

Opinion

Avoiding a cultural cacophony

By Andrew Hedley, director, Hedley Consulting



EVERYONE ACCEPTS that we live in a multicultural society and operate in a world where barriers to business across national frontiers are dismantling at an ever increasing rate. There is positive potential for firms in their response to these cultural challenges and opportunities.

Culture is a key driver for professionals. The overriding cultural norms of any profession govern the behaviour of its members to the extent that, for most of them, it is far more important to be regarded highly by professional peers than to receive the plaudits of clients. The unique culture of any firm is also a huge potential source of differentiation. At the same time, the context within which the aspiring 30-year-old operates differs fundamentally from the taken-for-granted behaviours that shaped the senior partner of 20-years standing. To succeed, all firms must find a way of combining these differences, finding common ground and creating an environment in which this inevitable plurality forges a stronger overall client experience.

Perhaps one of the biggest and most universal impacts of cultural change can be seen in the aspirations, behaviours and expectations of young professionals. A career in which the goal of partnership sits high above all other life ambitions is often not for them. Indeed, recent surveys suggest that ever fewer are prepared to make the sacrifices that such a path can demand. Many now seek a work-life balance, which would have smacked of a lack of ambition only a generation ago. Of course firms have responded to these societal shifts by packaging their employment offer with flexible arrangements such as part-time contracts, remote working, career breaks and promotion routes that do not lead inexorably to the position of partner. Those organisations able to walk this talk not only find themselves employers of choice, but also highly differentiated brands that create competitive advantage by recognising the link between effective talent management and improved client service.

Culture is also at the core when firms come together. While the initial focus in merger negotiations may be on the numbers – financials, clients, services, geographies, synergies and savings – the final decision will be made on more fundamental issues. Cultural questions such as ‘Are they like us?’, ‘How do they deal with their people?’, ‘What is the ethos of the partners?’ and ‘What are their attitudes to their clients?’ represent the concerns of many partners entering into a merger situation. A common ethos underpins a successful marriage.

Professional firms now look further afield than current geographies in order to meet client demands or capitalise on emerging opportunities. In many cases the geographic expansion will be domestic, but there is an ever-increasing element of internationalisation for firms at all levels of the market. There are two classic cases studied by business-school students the world over, which serve to illustrate the potential impact of misunderstanding cultural differences and language across national boundaries.

The first concerns the difficulties McDonald’s experienced in penetrating the Japanese market – until the organisation realised that Ronald McDonald, in all of his clown regalia, struck a discordant note in a culture that associates a white face with death.

The second centres on Toyota’s struggle in the French market with its MR2 sports car. Given that the phonetic pronunciation of MR2 in French is ‘em-er-dur’, it is easy to understand why the market for a product, apparently named after the contents of a well-used water closet, was limited.

It all goes to show that even the biggest and most sophisticated businesses can trip up once cultural and language factors come into play. Getting it right offers huge advantages, though, with HSBC being one example of a business going to market on a platform of being global while acting local.

Whether it be in Beijing or Birmingham, there is an imperative for managing partners to understand the shifting range of cultural forces that are shaping their firm and its environment. For a business that is static, operating in the same geographic markets and recruiting professionals that operate just like the incumbent partners, only younger, these hurdles may not be as apparent. Indeed, for these firms the challenge is about dealing with hiatus rather than coping with change.

Pray that your firm is facing the journey of change rather than the mire of inertia. But also accept that, implicit for success is the need to understand and manage cultural diversity whether it be generational, organisational or geographic. This is the precursor to a unified, common vision and the development of a stretching but achievable strategy. ■

Andrew Hedley is director of Hedley Consulting and a member of the Managing Partner editorial board. He can be contacted at andrew.hedley@hedleyconsulting.com