

How Can Cultural Diversity Contribute to Innovative Strategy Development? - A Guest Column by Danaë Huijser

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"The thinker without a paradox is like a lover without feeling; a paltry mediocrity." - Søren Kierkegaard

Strategy formation in a cross-cultural context is the norm in the current global business environment; an environment where the only constant is change itself and complexity increases every day. In order to deal with these dynamic circumstances, flexibility on a strategic level is crucial. Continuous innovation in this environment is paramount. Diversity in strategic perspectives is one way to achieve this.

Cultural Diversity in Strategy Development

In any cross-cultural cooperation, stereotyping is a risk. Within national cultures, variances can be as large as between national cultures. Business cultures are not the same as national cultures, yet are influenced by it. Research shows that business cultures do have distinct preferences when it comes to how to think about, design and implement strategies. When culturally diverse strategy makers work together, these differences can pose a challenge or contribute to new opportunities. The *Model of Freedom* is a pragmatic model that visualises differences and similarities between business cultures. We define culture as more than just nationality; every individual is a member of

various cultures. We are all like a mosaic, and are part different social groups, including our nationality, our organisational culture, our profession, but also our gender or age group. It is not really important where exactly the difference in cultural preferences come from when talking about strategy formation; what matters is how to use the differences to our advantage.

The *Model of Freedom* is constructed out of four dimensions: action, process, task, and role (see the appendix *Model of Freedom* for more background on how the model is constructed). The value of working with *Model of Freedom* is not in categorising differences, but in helping people to understand their preferred starting point when dealing with the (business)world around them.

Every culture in the world has to deal with various paradoxes and finds a way to deal with them in their preferred way. A preference does not mean it is the best or the only way. Working with a diverse group of people who have different preferred starting points to solving paradoxes opens possibilities to look at the same problem in different ways and to find a range of solutions. This is where innovation starts.

Creating Cultural Advantage

Benefits from working in diverse groups such as strategic development teams do not occur automatically. Working effectively with diversity is a process that requires cultural intelligence, which can be divided in three steps: awareness, appreciation and authentic reconciliation.

The *Model of Freedom* aids in creating awareness of cultural preferences in different cultural groups. To use this awareness, appreciation of different perspectives is needed before being able to build on these differences by synthesising the seemingly conflicting attitudes while not compromising; authentic reconciliation.

In researching the various strategy topics in an international context, Bob de Wit and Ron Meyer (2004) found that every strategy topic – whether it is regarding the strategy process itself, its content, context or purpose - has in itself an implicit paradox. Different views on how to deal with these paradoxes is described as strategy perspectives. Strategy synthesis, finding hybrid solutions to strategic problems, is the operational part where a course of action is taken.

To illustrate the process leading strategy makers from strategy paradox to strategy synthesis by building on the advantages of cultural diversity, I will use the metaphor of romantic love, as even the most theoretical strategist has at least been in love once.



A Look in the Mirror: Awareness

In love and in life, you can only fully make a connection with another human being if you know and accept yourself. A look in the mirror can be quite challenging, as it will show all our imperfections, our weaknesses and create fear and insecurity. Yet a look in the mirror also offers a true reflection of yourself; who are you, what do you find important, where do you belong to and what makes you unique. All these questions are relevant in any strategy development process too.

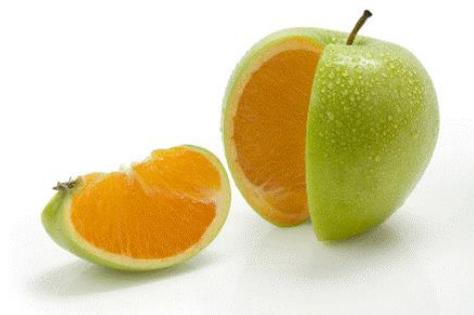
Any paradox is an inherent tension between seemingly opposite demands. When working with paradoxes – instead of with problems or dilemmas – one is not searching for the one best solution, but for a range of solutions that combine the best of two worlds; a win-win situation. The first step into working with a paradox is recognising you are dealing with one. This is not always easy, as we are trained to work with win-lose situations, right or wrong, black and white.

Strategy development holds the paradox of deliberate strategic planning on the one hand, and strategic incrementalism on the other hand. Culturally speaking, these two extremes are related to process and action orientation.

Action oriented cultures will have a preference for deliberateness over emergence. They aim to plan for the future, forecasting and designing programmes that are improving organisational efficiency. Resources are allocated optimally and implementation is a top-down, linear process.

Process oriented cultures will have a preference for emergence over deliberateness. They view the future as at least partly unknown and therefore don't believe forecasting is very relevant. Instead, they remain flexible to changing circumstances, realising that strategic development requires cultural and cognitive shifts. Experimentation and parallel initiatives are typically preferred over linear planning.

If they are able to deal with their differences in a culturally intelligent way, they might just find a win-win balance between these two extremes. To do so, they have to first understand that their own preference is not necessarily the only or best way to strategize; they have to look at the other perspective in an appreciative manner.



Opposites Attract: Appreciation

Are you working the weekend to prepare for the presentation you have to do on Monday, contemplating all possible questions – and your answers? Do you believe that making a mistake is

just unprofessional? Do you only say yes to projects that you are sure you can handle? If so, I bet your partner is just the opposite. Opposites attract for a reason; we learn from each other, we complete each other.

In every partnership, we need to have enough in common to want to work or live together, a common goal. In a love relation, this is usually something vague as 'shared happiness and love', hard to measure yet in my perception pretty important (a wise man once told me; most things that matter cannot be measured). In strategy development, the common goal is to prepare for the future as best you can to keep the company successful, growing and innovative. But how to find the best way to get there?

In diverse strategy development teams, action and process oriented team members will have to discuss the different views on how to deal with the paradox of planning and emergence. Questions will arise: How sure are we of the predictability of the future? How far ahead can and should we plan? How measurable are the variables influencing our markets? How many details do we need before we can build our plan? How linear can we expect this plan to be?

Initially, the seemingly opposing views will pose a challenge to the team. It is in our nature to believe that we are right, and therefore the other must be wrong, even if these different views could be complementary. If the team succeeds at appreciating - not necessarily agreeing - with each other's different views on strategic development, they might at least find out that there is more than one way to prepare for the future.

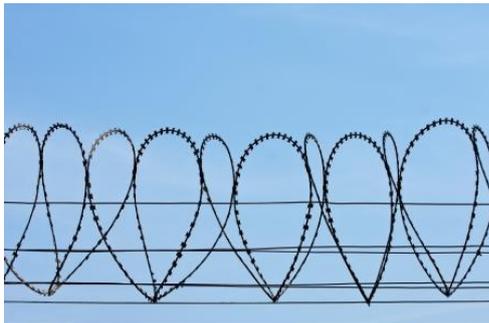


Marrying Opposing Views: Reconcilable Differences

No marriage can succeed without the eventual argument. The important thing is that the argument is done right, meaning with mutual respect and understanding. It is okay to disagree if you are able to really hear each other and respect the different thoughts, feelings and actions of your partner. If the common goal of building a happy life together filled with love is still shared, the argument will only contribute to a better relationship in the future. Finding an agreement that fits both your needs while not compromising is what I mean with reconciling; finding a win-win solution, creating your own 'culture' if you will by setting the range of solutions for that particular paradox in your partnership.

If a strategy development team has succeeded at brainstorming the different options they should now have a range of possibilities to choose from. They have to find a course of action that

combines elements of the different strategy perspectives. In order to do so, they need a "rich understanding of both perspectives and dialogue between the two" (de Wit & Meyer). Here, the quality of the team leader is paramount. The risk of working with a diverse team is that they remain stuck in the brainstorming phase. Someone has to help the team members to integrate the different views in an agreed upon action plan. With a culturally intelligent leader, the company (or business) might be able to create a strategy that will incorporate both short- and long term goals, that will be based on calculated risk taking without compromising the company's continuity, where quantitative data can be enriched with qualitative data and where flexibility is built in as part of the plan.



Final Thoughts

It is not entirely coincidental that the metaphor I chose to illustrate cross-cultural strategy development is love. Love, like all human emotions, is nature's invention to help us survive. Clearly love is related to humanity's reproductive goals, creating a partnership that allows for our offspring to survive. And since human offspring is so helpless for so many years, love is necessary to keep partners together long enough to take care of the safety of these children. I realise this does not sound all that romantic, yet this is another paradox; why would a feeling created for pragmatic reasons such as raising a next generation not also be enjoyed on an irrational level? It is an overwhelming and intoxicating feeling, but it is also a useful invention of mother nature.

Related to love is empathy. Empathy is another human emotion that was designed by nature so we could survive. Without empathy, the human world would be a win-lose game where the strongest survive, alone. But we don't function that well or that long on our own, and empathy offers us the willingness to find win-win solutions with others around us. This allows us to build trust, participate in societies and economies; in short, it allows us to cooperate.

And here is the beauty of nature's system; innovation occurs where people come together, especially where people from different walks of life, different professional backgrounds or different societies and cultures cooperate. In strategic development, it might seem easier to work with people who think and act like we do. Yet if we want to build sustainable and innovative solutions for the complex future, working with a diverse team is a challenge we have to face. It is through empathy and love that innovation is fuelled; the future's strategic champions will be the culturally intelligent, empathic strategists.

Literature

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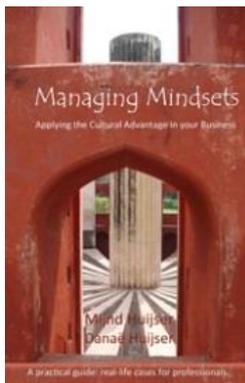
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About Danaë Huijser

Being educated in France, the Netherlands and the United States, Danaë feels 'at home' in an intercultural environment. She holds a degree in both Organisational Psychology and International Business, allowing her to work with her passion; developing people and organisations in an international environment. As director and lead-consultant of CMC-Europe, she can put this expertise into practice. She is the co-author of the book *Managing Mindsets*.



Company Profile

CMC-Europe facilitates the process of building on the advantages of diversity. By creating awareness, appreciating differences and reconciling strengths, CMC guides individuals, teams and organisations towards enhanced learning & innovative capabilities. To do so, CMC-Europe works

with the Model of Freedom (amongst other methods).

www.cmc-eu.com