harvard Business Review* interviewed leaders of global businesses for their views on the importance of cross-cultural understanding and empathy.

Fred Hassan, the new Chairman and CEO of Schering-Plough, outlined the literal "not-invented-here" problems arising in the Pharmacia (Sweden)-Upjohn (U.S.) merger over which he presided:

The cultural differences seriously undermined the newly merged company's ability to explore its winning products...

We went through a big change process...to end that kind of



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thinking. We established new performance expectations that measured how well our employees demonstrated open-minded behaviors, including shared accountability, transparency and collaboration across geographies... In the end, 12 of the top 20 executives were moved out of their positions.

Daniel Meiland, Executive Chairman, Egon Zehnder International, had this to say:

Developing global executives often requires helping people see their own biases...But while you need to be aware and accepting of cultural norms, you also need to remember that people are pretty much the same everywhere...The executive who truly respects his employees and peers will always win. Find reasons to praise performance and to show a real interest in your employees—not just when and where it matters to you personally, say, at headquarters, but with everyone at every level. And you should always be genuine.

So the common themes are that people are everywhere different, and everywhere the same, and the cellular knowledge of each theme is increasingly important in an ever-shrinking world.

In confronting doing business on a global scale, each of us is

dependent on our own individual experience, which may be insular. Back in the mid-80s, I worked with Brits. My colleagues were persons who were intelligent and had broad experience, but seemed to me to have elevated opinions of themselves, which hampered my ability to relate to them. Years later I was talking to a Swedish coach, a former CEO, who said, “Of course, the Brits are that way because they’ve been educated to believe that. It’s part of their culture.” So, now I see how my cultural bias interacted with theirs to form a disconnect. Had I understood more clearly our mutual cultural biases at the time, my mighty labors would have eased considerably.

Tonight we went several houses down the beach to where Anne’s cousin has a year-round residence. This is our last night here and I didn’t particularly want to go. “Proper” cocktails with Canadian relatives was not my idea of a last great night at Bruce Beach. And yet the conversation went deeper than it usually does, and the mutually shared benefits and burdens of our advancing ages began to emerge in the conversation. As we watched the sun setting over Lake Huron, the U.S. shore just sixty miles away, I pondered how the sun does rise and set on us all, and that no matter how different we may appear to be, how much the same, under our nationality skins, we all are.

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