Developing managers in the European subsidiary of a UK Financial Services organisation

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Abstract 300 words

This dissertation is concerned with the cross-cultural communication and relationship-building challenges faced by an internationally diverse group of managers and team leaders operating in the European subsidiary (ESI) of a large British-based financial services organisation.

It examines the impact of organisational and national cultures on managerial communication and relationship building. It considers the capabilities needed by managers operating in a European context where the British Parent company has a strong influence in setting ESI's strategic goals yet whose Subsidiary top team lack significant international experience.

The research methods used reflect a social constructivist paradigm using a Grounded Theory methodology. The data collection methods involved semi-structured interviews; participant observation; document analysis; metaphor analysis; analytical memos and a research diary. The research population covered a number of managers and team leaders within ESI, and the immediate parent company, FSD.

The findings from this research study suggest the need for the active 'management of the interface' between the respective Grandparent, Parent and Subsidiary companies, given the impact of culture at organisational, business and national levels. The ability of managers to manage this 'interface' suggests levels and types of managerial capability that might need to be different from those who operate solely in a single-country environment. It also suggests that culture and cultural difference need to be more explicitly articulated and acknowledged to avoid the negative organisational consequences of 'cultural blindness.' (Adler, 2002, p106).

Given the conflict and misunderstanding that can occur in cross-cultural exchanges, I suggest that managers in ESI need high levels of cross-cultural competence which combine cross-cultural knowledge and communication skills with a high degree of self-awareness and understanding. Increasing self-awareness and self-disclosure suggests that before we can truly get closer to understanding how to build and sustain effective cross-cultural relationships, within and outside an organisation, we need to understand our own responses and reactions to dealing with 'strangers'. This needs to inform the nature and content of management and leadership development programmes.

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CHAPTER 1 INTRODUCTION

The purpose of this Chapter is to set out the context and scope of the research study, the research methodology and methods, and the outline structure of the dissertation.

1.1 Context: a personal insight

The focus of this dissertation was, in part, as a result of an incident in a large hotel in the calm tranquillity of Tunbridge Wells, Kent, the stereotypical epitome of Englishness. The incident took place in a matter of minutes. It was breakfast time. The waiters and waitresses were quietly attentive. They were a mix of English, Australian and Italian. The Italian Head Waiter was authoritative and dominant and keen to ensure effective customer service. Amidst the quiet of the imposing church-like dining room, a micro-incident was unfolding. A wine glass had been broken and was in pieces on the floor. It was hurriedly cleared away. An English waiter in his fifties and with a refined English accent, that felt appropriate for Tunbridge Wells, was challenging a request from another member of the waiter team, an Italian. It seemed linked to the broken glass. The Italian Head Waiter intervened, looking quizzical, and seemed to be suppressing his temper: few words were exchanged: much body language: all done quietly. The English waiter was also suppressing his feelings and was saying, "If I had heard it properly I would have done it. I didn't understand. It's all a misunderstanding."

Glances and muttering ensued. The English waiter at the centre of the incident, whispered knowingly to his English colleagues. Eyebrows were raised in affirmation. It seemed to confirm existing tensions. Three Italian waiters also exchanged glances with each other which seemed to suggest agreement with the Italian Head Waiter.

The ripples of the exchange subsided with latent issues between the actors, the nationalities, the hierarchy remaining. Unresolved and unspoken. I ordered more toast.

It made me question the challenges posed about managing, leading and communicating effectively with this mixture of nationality, authority, culture and perceptions and my own role as observer/ researcher and customer. It echoed my own experiences within the organisation that was at the centre of this research study.

1.2 The organisational context for the research study

The organisation, within which the research took place was the European subsidiary, of the UK financial services division, of a major British banking organisation. The structure and relationships were as follows:

1. Leading British Bank = referred to in this study as LBB, and/or the Grandparent company. Headquarters in Edinburgh, UK.

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2. UK Financial Services Division = referred to in this study as FSD, and/or the Parent company. Headquarters in Bristol, UK. With antecedents as a Mutual Insurance Company and founded in the 1820's. (This is this organisation in which I, the participant-researcher, was employed when conducting the research at the outset)

↓

3. European Subsidiary = referred to in this study as ESI, and/or the Subsidiary company. Headquarters in Luxembourg, with main 'back-office' customer service operation in Maastricht, The Netherlands.

LBB is one of the largest banks in the UK employing approximately 60,000 people and having 50% of the UK population as customers. It is also a leading FTSE 100 company. FSD's brand is strong in the UK with a focus on pensions and investments. To customers in Europe the subsidiary organisation of FSD is known as ESI .

ESI is a cross-border supplier of life assurance, pensions and investments. The main customer base consists of professional individuals, those of high net worth, entrepreneurs, expatriates and corporations. The core markets are in Germany, Austria, Italy and Belgium. It does not compete with other local insurance companies as the products are very different, but ESI does compete with other

UK companies such as Standard Life and Scottish Mutual, for the cross border market. ESI does not sell direct to the public but uses Distributors and Banks. ESI had approximately 250 staff based in Luxembourg (main office), Maastricht and Bristol UK and with sales offices in Vienna and Milan. There were approximately 50 managers and team leaders within ESI.

ESI had ambitions for extensive growth and the calibre of leadership capability within the ESI management population was identified as needing to be strengthened to support its growth strategy. My own role within FSD spanned the areas of organisation development and leadership development. I was one of three people tasked with supporting ESI through the design and delivery of a range of management training programmes for the ESI management population to help prepare and repair the inexperience of many of the ESI managers, who had received very little development in the past.

During the research study I left FSD to set up my own leadership development business and continued working on the dissertation after leaving. I managed to maintain some links with the organisation after leaving.

1.3 Background to the research questions

As a leadership development consultant, based in FSD (the Parent company of ESI), I had been doing some work in running management training for groups of European managers within ESI. This was a process of including these managers in a number of development programmes that were being rolled out in the UK. This involved giving a diverse group of European managers an identical learning experience based on training programmes designed by and for the UK based, British managers within FSD.

Delivering the training programmes to managers based outside the UK had not been a straightforward process for me but one which had provided lots of learning and insights. It had enabled me, at one level, to examine the consequences of applying the same management training processes and content to managers of diverse backgrounds and national cultures. It had also enabled me, at another level, to start to understand some of the demands placed on managers in an international subsidiary (with a UK Parent), in operating effectively and efficiently.

The nature of the management training material and method of delivery had worked effectively enough in the UK, with appropriate training evaluations to prove it. Yet running this management training for groups of European managers had been more complex given differences in first language, culture, personalities and expectations of the European managers. It had made me question some of the assumptions behind the development of training interventions, within a UK-based organisation, which were required to span different national cultures and native languages. Running various training and coaching sessions had also given me an opportunity to observe the inter-cultural dynamics at work within the European group of managers. Witnessing not only the reactions to the training but also the issues faced by those managers operating outside of the UK convinced me that the approach to developing and delivering management training might need, at the very least, to account for and recognise this international context more seriously. The quality of the participants' interactions in these training sessions was markedly different from those run with solely UK based groups. Working with the European group of managers had shown the presence and impact of different levels and quality of inter- and intra-cultural communication amongst the group. It seemed obvious that there was more likely to be misunderstanding, within a training context, where there were higher degrees of diversity of participants in terms of first language and national culture. So the challenge focused on not only acknowledging the likelihood of those mis-understandings but seeking meaning and learning from these to help improve management development activities.

My experience of working with both British and non-British managers had made me question the 'cut and paste' view of lifting the design and delivery of management training from one national culture and applying it unquestioningly to others. It had also helped me see that the potential sources of understanding and mis-understanding, communication and mis-communication that occurred amongst a diverse group of European managers undergoing management training programmes. This, in turn, might be illustrative of what happened organisationally within such a subsidiary organisation and the potential consequences for performance at individual or team levels.

As I began to understand more of the world of being a manager in ESI I saw the pervasive presence and influence of the 'Britishness' of the UK parent, FSD. The Chief Executive Officer of ESI was British, as was his Chief Operating Officer. Neither had significant international or European experience, and neither spoke another European language with any degree of competence. The top management team was heavily weighted in favour of British expatriates. The Director of FSD, to whom the CEO of ESI reported, was new to managing anything other than a British-based organisation. I wondered whether these factors might help explain the reasons for the adoption and implementation of training policies which were highly UK-centric with little or no acknowledgement of any differences that might exist in delivering to a more European mix of managers.

As I engaged with line managers from ESI and learned their stories, of joining and working within ESI, some of the factors relating to 'Britishness' v 'Europeaness' started to emerge. A German Manager had been in at at the start of the creation of ESI and had experienced the early formation process:

> "I worked in Germany before, for a lawyer, and went onto Luxembourg and started with ESI. Yes, it was about 20 people in a small house. It wasn't an office it was a house. It was pretty much British. The complete management was British. Most of the employees were British with the exception of two from Luxembourg and me. I was the only German at that time." [Mgr9]

A German team leader who joined ESI much later described another adjustment needed when moving to this more diverse organisation:

> "It challenges your own comfort zone because again you have to go out of this limited German view and you have to go into a European mind of being and you have to get others to do the same" [TL1]

He went on later to expand on this:

> "Yes, of course, I am not the only one. My Team Members are not only German, there are Dutch, French and within that, they are from different regions, so they are different as well there. They are different cultures and

different origins and they all have to learn the same view, concept, somehow." [TL1]

A third team leader described another transition that she made when joining ESI:

> "...because when I told the colleagues at the hospital I will leave, I will go to an English Company, in the Netherlands – they said "Why the Netherlands? Why an English Company? They are all workaholics – don't do this" and I wasn't afraid of their statements. I was very happy because it was absolutely different. I heard also that the Netherlands people don't like the Germans. We also had a meeting with people from another Company and they asked us how we were dealing with each other and they were absolutely surprised that we had nearly no problems." [TL20]

In my interactions with managers from ESI I had also observed some of the tensions and challenges present for new British expatriate managers as they adjusted to working in an international organisation and attempted to assimilate into their host countries and the subsidiary organisation. Such tensions appeared to remain suppressed and unvoiced by a number of managers.

What started to become clear to me was that the design and delivery of management training and development took little or no account of the added complexity of managing within ESI.

1.4 Researching organisations that operate internationally

There is no shortage of literature, and research data that supports the view that globalisation has been growing rapidly in recent decades. An implication of globalisation is that international management research is not only desirable but critical to generate knowledge and understanding of the management and practice of firms operating globally or in new, international contexts. This global and international management knowledge should play a key role in helping managers and their people achieve effective, efficient and well managed organisations where diversity and difference is used as an enabling force.

When initially looking at the current international management literature it was apparent there was evidence of what March (2005) refers to as an unerring 'homogenizing tendency' in which management research has converged on the

North American research paradigm. This approach has been a major contributor to the body of management knowledge to date but is still underpinned by a positivistic paradigm. Whilst this paradigm has served social science well in many facets, in the socially complex world of management research (and international management research in particular) this paradigm shows its limitations. Much of the international management research involves engaging with aspects of cross-cultural research which examines the influence and impact of national culture on, for example, organisational processes, managerial behaviour, inter- and intra-cultural communication and expatriate assignments. Most cross-cultural research has taken either a comparative approach applying common metrics across multiple cultures and analysing the results for differences or similarities, or a differentiating approach, identifying unique characteristics of an individual culture in order to explain behaviours within that environment. Yet neither provides the framework for understanding the simultaneous interactions of inter-and intra-cultural factors in a cross-cultural management, international setting (DeJordy, 2005).

When starting to engage with the literature on cross-cultural management one writer had particular prominence. The work of Geert Hofstede (1991) has been influential for over 20 years. Together with other well-known researchers such as Trompenaars and Hampden-Turner (1997) and House et al (1997) they have developed cultural dimensions and typologies for classifying and differentiating countries across the world.

The view of Hofstede's relevance to cross-cultural management research was summarised by one of the ESI research participants, a Dutch team leader who had graduated from the University of Maastricht, Hofstede's alma mater, and who had some theoretical knowledge of Hofstede. The discussion had focused on stereotyping at national level,

D.C But when you actually get somebody in front of you, who says "So I'm English and you're Dutch" and then we're people, so sometimes the stereotyping can be helpful but it also can get in the way?

TL6 Yes, alright, you should know it, but not focus on it as being the only truth. But I think its only background. But everybody can change, you just do as you are used to, so if you are German and you go to an interview, you act

> formal and polite, then maybe when you start working in the Company, you find out it is different, and you start acting, thinking differently.

Hofstede and his associated researchers make macro level claims and generalisations which at the micro level do not, in my view, link to real, lived organisational experience. For example, a country with say a high power distance (one of Hofstede's cultural dimensions) comprises individuals who have high power distance scores. But it will also include people who have low power distance scores. Indeed a large number of exceptions to Hofstede's rules may exist which could make meaningful predictions of managerial behaviour impossible. How helpful is it to know that managers in Mexico have a high power distance score? Does it make them incapable of working effectively in Finland? The evidence suggests that this is not the case. Comparative empirical evaluations of culture also attract the criticism that centres around the "...relativistic position that a common observation language is not possible to achieve in the study of social phenomena." Bhimani (1999, p. 418). This implies that the study of such phenomena is situational and dependent on the context of the organisation and the individual being observed.

Hofstede's work embodies a positivist, deductive approach which seems to offer a deceptively comforting yet very incomplete view of cross-cultural managerial interactions and behaviours. Indeed this is a view which, whilst trying to explain difference might, inadvertently and indirectly serve to perpetuate national and individual stereotyping and misunderstanding within organisations. My own initial experience of working with, and attempting to understand the world of international managers against this wealth of management literature so heavily influenced by the work of Hofstede et al, was encapsulated by Jacob (2005, p.515):

> "What needs to be done is to see the complex interplay between culture and management in terms of a constantly evolving dynamic, because both are constantly evolving. Other works with their emphasis on typologies and dimensions provide us with a static snapshot of a country's orientation."
>
> "Researchers need to zero in on an oft-neglected feature of cross-cultural management – that cultural diversity can exist intra-nationally or within a single country, as well as across nations."

I had already recognised that in my interactions with managers from ESI that cultural diversity exists intra-nationally and that people tend to be hybrids who hold memberships of different national and organisational groups. My initial forays into social identity theory (in particular the work of Tajfel, referred to later) proved insightful in articulating this phenomena and helped explain the complex tensions experienced by individuals between in-groups and out-groups and how the allegiances people hold within an organisation may be made more complex when different national identities and first languages are brought together organisationally. What I observed and experienced by working with managers within ESI were manifestations of these multiple identities and their impact on roles, communication and relationship building. Yet the management training provided centrally from the UK did not attempt to explore what managing and influencing others in such a context meant and the skills associated with them, particularly in terms of communication and relationship building.

The strong presence of positivistic research methodologies and the sorts of claims made within the international and cross-cultural management literature did not sufficiently provide satisfactory explanations, when reflecting on the interactions I witnessed when engaging with managers in ESI as research participants or learners.

To continue with a more highly positivist research approach in this research study would not surface some of the more subtle but significant events that take place at the micro level of interpersonal relationship building in an internationally diverse organisation. My own influence on the nature of the research methodology in examining cultural interactions within organisations lies closely with the interpretive approach and as expressed by Geertz:

> "Believing, with Max Weber, that man is an animal suspended in webs of significance he himself has spun, I take culture to be those webs, and the analysis of it to be therefore not an experimental science in search of law but an interpretive one in search of meaning. (1973, p.5)"

The objectivist epistemology neither fitted the bill for the research study nor aligned with my own ontological beliefs. Taking a realist approach to reporting the research as some separate activity, removed from my own explicit involvement as an 'insider-researcher' also did not square with my role as an internal leadership development consultant within FSD. This, therefore, was not to be a research study that attempted pure objectivity. This was not to be research reported by a third- person-impersonal approach.

My own perspective and experience is that reality is inseparable from the mental categories we use to understand it. For my research practice the research methods construct the data, and theory cannot be separated from observation, nor facts from values. This research study is written as a personal and professional journey of conducting the research. My research stance therefore lies within the constructivist field and this is reflected in the research methods used. This view sees reality as not predictable or able to be subjected to unproblematic 'mechanical' research. This view sees social reality being constructed through interactions and as a phenomenon made meaningful by the place and time in which a particular person-researcher applies the research methods they have constructed. (Derrida,1987). This means that the report of this research will include use of the first person and the past tense.

Given the epistemological views, as stated above, the methodological approach that was used in the research study was based on a constructivist grounded theory approach as described by Charmaz (2000). Grounded theory demands the data generated in a study to supply theoretical understanding. It is the focus on understanding, as opposed to numerical analysis, that is important. The process involves taking an organisational 'slice of life' approach without the total immersion into a specific community that is associated with ethnography. It is an emergent process which aims, in this research study, to help tell a story about the lives of managers and their direct reports in ESI, the key incidents and situations they face and their responses, and the social processes (communicating, influencing, relationship building) that they need to engage in to perform effectively in their roles. Critics of grounded theory would characterise the approach as lacking rigour and being too dependent on the subjective views and opinions of the researcher. Therefore to strengthen the grounded theory approach a range of research methods were used to help enrich the theoretical sensitivities with an emphasis on triangulation. The research methods employed in this study therefore consist of semi-structured interviews and verbatim transcripts, observation, metaphor analysis, documentary analysis and research memos.

The research study seeks understanding of human, organisational phenomena rather than measurement. It accepts that knowledge comes from the interaction of the phenomena being researched and the culturally-shaped researcher.

1.5 The research aims

Much of the international management and cross cultural literature focuses on global and multi-national organisations where the scale and spread of operations is considerable. There is limited literature on organisations which, metaphorically, have dipped their strategic toe in the water and where an international presence, whilst not a major strategic component, offers opportunities to explore and expand a specialised home-based UK market, into Europe. This limited exposure to the international arena makes the effective recruitment and development of managers of critical importance particularly when the requirement of the Parent company, for the pace of business development, and expectation of early return on investment, of the international subsidiary is fast. This describes the situation faced by ESI.

The aim of this research study is to offer insights that may benefit other UK-based organisations, which have a growing international presence, in adopting effective approaches to management development and training to benefit both the home country and host country nationals located within the subsidiary organisation. The research study aims to surface the realities of being a manager in such a subsidiary (whether as home or host country national) and the role of management and leadership development in best equipping managers to communicate effectively and build effective relationships that enable them to operate in a fast-moving and internationally diverse subsidiary organisation. The research considers the nature of management and leadership development activities that are most suitable for UK-based organisations such as ESI.

1.6 The research questions

The questions which underpin the research study are as follows:

1. What are the cross-cultural communication and relationship-building challenges faced by an internationally diverse mix of managers operating in the European subsidiary of a British based organisation?
2. What are the implications for management and leadership development strategies and practice?

The central questions involve examining the following interconnected dimensions:
Management and Leadership: the impact and challenges for managing relationships not only within the Subsidiary organisation but between the Subsidiary and the UK Parent company.
*Culture: t*he influence of organisational and national cultures in achieving effective managerial communication, relationship building and performance.
Learning: the training and development of 'international' managers / leaders: the approaches and methods that are most likely to work.

1.7 The organisation of the dissertation

The first chapter provides a summary of the conceptual challenge which the dissertation seeks to address, which is how best to improve and develop the training interventions for a group of European managers located in a UK-based organisation. The second chapter explores the research process, choices and methods used, and focuses on the challenge and opportunities presented by qualitative research in organisations. It considers the constructivist stance to undertaking a grounded theory approach. In the third chapter the emergence of the four key themes is outlined together with how these themes derived from the data analysis and coding process, my own intuition and pre-understanding, as an insider-researcher. In the fourth chapter the first theme explored covers the challenges for managers of working within the framework of a European subsidiary being directed by a British Parent company. In the fifth chapter, the second main theme is explored which covers the variety of cultural influences present within ESI in terms of different national cultures and their impact on managerial effectiveness and behaviour. The sixth chapter considers the third theme namely, how the presence of a variety of European languages poses challenges and opportunities for managers and their people, and the consequence of this for the design and delivery of a particular management training programme. Chapter seven looks at the fourth theme and explores how company statements about the managerial role capability and performance, as expressed organisationally by ESI are operationalised in reality. The eighth chapter provides a synthesis of the four themes, conclusions and the implications for management development practice and future research.

1.8 The Literature Review

The survey of relevant literature presented in this dissertation occurs throughout the work, for example to illustrate my pre-understanding, the emerging key themes and the implications for future practice and research. It is my attempt to achieve what the American ethnographer, Harry Wolcott, wished of his students:

> "I expect my students to know the relevant literature, but I do not want them to lump it all into a chapter that remains unconnected to the rest of the study. I want them to draw upon the literature selectively and appropriately as needed in the telling of their story." (1990, p.17)

CHAPTER 2 RESEARCH METHODOLOGY

This chapter describes and justifies the methodological assumptions, data collection tools and techniques of analysis used in this research study.

2.1 Qualitative research in organisations

Conducting a research study involves considering and defining a research problem, articulating this into research questions, designing the methods of research, collecting, analysing and interpreting data and reporting the results and implications. These steps are undertaken alongside the social, ethical and political dimensions that are the concerns of the social researcher (Walford, 1991).

Prior to embarking on the research journey there were key questions that I needed to ask of myself in my role as researcher. These were initially posed in the context of me, as an insider-researcher undertaking a study based within the organisation within which I was employed. This was in the context of my own professional practice as a management trainer and developer, based within LBB, a private sector financial services organisation.

The questions underlying my approach to and choices about the research process related to the following. What are my own beliefs about the nature of reality and human nature (ontology)? What is the relationship between the researcher and the researched (epistemology)? How do we go about gaining knowledge and understanding of the world (methodology)? (Guba, 1990, p18).

The literature on what is sometimes referred to as the real life process of research, i.e. what happens pragmatically on the researcher's journey, shows it to be unpredictable and leading to different outcomes from those planned or anticipated. The research methodology to be used in this study, in seeking answers to the research questions posed earlier, lies within the qualitative tradition. Hard distinctions between qualitative and quantitative research can be misleading (Kirk and Miller, 1986, p.5). My forays into the research literature proved both illuminating and frustrating as I encountered the interweaving of epistemology and method and recognised that there is no simplistic relationship between a research method and an epistemological position. The qualitative paradigm is open to a broad interpretation as suggested by Van Maanen:

> 'The label qualitative method has no precise meaning in any of the social sciences. It is at best an umbrella term covering an array of interpretative techniques which seek to describe, decode, translate and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world'. (1979, p. 520).

The aim of this study is to use the specific characteristics of qualitative research, which can be most appropriately applied in the context of business-focused, organisational research. Within qualitative research the underlying epistemology is less driven by specific hypotheses and is more concerned with emergent themes and idiographic descriptions. The argument is that the search for objectivity is misplaced and it is the perspectives and interpretations made by research participants which are important in understanding behaviour. It has been argued that qualitative research in general can take place only in naturalistic settings (Denzin,1971; Lincoln and Guba,1985; Marshall and Rossman, 1989). Topics for study focus on everyday activity, "...defined, enacted, smoothed and made problematic by persons going about their normal routines." (Van Maanen, 1983, p. 255).

In organisational research, particularly, the consideration of context needs to be paramount, the field itself being defined by the context of organisational life. According to Cassell and Symon:

> "Individual and organisational behaviour is perceived not as the outcome of a finite set of discrete variables (some of which should be rigorously controlled) but rather as a 'lived experience' of the social setting."
> (1994, p. 5)

The emphasis is on understanding the 'life world' of the individual (Giorgi, 1970), which will involve the relationship and interdependencies between context and behaviour. In this research study this meant examining the relationship between behaviour and managerial contexts influenced by organisational culture and national culture. The aim was to use the specific characteristics of qualitative research, which can be most appropriately applied in the context of business focused, organisational research.

The role of the researcher and the researched has a particular characteristic within a qualitative approach. Due to the naturalistic settings, Kirk and Miller (1986) suggest that qualitative researchers are engaged in interacting with people in their own territory and therefore meet and converse in a way which reflects this. In an organisational context employees are participants and not solely subjects of the research. This research study was centred within a constructivist philosophical approach to human inquiry. Denzin and Lincoln (2003 p.35) argue that the underlying assumptions of this paradigm include three stances: a relativist ontology (there are multiple realities), a subjectivist epistemology (the knower and subject create understanding), and a naturalistic (in the natural world) set of methodological procedures. Denzin and Lincoln (2003) also argue that qualitative methodology is multi-method in its focus and embraces an interpretative, naturalistic approach to the research participants. They state that,

> "Qualitative research is a situated activity that locates the researcher in the world. It consists of a set of interpretative, material practices that make the world visible. These practices transform the world. They turn the world into a series of representations, including field notes, interviews, conversations, photographs, recordings and memos to the self" (p.73)

In this research study such an approach enabled me to closely examine and try to understand the complexity of leadership practice in an international organisation as enacted by the various stakeholders. The aim of the inquiry was understanding and the reconstruction of the meanings and understandings that people held. According to Crotty (1998) constructivism is primarily focused on the unique experience of each of us, i.e. each individual's way of making sense of the world is as valid and worthy of respect as any other. Given the nature of this study, i.e. examining the worlds of managers in a culturally diverse and cross-cultural setting, the constructivist view of the world is reflected in what Gergen and Gergen (1991) describe, namely that:

> "Accounts of the world...take place within shared systems of intelligibility – usually a spoken or written language. These accounts are not viewed as

> the external expression of the speaker's internal processes (such as cognition, intention), but as an expression of relationships among persons" (p.78).

The adoption of this constructivist world view, is of significance and relevance given that the nature of this study is concerned with the stories of a group of participants within an international subsidiary organisation whose role as managers is made more complex by the need to engage with, direct, support, challenge and influence individuals and groups who originate from a range of different European countries. Additionally such managers are employed within a British Subsidiary company and whose common business language is English. The accounts of the world of such participants are far ranging and based on both culturally similar and dissimilar origins.

Guba and Lincoln (1989) see the nature of constructions as attempting to make sense of or to interpret experience. They state that such constructions are often being extensively shared. This has resonance with the fact that groups of the participants for this study shared a range of nationalities, language, education, cultures and experiences. The focus on meaning is therefore central and the aim is to understand the world of meaning by attempting to interpret it. As Schwandt (1994, p.118) states:

> "The inquirer must elucidate the process of meaning construction and clarify what and how meanings are embodied in the language and actions of social actors. To prepare an interpretation is itself to construct a reading of these meanings; it is to offer the inquirer's construction of the construction of the actors one studies".

Guba and Lincoln (1994) assume that the observer (researcher) should not be removed or separated from the observed (the 'researched'). The accounts and outcomes of the research process in turn become a construction of the inquiry process. The accounts or constructions are located in the minds of the individuals, "They do not exist outside of the persons who create and hold them; they are not part of some objective world that exists apart from their constructors." (Guba and Lincoln,1994, p.143). The notion that individuals are active constructors of meaning, rather than passive observers of events, implies that there is a need to make the research process accessible to participants. This also resonates with the role of the qualitative researcher who is not detached and passive, observing organisational activity from some theoretically remote point, but as a social being that influences the behaviour and attitudes and actions of those involved directly or indirectly with the research intervention. The social process may hold a significant influence on the choices made by the researcher as the research is planned and unfolds. The skills of the researcher need to extend beyond the construction and implementation of the research but also to be able to build relationships with research participants. An understanding of social relationships may be a source of further insight, which can be fed into the understanding of the research context. This was of relevance to me as the participants in the research study were also my 'internal customers'.

As Schwandt states, the constructivist and interpretist approaches cannot be explained by considering the methods they employ. They are principally concerned with "matters of knowing and being, not method per se" (1994, p.118). Erickson (1986) comments that overly focusing on the techniques for gathering and analysing data , often obscures a full understanding of the relationship between inquiry, purpose, objectives and method. What is required is the means of being able to capture the details, subtleties, complexities and situational nature of meaning of the everyday world.

The problems faced with naturalistic approaches can stem from the social nature of the research setting and the relationship between the researcher and the researched. Difficulties may, for example, take the form of degrees of distortion of information shared in the research process, by participants (consciously or otherwise). Reactions to the researcher, by participants, will also influence the research. According to Schwandt (1994, p.247),

> "Interpretive accounts (efforts to make clear what seem to be confused, unclear) are to be judged on the pragmatic grounds of whether they are useful, fitting, generative of further inquiry, and so forth."

This pragmatism was of relevance for this study, where the initial sponsor of the research agreed to it on the basis of something that was seen as concrete and relevant for the organisation and that could be converted into tangible changes to professional practice. So what did this mean in terms of the research methods used to underpin the research for this study?

2.2 Research methodology: grounded theory and the constructivist approach

An interpretist and constructivist approach to the study of managers in a cross-cultural setting is based on the assumption that there is not one reality of managing, but many. As reality is socially constructed, it implies it is also contextual in nature. An examination of the way managers operate and learn in an organisational setting must therefore be qualitative. According to Janesick (1994), in qualitative research the aim is to look for the meaning and perspective of the participants in the research study. In identifying the most appropriate research methods the underlying ontological positioning of the research may be an important input in the decisions and choices to be made. Additionally, in organisational research, the 'client' organisation also plays an important role in determining what is deemed to be the nature of valid data derived from the research. In many cases this drives the client organisation. As Cassell and Symon point out, "Organisations are impressed by numbers, regarding them as 'accurate data', and illustrate the power of quantification in our western culture." (1994, p.9).

The aims of this research study involved the generation of theory within a naturalistic setting, focusing on an understanding of the meanings and experiences of managers in a specific organisation, ESI. To achieve this Grounded Theory methodology underpinned the research study and informed the research methods. Grounded theory is a qualitative methodology, which derives its name from the practice of generating theory from research, which is grounded in the research data. The development and formulation of this perspective originated with Barney Glaser and Anselm Strauss. In their pioneering work 'The Discovery of Grounded Theory' (1967), both Glaser and Srauss first set out this emergent methodology as an alternative to more traditional (and prevalent in social sciences at the time) approaches to scientific enquiry which had tended to rely on hypothesis testing, verification techniques and quantitative forms of analysis. This new work represented a challenge to the predominantly quantitative research paradigm in the social sciences. Despite the presence of a rich ethnographic discipline of the social sciences, what was remarkable about the work of Glaser and Strauss was the challenge to previously held prevailing assumptions, for example, the division between theory and research, that qualitative methods lack rigour, that qualitative research could not contribute to theory development (Charmaz,1995).

Charmaz (2000) posits a constructivist approach to Grounded Theory and sees a continuum between objectivist and constructivist Grounded Theory. The argument is that:

- Grounded Theory strategies do not have to be rigid / prescriptive
- A focus on meaning whilst using grounded theory furthers rather than limits interpretive understanding
- Grounded Theory strategies can be used without having to embrace positivist emphasis, which typifies earlier proposed grounded theory.

The criticisms of Grounded Theory, according to Charmaz, challenge the researcher's representations of their subjects, and their authority to interpret subjects' lives. Irrespective of the schisms apparent in the directions taken by Glaser and Strauss the implications of the criticisms of Grounded Theory are that these methods gloss over the meanings held by participants. Conrad (1990) and Reissman (1990) suggest that grounded theory research 'fractures the data' and might limit understanding as there is an emphasis on analysis rather than enabling research subjects' experiences to be more fully explored. This had implications for this research study which derived its philosophical framework from a constructivist approach that assumes that people confer meanings on their realities and act upon them to create and maintain a meaningful world. Using a constructivist grounded theory approach enables the researcher to move methods of inquiry and theory-making into interpretive social science with an emphasis on meaning without assuming a one-dimensional external reality.

Grounded theory does involve collecting data in the field but without the total immersion into a specific community that is associated with ethnography. There is a tendency for grounded theory to take a 'slice of life' approach. It is also an emergent process which tells a story about people, social processes and situations. The research composes this human story and reflects the viewer (researcher) and the viewed (those that are the focus of, and participants in, the research) as well as those within the researcher's peripheral vision.

A constructivist approach to grounded theory attempts to make a distinction between the real and the true, and does not attempt to seek single, universal and lasting truths. So how does the researcher develop a constructivist grounded theory? How does this inform the selection of research methods? There is the danger, in data collection methods, of, for example, the 'one shot' interview, which leads to a partial, sanitised view of experience. Overly structuring the interview may also preclude private thoughts and feelings from emerging. In an organisational setting there are dangers for the researcher of only hearing the 'public' or 'corporate' version of the story. The aim of this research is the generation of substantive theory. According to Glaser and Strauss, "Substantive theory is a strategic link in the formulation and generation of grounded formal theory. " (1967, p.79).

Strauss and Corbin (1998) recognise that whilst higher level 'general' theory is also possible, its grounded nature differs from more deductive types of general theory because of, "...its generation and development through interplay with data collected in actual research" (p. 274). In this research study the substantive issue out of which the substantive theory was derived related to understanding the impact of cross cultural interpersonal relationships on a leader's practice in ESI. This involved examining the phenomena with particular reference to the learning and development implications for developing managerial and leadership capability and performance in ESI. Developing leaders and managers involves engaging with a number of contextual and personal variables, for example, age, experience, gender, personality traits, learning styles, motivation and so on.

As stated earlier, influential writers such a Hofstede, Trompenaars and Hampden Turner have made generalisations about the part played by national culture and its impact on interpersonal relations and communication (and potentially on the practice of leadership). Yet, working with cross cultural groups suggested a greater complexity when dealing with real individuals 'in the field', as opposed to this generalised stereo-typing.

My own experience when working with FSD illustrated this (and taken from my research diary):

> I was co-tutoring on a coaching programme (The 'Leader as Coach' Programme) to a group of managers from within ESI. The programme was delivered in Maastricht and participants were from France, Italy, Germany, Holland and Ireland. All had a very effective command of English. Yet the content involved fairly complex management models from the USA and the UK and the programme was exactly as that designed for and being delivered to a solely British audience.
>
> The three-day programme used a well tested model of interpersonal relationships as a fundamental component of the programme. Some of the group found the concept of 'openness' and 'open feedback' quite challenging. Hofstede et al's interpretations / categorisations were of little value in explaining this and actually contradicted some individuals' responses and behaviours over the three days. A group of four Dutch managers appeared to behave in a way somewhat out of step with the other participants. Was this due to their national cultural differences? Organisational differences? Interpersonal differences? All, or some of these factors? Or was it just my perception as a monolingual British tutor? Are these important influences and what part does training/ development play in preparing managers to operate effectively in a cross cultural environment? [Diary entry]

The process of data gathering reflected an inductive process, i.e. working from the data to develop propositions and theory as opposed to a hypothetico-deductive method. Experience with the data aims to generate insights, hypotheses and generative questions. These are then further pursued through additional data collection. The data at the heart of the research is evolved directly from the lives and stories of participants derived through face-to-face interviews and from observations. The aim of the research, was to go further than surface meaning or presumed meaning. In addition to looking for facts and acts there was also the need to look for views and values. There was also a need to look for beliefs as well as structure and situations. It meant, according to Charmaz (2000), listening to people's stories with an openness to feelings and experience.

2.3 Trustworthiness and transferability of the research

For qualitative researchers, in particular, there is often a challenge when confronted with the positivist's concerns relating to questions of validity, reliability and generalisability. Reliability refers to "the extent to which a test produces similar results under constant conditions on all occasions." (Bell, 1987, p.50); validity refers to "how correctly the research portrays the phenomenon it is supposed to portray." (Brock-Utne, 1996, p.615), and generalisability refers to "the degree to which findings can be generalized to other settings similar to the one in which the study occurred" (Denzin and Lincoln, 1998, p.186). Such concepts are employed as quality criteria by positivist, empiricist researchers as indicators of the confidence which can be placed in the research findings for representing the particular phenomenon being studied.

Yet social scientific research which extends the domain to beyond the prediction of 'facts' and objective reality, to embrace the construction and interpretation of meaning, and the nature of knowledge needs different forms of validation. (Kvale, 2002, p.307). Lincoln and Guba (1985) argue that the notions of validity, reliability and generalisability need to be grounded in a world view of qualitative research. The basic assumption here is that reality is constructed, multi-dimensional and constantly changing rather than being a single immutable reality waiting to be observed, measured and tested. They therefore suggest the notion of 'trustworthiness' for qualitative, naturalistic approaches. The alternative standards include the concepts of credibility, transferability, dependability and conformability (Guba and Lincoln, 1989). This means that when there is no perfect truth or absolute reality (but values, beliefs, assumptions, perceptions and distortions) then trustworthiness becomes an important objective for qualitative, naturalistic researchers to aim for and achieve, thus enabling such research to contribute to an acceptable level of authenticity and reflecting the multi-dimensional and socially constructed reality.

Schwandt (2001, p.258-259) suggests four quality criteria to lay alongside the positivist / empiricist concepts:

> "First *credibility* (parallel to internal validity) addressed the issue of the inquirer providing assurances of the fit between respondent's views of their life ways and the inquirer's reconstruction and representation of the same. Second, *transferability* (parallel to external validity) dealt with the issue of generalisation in terms of case-to-case transfer. It concerned the inquirer's responsibility for providing readers with sufficient information on the case studied such that readers with sufficient information could establish the degree of similarity between the cases studied and the case to which findings might be transferred. Third, *dependability*, (parallel to reliability) focused on the process of the inquiry and the inquirer's responsibility for ensuring that the process was logical, traceable and documented. Finally, *conformability* (parallel to objectivity) was concerned with establishing the

fact that the data and interpretations of an inquiry were not merely figments of the inquirer's imagination. It called for linking assertions, findings and interpretations, and so on to the data themselves in readily discernable ways."

Guba and Lincoln (1981), Merriam (1988) and Patton (2002) suggest that qualitative research can help ensure its credibility with the following strategies:

Triangulation – this refers to the combination of investigations, methods, and sources in a single study to determine accuracy of emerging findings. The aim is to examine the study from more than one single method or single source.
In this research study I used:

- Semi-structured interviews
- participant observation
- document analysis
- metaphor analysis
- analytical memos and research diary

Member checks – refers to procedures for taking data collected from research participants and the researcher's tentative interpretations of these data and asking whether interpretations are plausible. In this research study I asked participants to check the contents of transcripts and to check out emerging themes generated by my early interpretations.
Peer examination – refers to the process of involving peers or colleagues to act as critical friends to examine the data and to comment on emerging findings. I did this mostly after the data analysis stage and when I was developing the emerging themes and the synthesis. I used a group of external training consultants who periodically met as a network.
Long-term observation – refers to the practice of engaging in the research situation over a long enough time period to ensure an in-depth understanding of the context and research situation. In this study, because of my proximity to the research participants and their organisation (in my role as an internal consultant whilst employed by FSD) I was able to get to know the organisation and many of the research participants that would not have been possible if I had been approaching the research totally as an external researcher adopting a single case–study methodology. My own observations were also informed by

colleagues in the training and development function in FSD who worked with teams and individual managers in ESI. Having left FSD and continuing my research was aided by additional contact with people still working within ESI. Having set up my own leadership development consultancy since leaving FSD enabled me to apply my newly growing consultancy skills and to view LBB and ESI from an external perspective.

Researcher Biases – refers to the open presentation of the experience and orientation of the researcher at the start of the study. My own explanations of my role and experiences are explicitly stated in this study.

According to Schwandt's (2001, p.258-259) view on quality criteria in relation to transferability, any generalisability of this research study is limited since transferability only allows for 'temporary understanding' instead of applying the research results to every situation that may occur in the future (Cziko,1993, p10). However I believe that the results of this research study help provide further insight into the professional practice of those practitioners involved in building the capability and confidence of managers working and learning in an international environment. The greater the depth of description of the research situation, the participants and context, the greater the possibility of transferability as this will help the reader examine the degree to which the original research situation is similar to his/her own and make informed judgements as to relevance and fit with their own professional practice.

According to Schwandt (2001, p.258-259) dependability requires the researcher to explain how changes in context produced changes in observations. Conformability refers to the degree to which research results can be confirmed by other researchers. My own audit trail (Miles and Huberman,1994) covered the development of the research questions; files containing transcripts; coded transcripts held on software; tables of themes and the networked linkages between them; examples of written reports, memos, presentations; research diary; personal memos; personal data of research participants in terms of role-position, location, nationality etc. This record of research data aimed to provide verification of the various activities associated with this study and helped add to overall trustworthiness of the conclusions and findings.

2.4 Research process, procedures and techniques

Having set out the rationale and ontological discussion, which supports the epistemological choice underpinning this research study, the aim of this section is to set out the components, stages and techniques of the research undertaken. The structure of this section is based on a nine-step process for naturalistic inquiry as described by Cohen, Manion and Morrison (2000, p.137) and considers the specific issues and how these were addressed in the research process.

<u>Step 1 Addressing ethical issues</u>

The balance here, is between maintaining, on the one hand the naturalism of the research setting and, on the other, enabling participants to share informed consent for the research. Informed consent can lead to the selection (or non-selection) of particular research methods. For the purposes of this research I used an overt not covert approach with participants. Where, as in this case, I, as the insider, undertook the research, the issues of risks to participants and the need for trust and confidentiality were important in such an organisational setting. This was particularly so since the research participants were, at one time, also my ‘internal customers’ for management development purposes. I produced a note summarising the purpose of the research and my role. See Appendix 1.

The main protection between myself, and those being researched was through guarantees of confidentiality and providing anonymity in the way results where presented. This involved changing names of the organisation and participants and hiding key indicators of identity. It was also necessary to emphasise that any personal details would only be held by me as researcher and that only key findings (which do not point to specific individuals) would be made available to LBB or ESI, directly. It was also important for me to reassure research participants that taped interviews transcriptions would be destroyed as soon as they had been transcribed and analysed.

Step 2 Deciding the research sample

The notion of sampling presents problems in this type of study. ESI is a relatively small organisation with approximately 60 managers and team leaders in all. Whilst the positivist/quantitative discipline requires the development of a sample from which generalised statements are applied to a wider population this is not the case with an interpretive approach. As McCracken states, the aim is to, "Gain access to the cultural categories and assumptions according to which one culture construes the world" (1988, p.17). In this research study it was these categories and assumptions which were the significant factors and not necessarily the number or type of people who held them. In the end I adopted what Cohen and Manion (1989, p.103) refer to as 'purposive sampling' in that the researcher 'handpicks' the research participants based on his/her judgement of their competence and typicality, "In this way (the researcher) builds up a sample that is satisfactory to his specific needs."

The individuals I identified did not directly represent a larger 'whole' but what they revealed may have implications for a bigger or another population. In terms of Lincoln and Guba's constructs (1985) this refers to the transferability or ability to generalise the data emerging from one sample to a larger or a different sample. In identifying people there were questions of bias/ subjectivity on my part. Should I avoid people I knew or focus on unknown individuals? As I used interviews there may have been an advantage of knowing someone which allowed for greater candour or ability to probe? In contrast, people of greater seniority may have been more intimidating and less disposed to being candid.

Amongst these questions was McCraken's view that "...qualitative research does not survey the terrain, it mines it" (1988, p.17) and that the richness and quality of the interaction with research participants was to be the most significant factor irrespective of my level of familiarity with them in a professional capacity. The main aim in determining the sample size was to provide some degree of cross-sectional representation of the management population in ESI. This was to provide a richness of perspectives and experience rather than a compartmentalising of any results based solely on a level or position within the organisation.

The criteria and principles for identifying those members of ESI who were to be approached as research participants were as follows:

Different managerial levels

- To cover Senior Managers; Middle Managers; First level Managers
- To help provide 180 degree perspectives i.e. some participants would have in some cases colleagues, direct reports or their line manager as fellow-participants and this might help provide further insights and understanding when compared and contrasted

Cross- functional mix

- Not focused on one department or specialism but managers drawn from across ESI

Demographic spread

- To represent, where possible, a spread of age, experience, gender.

Different nationalities

- To engage with a diverse group including those who did not have English as their first or second language.

The reason for the above criteria for approaching participants was driven by the size of the managerial population within ESI (approximately 60 out of a total company size of approximately 250). Given that the research aims focused on helping managers to learn, perform and manage relationships more effectively then having this mix would be valuable. I also determined that I would aim for involving approximately one third of the ESI managerial population, in one form or another in the research process. Details of the population covered in this research study is set out in Appendix 2. This indicates those participants who were interviewed, and/or observed through my delivery of ESI management training programmes.

Step 3 Managing entry into the research context and extending pre-understanding

Being given the opportunity to conduct the research within ESI (and in particular the data gathering) required a degree of influence and engagement on my part. This was particularly so given that it would involve operating in 'real-time' which had an impact on both my time (and therefore cost to the business) and time and cost for ESI participants.

The whole process of my undertaking doctoral level work within FSD shed light on the internal politics and power play that linked to attempting to achieve personal development in creative ways. Putting it more bluntly my respective senior managers/director had not felt at ease with a more junior member of staff studying at doctoral level. Nonetheless through persuasion and building a business case I achieved internal agreement to my undertaking the study. It was interesting to note that the support for the proposal had not been automatic or wholehearted and there had been subtle pressure on me to take another topic area which, in FSD's view, might be more beneficial to ESI. This I believe was a means of exerting power and control indirectly. I obtained approval directly from the Chief Executive of ESI who was supportive and an influential figure not only within ESI but with the main board of FSD. Gummesson (2000) states that, "As change agents, researchers / consultants must have a close relationship with major decision-makers and other line and staff representatives in the company with which they are working." (p.133)

In my own capacity as an internal consultant in FSD my aim was to use my involvement in the design and delivery of particular management training programmes (to be delivered to ESI) to enable me to build relationships with managers in ESI which would build trust with them as potential research participants. One management training programme in particular was a major inspiration for my conducting the research in the first instance. The 'Leader as Coach' programme (a 3-day coaching training programme for managers and team leaders) , hereafter referred to as the TLAC programme, had been delivered to a large number of managers in the UK within FSD. It was deemed appropriate to roll this out to managers and team leaders in ESI and I, along with two other members of my department (including the management development manager, my boss), were tasked with including ESI managers and team leaders in this larger organisational roll-out.

In addition to the dozen or so 'Leader as Coach' TLAC programmes that I delivered for managers in the UK I also ran one TLAC programme for managers within ESI. This not only provided me with the desire to centre my research within the ESI Subsidiary but also enabled me to build relationships with the programme participants, a number of whom subsequently became research participants.

This process of building relationships with ESI managers, who were also potential and actual research participants, was further extended as I designed and delivered other programmes for ESI. These training programmes were as follows:

- Performance Management training (a series of ½ day and 1 day workshops and coaching sessions): included managers and their direct reports
- Leading In ESI programme (2-day training course): for managers and leaders
- One-to-one coaching work: with a small numbers of managers

All of this exposure to ESI and members of its management team served to provide what Gummesson (1991) refers to as 'pre-understanding'. Gummesson defines this as being wider than just knowledge,

> "...pre understanding also implies a certain attitude and a commitment on the part of the researchers / consultants. It involves their personal experiences as an essential element in the process of collecting and analysing information." (p.53)

So, the design and delivery of internal training programmes gave me further insights, observations and understanding of what managing in an international environment was like and this helped me shape my research approach. This raised issues for me about my own 'positionality' within the research. I was a known quantity with some members of the ESI management team but unknown to others. I had formed opinions about some of the managers and had anecdotal views from my colleagues. The main requirement from me was to acknowledge these preconceptions in my research design and analysis and attempt to triangulate the data as much as possible to provide an element of roundedness of data. As the 'Leader as Coach' TLAC programme represented an experience shared by all managers in ESI this helped provide the context for building trust and promoting openness. Indeed the model used on the 'Leader as Coach' programme introduced the work of Schutz (1994) and his model of inclusion, control and openness as the basis of effective relationships. To achieve the most effective research relationship and to explore meaning required a degree of openness on my part and that of research participants. My own positional power and credibility gained through delivering the various training programmes brought me into contact with a whole range of managers and this was invaluable in helping the richness of the research experience.

Step 4 Approaching participants

The process of sampling has been discussed above in Step 2. The objective was for the research participants to be willing volunteers who were available for an extended period, i.e. over one year. Given the size of the management population of ESI the aim was to target as a high a percentage as possible (at least one third if possible). This was duly achieved. The aim was for participants to gain some intrinsic benefit from being a participant, e.g. by gaining increased self-awareness, so that this was not seen solely as a one-way process. The benefits for participants, however, were subsequently harder to predict.

I positioned the research as very much a personal matter between the research participants and me, as the danger was that if the research had been seen as a company initiative then people might feel coerced to participate. This worked effectively and there was no resistance from any of the people that I approached to being involved. Indeed a number were interested that this research was being undertaken at all, and saw it as a positive intervention.

Where face-to-face methods are used Le Compte and Preissle (1993) suggest that field work raises problems and challenges of its own: communicating effectively; use of power and authority; issues of personality; responsibilities of the researcher to the participants. This recognises that data gathering is socially situated and that relationship building is an important part of the research process. As the culture within ESI respects the 'expert' the aim was to build relationships through my existing network and by using the 'Leader as Coach' programme and other management training programmes that I delivered, to aid credibility.

Step 5 Data collection: research methods

A grounded theory approach does not define data collection methods but specify strategies of analysis, i.e. there is no single prescription for which data collection methods to use. My aim was to use a number of methods and to triangulate the data collection process thus avoiding the limitations of over-reliance on one method and providing different insights into emerging data. The data collection methods used, were as follows:

- Individual interviews
- Review of corporate literature within ESI
- Observation of managers during the running of training programmes
- Maintenance of a personal research diary
- Exploration of language through metaphors

Individual Interview process

Interviews can be used to establish details of situations which the researcher is unable to witness (Burgess, 1984). Additionally, the interview is well suited to investigating people's perceptions of and assumptions about events and particular phenomena. Given the diversity of views on managing and leading within ESI the interview process was an appropriate method to explore such views.

The interview has many uses and exists in a number of forms. Cohen and Manion (1989, p.307) distinguish between four types of interview. These are the structured interview, unstructured interview, the non-directive interview and the focused interview. In this research study, interviews have been used partly as a conversation to explore issues and, in a more structured way, to ensure adequate coverage of the areas of focus selected to inform the research process. The 'semi-structured interview' approach was adopted because the interview questions, albeit structured in advance, allowed for interviewees to go outside of the interview parameters and to engage in a conversation with myself as researcher. I was more concerned with trying to understand or make sense of the research participant's world and therefore my own questions evolved the more people that I interviewed. The semi-structured nature of the interviews became an iterative process which helped inform further questioning and understanding. As expressed by Holstein and Gubrium (1995, p.18): "All participants in an interview are inevitably implicated in making meaning."

Kvale (1996, p.11) regards an interview as an inter-view, an interchange of views between two or more people on a topic of mutual interest. In this setting, therefore, knowledge is constructed between the participants; it is not subjective or objective. The semi-structured nature of the interview aimed to give some consistency and focus to each interview while allowing flexibility and responsiveness to the individuality of each research participant and their needs. There needed to be enough room for me as researcher to improvise the questioning in response to the participant. I was conscious that asking managers to state their own views and opinions on their abilities to handle difficult leadership situations presented only a partial picture. As Argyris (1992, p.89) states, "...one of the paradoxes of human behaviour, however, is that the master program people use is rarely the one they think they use". The 'espoused theory' (i.e. what we say we do) can often be at odds with our 'theories- in-use' (what we do). Exploring this 'gap' seemed to be an important part of the research. Whilst the interview does provide the opportunity to probe the interviewee's 'gap' there needs to be further triangulation, i.e. another perspective, preferably that of somebody on the receiving end of the theory-in-use behaviour or observation of the manager. This was not always possible for each of the research participants to the same degree, but when it was done it helped create a much more informed picture of real managerial actions.

The need to cater for the individuality of interviewees was paramount but also acknowledging my own reactions to different levels of inclusion, control and openness was important. Where possible I tried to establish a level of personal openness between me as researcher and the subject of the research which enabled the content of the interview to be as distraction free and 'safe' as possible to encourage the disclosure of personal insights and learning. The constructivist approach to grounded theory is concerned with seeking meanings, which go further than surface meaning or presumed meaning. It meant listening to people's stories with openness to feelings and experience and probing these sensitively and assertively.

One interview had to be done over the telephone and taped. The lack of face-to face contact was limiting as no body language was present and therefore important cues were lost in the process. The duration of the interview was also shorter than the other face-to-face interviews. The only help in the process was the fact that I had met with and worked with this manager on two training programmes so was at least not dealing with a complete stranger.

The interview structure (see Appendix 3) was intentionally broad in nature to help the participants to elicit any examples and incidents which reflected their experiences of managing in a diverse organisation. It served to create an atmosphere of trust where initial questions were very broad about the participants role, experience and further probing narrowed the questioning.

I found that the interview structure changed somewhat the more people that I interviewed as questions and ideas raised in previous interviews were tested with new participants. This iterative process did not compromise the semi-structured nature of the interview plan but allowed greater flexibility in unfolding the research 'story'.

Taping and transcription of the interviews

The interviews, for the majority of the research participants, were audio-taped (and with due permission granted by the participants) and subsequently transcribed into the written form, verbatim. On two occasions this was not possible and detailed notes were taken during and after the interview. In these cases despite the existence of recorded responses, some reconstruction of what was said was inevitably needed. An example of a transcribed interview is set out in Appendix 4.

In examining the literature on transcription, Cook (1990) argues that in most transcripts no rules for contextual factors are given and such selection is often not acknowledged. There is, according to Cook, an implication by researchers that transcriptions are objective. However, "the subjective, selective and fundamentally unscientific nature of analyses of language in context should be acknowledged, and not disguised." (Cook, 1990, p.15). Mischler (1991) extends the argument by stating that the process of transcription is fundamentally interpretative and therefore cannot be regarded as providing objectivity.

Kvale (1996) in his book on qualitative research interviewing sees transcriptions as interpretative constructions arrived at through choices made by the researcher. These begin with initial recording decisions (audio or video recording) and continue with questions relating to the purpose of the analysis and the target audience. Like other theorists Kvale observes that analysis begins during transcription. Poland (1995), who uses the transcription of interview data in health promotion research, states that, "...the transcript text is frequently seen as unproblematic and is given privileged status in which its authority goes unquestioned." (p.292)

Just as the research interview must be understood as socially constructed, Poland (1995) views transcripts to be "...open to multiple alternative readings, as well as reinterpretation with every fresh reading." (p.292). The most commonly quoted disadvantages of transcription are cost and time. My own decision was to try to avoid over-reliance on notes taken during interviews but, where operationally appropriate, to audio tape the entire interviews with research participants and to have these transcribed word-for-word to enhance the Grounded Theory coding process.

I sent a note, together with the copies of the transcribed audio tapes, to each of the interviewees to enable any changes/ comments/adjustments to be made by the participants. (See Appendix 5) .Other than very minor amendments to the wording there were no adverse reactions to this process. One manager commented on the value of seeing his own conversation in writing and it had made him think about how long-winded he must have come across to me! I had a similar reaction when listening to myself on tape, and seeing the way I asked questions (both good and bad ones), and dealt with responses, in writing. This did have an important impact on my professional practice. It made me appreciate the need for greater succinctness in some of my questioning, particularly when engaging with managers where the English language was maybe their third language. It also showed me areas where my questioning could have pursued a line of investigation more effectively.

Corporate literature review process

As Prior (2004) states:

> "The emphasis that social scientists commonly place on human actors manifests itself most clearly in the attention they give to what such actors say and think and believe and opine." (p.90)

Yet, when considering the importance of documents in social research we should, according to Prior, go beyond seeing documents purely in terms of their content,

> "...it is clear that each and every document stands in a dual relation to fields of action. Namely as a receptacle (of instructions, commands, wishes, reports, etc.), as an agent that is open to manipulation by others, as an ally or resource to be mobilised for further action." (p.91)

Hermeneutics refers to an approach that was originally devised in relation to the understanding or interpretation of texts, and of theological texts in particular. The central idea is that the analyst must seek to bring out the meanings of a text from the perspective of its author(s). Phillips and Brown (1993) and Forster (1994) identify a critical hermeneutic approach to the interpretation of company documents which emphasises the need to collect, locate and interpret within a specific and historical context and that this process helps shape understanding and meaning. What appears to be critical is the link made between understanding the text from the point of view of the author and the sensitivity of the social and historical context of the document's production. In this study, and to complement the interview and questionnaire processes, use was made of documentary records/ communication present within ESI which had the potential to provide insights into the interpretations of organisational life by individuals and groups of individuals, "They are one of the principal by-products of the interactions and communication of individuals and groups, at all levels, in organisations." (Forster 1994, p148)

Whilst the advantage of this form of data is that it requires little time in collecting, and is unobtrusive, there are questions around the researcher's basis for selection of materials, the fragmentary and subjective nature of the data. The Grounded Theory process was used to help focus attention on meaning, which reflects the constructivist approach discussed earlier. The aim was to access and use information that was likely to focus on:

- Background to the context of what was happening at a micro and macro-level to ESI
- Strategic documents
- Information that might shed light on what leadership and managing meant in ESI
- Examining training, recruitment and induction methods for managers in ESI
- General communication issued by the ESI top team to managers and their staff
- Communication relating to organisational changes within the ESI organisation

I also acknowledged that given the iterative nature of the Grounded Theory methodology in qualitative research, access to documentation would be revealed through interviews and the data analysis processes.

A summary of the corporate documents gathered and examined is given in Appendix 6.

Participant Observation process

Marshall and Rossman (1989) define *observation* as the "systematic description of events behaviours, and artifacts in the social setting." (p.79) In an organisational context, Gummesson (2000) states that:

> "Research into the role of leadership during processes of change comprises the study of actions, reactions and interactions i.e. an examination of how the interrelationships between the various actors can change over time. Hence direct observation can be considered to be a perfectly adequate method of investigation." (p.134).

He goes on to warn however: "In practice, we are limited to observations of specific aspects of certain selected fragments of an extremely complicated process." (p. 134). I considered that the most appropriate setting to use for participant observation in this study were the occasions when I was involved in designing and delivering management training to ESI managers. This reflected the research aims of helping develop appropriate strategies for aiding international managers in their relationship building and intercultural communication capability. Communication, learning and relationship building were present in such events and this provided the setting for what Wolcott (1995) termed micro-ethnography.

By use of analytical memos and reflections captured after an incident or event, in my research diary, I tried to record examples of managerial behaviour which helped inform the data gathering and data analysis phases of the study. The disadvantages of this strategy related to the covert nature of these personal and intuitive reflections but this was counter-balanced by the aim for triangulation in the sources of research data that I sought to gather. Therefore the data gathered in this way was combined with that from other sources to provide further sources for coding and theory generation.

Research diary process

This was used by me to record reflections, observations and my learning as a researcher as well as being a place to record and comment on the unfolding research process and progress achieved. It was also the place where frustrations with progress and blockages were recorded. It proved to be a productive way of keeping a record of the unfolding nature of the research and helped recollection and reflection. It has been more possible to distance myself and taking a broader view of the research activity through recording it in such a written form.

The research diary was also where my observations of managers were recorded, both in terms of the interviews but also by observing them directly in situ, during the running of the management training programmes.

Step 6 Data Analysis and Theory Generation Procedures

The nature of this study was to understand what it means to manage in ESI and the implications for learning and development strategies to support managers in ESI. The nature of the investigation is inductive and one of theory building rather than theory testing.

At the heart of Grounded Theory analysis is the coding process, which consists of three types: open, axial and selective. This was applied to data irrespective of format. Coding is the initial process in the Grounded Theory approach, which involves analysis, comparison and categorisation of data. In open coding, incidents or events are labelled and grouped together via constant comparison, to form categories and properties. Axial coding represents the establishment of hypothetical relationships between categories and sub-categories. Selective coding is the process by which categories are related to core categories, ultimately becoming the basis of the grounded theory. The combining of the stages of analysis and theory generation reflects the iterative nature of the grounded theory process. Memo writing was also used, representing the intermediate step between coding and the first draft of the completed analysis. As categories emerge from the data the researcher seeks to add to the sample in such a way that diversity is increased in a beneficial way. Theoretical sampling seeks to strengthen the emerging theory by defining the properties of the categories and how these influence the relationship of category to category.

The constant comparison method approach means that data are compared across a range of situations, times and groups of people and this resonates with the notion of methodological triangulation referred to earlier. The constant comparison method involves the following, (Glaser and Strauss, 1967, pp.105-6):

- comparing incidents and data that apply to each category, comparing them with previous incidents in the same category and with other data that are in the same category
- integrating these categories and their properties
- bounding the theory

- setting out the theory

The constructivist approach meant the need to understand the assumptions which underpin the data by piecing them together. The categories derived from the coding process needed to be consistent with studied life to help keep that life in the foreground (Charmaz, 2000). The pursuit of meaning rather than truth involved examining how individuals experienced the phenomena and what, if anything, they did about it. The constructivist approach views the topic or question being posed as a feeling, an experience that may take a variety of forms. This meant that the Grounded Theory coding was coded and re-coded on numerous occasions by posing different / new questions e.g. taking explicit responses and findings from the interviews, to see if they were implicit in other interviews, and by checking out with the interviewees direct. This helped identify the 'gap' between espoused theory and theory-in-use, referred to earlier.

<u>Exploring Metaphors</u>

I wanted to explore metaphors in greater depth to examine how they might reflect behaviour and action. According to Lakoff (1987) meanings fundamentally reflect mappings across conceptual domains. Whilst we experience metaphors through language they operate on a conceptual level. Reddy (1993) showed that the 'conduit' metaphor conceptualises the experience of communication. The growing body of evidence from both linguistics and cognitive science supports the notion that metaphors are a basic mechanism which enable individuals to conceptualise experience. Altrichter et al (1993) provide a further insight into the nature of the metaphor:

> "A metaphor transfers meaning from one field of experience (often a colourful one) to another field of experience (often another field of experience (often an abstract one)." (1993, p.127).

Kirby & Harter (2003), in examining the metaphor of 'managing diversity', reflect that;

> "We are symbolic animals who order our experiences by constructing linguistic frameworks that create, shape, and constrain our actions and

perceptions. As such, we can explore how people understand the world by deconstructing their linguistic choices." (p.30)

Investigation into how metaphors are used in social sciences have been undertaken in a number of fields Easton and Arau (1993), Johanson and Mattsson (1994) and Van den Bulte (1994) in marketing: Alvesson (1994), Inns (2002), Lennon and Wollin (2001), and Pondy et al (1983), in organisation theory, strategy (Peters,1992). According to Cornelisson,

> "The use of metaphor in organization studies, as in other scientific fields, thus involves a strategy for the accommodating of language with the purpose of eventually revealing as yet undiscovered features and dynamics of the world." (2002, p.260)

Altrechter et al (1993) describe the generative nature of metaphors which can create new meanings, and cautions the fact that they do not replace the analysis of the data, but they can help stimulate new directions for analysis and thereby add value to the overall research process. Within general organisational theory literature Palmer and Dunford (1996) acknowledge four broad areas of conflict that exist with regard to the use of metaphors:

> "The first conflict centers on the relationship among metaphors, the nature of organisational reality, and the usefuleness of multiple metaphors. The second conflict involves arguments about why some metaphors gain prominence over others. The third conflict involves whether metaphors aid or impede the production of knowledge about organisations. The fourth conflict concerns the commensurability of different metaphors in producing organizational knowledge." (1996. p 695)

Whilst there will not be an in-depth examination of each of these four areas of conflict, my own stance reflects a non-positivist / social constructivist view. Gelfand and McCusker (2002) contend that,

> "...while metaphoric mappings are believed to have a universal function (i.e. provide a conceptual scheme for interpretation and expression), and follow a universal process (i.e. the process of aperception), the products of this process, which are the contents of metaphors, should be culture-specific." (p. 298)

The use of metaphors is an extension of the search for different and dynamic 'truths' and a move away from problem solving to sense making and as an integral part of how reality is constructed (Weick, 1989). According to Lakoff & Johnson, (1980) metaphors not only structure language but also a person's conceptual system. I therefore used metaphor analysis to help understand how managers in ESI viewed their roles and some of the challenges involved in managing the transition into different roles.

Stage 7: Leaving the field

Here the issues were around ending the research intervention and the process for disengaging with relationships built up over the research. (LeCompte and Preissle, 1993, p.101). Within the context of this research it was intended to attempt to create a level of trust with participants who would enable me to help support any personal development needs that managers in ESI might have. The aim was to have strengthened an understanding on the part of participants of me as both insider-researcher and representative of the Leadership Development Department and to help create changes in the practice of developing the capability of managers within ESI. This was impacted by my leaving the organisation at a point where all of the primary data gathering from the research participants had been undertaken but the analysis and results had not been undertaken. My earlier aspiration, to transfer my learning and the implications of the research, directly into shaping future management development activity in ESI, was therefore thwarted. The benefits have been reflected in my own development, wider professional practice and the development of my own leadership development business.

Stage 8: Writing the report

As discussed in stage 1 above there was a requirement for interim reporting by FSD as well as the final dissertation report. Given my leaving the organisation before the completion of the report this was not carried out.

CHAPTER 3 THE EMERGENCE OF THE KEY THEMES FROM THE DATA

The purpose of this chapter is to explain the process of developing theory from the data collection, using the Grounded Theory approach. It serves to highlight the origins of the key themes described in subsequent chapters.

Grounded Theory can be defined as 'theory that was derived from data, systematically gathered and analyzed through the research process. In this method, data collection, analysis and eventual theory stand in close relationship to one another." (Strauss and Corbin,1998, p.12). So it is concerned with the development of theory out of data, using a recursive approach. As described in Chapter two above, in Grounded Theory a key element is the coding process whereby the data is broken down into its component parts and duly named and labelled. It begins soon after the collection of initial data. As Charmaz (2000, p.515) puts it:

> "We grounded theorists code our emerging data as we collect it...Unlike quantitative research that requires data to fit into preconceived standardised codes, the researcher's interpretations shape his or her emergent codes in grounded theory."

The research techniques and practices included full transcription of interviews which were analysed line-by-line in order to identify the range of codes. This open-coding process was followed through until a recurring pattern was noted across different sets of data. Once any patterns were identified a more focused axial coding process was then used. This resulted in codes being clustered on the basis of their relationship with each other. These were than labelled to generate conceptual codes. These concepts were grouped into descriptive categories which were then re-evaluated for their interrelationships and were gradually subsumed into higher order categories which provided the foundation for the emergent theory. At the same time as the processing of the coding, the research memos and research diary were examined in order to identify any patterns or emergence of themes.

The outcomes of Grounded Theory are concepts (the building blocks of theory), derived from open coding. A category (or categories), arises from the constant comparison method and by linking and grouping together related concepts. Here hypotheses are often intuitive hunches about relationships between the data and the concepts. These concepts become higher abstractions and may become one of the core categories (referred to as key themes in this research study) which form the basis of the theory.

One aid to the generation of concepts and categories was the memo, sometimes referred to as the analytical memo. Memos in the grounded theory approach were the reflective notes that I wrote after specific coding and analysis of the research data. I found that the memos helped provide the building blocks for reflection and tor capturing emergent thinking and helping making a bridge and linkages between concepts and categories. A core category is a main or key theme; it sums up a pattern of behaviour which pulls together or draws on identified concepts which have a relationship with each other.

The emergent conceptual categories (what I have referred to subsequently as key themes) were also examined in terms of their fit with the literature on international management, national culture, inter-cultural communication and relationship building. In order to enhance and check the theoretical focus, a number of additional interviews, participant observations and reviews of corporate literature were undertaken.

The final stage of the process involved a full critical review of the data and involved a process of abstraction which helped move the analysis from a descriptive level to a theoretical interpretation. This involved presenting the core categories that had emerged as having an explanatory power of their own shown through their integration with the literature.

3.1 Building the picture from early concepts to key themes

The early iterations of the data analysis produced 14 categories which had been produced through the examining the relationships of concepts through the open and axial coding processes described above. The inter-related categories were:

- Managing misunderstanding: arising from cultural differences

- Managing cultural difference: managing conflict
- Impact of different management styles: on others
- Positional power and role: perceptions and use
- Induction into other countries: role of training / learning
- Adapting to managing other cultures: adaptation and socialisation
- Changing people's behaviour: possible or impossible
- Cultural stereotyping: overt / covert presence
- Early influences of managing: and of being managed
- Leadership and management: differences in definition and meaning
- The language of management: useful or obscuring understanding
- The influence of the parent Company: impact of Englishness on ESI culture
- Recruiting and inducting managers into ESI: 'international managers' or not?
- Learning and training: cultural and language implications for the practice of management and leadership and for learning and development

The memos written during the stages provide evidence of the questions prompted by the coding process. The following example was the analytical memo I wrote after line-by-line analysis of the transcription of one of the interviews with an experienced Dutch team leader [TL17] who ran an IT team, and who had been trying to describe his own style of leading:

Memo 10
Text Interviews\Interview TL17
Author
Creation Date 20/11/xxxx
Codes managerial cliche

What does 'open-style' mean? Again people seem to use international/ universal expressions that generalise so much e.g. communication/ responsibility. i.e. this is a Dutch guy talking. See if this is a pattern.
Same as the notion that IT is a universal language instead of English, and English is the universal language. It only gets you so far. Is this the same as stereo-typing a process?

How do you move beyond the universal language of management-speak? It has a value as a common currency like the Euro, but it is still superficial as a descriptor.

In another example, the question relating to the extent to which people in organisations can actually change their behaviour was examined.

Memo 15
Text *Interviews\Interview Mgr19]*
Author
Creation Date *20/11/xxxx*
Codes *changing people's behaviour*
personal development for the interviewee
language barriers
cultural differences

Can 'tough' be learned? Does behaviour really change: do we just use a cloak (a la Charles Handy's raincoat metaphor). When people want us to change as managers do we just wear a cloak of change which we then take off when we go home? Is this the nature of organisational/ societal life? Does the 'foreigner' get branded as wearing a particular type of cloak? That we may or may not like? Do we chose whether we wish to see the cloak as being taken off or not?

Do we just try to wear a cloak of other's managerial paradigms: it's only a cloak and does not impact on our 'natural' selves. e.g. PY wearing the cloak of 'I've managed others/ team etc' when he has done none of it i.e. uses his positional / knowledge base of power to provide a perceptual 'cloak' of reality : people do not challenge it because of the power behind it.
What does this mean for international managers? Does nationality add another 'cloak'? How do you get behind the 'cloak' and see the 'real' person? Is this ethically right in organisations or do the 'cloaks' serve as the limit to which we can get people to understand each other?

Questions which related to the relationship of the parent and subsidiary were reflected in the following memo which followed the interview of a Dutch team leader.

Memo 16
Text *Interviews\Interview TL1 rtf*
Author
Creation Date *20/11/xxxx*
Codes *Internationalisation of organisations*
cultural differences

Is internationalism seen as a form of imperialism for the parent company?
What does European actually mean? Is there a distinct entity? What is it?

3.2 identifying categories

The first major analysis saw categories clustered as follows, under the following core categories (see Appendix 7):

- Managing cultural difference
- Managing the language of understanding
- Building a multicultural organisation
- Adjusting to others
- Leadership styles

- The Journey: transition to management role

The components of the initial core categorisation are shown in Appendix 7. An examination of the analysis and relationship between the initial core categories revealed a number of issues and challenges for managers within ESI. There was a thread across the initial analysis that related to managers needing to adapt, namely:

- How to manage cultural differences effectively in terms of understanding the host organisation, host country and the 'adopted' English culture of LBB, the Parent Company
- How to personally adapt to being in, and managing within, an organisation of different national cultures: managing the personal adjustment plus managing other team member's adjustments: managing the tension between personal leadership style and organisational expectations.
- The recruitment, induction and socialisation process of new manager-entrants into the ESI organisation
- Moving from English-centric to European-centric perspectives
- Perceptions of the role of the manager as influenced by nationality and experience
- The presence of the 'managerial cliché' i.e. the way that the language of managers is peppered with terminology and expressions that are present in management books, reinforced in managerial training and used within organisations and which are almost 'universal'.
- Personal change in ESI: how much do you / can you change or pretend to change

In looking at the issues emerging from the analysis a question that kept emerging in my own mind was,

> "Is there a greater need for adaptation in an international organisation and how can managers be helped to achieve this through training and development?" [Research diary entry]

3.3 From categories to themes

Further data gathering and analysis then took place. This consisted of two additional interviews, observation of subsequent management training interventions, a greater examination of the corporate communications process within ESI together with further reading of the literature. This resulted in the core categories being condensed down to four main areas, subsequently referred to as the key themes in this research study. (See Appendix 8). The key themes were as follows:

Theme 1: The development of a multicultural international business

What became clearer was that the history and stage of development of ESI, the influence of the UK parent company v European subsidiary relationship was an important element in the shaping the behaviour and expectations of what it meant to be a manager within ESI and the impact on management development initiatives.

Theme 2: Cultural influences and the manager

The cross-cultural and inter-cultural impact of ESI's diverse staff and managerial population impacted on the capacity of the organisation to build and sustain effective relationships.

Theme 3:Inter-cultural communication within ESI

The presence, within ESI, of the English language amidst other European languages represented challenges (both positive and negative) for managerial effectiveness.

Theme 4: Leading and Managing in ESI

The requirement of managers, within ESI, to manage staff from different European national cultures required different ways of expressing leadership style and building effective relationships. This helped identify the impact of particular interventions to training and developing managerial capability.

CHAPTER 4 THEME NO 1: BUILDING AN INTERNATIONAL BUSINESS

4.1 Introduction

The aim of this chapter is to examine the strategic and operational context in which ESI managers were operating, during the period of the research study, and the influence of this in shaping the initiation and design of subsequent management training activities.

Throughout the period of this research study, ESI had been involved in major changes to its business strategy with an emphasis on business growth and expansion. Not only were there changes to the target markets (and products and services) there were also openings into new European territory, including Spain, Italy and Austria. These strategic changes resulted in the need for a number of internal organisational re-structures within ESI, as well as changes to business processes and practice.

The strategies that were the key drivers of managerial activity within ESI (during the period of research) were not just a product of ESI's top team, acting in isolation. It was the result of demands from both LBB (the Grandparent company) and FSD (the Parent company). This theme highlights the impact of the relationship between Parent and Subsidiary companies and the context in which managerial capability was identified as needing to develop. It looks at the response of a top team and its managers to a time of major change and growth, and the consequences. It highlights some of the complexities of trying to satisfy the demands of both the Parent company and the international Subsidiary.

Adler and Bartholomew (1992) provide a model which helps differentiate the stages of development an organisation may progress through, from a focus on the home country territory through to becoming global enterprises. For ESI this had meant moving from the domestic phase, to the international phase, where subsidiary divisions in other countries would be established and typically would be managed separately. During this second phase the firm's structure, power and influence would, typically, be centred at corporate headquarters, which would be staffed by members of the headquarters national culture. It is in this phase that international management equates to expatriation. Throughout this research study ESI and FSD were located within these first two phases. Any progression to the next two phases of Adler and Bartholomew's model namely, to a multi-national, transnational (or global organisation) were not in the immediate or longer-term strategic objectives of LBB.

As identified in Chapter 1.8, page 18, the references to literature are incorporated within the analysis and interpretation of the data.

4.2 ESI's business strategy

At the start of this research study, ESI's business strategy was significantly challenging, indeed its ambitions were some of the most demanding it had been since its creation. As the Chief Executive put it in an internal memorandum:

> "ESI has achieved so much in so short a space of time. Latest figures show that new business sales for this year are almost 50% up on last year and the number of new contracts we have issued is up 83%. In total, the number of contracts we now service is 53,000, an increase of 70% over twelve months. During this time 80 members of staff joined more than doubling our numbers."
> [Internal Document 1]

In looking for what lay behind some of this positive communication, the data analysis also indicated some of the challenges faced in sustaining this growth. In a briefing note to a group of external recruitment head-hunters, and prepared by the FSD HR Department, the organisational realities were more explicitly stated:

> "ESI's current strategy requires rapid growth (c. 400% over 5 years). As a business it is currently struggling to support this level of growth. Management believes that opportunities are available to allow ESI to grow at an even faster rate than currently planned. Currently ESI's strategy recognises that its business is too concentrated and that it must diversify. This in terms of distribution, funds and business mix."
> [Internal Document 2]

To achieve the growth in its business ESI needed to equip itself to manage further increases in its capacity. In an internal communication entitled "Think big - re-organisation for growth," the Chief Executive had stated the need to undertake a change to the organisational structure. Other changes had been undertaken two years previously but there were three major changes to now account for:

> "We have grown much more quickly than we could have imagined and, listening to the feedback from staff in all areas of the business, we have recognised that the current structure is under significant strain. Our ambitions have grown even faster, and this trend is likely to continue. The FSD, through the Shared Service Programme has initiated a fundamental restructure of the whole group."
> [Internal Document No 1]

As in insider practitioner- researcher I was aware that ESI needed to respond to changes arising from both the grandparent (LBB) and parent (FSD) companies' strategies. There had been strategic objectives, initiated by LBB, for its subsidiary divisions (of which FSD was one) to adopt a shared-service model across key elements of its operations. This was sought to streamline the distribution channels, integrate back-office operations, rationalise product and service offerings and achieve greater business penetration and cost savings over a 5 year period. FSD had managed to obtain additional funding of £60 million for the 5 year period and the top management team was accountable for realising significant added-value to its business operation, which included ESI. There was a great sense of urgency to achieve.

By the time FSD turned its attention to integrating the shared service model within ESI there had been major reorganisations occurring in the mainland UK operation of LBB and FSD, with restructuring and redundancies taking place. Despite this the achievement of the shared service goals had still not been realised and, therefore, remained somewhat unproven.

4.3 Reacting to changes

ESI's response to the demands of the grandparent (LBB) and parent companies (FSD) were communicated to ESI staff in a presentation entitled 'Think Big-Reorganisation for Growth', delivered by the ESI Chief Executive, and which had set out that structural change was necessary to support the ESI growth strategy, as required by the parent company. One of the Senior management team (BI) had identified that, in line with the changes in the organisation structure of ESI, additional help would be needed from the internal consultants within the FSD

Organisation and People Development Department (O&PD), based in the UK. There were concerns, from within O&PD, that the only focus of the ESI senior management team would be in communicating and focusing on the implications of the structural changes only. The members of the O&PD support function saw the changes proposed as an organisation development initiative as there would need to be changes to the existing organisational culture of ESI as well as well as changes to systems, processes and job roles.

The report from the Organisational Development (OD) consultants, from the O&PD Department, stated the need to establish a Vision, Values, Mission and Goals for ESI as the basis for engaging, communicating and motivating staff members, during this period of change and transition,

> "It is very common for the need for a culture programme when an organisation restructuring requires a significant shift in the values and behaviour of the organisation. Corporate culture can be a key component in the achievement of ESI's mission and strategies. The impact of culture can include: forming a sense of identity and unity to members of ESI: creating commitment to organisation aims; shaping behaviour. One of the aims of the re-structure is to increase management capability. You are unlikely to achieve this solely by recruiting in the required capability. The existing senior management population is young, relatively inexperienced and have limited people management capability. There is also reliance on FSD programmes for management training and a reactive approach on an individual basis for management training. There is clearly a piece of work to understand the key issues around management capability – to determine the key objectives/aims; to identify the current capability gap and solutions to plug this."
> [Internal Document No2]

This internal consultancy advice had sought to identify the need for changes in corporate culture, behaviour and particularly on managerial capability to handle this business growth effectively. It should be noted that none of the Organisational Development (OD) consultants, from the O&PD Department, had any experience of managing in an international environment.

One aspect of the relationship between ESI and FSD was raised by one of the research interviews by a Dutch manager based in Maastricht, who had commented, "LBB is a very UK-based environment, I have said once before and people laughed at that." [Mgr5]

What this manager illustrated was an acknowledgement of the challenge of equipping ESI to undertake a bold and ambitious rate of growth into a new market, given its relationship with its parent and grandparent companies and cultures. If corporate culture needed to change as recommended by the UK-based internal consultants within FSD, what of the implications of the interplay of national culture in the form of ESI? If this stage of development of ESI was an opportunity for "forming a sense of identity and unity to members of ESI.." [Internal document 2], then whose identity?

4.4 ESI's development: early influences

When examining evidence of the growth of ESI from its early development a factor which emerged from the data , at the time of the research study, were statements made by managers, about the comparative newness of ESI as an entity. ESI was still considered to be a young, transforming, organisation with ambitious plans for growth, which had started from a relatively small base. This was reflected in the interview data, as a number of interviewees had been involved in the set up of ESI from its early days. They had reflected on their experiences. One German manager had been in ESI from the beginning:

> "I worked in Germany before, for a lawyer, and went onto Luxembourg and started with ESI. It was about 20 people in a small house. It wasn't an office it was a house. It was pretty much British. The complete management was British. Most of the employees were British with the exception of two from Luxembourg and me. I was the only German at that time". [Mgr9]

Here, the scale of the business was limited as was the strong British presence.

One of the British managers, also present at the earlier stage of development, commented on his experience:

> "There were 40 people in the Company. I thought this isn't going to be too bad – but you are actually managing, you are king. This is what you are managing and I had a bit of a laugh about it, with K. 'You've hired me to manage this, you are having a bit of a laugh'. Then I was given a fuller picture." [Mgr2]

What was reflected in this extract (and through subsequent probing of the interviewee) was the high level of autonomy and control and a greater input into strategic decisions. His reach and authority was far more than he had anticipated. At this stage in its historical development ESI was dominated by a group of British managers, who lacked any significant international or European business experience. This British influence continued to pervade as ESI expanded and recruited more staff. This was also reflected in the dominance of the control exercised by FSD, the parent company based in the UK.

A German team leader in ESI had expressed a view of this British influence:

> "I am reading a book at the moment on American History from zero to the end from an English point of view and at the first chapter about colonisation, I always get amused because it is so similar, it's like a metaphor for the situation here, it is a healthy chaos so to say, the English way of doing, doing it better, if it doesn't work, try it again, for me it is a little strange as a German working who has worked for a Swiss Company, extremely conservative, everything has got to be planned, even the toilet visit!! It's a very different mentality". [TL1] (See Appendix 4 for full transcript).

His reference to the 'English way of doing things' appeared to have its antecedents from the early beginnings of the foundation of ESI. A substantial body of research has shown that management practices are influenced by national culture (Hofstede 1980; Laurent 1983; D'Iribarne 1989). There was already evidence of a continued strong presence and influence of the LBB parent company on ESI, for example, the pressure of needing to ensure that a £60 million investment in the Shared Service Programme by LBB was effectively rolled out across FSD and its subsidiaries, the next section, below, examines further how ESI tried to implement the changes needed to support its strategic intent as defined by and with FSD.

4.5. The challenge of growth: aspiration versus reality

During the period of this research study, the focus of managers in ESI and their teams was on managing the growing nature of the business, alongside significant changes to the organisation structure, with some people being made redundant, and changes to processes, products, markets and locations.

The early messages from internal communication from the ESI top team had been very positive and aspirational in their tone. This is indicated by an extract from a briefing presentation pack prepared for senior managers to deliver to local team briefings:

"ESI is a big success story already and:

- Opportunities are growing
- Our ambitions are growing
- LBB support for Europe is growing *[Coding note =influence of grandparent company]*

Current thinking is strategy is NOT ambitious enough..but ..

- Business and its people are under tremendous pressure *[Coding note =influence of grandparent company]*

The mission hasn't changed but what is going to change is :

- How we deliver the strategy!
- The speed at which we deliver!"
- Opportunities in new products and new markets
- Synergies with LBB *[Coding note: expanding parent –subsidiary scope of relationship]*
- LBB do have a banking presence in Europe *[Coding note: opportunity or threat?"*

[Extract: Internal Document No3]:

Yet, within 8 months of undertaking this communication and mobilisation of staff within ESI, the reality of operating within new European markets was keenly felt. The market conditions had deteriorated significantly and fast, resulting in ESI failing to meet its targets agreed with FSD. The reasons were stated in corporate briefings held throughout ESI as follows:

The extract from a briefing note used by the Top Team to members of staff in ESI revealed some of the background:

- Worst market for 30 years.
- The market will affect our plans.
- Recession in Germany.
- Ahead of target at mid year point , but...
- Targets set last year are no longer considered realistic
- Need for significant reduction in budgets."

"Does ESI still have support of the LBB/FSD?"

- ESI still a vital part of the group
- Relatively , it will still be one of the fastest growing parts of FSD
- Total support from LBB at all levels
- We are key to the future of the Group

- Relative to our competitors – an excellent performance – we will remain one of the fastest growing.
- LBB are big and strong and value us as a business
- Must use our strength more.

[Extracts from Internal Document No 13]

The aspiration had proved more challenging than expected with some of the impacts being a result of national recession in Germany, and a depressed market. This put the top team of ESI under further pressure to react positively to appease FSD and LBB. The sudden change in ESI's fortunes came as a relative shock to staff and managers and questions were raised by staff at the ability of the top team to have anticipated this downturn more directly. Was this failure due to a lack of initiative on the part of the senior team blinded by the need to prove worthy of LBBs investment? Contractor et al (2003) explore the assumptions made that seeking internationalisation is good for the organisation. The study sought to examine the extent to which such expansion can produce a diminution in a firm's performance. Their three stage theory examines the notion of the 'liability of foreigness' (i.e. the additional costs that the internationally expanding organisation must initially meet). The hypothesis is borne out by the evidence of their research where they recognise the different characteristics, as businesses move from firstly being, early internationalisers, then to mid-stage internationalisers and then potentially to highly internationalised organisations. Stage 1 is where the 'liability of foreigness' is most immediately felt with relatively high initial learning costs and insufficient economies of scale, "Early internationalisers have large learning costs because of unfamiliarity with foreign markets, cultures and environments" (2003, p.7). Achieving Stage 2 will, in part, be achieved, according to Contractor et al through:

> "The transfer of specialised learning from certain nations or, in general, the ability to cross-fertilise knowledge across subsidiaries – increases with increased multinationality". (p, 8).

Why then do organisations move into Stage 3, the negative slope beyond the optimal threshold of Stage 2? One of the reasons, according to Grant (1988) suggests that limits to the capacity of managers to be able to handle greater degrees of complexity may inhibit the net positive value of international expansion. According to Siddarthan and Lall (1982) constraints may be due to physical, cultural and linguistic distance. For ESI this appeared to have resonance. In its past, and in another form ESI had not had a significant European presence but had ventured into what became non-lucrative and complex markets including volatile markets in parts of South America. The lack of understanding of these low regulated markets and the inability to generate profitable and secure customer relationships had led to dis-engagement from these markets. In examining ESI's current internal capabilities the costs and liability to foreigness may have been influenced by the level of its managerial capability. ESI managers, operating with a young and inexperienced workforce were not only having to grapple with external foreign market inexperience in different parts of Europe, but these had been in part forced by the demands of the Parent and Grandparent companies. Not only was this situation new but ESI managers needed to achieve further change quickly and cost-effectively.

Evidence from analysing the content of subsequent corporate briefings, held within ESI over the following 12 months, indicated that the top team in ESI recognised there was a real need for the organisation to be innovative and entrepreneurial whilst needing to achieve this within the ever stricter financial limitations set by FSD and LBB. After a very difficult 12 months ESI's relationship with the immediate parent strongly suggested a sense of a 'make-or-break year' and this was reflected, anecdotally, in my own discussions with stakeholders within ESI. In addition to having appropriate managerial competence Birkinshaw et al, (2006) recognise the importance for the top teams of subsidiaries to get the appropriate 'attention' from their respective parent companies. This is concerned with attempting to maintain the balance between autonomy and influence:

> "From a subsidiary perspective, the most desirable situation is probably one where the subsidiary managers are responsible for key strategic decisions while simultaneously being able to secure the kind of attention that is bottom-up, supportive, and symbolic in nature." (2006, p.7)

This implied a high degree of skill in relationship building both within the subsidiary and across the parent company i.e. of effectively managing the relationships within and across the interface between parent and subsidiary. The 'liability of foreigness' within ESI, was very much expressed in terms of the capability of the top team, and managerial capability, in general, across ESI's business. This is reviewed in the next section below.

4.6 Managerial capability for growth: the developing picture

The need for growth in ESI, as a relatively young, entrepreneurial European-based subsidiary with strong associations to a historically traditional and British based bank, had implications for its management development. In an internal report (compiled by a member of the Organisation and People Development function within FSD, and seconded into ESI for six months) a number of conclusions were acknowledged by ESI's top team:

> "Due to the rapid expansion of the organisation, management capabilities have not kept pace with the growth of many roles."
>
> "The current plateau of the EFS growth strategy would appear to present a window of opportunity to address this management capability issue in advance of the resumption of the growth strategy."
>
> Recommendations. (in part):
>
> - Launch leadership framework
> - Design and deliver management training programme."
>
> [Extract from Internal Document 23]

The staff of ESI had also made their views known in responses to Staff Opinion Surveys. These conveyed a picture of gaps in managerial capability (particularly where the number of survey responses scored 50% or less).

<u>In the questions about management: (satisfied; neutral: dissatisfied)</u>

My line manager is good at managing people = 58% were satisfied
My line manager keeps me in touch with what's going on = 50% satisfied
My line manager provides the coaching I need to improve my performance. = 40% satisfied
I feel I am valued as an employee = 53% satisfied
People are open and honest with each other. = 50% satisfied

<u>In the questions about internal communications</u>

Internal communications in your part of LBB. = 24% satisfied
Internal communications in LBB as a whole. = 26% satisfied

<u>In the questions about training and development</u>

“Opportunities to learn what you need to do your job. = 35% satisfied

[Extract: Internal Document No 4]

This data suggested a number of managerial deficiencies ranging from the need to help people sustain through change; to be coached and supported; for staff's contributions to be valued and recognised; for people, generally across ESI, to communicate with each other across a number of boundaries (to be explored in later themes) to build and sustain effective relationships across cultures and functions. External head-hunters were instructed to recruit for a whole range of new senior managerial positions resulting from the re-structuring required to achieve the ESI's growth targets. New roles for managers and team leaders were also created. Data was examined by studying the job specifications of the potential new senior manager vacancies to identify what capabilities were being sought.

The roles for which the head-hunters were seeking candidates were as follows:

“Chief Executive of ESI
Head of ESI Distribution*
Head of CM (Germany/ Austria)
Head of CM (Rest of Europe)
Head of ESI Strategic Development
Head of ESI Services
Head of European Customer Service
Head of IS and Development
Head of HR

The essential personal qualities listed for the roles covered the following:

- Leadership, general management
- Leadership, direction
- Naturally inquisitive
- Strategic focus
- Entrepreneurial
- Able to work within a corporate structure
- Appreciation of markets
- Age/status
- Experience and judgement
- Customer credible
- Diplomacy/sensitivity
- Financial services experience”

NB *This role was the only role where there was explicit reference to the need for multi-lingual (as highly desirable) personal qualities. The person who drew up the specifications for these roles was the Human Resource Manager (Recruitment) in FSD in the UK.

[Extract from Internal Document No 2]

What was notable from the analysis was the emphasis placed on technical skills for the new managerial positions and the broad generalisations made in terms of people management and leadership capabilities. As part of the data gathering the FSD HR recruitment manager responsible for recruiting managers for ESI had been interviewed. The HR recruitment manager was UK based and had no experience of operating in Europe and had only limited experience of recruiting foreign nationals. Of all the job specifications the one for the Head of Distribution was the only one which included an explicit reference for the need for a multi-lingual capability. This was not regarded as "Essential" but "Highly desirable."

4.7 Summary and conclusions

ESI managers, during the period of this research study, experienced a number of tensions, opportunities and constraints through their relationship with FSD and LBB.

Given the need to grow, expand, and change to accommodate the £60 million investment from the grandparent company, LBB, the managerial capability of ESI was not able to develop fast enough to keep pace with the changes impacting on the organisation as a whole. The context in which ESI operated changed but the capabilities to anticipate and manage this context were not developed or, accessed, sufficiently to take advantage of, or react to changes in organisational priorities. Was this due to the Parent/ the Subsidiary or both? How was their relationship defined? In looking to the literature to help articulate these tensions and to define contextual components present between parent and subsidiary companies the work of Birkinshaw helped to illustrate these interactions. Although Birkinshaw's work examines multi-national companies I believe that his research provides insights into the inter-relationship between organisations operating more narrowly in their more restricted international markets.

By examining corporate entrepreneurship in multi-national corporations Birkinshaw (1999) developed a theoretical model in which two levels of organisational context (corporate and subsidiary) promote or suppress subsidiary initiative and initiative in turn has a feedback effect on both subsidiary and corporate context. Birkinshaw (1999) defines organizational context as:

> "...the set of administrative and social mechanisms that shape the behaviors of actors in the organization, over which top management have some control. The essence of this definition is that initiative, like any other behavior, is a function of the setting in which it occurs, and that within an organization many of the critical facets of that setting are under the direct or indirect control of top management." (1999, p.9)

What emerged from this theme related to how the relationship and dynamic between a parent, grandparent and a relatively new subsidiary organisation might need to be more explicitly understood and managed effectively by its top team. This might help enable the subsidiary to adopt a bold entrepreneurial venture into new markets whilst providing the ROI to its Parent company.

The top team struggled to manage the growth strategy of ESI and to anticipate and react to changes in a major target market, Germany. It suggests that the way the Chief Executive and the top team managed the relationship with FSD may have distracted its 'attention' from focusing on the things that mattered more locally for ESI. There appeared to be limited understanding of the importance of national culture within both ESI and FSD. This was coupled to a lack of understanding of the complexity of ESI's management task. This was exemplified by the role profiles of the new management structure which made limited acknowledgement of the international nature of ESI.

It would appear that due to a lack of managerial capability and experience of working in a cross-cultural, European environment, ESI's top team were unable to manage the complex relationship between ESI and a Parent company which also lacked in European experience contributed. This may well have resulted in a poor response to change and contributed to the "liability of foreigness."

CHAPTER 5 THEME NO 2: ADAPTING TO MANAGING WITHIN OTHER CULTURES

5.1 Introduction

The second theme explores aspects of cross cultural management, namely the experience of managers and team leaders entering, integrating with and adapting to different cultures. It considers what the interplay between national and organisational culture had meant for managers working in ESI. Cross cultural management forms a division of international management studies and the literature is located across various disciplines. These encompass international business, international management, organisation theory, culture theory and communication studies, Bartholomew and Adler (1996); Ghoshal and Bartlett, (1998); Holden (2002); Schneider and Barsoux (2003). Cross cultural management is therefore an eclectic mix which makes it more difficult to integrate into a single discipline.

One of the biggest challenges in the field of cross cultural management research appears to be the ability to provide clarity on what we mean by culture. Negandhi (1983) suggests that definitions of culture which use the concept of value orientation are useful for cross cultural management research as they engage with the cognitive, affective and directive elements of human activity. Mead's (1951) definition of culture is one that is widely accepted anthropologically. Here, culture is, "…a body of learned behaviour, a collection of beliefs, habits and traditions, shared by a group of people and successively learned by people who enter the society". In this case society can apply to any level of culture whether nation, organisation or profession. Berthon (1993) sees culture as the result of human actions and shows the link between the idea of mental programming and the consequences of behaviour derived from this.

Criticisms have been expressed that culture has been treated as "a packaged unexamined variable." (Rohner, 1984, p.111), a "residual category to explain things not accounted for elsewhere." (Kraut, 1975 p.544).These criticisms led to a greater unbundling of the cultural variables to help provide greater theoretical understanding of the part played by culture within nations and organisations.

Many researchers, and particularly those operating in the positivist paradigm, have attempted to measure culture by breaking culture down into 'dimensions' and this dimensionalisation of national culture lies at the heart of much of the available research. It is in this domain that the influential work of Hofstede, referred to earlier in this research study, rests. The advantage of this approach is that of being able to make comparisons of similar variables across different cultures. Yet comparative, empirical evaluations of culture attract the criticism that applying a common observation language is not possible or advisable in the study of social phenomena. Bhimani (1999, p. 418). This suggests that the apparent validity of generalising compromises the real experience of managers and the meaning they ascribe to the phenomena.

5.2 Adapting and adjusting to 'strangers'

One of the interviewees for this research study had given a small, but significant, insight into her need to adapt and adjust from her own upbringing as she entered the world of work, and in a different country. Born in Russia she had worked for an American organisation before joining ESI in Maastricht. She had stated:

> "I had a very strict upbringing. I needed to be afraid of my parents. In Russia you need to be afraid of parents, teachers and managers. You need to feel the power and authority of people. Even now at my age (late twenties) I have never smoked in front of my parents nor will I do this. It was interesting that the American management style was closer to the Russian approach. Here *(in ESI)* it is different and I can be more myself." [TL21]

This Russian-born team leader gave an account of how her personal history, family and experience shaped her attitudes and behaviour and her reactions to, and initial willingness to work co-operatively with fellow managers within ESI.

Another of the research participants described the process of moving from the UK mainland, whilst still a member of ESI's Isle of Man operation, to Luxembourg to join ESI's Head Office:

> "It was the first time I had really lived off the Isle of Man. Obviously you know the Isle of Man and it's quite small and with a local community and

that was the first time I had ever spent any real length of time away from it. Luxembourg is quite a small country, but the city is quite large, it is quite diverse, whereas in the Isle of Man, there is not one particular type. It's a very small kind of melting pot, whereas I think Luxembourg is very large and diverse." [Mgr4]

The participant described the 'culture shock' (originally termed by Oberg,1960) of encountering a new country with a different culture. The manager had moved from a small, island community to a large cosmopolitan country. This typifies psychological reaction to encounters with 'strangers' which in itself raises anxiety levels and stress:

"At the heart of these shock phenomena is the lack of fitness between strangers' subjective experiences and the commonly accepted modes of experience in the unfamiliar surroundings. Everyone requires the ongoing validation of his or her experiences, and being unable to meet this basic human need can lead to symptoms of mental, emotional and physical disturbance." (Gudykunst and Kim, 2003 p.378)

The story of the manager moving from the Isle of Man to Luxembourg was contrasted by another manager (originally from Ireland) who also moved office to Luxembourg, and who felt that his acclimatisation process had gone well:

"I think it is a definite open view of where I am going, and if I am lucky enough that I can feel comfortable in the environment that I am in. From the point of view of moving to Luxembourg originally, those two criteria were filled because. I did feel comfortable where I was physically. The place where we were living, the town where we were in. Another thing was that English was spoken quite predominately, well not predominately, but English was spoken. English speakers were catered for by the locals. From that point of view, we didn't have a problem. Not like India where you might eat the wrong food or you might not have anywhere to live, nothing like that, so from that point of view I found it quite straightforward. The fact that it was so different excites me and whether that contributes to my settling in I am not sure, because if I like something so much maybe it is like being on holiday almost when you look around you and its all so different, its very interesting and I want to see more, and you have forgotten about the place you have come from and maybe the things you have left behind, and say think well this could be the place for me and you start to live there very quickly." [Mgr8]

In this case the participant appears to have found the transition to Luxembourg easier due to being more settled with his family, in a town he was more used to.

The greater presence of the use of the English Language in Luxembourg, and hence this greater familiarity, enabled the transition to be less dramatic than, say, moving out to live in India, which would be more counter to his normal everyday experience.

On entering an organisation (whether as a new employee or someone transferred in from the 'home' country) a process of socialisation is involved to enable the newcomer or 'stranger' to acclimatise and become familiar with the norms, standards and expectations of the organisational culture. It may also mean, in an international organisation such as ESI, adjusting to a new country. This process of integration, as illustrated above, is referred to in social psychology as 'acculturation' (Gudykunst and Kim, 2003 p 359), with the ultimate acceptance and complete absorption into a culture described as 'assimilation'. The more successful the acculturation process the more likely that the person will be able to perform more effectively and be at greater ease with 'strangers' and the host culture, and the organisation.

Whilst the two examples, above, refer to the early reactions to moving to a different country for the first time, the research data also provided indicators of some of the day-to-day challenges of managing diversity for those new to managing an internationally diverse team. A British expatriate, new to ESI, had found managing his new team a considerable challenge, despite having some previous managerial experience in the UK. He described his way of helping his own integration and adaptation with his new team:

> "Again here, you have a number of different cultures. Different types of people. It was quite difficult, to start with. There were five people and just different personalities really, to what you had been dealing with previously. It's trying to understand where they are coming from and what their needs are and how they see you, coming in as their Manager. Someone they don't know you and who they haven't been with before. It was just through a process of communication really. Obviously it's quite important that when you do go somewhere for the first time, to make sure you sit down and talk to everybody individually and spend some time with them, and get to know what they are doing and understand a little bit about them, where they see themselves and how they see themselves. Also communicate on what you have been doing and how you are looking to develop processes and some of the technical things, but also how hopefully you can look after them and fulfil hopefully what they want to achieve as well." [Mgr4]

For this manager, seeking to building immediate relationships with his new team members, as individuals, helped him start to build a team identity. He acknowledged that he was entering into a multi-cultural environment and this was new to him. His approach was to try to get to know the team members as individuals and "how they see themselves".

As these and other managers amongst the research participants became more settled in their new positions, and worked with the acculturation process, they experienced further challenges in managing and communicating cross-culturally. This arose from seeking to develop and sustain relationships with individuals and groups, and in managing differing perceptions. These are explored more fully in the next section.

5.3 Building and sustaining relationships

A Dutch team leader, based in Maastricht, who switched from managing an all-Dutch team to an all-Italian team, found that being a known quantity helped the transition to this new role, even though she had never managed a group of Italian staff before:

> "People already knew. They knew I was already aware so they knew what to expect from me as a Team Leader. As well when you come new into a Company, you don't know what to expect, from that person. Everybody is just watching you – what is she/what is he doing? What is he like?" [TL6]

A British manager described how having started to settle into his role with his new team he started to experience problems with the Dutch team he had "inherited". He tried to analyse why things had not gone well at that stage:

> "I don't know, it may be that individually, obviously you cannot stereotype the whole nation, they seem to need more direction and I think more direct tasks, rather than thinking for themselves or doing a little bit more." [Mgr4]

This was the view of manager new to management and to managing a diverse team in Europe. The team consisted of six people. Half of them were British expatriates (two from the Isle of Man where the manager had been born) and the other half were Dutch. The view of the Dutch team leader (also part of the research participant group), who reported to the new British manager, revealed his own perception of the manager's integration into the team environment:

> "You can easily see in our area especially, there is an English part and a Dutch part. I think the Dutch mentality is not the same as the English, and encouragement, because we are a small group. The English are always going for a drink after work; they go more often than the average Dutch worker." [TL15]

At the time of the research interviews both of the interviewees were stressed for different reasons. The manager because of his own separate situation, plus the way he was being managed by his demanding Belgian boss, and the Dutch team leader as he tried to become acculturated and acclimatised to the newness of the British manager.

In the research interviews and discussions the question of stereo typing was both directly and indirectly raised by the research participants. A German manager, based in Maastricht and who had also lived in the Netherlands for a number of years stated,

> "But of course there are a few stereotypes. You have people who say that this is typically Dutch or this is typically German. Then you say no, that this person has to be a Dutch person, but he's German or she's German and he or she has to be German but he or she is Dutch. There are always typical stereotypes". [Mgr19]

An analysis of the research interview data indicated stereotypical statements made about colleagues or direct reports:

Originating Manager	***Attribution/generalisation***
Dutch manager referring to the English	"They talk a lot, but there are no decisions
British Manager	" Belgians are more serious, they are very clever people" "Dutch and Germans are forthright"
Dutch team leader	" I think the Dutch mentality is not the same as the English"

German team leader on English decision making process	" In Germany it's just 'Yes/No'. English is 'Yes, we will think about it
A German team leader	" Dutch don't like Germans"

A Dutch team leader (born in Maastricht and working there) who seemed to be uncertain about broad stereo-typing, stated:

> "I don't know, maybe German people, they are different than Dutch people. They are more strict? Fortunately, I haven't experienced any problems, but yes, I can imagine. That German people maybe may think we are doing things too... not strict enough for example, but I don't have any real problems". [TL6]

There seemed to be a number of issues in her statements. Firstly, the questioning of the notion of stereotyping, followed by a recognition of the different views as seen by 'German people' followed by an assertion that this does not represent, for her, a problem in her own work (yet it is implied this could be the case for to her) and an assumption that this difference of views is essentially problematic. Yet this same team leader, later in the interview, when asked to talk about the challenges of managing a multi-cultural team, further illuminated her experience,

> "Yes, because I see the difference when I do an interview with a German person and a Dutch person. They say 'Mr and Mrs'. They never say your name. They are more formal. Whereas we are informal, we (the Dutch) are more relaxed." [TL6]

Even though she was uncomfortable with the notion of stereotyping, at an intellectual level, she provided evidence her own stereotyping from her own experience.

Lippman (1957) regards stereotypes as "pictures in our heads", and that they have both a cognitive and affective component. Importantly he stresses that they can be both beneficial and limiting, when interacting with others and those whom we regard as 'strangers'. These stereotypes can generate both positive and negative emotions. Hilton and Von Hippel (1996 p. 240) see stereotypes as generalised beliefs about the characteristics, attributes and behaviours of members of certain groups and cause us to examine a number of identities:

> "We have numerous social identities that influence our communication with strangers, including our cultural identities, our ethnic identities, our gender identities, our age identities and our social class identities, as well as our identities based on whether we have a disability, and our identities based on the roles we fill".

Sumner (1940) suggests that the phenomenon of ethnocentrism occurs when a nation is seen as the centre of the world and the tendency for us to identify with our 'in-group' (e.g. our ethnic, racial, cultural groups) and to evaluate 'out-groups' and their members according to our in-group standards and practices. This implies that we are all ethnocentric, albeit to different degrees (Triandis, 1992). This is likely to predispose managers and staff in ESI to view their own cultural values and practice as the more 'right' or 'real' or more 'natural' ways of doing things. One consequence and implication is that the in-group sees their values and ways of doing things as superior to the out-groups values and ways of doing things. Ethnocentrism is often a function of how we are socialised. Stephan and Stephan (1992) also identified that another consequence of ethnocentrism is that it leads us to be anxious about our interaction with strangers.

A German team leader spoke of the frustration of dealing with a legal department based in the UK, which was part of FSD, the Parent company:

> "In the Legal Department in London, where they don't know the German law at all, they need to pretend to because they are the leading partners and so they wanted to try and skip translating those things, because we know that they always ask their local German lawyers anyway, and they translate the whole thing and it would be double work. This is because they are too far away. I am sure that if they were in Maastricht, or Luxembourg, they could go to the desk and we could drink a beer. I don't drink beer but let's say that!! They drink beer, it would be very very different because they would be on the International route and they would understand they are not on their own." [TL1]

Here, the location of the Legal Department in the UK had tended to make this German team leader see this Department as an 'out-group' because of its lack of proximity, and the fact it was based in England. The identification of the Legal Department with England appeared to be stronger (making it an out-group as perceived by this manager, even though it provided a dedicated service to ESI) than the identification as an in-group within ESI. The consequence of the view formed by the team leader was to put a psychological barrier in the way of building an effective relationship. This stereotyping is likely to have an negative impact on the quality of the relationship with the Legal Department. How managers in ESI engage with 'strangers' is likely to have an impact on relationship building and possibly on performance.

Tajfel (1978) argues that it is not possible to imagine pure interpersonal behaviour:

> "It is impossible to imagine a social encounter between two people which will not be affected, at least to some minimal degree by their mutual assignments of one another to a variety of social categories about which some general expectations concerning their characteristics and behaviour exist in the mind of the interactants." (p. 41)

Social identities are, according to Tajfel (1978, p.63), the element of:

> "...an individuals self concept which derive from his [or her] knowledge of his [her] membership in a social group (or groups) together with the value and emotional significance attached to that membership."

Tajfel (1974) saw the tendency for us to expect other members of our in-groups to behave and think similarly to the way we do. as). Tajfel and Turner (1979), Ellemers, (1993) sees self-esteem being closely associated with social identity. By identifying with a group, that group's prestige and status in society tends to attach to one's self-concept. The most important components of our self concept, according to Gudykunst and Kim (2003),and which influences our communication with 'strangers', are our social identities.

5.4 Cross-cultural management: challenges and opportunities

The research participant interviews had indicated that when engaging with cross cultural issues the words frequently used reflected the need to deal with 'difference'. As one German team leader remarked:

"My team members are not only German, there are Dutch, French and within that they are from different regions, so they are different as well there. They are different cultures and different origins and they all have to learn the same view, concept somehow". [TL1]

The frustration, for this manager, of trying to unify and focus individuals seemed to be intensified by the notion of having to manage these differences (cross-culturally) to achieve some form of congruence. The coding process found that the word "difference" was also frequently presented alongside the word "difficulty'. A Dutch team leader stated this in terms of the problems posed by the mix of components needed to be managed at any one time,

"I suppose in an international company you have not only different characters, but also different cultures, different languages as well, so that can sometimes create problems". [TL6]

A British manager observed and reflected on his entry into what was, for him, a new world of managing,

"Again, here you have a number of different cultures, different types of people. It was difficult to start with, there were five people and just different personalities really, to what you had been dealing with previously". [Mgr4]

Holden (2002) observes that the general international management literature is replete with foreboding, by representing actual differences and indeed culture itself as 'fiendish causes' of corporate undoing (p3). Whilst reflecting this somewhat pessimistic language of much of the literature on cross cultural management, Holden (2002) recognises that,

"The impact of culture, as properly understood, is complex and wide-ranging in its variegated manifestations, according to languages and value systems in interplay, to the intersections of personalities, and the educational and social background of those personalities and professional experiences and vocational affiliations; not to mention influences such as the general business environment, the industry sector, and the impact of technology". (Holden, 2000, p.4)

Another British Manager engaging with his new team based in Maastricht expressed the complexity of managing difference, not negatively but as a positive force:

> "It's trying to understand where they are coming from and what their needs are and how they see you, coming in as their new manager, someone they don't know and who haven't been with you before". [Mgr4]

Rather than the language viewed as being problematic there is, at least, here a sense of energy and effort expended (and this was reflected in his energy during research interview). A discussion with a German team leader based in Maastricht provided another dimension to this cultural challenge. Having had some experience of managing previously we discussed the difficulties and opportunities he had encountered. He reflected on working with people within ESI:

> "The reality is more fascinating. It's like a rainbow. There's a colourful rainbow and it looks very beautiful and it's funny to see the different colours sparkle differently in the light and how they interact".[TL1]

To him there was richness in engaging with this cultural spectrum of personality and nationality. He appeared to relish this mixture and composition of the teams around him:

> "...it's like a holiday, it's everyday like a holiday. I was very disappointed when the Italian team left the floor and I couldn't hear the Italian any more. It felt like I would be in Rome on holiday, visiting some Coliseum or something. I felt it was a loss to me and it was more. No! I have to work again! Instead of 'Ah!' I have come to my holiday friends". [TL1]

In describing the atmosphere within ESI he continued to explain,

> "... we have introduced this international flavour. It is an atmosphere that a lot of people are attracted to, especially the atmosphere we are looking for in the Customer Service area, who are used to working in a very boring, grey desk in Germany without ever having fun in their life, this is very attracting factor".

Yet this individual was a marginal voice. For the majority of the research participants, however, managing cross-culturally equated to challenge and difficulty. It begged the question whether managers in an organisation such as ESI were willing to, and capable of, harnessing diversity to achieve what Adler (2002, p.116) describes as 'creating cultural synergy.'

5.5 Training and developing managers to help adjustment

Within ESI managers appeared to have been left to themselves to work out how best to make the transition into new roles, new cross-cultural teams and adjust to living and working in new countries. There was no training or support available to ESI managers or their staff for this purpose. What training might be of help? From the literature review there appear to be a number of themes which have received most attention from the research into training, in international organisations:

(1)The training of expatriates in readiness for them taking up their international assignments: this is primarily focused on pre-departure training. It is normally used to ensure the candidate has sufficient skills and knowledge that are necessary for working abroad, and to enable the individual to perform effectively as early into the assignment as possible.
(2) Post-arrival training for expatriates: after the individual is in the organisation in the new country then additional on-site training may be used to familiarise the expatriate with the local working/ business environment, procedures and processes.
(3) Training for host-country nationals (HCNs) and third-country nationals (TCNs): Such training is aimed at providing HCNs and TCNs to facilitate understanding of corporate strategy, corporate culture, socialisation and integration.

Evidence from the study of ESI indicated that most management training was focused at types 2 (to a very small degree) and 3, but only through a limited number of courses. There were no courses internally or externally available for the first category.

The preparatory training for expatriates has received most attention in the international literature as expatriate failure (i.e. the premature return of an expatriate manager before the period of assignment is completed) is often linked to inadequate training for expatriates and their spouses. Given the emphasis of the training of expatriates there is less evidence, from the literature, of the training that is most appropriate for host-country nationals (HCNs) and third-country nationals (TCNs).

Most preparatory training emphasizes the ability to understand and adjust (Black and Mendenhall, 1990; Brewster, 1988, 1991). The areas for which pre-departure training is required are wide-ranging. Mendenhall and Oddou (1985) proposed three critical areas in which organisations should prepare their employees: cultural training, language instruction training and orientation training on familiarity with everyday matters. Earley (1987) has argued that cross-cultural training enables individuals to adjust more rapidly to the new culture and be more effective in their new roles. From the literature, international management development appears to focus on identifying, fostering, promoting and using international managers effectively. Its major issues include international management development schemes, approaches to international management development, promotion criteria and factors affecting approaches to international management development. International management development can also be expected to play a central role in international organisations because of its importance in developing a cross-national corporate culture and integrating international operations. Most training, however, is of very short duration, generally lasting only a few days (Baumgarten, 1995). Torbiorn (1982) and Tung (1982) confirmed that European international organisations provide more training than US companies. About half of European corporations provide any formal training. Most of the approaches to cross cultural training and development use combinations of approaches where informational and experiential training is linked and complements each other. Such a combination is well established (Tan & Chua, 2003) and is largely consistent with current thinking in education and training about the need to provide training using multiple methods to appeal to people with different learning styles (Mainemelis, et al,2002). The weakness, however, in many of the current approaches and practice is the assumption that all individuals need a similar exposure and training programme. So, cultural assimilators provide a programmed set of scenarios for trainees regardless of their prior knowledge of the target country or its cultural values. Experiential exercises such as BaFa BaFa (Shirts, 1973) provide an active format for learning but ignore individual differences in cultural experience and knowledge. Intercultural training programmess generally assume a similar level of anticipated interaction in the target culture. Such programmes ignore the unique requirements demanded of an individual in terms of intensity, duration, and nature of intercultural interaction (Tan & Chua, 2003). Another weakness in the majority of current approaches is that cross-cultural training methods tend to focus heavily on cognitive or knowledge-based information and awareness of the target culture. The problem with this type of emphasis is that it does not provide the meta-cognitive skills needed to learn in new situations and cultures. If there is a direct transfer of the rehearsed scenario to the new intercultural situation these methods can be useful. However, it is often the case that the knowledge acquired is not significantly broad to encompass the likely complexity and uncertainty faced by a newcomer once in the new culture or if new circumstances/ experiences within the culture occur. This would be the case in ESI where managers are faced with the challenge of managing managers from maybe 5 or 6 countries. Such direct reports have a wide range of country-specific characteristics and values. Trying to provide a manager with the specific cognitive knowledge might be overwhelming where there is a wide variation of country of origin. What is critical is equipping a manager with meta-cognitive skills so that with time and experience he or she can acquire new information concerning the cultural issues in the organisation or team.

5.6 Summary and conclusions

This section provided an insight into some of the realities faced by international managers and the challenges and difficulties of cross –cultural management. Cross cultural differences can be viewed organisationally as a competitive advantage or disadvantage yet there is no suggestion from the research data that the ability to manage a diverse workforce is seen as an asset or liability within ESI. How would this appear on the ESI Balance Sheet? The idealised view of the positive power of diversity, the notion of the 'rainbow' (as stated by one of the research participants) was the exception and there was no other evidence from other sources to reflect this more positive view. The organisational 'rainbow' has a quality of roundedness where distinctions can be seen as separate, distinct yet part of a whole, complementary, supporting, inclusive and infinite. The shadow side of this metaphor of cultural difference could be seen to describe an entity which is ill-fitting, overlapping, competing and lacking congruence. Comparisons between different managers within ESI and from different countries tended to evoke negative, generalised stereotyped responses. So, do international organisations miss an opportunity if they do not examine the nature and dynamic of inter-group relations and their costs and benefits? Would it help for it to be part of organisational analysis?

The lack of training or development support to help managers adjust and adapt on entry into ESI and beyond, appeared to be neglected and not recognised either within FSD or LBB. There was no evidence within the research data of any history of providing such development opportunities and this was not discussed or on any management training agenda within the HR functions in Bristol (FSD) or Luxembourg or Maastricht (ESI). This may be evidence of 'cultural blindness' (Adler, 2002, p.106).

CHAPTER 6 THEME NO 3: CROSS-CULTURAL COMMUNICATION: THE LANGUAGE OF UNDERSTANDING AND MISUNDERSTANDING.

6.1 Introduction

In this section the key theme explores the communication challenges faced when operating in a multi-lingual environment with a variety of national cultures interacting with each other. In an environment dominated by the English language, and by a strong English influence from the parent company, this Chapter examines the implications for the development of international management capability. It critiques a significant management development intervention undertaken within ESI. This served to gain greater understanding when a programme designed solely for a UK perspective is then launched and run, in an unmodified way within a European Subsidiary. The focus will be on verbal and written communication, notwithstanding the key significance of non verbal behaviour.

Much of the communication within ESI appears to work effectively, and is reflected in the level of success of the organisation. The illustrations, drawn from the research, have attempted to describe the circumstances, instances and incidents were cross-cultural communication and language difficulties occurred, and the consequences. These ‘critical’ incidents represent an insight into the additional challenges for international managers. This theme also serves to examine the impact of language and communication in the design and delivery of a management training initiative within ESI called ‘The Leader as Coach’ programme.

6.2 Language frontiers in ESI

Given the diversity of the population mix in ESI, the language challenges faced by managers, and team leaders, operating in this environment were expressed by a British manager (of Asian heritage) based in Maastricht, as follows:

> “Language is a bit of a problem because I have French speakers, Dutch speakers and German speakers and my language is English, and in the time it has taken me to get up and running, I have been trying to learn

> Dutch as well. That is a bit of a hindrance, basically if they could send you on a basic language course, it would be good to do something like that as well." [Mgr2]

Here the manager was concerned to learn Dutch and many of the Dutch in his team also spoke German, as a second or third language. A German manager similarly based in Maastricht had made another observation:

> "I wish I could speak Dutch!! That would give me a lot of respect I think and an advantage in communicating with the locals. That's what I would like to do." [Mgr19]

Here the motive of the language acquisition was being expressed in terms of credibility and acculturation. According to Matsumoto and Juang (2004),

> "Mastery of verbal language is an important part of any successful communication, and we all tend to make judgements of people based on their level of mastery of their particular language." (p. 261).

The authors describe the relationship between national culture and language, suggesting that, for example, English, German and Japanese words are a reflection of English, German and Japanese national culture, "Culture influences the structure and functional use of language, and language can be thought of as the result or manifestation of culture." (p.263).

Another research participant, a manager, of Irish nationality, spoke about the composition of his team and their relationship with the English language:

> "No we have got a funny mix. We have got a French girl who we consider local , a Belgian guy who was educated in the U.K. So he has two mother tongues if you can have such a thing, he speaks English with an English accent. He's between the two, he's an expat, he's a local who has an in-depth knowledge of the U.K. The third, girl, she is new. She just started about two weeks ago, an Irish girl who was brought up in Luxembourg from the age of six. She speaks with an Irish accent and very much tuned in to Irish culture and has lived locally speaks the local language. Very familiar with both sides, a very unusual blend, you don't get that everywhere you go." [Mgr8]

On another occasion he described the following,

> "The difference would be compared to everybody in their mother tongue is, (I was thinking about this the other day) that there is a dangerous

assumption you can come to when someone is speaking to you in their second language. In that, ESI is English, the fund section was primarily English, so the financial motivation for someone coming in from Germany or Belgium or France, to work in the funds industry, (because it's quite attractive compared to the countries that they are resident in) and with English being the second language and not always the strongest. Sometimes it's difficult to be clear about, you are speaking English because it is natural for you to speak it and you know the business. Then you've got somebody who doesn't know the business completely and English is the second language. You wonder how they are going to take to it long term. It is something quite unusual and something I have had in the back of my mind." [Mgr8]

This manager had moved to France to help his acculturation into his local area but rarely used his developing second language (French) as he still lacked confidence. He acknowledged that people did appreciate his motivation to learn another language but that there was not a clear policy within ESI to help support or channel this learning into the business context. Another German team leader described the expectation of needing to learn local languages:

"DC Yes you were saying it is not expected, if I came over there, you are saying that it is not expected for me to learn German, which might be a relief for me, but why doesn't that matter?
TL20 I think for a British Company it doesn't matter because the language is English, for a lot of people, they do appreciate people learning their language.
DC Does that help in your relationships?
TL20 Yes.
DC Maybe, does that helps perhaps avoid misunderstandings?
TL20 Yes."

Gudykunst & Kim (2003, p.244) warns us.

" ... not to consider language to be merely a medium through which we express our thoughts and feelings... language ties us emotionally to the speech community to which we belong. Through group identification with our language, we develop both a sense of identification with our speech community, and a feeling of distinctiveness from other speech communities."

Yet, within the organisational community that is ESI, the influence of the Parent company, and the Parent's dominant language (English) offers challenges as to which 'speech community' the employees belong. This could serve to enhance or upset organisational coherence and identity. According to Waldman (1994) management practices that endorse the national culture create predictable behaviour, self-efficacy and enhanced performance. Yet in ESI, three cultures are at play in determining communication and organisational effectiveness. They are: the 'home' culture (of the employee) ; the 'host' culture (of ESI's locations or where employees reside) ; the parent culture (English).Given such overlapping complexities, it is the quality of the cross-cultural communication in this aggressive business context, which has to balance and juggle this rich and complex source of inter-relatedness and relationships.

6.3 Cross-cultural management communication within ESI

Within ESI a major communication tool used across ESI were the periodic corporate briefings. These forums had been selected for analysis as they had been used extensively when key events within ESI took place or were being planned, for example, changes made in strategic direction, announcements concerning organisational structure, reviewing progress on growth targets or as a result of reacting to change (for example, changes in the market place and legislation) and were delivered to all staff within ESI. On such occasions standard briefing notes and PowerPoint slides were produced, with speaker notes, which were then used as handouts and presented visually at briefings. The face-to-face briefings (totalling 7 in all during the period of the research study) were disseminated to all staff, in all locations, via a series of cascaded meeting sessions which were normally initiated and led by members of ESI's top team. These were then delivered, on a cascade basis, through management meetings with individual teams. The briefings covered specific areas as the strategic direction of the company: the employee opinion survey results: major change initiatives; restructuring and reorganisation of the company: leadership development initiatives. These communication forums represented one insight into the nature of the management communication process within ESI, and its use of language.

In analysing the documentation and attending one of the briefings, as an observer-participant, it was immediately and obviously notable that all the briefing materials and the briefings themselves were delivered only in the English language. In many cases the briefings reflected similar materials being used by the Parent company, FSD in the UK, as part of its regular corporate-wide communication practice. There was normally no time or inclination for senior managers to translate the written copy into any other languages, for dissemination within ESI. So, English was the only medium for major cross-cultural management communication.

In examining corporate briefings the analysis identified key words that might be more understandable for those whose first language was English and hence more likely to cause misunderstanding for those who did not have such mastery of the English language. The following terms/phrases were extracted from the Corporate Briefing materials:

> 'Bucking the trend': 'Step change': 'Re-align the cost base': 'Current 'run rate' too high': 'Demographic time bomb': 'Aggressive growth': 'Hybrid product development': 'Incubation period': 'Issues fall between cracks': 'Manage for today': 'Getting the 'day-job' and basic processes right': 'Lead for tomorrow': 'Flexible employment proposition'. [Internal Documents No 3, 4 & 19]

I had tested a number of the phrases with some of the research participants, and this revealed different levels of interpretation and misunderstanding. The 'colonising' language of FSD appeared to take no account of the impact of these idioms and metaphors on the quality of the communication process. Perlmutter (1969) provides further insight into the influences on the choice of communication and language strategies that internationally operating organisations may make. He cites that an ethnocentric staffing policy that favours senior positions for members of the parent company would be typically found in cultures that are more concerned with value homogeneity, score high on power distance and put less premium on foreign language fluency (for example, UK, France, Japan). This was evident in the staffing of new roles as outlined in Chapter 4 previously. This will result in a preference for the home language beyond what its espoused international aspirations might suggest. Luo and Shenkar (2006) introduce the notion of 'functional language' that is the language formally designated for verbal or written communication for multinational corporations within their global units. I suggest that this has relevance also for organisations operating internationally:

> "This is the language appearing in major organizational documents (e.g minutes of board meetings), used in major events (e.g. senior management forums), and required from managerial personnel as a prerequisite for hire." (Luo and Shenkar, 2006, p.325)

Luo and Shenkar (2006) suggest that wholly-owned subsidiaries (such as ESI) will tend to use parent functional language, reflecting that used by the Parent company. They acknowledge that this can be the case where expatriates dominate powerful positions within the international subsidiary and this evolves into an overt or covert need to use the Parent language given that this reflects their own primary language.

6.4 ESI Managers: challenges of language and misunderstanding

So, what were the other experiences of managers in handling cross-cultural communication with managers, peers and direct reports? One of the research interviews was with a German manager, who was involved in marketing. She gave an account of her own relationship with the company and what it was like operating in a multilingual context:

DC What size was ESI when you first joined it was it still very small?

Mgr9 Yes it was, about 20 people in a small house. It wasn't an office it was a house. It was pretty much British.

DC When you say it was 'pretty much British' give me a feel of what that means to you?

Mgr9 The complete management was British, most of the employees were British with the exception of two from Luxembourg an me, I was the only German at that time.

DC So that was 1994. If I could just pick up on that feel of Britishness. I am still interested in that Britishness, where do you see the Britishness still in terms of what that means now. Where do you see the Britishness in the way the business is run or the way you interact with your colleagues, where does Britishness figure?

Mgr9 It is not a style, it is more a nature is that the right word?

DC Yes, how would you describe that to somebody, how would you show that, can you give me an example to give me some meaning to that?

Mgr9 I am sorry I don't understand.

DC O.K you say that there is still some Britishness in ESI is that because English is still the main language used?

Mgr9 It is the official language O.K. in various departments there is various languages, in my department it is German, my department for example is completely German now. No other nationalities, but the interaction with other departments, is in English.

DC What are the challenges for you in your job having to have that interaction with other people in English, does it pose any challenges?

Mgr9 Yes, it sometimes does from a language point of view, quite often a language is used where a German would for example would assume something different than an English or a Belgian would assume. Use a certain language and it means something else to every nationality.

DC Does that mean you get misunderstanding?

Mgr9 Yes, assumptions are being made with the use of words and it really means that you have to be very careful in what language you use

Through the transcription process this extract also served to illustrate how easy it can be for there to be misunderstanding between the researcher and the research participant. In many ways, what occurred during this interview was also a manifestation and a microcosm of the people and the organisation being examined. By this I mean, that here was a practitioner-researcher based in England, representing the UK Parent company, speaking only in English and attempting to communicate and understand the dilemmas and challenges faced by managers in the organisation in respect of the different languages needing to be used. It exposed the fundamental role played by language and communication and how this might be taken for granted in organisations operating within a multinational workforce.

In the interview extract, quoted above, what was also present was the fact that this discussion took place within an organisational context where questions of status, power and influence were also present and understated. For example, I had met this manager when undertaking a course, called 'The Leader as Coach' programme, on which this manager was a participant. I had formed an impression of this manager. I had got to know this manager, like the other training participants, to some degree, over an intense three-day period. The nature of the training programme had involved managers and team leaders delving quite deeply into their own drivers of behaviour and examining the way they created and maintained relationships. This limited contact with this manager had inevitably given me a perception of this individual. Such perception included such factors as nationality, gender, role, status, ability to communicate, age, managerial values, behaviour. The power component seemed important. On the one hand, this manager was more senior than I, yet, I represented the parent company, a much larger organisation. On the other hand, I had the implicit power arising from being a facilitator on the coaching programme. According to Reid and Ng (1999),

> "The prestige of a language rises all falls with the power of its users... a speaker's power or powerlessness is reflected in the content or style of language and the style of language reflects upon the group membership." (p.121).

In most cases the day-to-day management and communication between managers and 'significant others' worked sufficiently well, within ESI, to enable the business to function effectively. The research data, however, highlighted some of the challenges faced by managers at a pragmatic level, and some potential areas of reduced effectiveness or impact on performance.

One of the team leaders, based in Maastricht referred to a common occurrence, which takes place when two people with different first languages and backgrounds need to communicate with each other. Here, she explained the complexities and challenges present for even relatively junior members of the management team:

> TL6 You have to make sure that the group works well together, and if there are any problems, you solve them, or try to solve them, you help the people to solve them. I suppose in an international company you have not only different characters, but also different cultures, different languages as well, so yes, that can sometimes create problems
>
> D.C In what way?
>
> TL6 Misunderstandings, because you don't understand exactly what the other person is like, there can be misunderstanding because of different cultural backgrounds.

This team leader associated the misunderstanding with what she referred to as "different cultural backgrounds". She gave a further illustration which also shed light on her own approach to dealing with misunderstanding arising from language difficulties:

> TL6 Yes, these people were Italian. There was some kind of misunderstanding, within the team, - yes it's difficult when you are not there, it is difficult to judge and to have your own opinion. It was 2 against 1 so you don't know if it is them being jealous of others, I mean they are all others, so you don't know - so I talked to them and I said "O.K" let's talk about it, but they wanted me to talk to that

> person. So I said "why don't you have a conversation, the three of you" – "Yes but how can we do that" they said. But when you have such a situation, like you have just described, when it happens sit down together and talk about it and yes that's what they did. The 3 of them and it turned out. But the third person was not aware of certain things and she herself also had things to tell the other two so in the end it was good."

In this instance the team leader's actions were hindered by her lack of knowledge of the Italian language and an inability to converse in their native language. According to Gudykunst and Kim (2003) miscommunication in cross cultural discourse, suggests that something has gone wrong in the interaction between two people. Gass and Varonis (1991) identified two types of miscommunication. The first, is misunderstanding, when participants do not recognise that there has been any problem. The second type is often referred to as incomplete understanding, which occurs when one or more participants observe that something has gone wrong. When incomplete understanding takes place, at least one of those affected clearly acknowledges that something has gone wrong and that there is a problem. When misunderstandings occur, neither participant recognises that a problem, has occurred during their particular interaction. After the interaction has completed one or both of the parties recognise potentially that there was a problem in the communication. Once the respective participants identified what the problem might be they have a choice whether to ignore the problem or to change it. This decision, according to Gudykunst and Kim (2003), may be influenced by the nature and quality of the relationship that the two parties possess. Therefore, a closer relationship may lead to working together to try and resolve the misunderstanding. A less close relationship may result in the misunderstanding or the problem being ignored or sidestepped. In the case of the Dutch team leader she had to mediate through a mixture of English language (the official and dominant ESI language) and her native Dutch language to a group who spoke no Dutch and had a poor grasp of the English language.

The ability and competence to create and sustain effective relationships will have a consequence on the many potential outcomes of the communication interaction. Where there is incomplete understanding at least one of the participants acknowledges that the problem has occurred during the exchange.

Again, there is a choice to be made as to the degree to which there is a desire to resolve or change the situation. In the example quoted above the team leader [TL6], dealing with problems within her Italian team, recognised that the incomplete misunderstanding had taken place and attempted to be the facilitator to bring those parties together, in her team, to help clarify and resolve the issue. This suggests something which is crucial in management and leadership, namely, the ability to recognise and deal with the discomfort and discovery, which is often associated with misunderstanding and misinterpretation of people's words actions and behaviours.

A number of the research participants reflected on how language use or misuse had directly impacted on the quality of working relationships and performance. A Dutch team leader saw the difficulties in being able to find the right language to express a deeper level of interaction with the members of his team. This was due to the mix of languages amongst his team members:

> "In that it was difficult to find the right words to express my feelings and to express my concerns if there were any, and to have normal chit chats which are normal and essential for relationships and team building with the Team members". [TL14]

This was contrasted with a German team leader who described the advantage of having a manager who could speak the same first language as himself:

> "...maybe if XXX was Italian, he wouldn't speak the same English, there would not be such a good communication, we would have to overcome some obstacles. I am not sure. But as this is very personal, it is important that we know we can talk to each other." [TL1]

Some of the implications for technical specialists within ESI were also expressed which surfaced in one of the research interviews:

DC So language, as you would suspect, can be a big barrier?

TL1 Can be? It is. We have heard the team members when they went to raise issues, technical issues with our head desk who already speak English and sometimes they need some help to translate and take care of special words, it's not so easy.

An IT manager illustrated the experienced he had with his own people:

D.C So in terms of you having to manage in your team you have got different nationalities?

Mgr5 Yes, we've got Spanish, English of course, Belgian, Dutch, from Ireland, from Germany.

D.C So there must I suppose be issues about language.

Mgr5 Not so much, you will find out for instance for people who are not accustomed to work, to speak English, they pick it up quite easily, I think one of the main reasons is that IT is mainly English based, lots of documents, lots of development is done in the English language. The development language, most of them are English, like global. I think most IT people are used to it sometimes it is difficult for them to speak English.

This last example indicated that whilst the technical specifications within the IT world were universally in English the challenge was in dealing with users, of different culture and languages, who needed interpretation and help in the use of the technology and systems. A further illustration was made, from this manager, where the written word of language had caused misinterpretation by the recipients. This revolved around an e-mail that had been sent to some relevant people:

> "For instance last week there's a job, I want somebody to do this job, being a back-up to the relief manager, so I sent up an e-mail to some people and said look, have a look at this job opportunity, it is a voluntary job and I asked for volunteers for that, but you have to understand that this a job you do besides your normal job and really that aspect was taken out of the sentence, you should not have said that, because people are already busy and they are already doing a full time job and now you are asking them to do some more, which if you explain it then they recognise it is not true. Then afterwards I can just say to myself why, but for me it was completely natural. But maybe that's it for me, it is difficult to understand that people can read it differently from what I wanted to say." [Mgr5]

Here, an attempt, by this manager, to make a request of his team had broken down due to misunderstanding. This had centred on the words 'voluntary' and 'volunteers' whose literal meaning had caused a negative reaction from team members. Yet there was an acknowledgement by the manager that if there had been an explanation, face-to-face with his people, such a misunderstanding would have been clarified more easily. Yet the manager professed his surprise that his message could be misinterpreted even though people receiving it, like him, included those for whom English was not their first language. Yet it is difficult to identify the variable here, is it due to language misinterpretation? Clearly it is but why? Was the medium of communication wrong anyway? Maybe there was an error in using e-mail to deliver the message? Was this also about a preferred management style where face-to-face discussion was subsumed by an electronic delivery method? Maybe the conclusion was that the presence of an extra variable relating to language and culture required the manager to reflect more profoundly on potential reactions and misinterpretations and to adjust his approach situationally?

The above examples suggest that , in examining cross-cultural communication, the choice of communication methods is particularly important in circumstances where communication is being delivered by a manager to a team of people (or peers) where the mix of first , second and third languages are liable to increase the chance of misunderstanding, or incomplete understanding.

The next section looks at the cross-cultural communication aspects of the design and delivery of a management training programme.

6.5 Cross cultural communication: reviewing 'The Leader as Coach' (TLAC) management training programme.

As indicated in the introduction to this chapter, the theme of language and understanding lead me to review a management training programme in detail to explore the extent to which the way the training was delivered and communicated catered for the needs of a diverse group of international managers. The purpose of the review was to examine whether the design and delivery helped or hindered the learning of participants given the need for effective cross-cultural communication between participants and tutors and the material being taught. The data derives from the detailed notes I took at the time, as a tutor on the programme, observation and an examination of all the documentation that related to the programme (joining instructions, course handouts, training manual).

Throughout the period of this research study various attempts were made to equip ESI managers with additional skills to meet future, strategic aspirations for growth and expansion. I wanted, however, to study in greater depth a particular management training programme, with which I was very familiar, to help provide further insight into the effectiveness of the design and delivery to international managers. I had focused on a programme that was particularly challenging for participants in terms of the need to understand quite complex views on how interpersonal relationships work and how to make relationships work better with practice and understanding. The training programme had been designed and delivered solely for UK, English-speaking managers and functional specialists.

ESI only had a small stand-alone training function (and relatively small budget) which attempted to deliver induction training, technical training, product training and some customer service skills training. The function lacked the expertise to deliver management training internally. External providers based in the UK were costly to use in Europe, so ESI used the services of the FSD Management Development team of which I was part. This approach also reflected the role of the Parent company in maximising its resource usage and echoes Theme 1 which examined the relationship between Parent-Subsidiary companies.

The purpose of the review of the management training programme, for this research study, was to consider:

- The appropriateness of the written training material: how clear was this communicated to people with English as a second/third language?
- The clarity of explaining complex theory
- The training process: facilitating this group as opposed to an all UK group
- Design: what methods were of benefit, or not, to this group of managers?

6.5.1 The Leader as Coach programme: background, design and contents.

This was a 3-day programme focusing on coaching. The need for this programme had originally arisen within FSD (ESI's parent company) when a requirement to improve the capabilities of the senior management population was identified as an organisational priority. It was subsequently agreed to deliver the programme to all of the UK management population in FSD. The programme was created by an external training consultancy and called 'The

Leader as Coach' programme. Hereafter referred to as the TLAC programme. Approximately 400 FSD-based managers attended the 3-day programme.

An internal evaluation report indicated the added value and business benefit that had arisen from the roll-out of the programme. It was subsequently deemed appropriate for ESI managers to be included in the programme, albeit somewhat at the end of this roll out, due to other ESI business priorities. We, the 'faculty', within the O&PD area of FSD, had all delivered many of the programmes in the UK.

The particular programme that I reviewed, as part of this research study, was one that I co-delivered, off-site, in Maastricht. There were 12 participants and I co-delivered with a member of the external consultancy. The group of participants represented team leaders and managers with the following nationalities represented: 3 Germans: 4 Dutch: 2 Italians: 1 Irish:1 English: 1 French. The managers and team leaders were drawn from the following offices: Luxembourg, Milan or Maastricht. The participants varied in their capabilities to engage with and understand the English-language. Of the 12 participants, approximately half had a greater understanding of spoken and written English than the other half. This, however, was only apparent as the programme progressed. Both of us as tutors had no prior knowledge of the individual participants or their individual capabilities.

Details of the programme objectives and approach are set out in Appendix 9. These are taken from the participant's training manual.

The main message of the programme was that to coach effectively requires the coach, not merely to apply a set structure or mechanical application of a set of tools, but by understanding how to building effective interpersonal relations between the coach and coachee. The coaching model combined the work of Will Schutz (1994), an expert on interpersonal relations and John Heron (1999) recognised for his work on facilitation and group intervention.

Schutz's work had included the development of a psychometric instrument called FIRO Element B (Fundamental Interpersonal Relations Orientation:

Element Behaviour) and related concepts linked to his studies on human potential. Heron's work on facilitation was also used as a core approach of the coaching model. The original works of both Heron and Schutz are not written for the 'operational-manager-market' so issues of accessibility of language and interpretation were also significant for the facilitators of these sessions. The delivery of the programme aimed to embody some of the key principles of facilitation and coaching in the way the tutors delivered and role-modelled the contents.

Day 1 of the programme involved a long individual introduction by the participants and facilitators and then with discussions on the meaning of 'coaching'. The remainder of the time was an introduction to FIRO Element B and its explication and links to managing and coaching. Days 2 and 3 involved examining coaching by looking at Heron's principals of group facilitation and its relevance to individual coaching. There was a real emphasis on working with live actual issues faced by participants, rather than role-plays. Managers were encouraged to use real issues they faced in their relationship building with others and they were given feedback on their performance in the coaching sessions. There were formal inputs to help understand and apply FIRO Element B and Heron's facilitation model. The individual analysis of the FIRO questionnaire was explored and discussed with the participants.

At the heart of the work of Schutz (1994) and Heron (1999) are a number of overlapping principles, in the context of relationship building and coaching:

- The need to build effective relationships between coach and coachee in order for coaching to work effectively: not just applying a problem solving process
- To understand what helps and hinders working relationships
- The need for self reflection; to analyse the origins of our behaviour and their impact on relationship building
- Examining how we develop trust and openness
- How others behaviours prompts reactions in our own behaviour and based on deeper psychological processes
- Examining 'the stories we tell ourselves" which perpetuate our default behaviours when exposed to new situations or when

placed under stress: examining triggers to our behaviours and attitudes towards others
- That behaviours are linked to feelings and self concept
- That behaviours can be changed

The three-day session was delivered entirely in English, and the seating for the plenary was in the form of a large semi-circle, with only chairs and no desks. This was to help represent and reinforce the dimensions of inclusion-control-openness which were at the heart of the Schutz model.

6.5.2 Programme Review: setting out expectations for participants

An early message for participants of the training programme was contained in the pre-joining instructions sent to all participants prior to the programme, extracts of which are shown below:

> *"The model you will learn is complex - not complicated."(page 1.1)*
>
> *"Because of the time we take with each component part of the coaching process, it can mean that the bigger picture of coaching can take some time to emerge. We call this the 'jigsaw' model, and what we mean is that even though you may have all the various bits in front of you, it can take some time before the complete picture emerges! In fact you may not even get the full picture of what coaching is until you are at the end of the programme. For some people this can be frustrating, especially if they are used to more rapidly paced, theoretical as opposed to experiential development programmes." (page 1.1)*
>
> *"The programme involves delegates engaging in a high degree of personal and group reflection. It is highly participative and interactive. Whether or not this is your natural style, the programme will help you develop your practical and 'critical reflection' skills."*
> (Extract from FSD Training Manual)

A number of phrases (shown as underlined) were written in more obscure language and contrasted with the more simple sentences contained within the extract. This served to raise potential confusion before the programme had been undertaken by ESI participants.

Whilst overall feedback from the UK-based sessions, for nearly 400 FSD managers, had been generally very positive, questions had been raised about the difficult language used on the training programme due to the underlying theory of Schutz and Heron. No changes were made for the ESI group who were to undergo the programme. Even for those who had English as their first language many had found some of the descriptions of the models used on the programme obscure and difficult to grasp, initially. This is explored further in the next section.

6.5.3 TLAC programme review: language, course materials and teaching

The importance of language, meaning and understanding was further highlighted, on the TLAC, by the use of a three-dimensional model represented as a cube. The aim was to try to help participants understand the Heron model of facilitation. Each face of the cube represented a different component of the coaching model. It only struck me later, how difficult it who must have been for some of the participants to understand some of the concepts such as planning, meaning, confronting, feeling, structuring, valuing as they all had particular meanings that went beyond the ,accepted meaning for example, an extract from the training manual defined the Planning Dimension of the Coaching Model':

> *"<u>Planning</u>*
> *Planning interventions seek to influence and direct in and/or beyond the coach-coachee relationship, they do not <u>encroach on the self-determining competence</u> of the coachee and are offered in a way which makes the coachee feel s/he is free to decide. It is essential to <u>be implicitly open to disagreement without compulsive attachment</u> to your own agendas".*
> [Internal document 29]

Words and terminology used from John Heron's work (1999) were included in the written training material, were also difficult for people to understand as their true meaning went beyond the initial apparent meaning, such words as: 'Perverted' 'Degenerate' 'Appropriate' 'Individual focus' 'Procedural focus' 'Group process.'

One of the greatest challenges, as tutor, was in the explanation of the underpinning models that represented the coaching model. Participants undertaking the programme within the UK, and whose first language was English had found both the terminology and nature of the coaching model quite difficult to grasp at the outset. Like an unfolding story, people began to understand it when the various pieces of the model started to come together and be seen as a whole. Nonetheless, any participant who was unable to grasp the real meaning and application of the model would miss a valuable opportunity to gain insights and skills. During the running of the programme within ESI, both of us, as tutors, had to spend a lot of time trying to convey these terms in more understandable ways but many of the participants were never really able to fully grasp them. This was clear from the ongoing testing and questioning we used during the delivery of the ESI TLAC programme.

At the individual level, participants were faced with the examining their own preferences for inclusion-control-openness (Schutz, 1994) and the impact of this on their behaviour within the work and non-work context. The concepts covered in the programme often represented quite powerful insights into the causes and meanings of an individual's behaviour. This had been the experience of participants taking part in the programme within the UK, and a number had found the programme particularly insightful in examining the source and consequences of their behaviour on others. Because of the nature of the detailed feedback given during the coaching sessions the participants, on the TLAC, often found that the way they used language during a coaching session had a big impact on the quality of the discussion and coaching session and the relationship building process. All this was focused within the context of a coaching relationship at work.

The Schutz model explored the rational and defensive aspects of our preferences for each aspect of the three dimensions. In exploring such concepts, and getting people to look at themselves along with these dimensions, placed a real responsibility on the tutors to ensure as complete an understanding as possible for each participant. Given the variation of language skills, we needed to test and re-explain, and it helped to give personal examples to try to make the descriptions real and understandable for people. In many cases, we needed to try and simplify explanations in a much more straightforward way when we saw and heard mis-interpretations and misunderstandings.

Early on in the programme I had noticed how the group as a whole tended not to feel at ease in a large group - plenary setting. Both of us as tutors made big efforts to ensure that people had the opportunity to contribute, reflect and ask questions. As the programme progressed over the three days, there appeared to be unspoken tensions in the group, which seemed to relate to a number of factors. There appeared to be mild animosity from those managers and team leaders, based in Maastricht, who regarded themselves as the engine room of ESI, and where the real customer work was done and yet felt isolated, misunderstood and undervalued. This was directed against managers and team leaders from Luxembourg, who saw themselves perhaps more of an elite, and closer to the top team and the strategic decision-making process. This made me examine how the group worked together in the small-group work. The participants initially tended to split into groups, voluntarily, in one of three ways:

Location base: principally whether they were based in Luxembourg or Maastricht.

Nationality: initially, the Dutch kept together, and the German participants kept together.

Role/position: the Dutch group were all team leaders based in Maastricht. The German participants were both managers and team leaders, based in Luxembourg. There was some logic to this, however. On the one hand, the team leaders could identify with, team leader-type challenges, and similarly managers could cluster together to discuss and debate the challenges they faced for their levels of responsibility. As I noticed this unfolding, we, as the tutors encouraged the groups to work with people with whom they would not normally deal, and at different hierarchical levels.

The process that we called "real-plays" consisted of the person with the problem or challenge being coached and observed by another member of a trio with the third person acting as observer and giver of feedback. The coach would outline the situation that he or she was facing and brief the person who would then be the coachee. There would then be the process of feedback where all of the trio would have their input.

The quality of these sessions reflected differences in individual competence and motivation. The level of understanding of the previous taught sessions, including the various models, was made evident in these “real plays”. What appeared different in this programme to those held solely in the UK was the degree of capability shown in conversing in the English language. This was a variable that had greater prominence in this programme due to the differing capabilities amongst the participants. At one point, one group of German speaking managers, perhaps frustrated by the demands of the "colonising-parent company" conducted their coaching sessions in German. This was done in the genuine desire to get the most from the coaching session. Whilst I had to insist on them undertaking at least one session in English, I had no problem with them performing in their primary language. However, this did indicate the limitations when both of us, as tutors, were unable to converse in any other language than English.

6.6.4 TLAC programme review: feedback from the participants

At the end of the programme, all the participants completed a feedback questionnaire. Whilst this served to test immediate reactions to the event some of the comments were particularly helpful. What people thought needed to be changed to the programme, were as follows;

> "I found the 'cube' difficult to understand". *[Heron model of facilitation]*
> "More explanation please and time for the Will Schutz model".
> "A lot of complicated theory-difficult to understand, make it more simple."
> [Internal Document 30]

The feedback discussion indicated a much greater need to make the concepts and models more comprehensible to the participants. The overall scores for the ESI TLAC programme were high in the range of 4/5, where 5 represented 'excellent'. The analysis of comments, relating to what worked best about the programme, were clustered around the following themes:

> "Working on real life issues that face us at work".
> "Self-help: working with and supporting each other in learning."
> "The atmosphere in the group was very productive with all participants being willing to help each other."

Another question from the evaluation questionnaire asked,
Q: *What are three things will you do differently as a result of the programme?*
The summarised responses focused on the following areas:

- Listening more and in a different way (this was listed by at least half of the 12 programme participants).
- Not jumping to conclusions (five out of the 12 participants expressed this)
- To speak more with colleagues.
- Involving people more in helping them to find their own solutions.
- Trying to understand people's needs/drives
- Engaging with the team more
- Showing your emotions
- Ask for feedback

Following a review with the other tutor and discussions with other members of the tutor team, who had delivered a similar programme to other members of the ESI management team, my own observations were made clearer as a result of undertaking this research study. This was my practitioner-researcher roles combining and giving me a new way of looking at this programme:

- It was good that the group responded to the programme to enable them to look at themselves more closely and clearly and to work on issues of real relevance to them as managers and team leaders.
- Being delivered solely in English impacted on the richness of the programme. The tutors were unable to engage with participants in their own languages.
- There was no attempt to anticipate how managers/ team leaders from a number of different European countries might react to the structure, content and delivery methods of the programme. This would have helped. The cut-and-paste approach was flawed.
- The written materials stressed complexity and needed to be simplified and explained more fully. The materials needed to have been tested with an international cross-section of managers beforehand. If necessary (if costs allowed) more material could have been translated into other European languages)
- The tutor team would have benefitted from having greater language skills
- The specific work of Schutz (1994) did have an important contribution to make despite, as tutors, our presenting the underlying theory in a way that felt complicated to some of the programme participants. It did appear to help provide a language for understanding how misunderstanding takes place not just through issues of language but through misinterpretations of behaviour.

This had links to the discussions on stereotyping and reacting to the 'stranger' referred to in previous Chapters.

- There was a strong sense of collaborative learning particularly in the small group work involving helping each other tackle real business issues. This worked well despite or because of the cross-cultural mix of participants. It would appear that collaborative leadership development approaches such as action learning (Revans,1983) would have worked with this group.

6. 6 Summary and Conclusions

The analysis of the data drawn from the research interviews, analysis of ESI Corporate Briefings and the review of the Leader as Coach (TLAC) training programme drew out a number of conclusions:

- The assumptions made when crafting key messages to be communicated across ESI. Given that such messages were honed by predominantly British Senior Managers, and communicated only in English, there appears to be little evidence of any specific consideration to the recipients of such messages. This relates to the degree of mastery of English of the majority of the staff in ESI and the extent to which English was a first, second or third language. ESI appears to suffer from a form of partial "cultural blindness" (Adler, 2002, p.106) it might be acknowledged subconsciously but in practice appears to be often misinterpreted or discounted, or reframed in another, less direct way.
- That perceptions and judgements are made (by and of managers) about language competence of individuals, that are then generalised as perceptions of overall competence of that individual. This is illustrated by my flawed perceptions of witnessing a Dutch team leader's approach in conducting a performance appraisal interview which looked more like a disciplinary meeting. This incident, on reflection, was more a product of a limited English Language competence of the manager concerned, rather than his managerial competence. I was guilty of incorrect labelling and stereotyping. This reflects the view of Forgas (1994) who identified that due to cultural filters and ethnocentrism we create a set of expectations about other people. Communicating with people whose behaviours do not match our expectations often leads to negative attributions. Given that such interactions are likely to

induce emotion, then if negative emotion is the result this will contribute to a negative attribution of the individual sending the message. This in turn forms the core of the stereotype of that individual. This links to the discussion in Chapter 5.

- Managers and team leaders within ESI have very few vehicles with which to be able to examine their interpersonal effectiveness and cross-cultural communication capabilities. The role and impact of having to communicate primarily in English is not overtly acknowledged (e.g. no specific reference in the ESI Opinion Surveys) or examined in a positive way. That cross-cultural (or inter-cultural) communication also includes intra-cultural communication. There were notable differences in communication processes displayed by managers from within the same country. Yet cross-cultural communication is associated with other psychological processes that do not typically occur in intra-cultural communication e.g. uncertainty and ambiguity and conflict (Matsumoto,D., & Juang,L., 2004). Whilst inter-cultural communication exchanges will share many of the same processes as intra-cultural communication, in inter-cultural exchanges the respective parties do not necessarily share the same cultural ground rules. It therefore becomes more difficult to focus on the content of the messages using different cultural codes. The communication is not likely to be smooth, and misunderstandings are more likely to occur. Our judgment of the other person is therefore more likely to be judged as the other person not knowing how to act appropriately, being rude, being ignorant etc.

CHAPTER 7 THEME NO 4: LEADING AND MANAGING IN ESI

7.1 Introduction

During the period of this research study the market operating conditions for ESI were challenging. Equity markets were at a historic low. Big financial institutions were sending out negative messages and searching for capital and partners. Consumer confidence was low and people (customers) were more cautious. This uncertainty and unpredictability proved to be a real challenge for the top team in ESI. There was a perceived need to develop the managerial capability within ESI to cope in what had become a more unpredictable industry. The strengths of the management population were seen as:

- Being committed, flexible and responsive
- Strong informal working relationships, developed as the company has grown

The weaknesses were seen as resulting from:

- A centralised culture dependant on key individuals that have acquired knowledge and experience
- The need to be able to manage uncertainty more effectively.

[Extract:Internal Document No 15]

Discussions with members of the ESI top team indicated their desire to develop managerial/leadership capability to manage a bigger business, through growth and without compromising flexibility and adaptability. This was expressed in terms of the need for "staff to take on more responsibility and accountability" (Internal Document 22). This documentary evidence summarised the need for ESI managers, at all levels, to focus on two aspects of their roles:

> "**Manage for today**: getting essential processes right: developing 'core' management skills
> **Lead for tomorrow**: anticipating change: dealing with uncertainty; managing change: motivating others."
> [Internal Document No 20]

The aspiration of the top team of ESI was to,

> "... create a common expectation, language and frame of reference around leadership, across ESI. We would like to see a shift in our culture towards a more consistent and sustainable approach to managing the business both for today and tomorrow." (Internal Document 22).

7.2 Developing managerial and leadership capability

The Executive Team had set out a clear expectation of what was needed by ESI managers to achieve the organisation's aims and objectives. This aspiration would therefore need to be seen against a management population which contained a highly diverse group of people and where cultural, national and personal differences were far from simple. One of the main means of trying to achieve changes in managerial behaviour was through delivery of a two-day, face-to-face and generic management training programme entitled the 'Leading in ESI' programme.

As a result of the ESI top teams stated intent, an amended ESI Leadership Competency Framework was introduced. This was designed to clarify the expectations of managers across the business. This was an iteration of a capability framework originating from the main LBB and FSD leadership competency frameworks. The intention of the ESI top team was made more explicit in the briefing notes prepared for a senior manager who introduced one of the first of the newly created management 'Leading in ESI' programme :

> "As some of you know, we (*the exec team*) have already had feedback from you and others, on a similar version of this framework. So as an Executive Team we realise that we are not perfect and we are working on improving skills too. Therefore we need to work together to bring this alive. That will mean that we all need to challenge each other to put this into practice. You need to challenge us, as you in turn, need to be challenged by your peers and teams." (Internal Document 22).

The 'Leading in ESI' programme sought to help equip managers to make the changes to their behaviour to satisfy the new competencies as described in the ESI Leadership Competency Framework. The two day-programme involved looking at issues relating to leadership style, change leadership and stakeholder management. The ESI Leadership Competency Framework had three main areas of focus describing the priorities for all managers in ESI:

<u>1. Creating the operational agenda</u>
- Develops and implements plans
- Manages resources
- Maintains compliance

<u>2. Delivering results</u>

- Leads and motivates others
- Manages performance
- Manages change

3. Building capability

- Develops self
- Develops others
- Develops partnerships
-

[Internal Document No 23]

My practitioner experience had suggested that leadership competence frameworks that attempted to define the role and qualities of managers did little to help shape the day-to-day interactions between manager and their direct reports, and was not the 'language of choice' of practising managers and team leaders. My research focus at this stage was to gain a more direct understanding of the experiences and challenges faced by managers as they assumed and undertook managerial and leadership roles in ESI, in the context of an organisation trying to change and grow. Such understanding might help inform the nature of leadership development activities and strategies.

Micro-sociologists such as Collins (1988); Goffman (1967); Knorr-Cetina and Cicourel (1981) contend that the only effective way of researching and grounding social processes is by examining micro-events. They contend that concepts such as 'management' and 'leadership' are only real to the extent that they exist in the micro-interactions between people. A point of entry into the micro-events was through examining the language used by the research participants in describing their personal stories of how they assumed roles as team leaders and managers in ESI. The research interviews had captured a range of stories from managers which described their transitions into management within ESI. For some research participants this recounted how they had become team leaders or managers whilst within ESI and, for others with previous experience of managing, how they had adjusted to managing, within ESI specifically. To capture and analyse these experiences and journeys, the language and metaphors used by managers were examined. As a framework for analysing the transitions made by managers and team leaders into their roles a concept developed by Charan, et al (2000) was used. This refers to the notion of the 'leadership pipeline' and relates to the transitional stages of a managerial career involving exposure to different managerial roles and responsibilities, each requiring different skills, knowledge and experience in such a developmental journey. Charan, et al (2000) identified the importance of certain key transitional points or 'turns' in a manager's career which can also help inform individual managers and management developers of the nature of appropriate leadership development activities to support managers at these key points in their careers. The first transition point described by Charan et al, is when a potential manager moves from a position of managing only him/herself, in an organisation, to that of taking responsibility for managing others. Given that many of the team leaders and managers within ESI were relatively new to their roles (and reflecting the pace of growth of the organisation) the analysis of the research interviews focused on understanding this first transition point.

Metaphors arising from the data analysis were used to shed further light on the managerial, organisational and personal implications of individual managers. The words used by the research participants were analysed and metaphors identified directly or interpreted separately to help understanding and meaning. [The metaphors are shown in italics with inverted commas.] The implications of this analysis are discussed in the next section.

7.2.1 The basis of promotion to team leader or manager

The journey from managing self to managing others (as described by Charan et al, 2000) was discussed during the interviews. A Dutch team leader described his transition:

> "I was just a member of the team. After that, when they saw that I had gained more and more experience they asked me to be a Team Leader/Supervisor and after I had been in that position for quite a long time they asked me to be head of the finance department." [TL15]

Here there was an emphasis on promotion, or for transition to be instituted by "they" and for the required abilities to be spotted and observed. Viewing promotion as an '*invitation*' from the ESI management. This was echoed by a German team leader who reinforced the notion of the senior management as '*overseers and observers*':

"They said they were looking for Team Leaders, so I sent in my application to them, I had some tests, then I got the promotion to Team Leader." [TL20]

A Dutch IT manager also described his journey to reaching a managerial role and the resulting '*invitation*', as follows:

"I was not trained in I.T. I was in a completely different background, but of course out of interest I got invited into an I.T role, so to speak. They offered me a job to become a programmer. I took on that job and from there on gradually, doing programming, designing and then became Project Leader. Project Leader was the first time I was really actually managing people. From there on it went from Project Manager to larger projects and eventually to managing departments." [Mgr5]

A Dutch team leader saw the promotion as one of '*timing*' of '*waiting*' and picking the right opportunity, being '*opportunistic*':

D.C. "Yes, why did you become a Team Leader?"
TL6 "First of all because there was the possibility, they were looking for Team Leaders, and I just thought that it was the right thing to apply for the job. I had been with the Company then for almost 2 years, 1 year, no 2 years and I thought it was the right moment to apply for the job."

A German manager also saw the element of 'luck' and 'chance' in his promotion to team leader:

"The reason was that I was working for almost 9 years at a German Bank, and was there for almost 6 or7 years. As second team leader of the team. So, I only had the chance to lead the team if this guy was on holiday, or if he was ill, ...and then I saw the chance to start with ESI. But only as a team leader, so managing people, but also as an assistant manager which means build up the Company to do several things which I thought would mix to an interesting job. So I decided to apply and then I got the job. So I started with a small team of 5 with this Company." [Mgr19]

A British manager described his path of development to manager:

"When I first started in xxxx, it was straight from school, first job. So it was obviously at a reasonably low level. I was in the Finance Department, it was reasonably small. Just a little section, 6 or 7, and I just stayed there for awhile. People moved on, and I think my Team Leader left, which obviously created a vacancy, which I was lucky enough to get." [Mgr4]

In these last two cases, above, the serendipitous view of promotion also revealed a language of hierarchy, "...a reasonably low level", and the importance of the status / title, for example, the notion of a second team leader ('*a number 2*') and the aspiration for and potential to move from team leader ('...only as a Team Leader') to Assistant Manager. Other transitions reflected the metaphors of '*promotion as response to growth*' or '*expansion*' as prompts or triggers for new roles to be filled. This reflected the organisational context, in which the future team leaders were operating,

> "As a team member, we were growing. When I started there were 7.Then I started along with another person. Then we were 9 and growing so we had to split up the Teams." [TL20]

This also suggested a notion of '*outgrowing*' the existing current structure. A German team leader made the transition to first level supervisory role, and because of the need to accommodate expansion, emphasis was placed on working with what were perceived as the most appropriate candidates, as follows:

> "I started as a regular Team Member and with expansion and the rates so high there needed to be some more restructuring done, and Team Leaders were looked for internally first. So they took the best they thought for this position". [TL20]

Here there was a sense of having to select people under the pressure of organisational expansion and re-structuring, within a very limited time-frame. The transition involved moving from managing self, to managing others to managing managers, all in a very fast timescale with implications for lack of preparation into the roles.

7.2.2 Adjusting to a new managerial role

The interview process also sought to establish what the experience of going through this initial transition stage was like, i.e. what was the experience of moving from managing self to managing others, to a role with wider people management responsibilities?
A Dutch manager stated:

> "It was difficult, because you have been working on technical and just to let it go, get your hands off it and let other people do it. In the beginning you tend to sit at the side of somebody at the desk, and go through the coding with them and assist people. But then gradually yes, you pull back and you just let people go along." [Mgr5]

Here the emphasis was having to *'learn to let go'* or *'releasing what was familiar and embracing the less familiar'*. This referred to the need to spend less time on the technical and more on the people and business-related tasks and responsibilities. A German team leader also described the challenge of having to manage colleagues who had been his colleagues, as fellow team members:

> "Yes, it was different people partly and partly the same people. There were a few people who were recruited, so it was a mixture, afterwards." [TL20]

What appeared to help was the mixing of existing and new team members which changed the dynamic between him and his previous fellow team members. A German team leader saw the difficulties of coping with the early transition, but circumstances outside her control made it easier for her:

> "Because you are in the past on the same level like they were, and then after one day it changes and you have to say – "Do this : Do this" – but it wasn't a problem because I started in October and they started in January, so I had more experience than other people who started later and it wasn't a problem." [TL20]

A German manager described the consequence of the rapid growth of ESI on his own confidence:

> "Well, firstly on the one hand, I thought it was not such a good deal, I started with 5 people and they had to recruit 12 to 20 more people. That was in 1 year, so I had a team of 20 people, which is department size, but the most important thing I can remember, was my uncertainty, how to use other managers. They were on another planet and I was one of them. [Mgr19]

An Irish manager described another adjustment that he had to accommodate as he moved into a managerial role:

> "I have been pleased with what has happened, I'm not sure I was very conscious of being viewed as the boss, that much that it might affect me if you know what I mean. You probably know what kind of person I am and I just wanted to go in there and do the job and I wanted to make sure that I could draw the line between the staff as I knew them before, as I knew anyone I worked with before to being the person they report to and having to put larger demands on them. That is something I am conscious of, but I was hoping, it's hard to phrase this but, I was not hoping it would happen automatically, but hoping my sheer presence would help that. Am I clear on that?" [Mgr8]

The desire to '*draw the line*' and to separate how he was viewed before his promotion compared to after his promotion was emphasised by this participant. The transition from managing a small department to a much larger one was also described by this manager:

> "People were listening to me just because I had the position. I had a title, this was new for me, because I always thought people are listening to you because they have a really good opinion of me, good attitude. No, you have to get used to the fact that people are listening to you because you have an important position. So for the first weeks I felt very uncomfortable, I am just a small guy just promoted from Team Leader to Manager. After a while, I realised that these people were also human beings, with their own thoughts, with their own backgrounds, and some of them were also for the first time in a managing role, which gave me back some of my self esteem. I discussed this also with my Line Manager at that time and he also gave me the advice, just to be myself, to believe more in myself." [Mgr8]

What emerged from this extract was what I had observed directly of this person and from feedback from others, namely that this manager may have been pushed beyond his capability and comfort zone through the rapid growth of ESI. That, given the multi cultural nature of ESI, had made this more prominent, noticeable and complex to him and others. His style was seen as not appropriate, and what had worked well in a smaller environment had not worked with a larger number of staff:

> "There are a few people or a few Managers, who think that my style is just too soft. For example if I warn somebody because he is making the same mistake one, two or three times, I also talk to them a fourth or fifth time, because it's just not me, just to fire him." [Mgr19]

The '*label of boss'* was a difficult one for this manager to adjust to.

7.2.3 The role of the team leader or manager in ESI

Various views and perceptions of the role of the team leader and/or manager emerged from the research interviews. One metaphor that described the role of the team leader was that of 't*he leader as brave decision-maker and problem solver*', as described by a German team leader;

> "I can't be afraid to make a decision, I can't be afraid to say no. There are several people who don't have a problem in saying no, but in my experience my direct way is important. I would say – if I make a decision, I try to explain it, so that nobody says – 'a decision was made, but I don't know why, but I have to do it'. I like to describe it and also let them know my opinion about things." [TL20]

Here the emphasis was on the need to be able to explain the basis of decisions rather than just telling. A Dutch team leader recognised that the role involved helping team members to help themselves, as well as dealing with the different cultural and language challenges;

> "You have to make sure that the group works well together, and if there are any problems, you solve them, or try to solve them. You help the people to solve them. I suppose in an International Company you have not only different characters, but also different cultures, different languages as well, so yes, that can sometimes create problems." [TL6]

In contrast with the previous example above, the "problem" was presented by the Dutch team leader, not as one of decision-maker, but as '*leader as interpersonal facilitator*'.

From a German manager, when asked how she characterised her German style of managing;

Manager	"I suppose it is very open and direct, engaging very open and direct comments, trying to get open feedback."
D.C	"Is that something that is valued in German management?"
Manager	"Yes."
[Mgr9]	

A different German team leader saw the role more broadly: the '*manager as enricher of people*' and his aspirational view had been compromised by the realities of the urgent demands of the expanding ESI business:

> "In theory, in an ideal world, it should be to make people hope, prosper, have their chances and also to get as much input from these people as possible, by different means. Everybody is an individual, it is more about people than what we do now, but we are concentrating more on the work because of backlog pressures, not enabling us to completely fulfil our role as Team Leader. At the moment, or let's say during the 3 years that I have been here, the need certainly always dictated a trend. The priorities should be taken first."
>
> "I wish I had more resources and be able to do also the other things. Training for instance, which is needed for 10% of working time, but we need to shift even this 10% to cover the backlog." [TL1]

A Dutch team leader saw the role as a '*facilitator and peacemaker*', attempting to seek consensus, and more group-centred:

> "I would be very much towards saying that we call a discussion group, and as a group find the right decision and not have somebody running along making his own decisions without consulting the group. Without consulting the team. About whether that's the right decision. So I wouldn't be the one; "well I have thought about it and this is how we are going to do it and what we are going to do", I am definitely not that type of person. I am always trying to find the best solution to a problem that occurs and the change that we have to implement. But not going on the decision or the thoughts of just one person, never. " [TL14]

The balance between managing people versus the technical role of a team leader was expressed by another Dutch team leader:

> "It's more managing people and besides that of course you have to have certain knowledge, but not a specialist in insurance or underwriting or whatever, because then it is too much. If you are a specialist in underwriting and you want to be Team Leader, then you have actually 2 jobs. Then people start asking you about underwriting and people start asking you personnel things, about a holiday or whatever and that's too much. You have to try to deal with everything. That's one of the things I always want to do, is just spend, I don't know, one day a week sitting down here, staying with them, do my work and being there." [TL6]

This team leader saw the role as the need to be '*multi-skilled*' and as having to have '*broad shoulders*'. Whilst this was clear for this team leader, her German line manager saw things differently wanting a greater emphasis on getting the work done .i.e. more task focused than the 'managing people' aspects. The team leader had found it difficult to challenge this approach which had conflicted with her own values.

7.2.4 Managing to learn and learning to manage

Given that, as stated earlier in this section, most of the research participants had entered their first level managerial careers from technical roles, the learning process of becoming an effective team leader or manager emerged through the data analysis and coding process. The majority of those interviewed saw that most of their significant learning came from the metaphor of "*learning as doing*":

- "Yes, doing by experience, going for instance on English courses. It's by technical means or also by drinking after work. It's just getting to know each other."
- "I am one who learns by doing things."
- "I think most of the things you learn by doing them."
- "The team leaders have very little experience, the 4 of us because we have never had such a job before and we have been doing it now for 14 months, so we don't have that much experience. We just do whatever we think is right. No real training, not much until now."

This appeared to have involved using previous learning from different sources, to apply this in their current managerial roles. In addition to learning on the job other influential external learning experiences were noted as influences on the way that the research participants went about learning to manage others:

A German team leader referred to her example:

TL20:	Yes, because I have had no management training before, but I did sports, and I also had a group of people I was leading so – it was gymnastics and I did this 4 times a week. I had small children up to the age of 6 and 7, to motivate them, they don't have any fear, but it was very funny.
D.C	My daughter is x years and she does gymnastics and I always admired the coaches controlling all these children.
TL	Yes, and motivate them. Children of 12 or 14, don't want to go on, they just want to lie on the ground and say "O.K, it's been

1½ hours now" – you have to motivate the small children, they want to learn something.

What emerged from this conversation was a metaphor linking leadership, control and motivation in the context of a '*neo-parental role*', a mixture of nurture, but tempered by an implicit acknowledgement on the part of the team leader of satisfaction from leading those who show interest and motivation. In previous discussions with this team leader she had expressed frustration with dealing with a number of her team members who were not interacting with each other effectively and where her response in the critical - parent mode had not worked but needed a more considered response involving a greater degree of openness, patience and interpersonal communication maturity.

A Dutch team leader also referred to an aspect of his personal life that had influenced his approach to managing others:

TL14 "Yes I have been doing sports activities, well I stopped two years ago, but I had been doing it for 15 years."
DC "What was that?"
TL14 "Self-Defence. The trainer asked me on numerous occasions to fill in for him when he went away on holiday. He would tend to go away for three months for holidays and asked me most of the time to fill in for his training sessions. Most of the people who came to those training's, always tended to say afterwards, they liked my training better than the trainers, because it was more friendly. It was less disciplinary, but because it was more fun to do in the way I did it, they still did what I wanted them to do."

Was this example indicative of this team leader's notion of needing to learn to defend against attack? To provide tools to '*protect oneself*'? Of self discipline rather than that imposed by others. Of an atmosphere expressed as enjoyment and trust. Were these the metaphors that he had applied in his own sphere of influence as a leader? This team leader had gone on to describe, for example, his preferred leadership style as one of 'fellowship', of deciding by 'consensus'.

A German manager had views on whether or not you can train others to work effectively in an international organisation:

Mgr9	"It is difficult to train, to give specific training. If you work for an international company you have to respect other people's nationalities. There are differences in working and generally in just viewing things."
DC	"How did you learn to do that, for yourself?"
Mgr9	"It has probably come quite naturally, because I live quite close to the border of three different countries. So it's probably quite natural to have the mix of nationalities."
DC	"It is just part of your childhood, just part of you. Do you think you would call yourself an international manager because you have that international skill?"
Mgr9	"Yes I would behave different if I was in a different group of people. I would behave differently at a German team meeting, than if it was a British team meeting."
DC	"So it's about being flexible, adaptable?"
Mgr9	"Yes."

For this manager the metaphor that emerged appeared to link to '*learning to adapt*' as part of learning to grow up as a child: that the abilities and skills of communicating with and interacting with others of mixed nationalities was a natural developmental process, which contrasted with a more superficial attempt to achieve this experience through organisational training. Another manager from the UK saw the benefits of management training as follows:

> "I think one of the good things about going on the management courses, is the opportunity to get out of the office and interact with other Managers or Team Leaders in a different environment. Learn something. You also learn things about people then and you form bonds with other people and also you get to meet people from the other office. I think that's important to have that face-to-face interaction rather than just e-mail or telephone for dealings on a regular basis for work." [Mgr4]

His statement revealed a number of tensions he had experienced at the time. "Getting out of the office" to "form bonds with other people" "face to face interaction" referred back to the feeling of isolation he had experienced as a new manager, newly arrived in Holland, not knowing much about Dutch culture and working with a 'virtual manager' who was based in another European country, and of a different nationality. In stating this view what appeared more important than the contents of the courses were the benefits of learning with and from others, of building relationships and understanding. This had been echoed by a Dutch team leader, when recounting the benefits of learning together as a cohort of new team leaders, all appointed at roughly the same time and sharing a common, collective experience.

During the interviews a number of the research participants had expressed what they, personally, believed they needed to learn and develop to become more effective in their leadership roles. One British manager stated,

> "I don't think I actually communicate very well and I think if you asked my people or the people who report to me, I think they would say that I am quite a bad communicator." [Mgr4]

In this case the statement had been corroborated, separately, by another research participant (Dutch team leader), who reported:

> "I think that X has to speak more and communicate better." [TL15]

Another manager from Germany described his personal priority development need:

Mgr19	"Some would say must be harder or drawing his own line. Being more himself. Standing up for his department more. Fighting more for his department . Other people might be saying he is too often busy with our problems instead of dealing with departments. Leave us more alone, because we know what we have to do."
DC	"As you look to the future, to equip you for the future, what sort of skills, knowledge do you think you might need, be wanting?"
Mgr19	"Assertiveness – absolutely."

The statements and words, of this manager's approach, implied in his statements, a military perspective: "Standing up" "Fighting" Drawing his own line" underscored a notion of '*leadership as a battleground*'' and with his needing to become more assertive in the eyes of others. This had been confirmed independently by two other team leaders who reported to this manager, and who were also research participants. However the level of self-disclosure offered by this manager, coupled to the perceptions of others, suggested a reasonably high degree of self-awareness, yet remaining unsure how to make the necessary changes to his behaviour.

One British manager did not appear to have this same level of self-understanding:

> "I have a person shifted down to me from Luxembourg, I have worked with him and he knows the way I work and he's working really well. I think we have the best team in the Company. I have got a lot of respect for him and indirectly, I hear good things about me, whereas I hear other Managers being moaned about, constantly and I don't hear that from my team, which is really good. I was very authoritative in the beginning and I had to be to get things done and now I have become more relaxed and have more control to do the things I want to do and to try and open up the boundaries." [Mgr2]

This manager's self-assessment of his own capability was not shared by others around him, including those who were research participants in this study. Their contrasting view painted a very different picture. They saw this manager using excessive control and bullying, using threats and fear and very little evidence of the metaphor of '*relaxing his grip*' on them.

The question of self awareness had been a strong theme throughout the content and practice of The Leader as Coach (TLAC). This emerged also from the interview with an Irish manager, newly appointed to assume responsibility for a team. He had attended the ESI TLAC programme that I had run, which is referred to indirectly in this extract:

DC "Good, because it (*the principles of the Leader as Coach programme*) starts with the premise that when you are managing others you need to know yourself if you are going to strengthen that relationship."

Mgr8 "Yes absolutely and other people might be little bit uncomfortable with that theory. But I would be comfortable with that theory, it is a very interesting idea. Then maybe until I got to know myself I might not like it any more. It is far removed from the fuddy-duddy British attitude to be, not really open but honest and to be in a position that when you are managing people, maybe you have to ask yourself the question instead of asking everybody else. Not as much obviously, but still and that might have been difficult for some people. It's an area I am interested in, it is real amateur psychology stuff for me."

Again, like I said maybe when we met in Maastricht you thought I was a pretty honest open individual. I like that and if I do see that in other people which I have seen in you. I can trust you and we are both happy to bring things out in the open and discuss them. But of course in higher management I don't know whether they would appreciate the honest way I speak and top management it is a lot tougher. A lot quicker and a lot more specific whereas you and I know we will probably have a reasonably specific, but rather general discussion during the day. Does that make sense?"

For this manager openness and trust were important components of his own approach and style of managing. In discussing this with him and observing him in the Leader as Coach programme this was an expression of his deeper psychological preferences and values. In the extract the manager recognises that self- reflection and self-awareness, whilst difficult can help contribute to building trust, openness and help avoid misunderstanding. There was a question, implied within this manager's observations, of the degree of openness present in ESI. The evidence from the data of a sense of ESI's organisational culture and management style is explored in the next section.

7.2.5 ESI's management style and culture

In examining the responses from the research participants about their own approaches to learning and becoming a team leader or manager, other data emerged about the broader management culture they observed within ESI. These comments often reflected the changes associated with the need for rapid growth of ESI:

> "People in the beginning were saying, "We used to do it this way or that way" but what they don't realise is that it is no longer a small enterprise, it's a commercial concern." [Mgr5]

A team leader looking at it from his role within a Finance function acknowledged that, in his view, people did not really understand how the business operated:

DC	"Do you think people understand how ESI makes money, in theory?
TL15	"No, most people don't know that."
DC	"Do you think Managers do?"
TL15	"No, I don't think so."

Another Dutch manager shared a similar view:

DC "When you say commercial, 'it's not commercial at all', what do you mean by that?

Mgr5 "A practical example for that: in a commercial Company, if you are not working on a project, you are losing money, so you try to get people producing work for every hour of the day and within ESI it is more relaxed, people get a job that you estimate will take 8 hours that can take 2 Men 2 calendar days to do it and the time in between, nobody is concerned about it."

When a team leader manager was asked how the managerial culture of ESI compared with his previous role, in another organisation, her response was:

> "In the other Company, if you don't like it O.K or you don't want to do overtime, that's fine, but if you don't like it here you can go. So that's the difference. Always complaining." [TL20]

This person's manager, also a research participant, saw the overall style of ESI as follows:

> "...something else that came across from the other people and I think the leadership style here is quite directional." [Mgr19]

The Irish manager shed further light on the managerial culture that he had witnessed:

> "Again there is always a certain sort of, not cloak & dagger situation, but that's management, that's releasing information when it is appropriate and not giving too much away when it doesn't need to be, to remain in control and I don't mean that negatively. I just mean from the point of view of being able to control in the best way that you think possible." [Mgr8]

This conveyed a message of secrecy, of senior managers controlling or '*hording*' information. A German team leader saw one aspect of the managerial culture in ESI in this extract of the research conversation,

> "I think every person is different in their style, but, what I learnt – not against you, but - no, they talk a lot, but there are no decisions. And that's what I don't like. I can wait until a decision comes up, but if they say wait one month, then after one month, they say they still have to decide, it can happen. It's not a cultural problem, it is a general problem." [TL20]

The reference here was to the perceived British presence and influence as highlighted in Chapter 4. A different, German team leader saw that this was more complex than pointing solely at the apparent dominance of the British management style:

TL1	"Yes, I think it's not an English issue from my point of view, I would not explain it as the English way or even the International way, it's the ESI way."
DC	"What, in your view, is the ESI's way?"
TL1	"To support people. Be supportive and flexible and encouraging. It opens a lot of views, a lot of doors, possibilities, even friendship. It is a very open area you come into when you come to ESI because at the moment we are growing into something we don't even know. We have 5-year plans and after that, anything can happen. It's like in Germany, it's like a holiday trip, almost a holiday, but more entertaining and more encouraging to people, I think the way things are running in ESI, than in other Companies, who set you somewhere, let you grow up there and that's it."

7.3 Summary and conclusions

The aim here was to examine the implications of the language and metaphors of managers and team leaders and to draw some tentative conclusions. It was also to examine the indicators of managerial style or culture across ESI.

The process of moving into a managerial role in ESI revealed a number of patterns:

<u>Promotion and transition</u>
Promotion to the team leader appeared to be prompted by the strategic needs of the organisation to expand and grow, rather than a planned or managed process. The elements of luck and serendipity were more dominant in the language of those interviewed. Promotion or selection was done reactively and from a top-down perspective rather than a proactive or joint process. The basis of promotion to team leader and manager was due to perceived technical capability rather than any other specific managerial competence.

Managers operating in ESI have to manage the challenge of integrating different international operations whilst also achieving local responsiveness (Schuler et al., 1993). The competencies of international and future global managers are often considered to be as follows: (1) Cognitive competence, (2) Personality traits, and (3) Environmental variables (Eysenck, 1998). There is an emergent interest in interpersonal competencies and tactical knowledge deriving from the specific social skills required to be effectively competitive (Caligiuri, 2000; Harvey et al., 2002). Boyatzis et al. (2001) and Cooper and Sawaf (1997) have claimed that senior managers suggest that they consider that technical skills are of less importance than the ability to control emotions.

Learning and development

Specific childhood, or adult experiences, centred outside a normal work context provided some antecedent indicators of potential sources of influence that informed subsequent individual managerial styles and approaches. These experiential learning opportunties were referred to more by the research participants than to the impact of any leadership capability frameworks or formal management training, on their personal approaches to managing others. Levels of self-awareness and empathy for others varied amongst the research participants.

Over 40 years ago, Argyris (1962) emphasised the need for, and importance of 'interpersonal competence', as a basic managerial skill. He showed that a manager's effectiveness was often impaired because of being overcontrolling, excessively competitive, uncomfortable with feelings, and closed to ideas other than their own. Argyris and Schon (1974) argued that individual's behaviour is controlled by personal 'theories for action', that is assumptions and ideas about the nature of effective action. Argyris and Schon found considerable discrepancies between the theories that most managers espoused and the theories that they actually used. What managers say they do is often unconnected to their actions. They typically see themselves as rational, open, concerned for others, and democratic. Yet their behaviour is often guided by aspects such as competition, control and self protection. Managers are often blind to these gaps between what they say and what they do. This has been referred to elsewhere as a form of cultural blindness. Argyris and Schon contend that managers engage in a self-deception built around a self-protective model of interpersonal behaviour.

Organisational and Intercultural adjustment and adaptation

The difficulties of making the transition from managing self to managing others (Charan et al, 2000) were expressed by the research participants as follows: The need to adjust and adapt, whether this was due to the sudden expansion of the team: having to appear to be different when leading a team from which the leader had been a team member: being regarded as the 'boss' and adjusting to working with experienced peers at the same level.

For team leaders there appeared to be a need to have a broad range of skills both in terms of managing people and maintaining the technical competence and this sometimes was a tension.

The level of adjustment and adaptation appeared to be heightened by the stage and pace of growth of ESI. Additionally the nature of the perceived style of the ESI CEO, and the pursuit of strategic growth had rendered a perception in the minds of a number of managers that the managerial style of the senior team was highly directive. A number of studies (Bridges,1991; Woodward and Bucholz, 1987, Eriksson, 2004) have shown that employees who encounter rapid and severe organisational change frequently experience higher degrees of anger, anxiety, disorientation and depression. Despite considerable evidence that supports the emotionally laden nature of organisational change, it has been suggested (Bryant and Wolfram Cox, 2006: Freedman,1997) that leaders frequently operate from mental models that emphasise the rational and logical aspects of change which tends to ignore the importance of the role of emotional expression. It maybe that the top team within ESI preferred this more rational and logical approach despite commissioning the Leadership in ESI programme that attempted to look beyond the rational aspects of managing change.

Adjusting to a new organisational and national culture, as well as a new role, was seen as a necessary form of adaptation which varied in its impact or consequence. For some managers, this was part-and-parcel of their upbringing particularly were the place of birth or work was centred in a multi-European location, for example, as a Dutch national living in Maastricht on the borders of Holland and near the German boarder. Or, a German national, living in

Luxembourg. Here the cross-cultural dimension was less prominent and more emphasis placed on the organisational challenges of managing and building relationships amongst the specific combination of nationalities represented by ESI. For a newly promoted British Manager the adaptation level required was at all levels including the host country.

Managers varied in their capability to build and sustain relationships whether at peer, subordinate or superior levels. Managers and team leaders varied in the level of their self-awareness in relation to their impact on others.

There was no discernable correlation between the experiences described by team leaders and their respective nationalities. The presence of a diversity of nationalities was however significant in terms of the need to adapt and adjust to this particular variable. Despite the growing body of academic research on culture and international business, organisations do not appear to be doing sufficient to prepare managers and their people to engage in an international business environment. (Apud et al., 2003). This has been the case within ESI. Nonetheless within the literature, whilst acknowledging its importance, there appears to be a lack of agreement on what represents the key competences to enable effective cross-cultural functioning?

The aspiration of the ESI top management team had been to realign leadership and managerial behaviours to reflect the new strategic and operational priorities of the organisation i.e. to be able to support the growth of the business. What was provided to managers to achieve this objective was a generalised, one-dimensional leadership framework, based on fairly weak analysis and diagnosis. This had at least, attempted to make a clearer link between strategic objectives and desired managerial behaviour. Yet this appeared a highly simplified view of personal effectiveness and leadership set against the reality of the countless, multi-dimensional, complex micro-interactions between leaders and their stakeholders in ESI. This was made further complex with the diverse nationalities needing to interact and work towards effective personal, team and organisational performance.

The training provided to managers relied on generalised, UK based training courses and minimally adapted for ESI. Only one programme , the 'Leader as Coach' Programme which looked at relationship building and coaching had the potential to address some of the issues covered in this analysis. This is developed further in the synthesis contained within the next Chapter.

CHAPTER 8 SYNTHESIS, CONCLUSIONS AND RECOMENDATIONS

8.1 Introduction

This final chapter of the dissertation restates the research problem and summarises the major methods used in the study.

The purpose of the research was to describe, discover and develop propositions about the processes for developing and enhancing leadership effectiveness for business managers operating in an international environment. This has taken place within an international Subsidiary company ESI, a part of FSD (Parent company) and LBB (the grandparent company).

The questions which underpinned this research study were, as follows:

1. What are the cross-cultural communication and relationship building challenges faced by an internationally diverse mix of managers operating in the European subsidiary of a British based organisation?
2. What are the implications for management and leadership development strategies and practice?

The central questions involve examining the following interconnected dimensions:

Management and Leadership: the impact and challenges for managing relationships not only within the Subsidiary organisation but between the Subsidiary and the UK Parent company.

Culture: the influence of organisational and national cultures in achieving effective managerial communication, relationship building and performance.

Learning: the training and development of 'international' managers / leaders: the approaches and methods that are most likely to work.

As described in detail, in Chapter 2, the research methods used reflected a social constructivist paradigm using a Grounded Theory methodology. The data collection methods involved semi structured interviews; participant observation; document analysis; metaphor analysis; analytical memos and a research diary.

The purpose of this Chapter is to consider what the findings mean, from Chapters 4, 5, 6, and 7, when taken as an integrated and synthesised whole, and in terms of:

- insights gained by the researcher
- the relationship of the work to prior research
- theoretical implications of the study

8.2 Company relationships: grandparent-parent-subsidiary dynamics: the challenges of growth

In Chapter 4, Theme 1, the development of ESI and its relationship with LBB and FSD was examined. It traced how ESI needed to extend its international operations in line with the strategic requirements of both FSD and indirectly from the strategic intent of LBB, the Grandparent company. In Chapter 6, Theme 3, the analysis of corporate communication processes within ESI showed a significant influence flowing from both the Parent and Grandparent companies. Similarly, in Chapters 4 and 5, the managerial role descriptions, management training programmes and corporate communication processes were strongly influenced by FSD, the British Parent company.

What appears to be under-recognised, by the Parent company, is that the behaviours within the Parent and the Grandparent companies are a reflection of different cultural and business contexts. In viewing FSD and its subconscious 'colonising' role and methods (as exemplified in the UK approach to management development and training) towards ESI, the British Parent company appears to fail to acknowledge that organisational and cultural contexts may not be as readily aligned, between itself and its subsidiary, as the structural processes first suggest. This, in turn, adds further complexity to the process of managing within the multi-cultural environment contained within ESI.

The model below, (Figure 1) and adapted from Birkinshaw (2000), attempts to clarify the components of the interdependent relationships between LBB / FSD / ESI and the relationships dynamics that need to be acknowledged and managed. The fast growth required of ESI stressed a need for rapid organizational change to the organisation. The change in strategic direction was undertaken without the necessary articulation of the distinctive capabilities required of its managers to support this change. Managers operated in a context in which they needed to balance tensions between enabling the subsidiary (ESI) to act independently whilst implementing LBB group-wide projects driven by the Parent and Grandparent companies. The senior management team needed to manage the balance between entrepreneurship and long-term strategic sustainability. The credibility and capabilities of the Chief Executive of ESI and its top team were highlighted and, in a number of areas, found to be deficient in terms of both relevant international management experience, language facility, skills and awareness of the needs of managing a cross-cultural organisation.

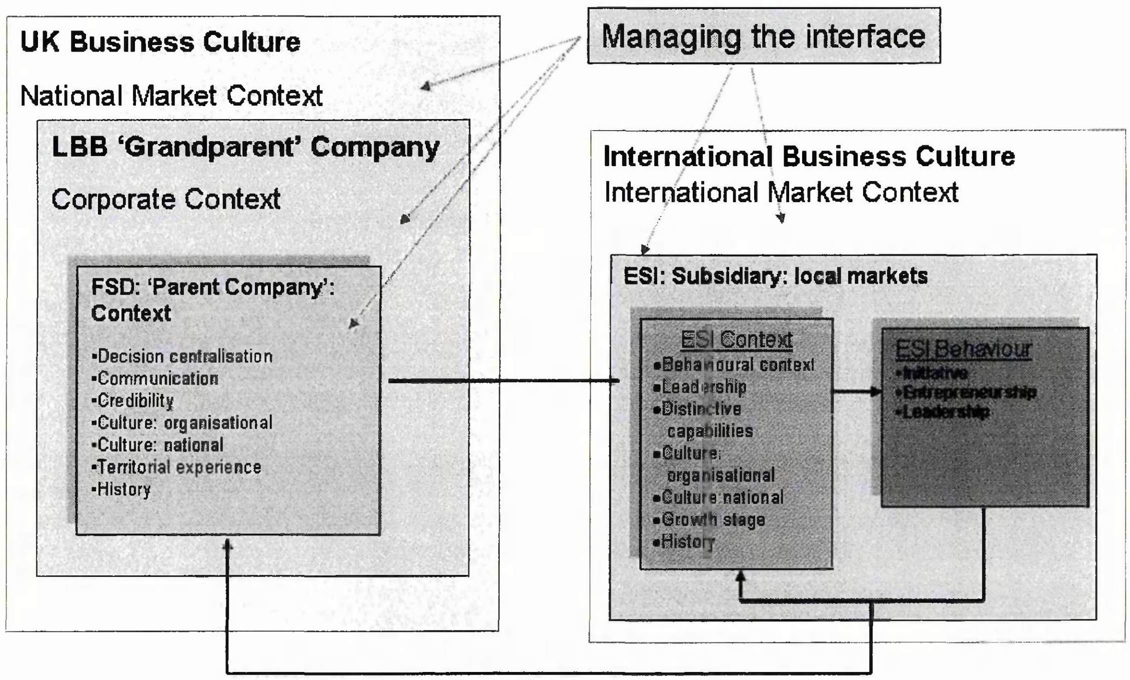

Figure 1 Adapted from Birkinshaw, (2000).

The adapted model acknowledges the tensions and opportunities represented between corporate (Grandparent; Parent; Subsidiary) contexts and local market contexts (ESI).The addition of what I have called the 'Managing the interface' component places a strong emphasis on the need for managers to understand and manage these often contradictory and competing relationships. This section goes on to describe the skills and knowledge areas appropriate for managing this interface.

The evidence from this research study suggests that the organisational histories and cultures of this tri-partite relationship provide challenges to managers of the subsidiary, ESI, as it sought to grow and achieve further internationalisation. The need for the active 'management of the interface' between Grandparent Parent and Subsidiary companies recognises the need to manage within a context of cultural differences at organisational, business and national levels. The ability of managers to manage this 'interface' suggests levels and types of managerial capability that might need to be different from those needed to operate solely in a single-country environment. These capabilities are examined further in this section. It also suggests that culture and cultural difference need to be more explicitly articulated and acknowledged to avoid the negative organisational consequences of 'cultural blindness' (Adler, 2002, p106).

In Chapter 4, Theme 1, the influence of ethnocentrism at the organisational level was discussed. Perlmutter (1969) identified ethnocentric multinational organisations as those who appointed the home country nationals to occupy, influence and govern overseas subsidiaries. Ethnocentrism can be more generally interpreted as international organisations imposing key executives abroad who will adopt 'the ways of working' of the headquarters in their foreign operations (Hofstede, 2001, p 441). This, again, reflects the 'colonising' metaphor used by the German team leader in the research data and referred to earlier. This 'colonisation' links to institutional isomorphism (Dimaggio and Powell, 1983) which refers to the dominance of structures processes and managerial practice and thinking that derives from the Parent company, even when it may be inappropriate to impose such factors. I will refer to this as 'organisational ethnocentrism' which I define as the degree to which the culture of the parent company is imposed on subsidiaries operating in other international settings. The degree of organisational ethnocentrism will therefore impact on the operational effectiveness of the international subsidiary depending on how flexible or rigid, the culture of the Parent company. This may have contributed to ESI's challenges as it sought to grow rapidly and to enter new and less familiar markets in Europe.

A strong and rigid corporate culture which makes little allowance for cultural divergences in its international subsidiaries' contexts, and which places an emphasis on the 'home' culture would suggest a high degree of organisational ethnocentrism. This may be a direct and conscious policy or, as has been the case in this research within ESI, more a subconscious, unattended to, 'cultural blindness' (Adler 2002, p 106). The consequence of such 'blindness' can impact on managers' ability to perform effectively or, perhaps more significantly, fails to capitalise on the diversity of the workforce and to convert this into competitive advantage. This may contribute to managers in ESI viewing difference and diversity as a 'problem' and not an 'opportunity' within ESI. Within this research study the 'rainbow' analogy offered by a German team leader, namely that the range of cultural differences represented within ESI was an asset to be leveraged, was not echoed by the research data. Unless the cultural blindness is acknowledged, more overtly, and support is given to managers and staff alike to work effectively in a cross-cultural environment then managers may well, inadvertently or otherwise, be rewarded for continuing to adopt the 'ways of working' of the home country, Parent company. This may limit a subsidiary, such as ESI, in its ability to grow and change in line with the strategic directives of a Parent company centred in another country.

It is therefore not unreasonable to suggest that high degrees of organisational ethnocentrism are likely to make it more challenging for managers and their staff to be able to operate effectively, and more difficult to build effective relationships, in a culturally diverse and international environment such as that within the rapidly growing organisation, ESI.

8.3 Identity and leadership

In Chapter 4, theme 1 there was an underlying question of identity in relation to ESI's purpose, strategies and actions which might help explain what it meant to be an 'international' organisation. This also extended to the relationship and impact of identity and identification with FSD, the Parent company. The question of identity was further extended in Themes 2 & 3 when considering 'identities' created through national culture and different language use. This had implications at both organisational and personal levels.

"Whether an organisation, group or person, each entity needs at least a preliminary answer to the question "Who are we?" or "Who am I?" in order to interact effectively with other entities over the long run. Similarly, other entities need at least a preliminary answer to the question "Who are they" for effective interaction. (Albert, Ashford & Dutton 2000, p.13)

Issues of diversity have prompted a debate in organisations about identity and the systems and processes which help diminish the social distances between individuals and groups in organisations. As stated previously in Theme 2 the central assumption in social identity theory (Tajfel, 1974, 1975,1978) is that while in some instances people think of themselves as independent individuals who interact on the basis of preferences (e.g. in friendship groups) there are many social settings in which people primarily think of themselves and others in terms of specific group memberships. Tajfel's research also indicated the general tendency for individuals to evaluate the characteristics and behaviours of in-group members more positively than those of out-group members (Tajfel & Turner, 1979). The evidence from this research study suggests that managers in ESI attached to multiple social identities which were present within the multi cultural environment. These identities were principally based on:

- Language (what the 1st, 2nd or 3rd language was)
- Home country (country of origin)
- Host country (of the organisation or of domicile)

For managers, an awareness and understanding of such attachments and group identities may help explain and identify potential or actual causes of communication misunderstanding in relationship building within and across formal teams.

Identity and identification appears to be another aspect of managing and leading that falls within the domain of managers and their direct reports within ESI. Identity and identification help explain the nature, and force of individual and group behaviours. This helps contribute to an understanding of action, inaction and change by individuals and groups within an organisation. These, in turn, represent challenges for the manager/leader both in terms of the learning and development required from moving from 'managing self' to 'managing others' (Charan et al, 2000) as referred to in 4 in Chapter 7, Theme 4.

An important leadership question for ESI might centre on how the interplay of identity manifests itself in individual and group behaviour and the consequences of this for managing within ESI. I suggest that a social identity approach might contribute to a greater understanding of aspects of organisational behaviour which relate to nationality which, in turn, might inform leadership practice within ESI. Using a social identity perspective may help deepen understanding of the psychological processes that may either increase or decrease feelings of commitment and motivation as well as help predict which groups emerge with a strong sense of collective self-definition in any given situation. This may offer further insight into the organisational workings of international organisations such as ESI.

The earlier examination of the predominant presence of the work of Hofstede et al in Chapter 5 suggested some limitations to ascribing specific behaviour patterns as a result of national culture, which are then generalised across a nation. A social identity stance may help examine identification as a dynamic and situational outcome, rather than a characteristic that appears to remain constant in particular individuals or cultures (such as individualism versus collectivism (Hofstede, 1980; Triandis, 1995). This in turn implies that the tendency to identify with a collective should not be regarded as a general inclination but, rather, as more dynamic and group specific. This implies that where people can be seen as belonging to many groups at one time, in any one situation they may opt to define themselves in terms of particular categories, for example, their work team, their profession, their community of practice, while they may be much less inclined to identify with others, for example, the local community or organisation as a whole. (Ellemers et al.,1998). This means that, when focusing on a particular group, it cannot be assumed that the willingness or reluctance to identify with that group is stable for an individual but, is dependent on the context.

The added value of the social identity approach is that it helps explain how issues of collective motivation apply in these more complex situations where multiple (and possibly conflicting) group memberships operate simultaneously. What might this process of identification mean for leaders operating in an international environment where levels of and associations with personal and group identity have additional layers of complexity? According to Reicher & Hopkins, (1996) the potential of leaders or managers to communicate and create a sense of shared identity is an important determinant of the likelihood that their attempts to energize, direct, and sustain particular work-related behaviours in their followers will be successful. This would suggest that leadership (and international leadership) would need to be expressed beyond attributing success to specific behavioural styles (Kirkpatrick & Locke, 1991), or an ability to inspire others through charismatic or transformational leadership (Bass, 1985). It puts leadership (and in particular international leadership because of its extra complexity of variables) in the context of understanding how leaders need to adapt and manage situational characteristics (Hollander, 1964) that are likely to determine whether followers focus on the identity they share with the leader or consider the ways in which the leader is distinct from them.

8.4 Organisational communication: multi-lingual challenges

Language barriers that may exist between the Parent FSD (UK based) and its subsidiary (ESI) based in a host country can contribute to the 'liability of foreignness' (Contractor et al (2003) referred to in Theme 1. During the data gathering phase of this research, there was no evidence to suggest that when organisational communication strategies were created within ESI any consideration was given to the options and choice of language, and the methods of delivery.

As seen in Chapter 6, Theme 3, the use of appropriate languages in ESI, was aimed at achieving, on the one hand responsiveness to local conditions and markets, and on the other, use of a standard language by the Parent company which enabled it to maintain higher degrees of control and standardisation appropriate to the size and nature of its international operation. Yet, using a language that employees of the sub-unit/subsidiary do not master, or one that limits their ability to converse, will restrict the degree to which information can be accessed and transferred, thus reducing effectiveness, power and influence of organisational members (Luo and Shenkar, 2006). Here, choices relating to functional language may help exacerbate or reduce 'cultural blindness' Adler (2002, p.106).

This language dominance was observed within ESI, not just through examination of written, documentary evidence, but also through the language capabilities of ESI's senior management team. The Managing Director was of UK origin and, like other key expatriate directors/ senior managers in the top team, had little language facility beyond the first language of English. Placing expatriate managers in key positions of power and influence continued to maintain the status quo. Continued use of expatriate managers in key posts may indicate a high need for high levels of parental control and influence from FSD. The Chief Executive of FSD had no experience of running an international business, nor any facility in other European languages. This is likely to result in a higher degree of contact between the Parent company and the international Subsidiary. When local management talent tends to dominate an international Subsidiary, the local language may be designated as the functional management. This again arises from the dominance and preference of key, influential managers. This enables managers to be able to design, run and manage their operations more sympathetically with the local market and customer base.
Language is the medium through which senior managers and top teams develop, communicate and execute their policies and strategies. Yet there is little evidence, in ESI, of looking at language strategically either as a business tool to create competitive advantage or at ensuring greater efficiency and effectiveness in managerial and employee practice and performance.

It would appear that ESI and FSD the Parent company has not considered the strategic significance or otherwise, of the power of language in its operations and on individual and team performance. This may be further evidence of a form of British parochialism or colonisation and adds further to the complexity of the managerial role within ESI. The dominance of the English language together with the strong identification with the UK Parent may be an inhibitor in enabling ESI to transition to a more internationally competent organisation. Yet the evidence, from managers' direct reports, was to encourage their expatriate and non-local managers to acquire a greater facility with local languages, to aid adaptation and assimilation. This was in part to enable managers to access other 'speech communities' referred to in Chapter 6 Theme 3.

8.5 Developing international management and leadership capability

In ESI the type of assistance given to managers in helping them adjust and adapt to each other, their teams, the organisation and the host country was very limited. This can be exemplified as follows:

- A British manager from Isle of Man given an appointment in Maastricht with no induction to prepare for the culture shock both organisationally and personally
- A Dutch team leader given responsibility for an team of Italian team members but not speaking any Italian and working only through the medium of the English language.
- No formal or informal preparation for managers moving to ESI from UK : a sink or swim approach
- No help for teams gaining a new , expatriate, manager
- No help or training support for existing managers to manage the impact of changes in their diverse and international teams
- Training driven more by the Parent Company requirements rather than the Subsidiary
- Limited recognition of the challenge of managing in an interational organisation: not reflected in reward or performance management processes
- No explicit statements of the capabilities required of ESI managers for operating in a cross-cultural, international environment: only amended versions of the British LBB group-wide competencies
- No comprehensive induction process that helps socialisation into an international organisation
- Limited understanding of the differences and difficulties of training, recruiting and developing staff of a variety of European nationalities and backgrounds
- Dominance of English language, and no language development strategy
- Communication strategy not taking account of the diversity of the organisation
- Management training and development activity which only reflected the approach undertaken by the Parent company and heavily biased to the UK in both content and delivery.

As described in Chapters 4-7, the management training provided for managers and team leaders in ESI reflected what was originally designed for, and delivered to, British managers in the UK. There was nothing created specifically for the ESI managers. There was an assumption that what served the UK would suffice for a group of mixed, European managers. This was primarily driven by considerations of cost-effectiveness and speed of implementation. The management training was designed and delivered by staff from the Bristol-based, Organisation and People Development Department (O&PD), of the parent company, FSD, of which I was a member. None of the training team of deliverers had any meaningful experience of working within an international, cross-cultural, European environment.

The programmes delivered to ESI managers and team leaders, during the time of this research study, included 1) a modular (2 day) Performance Management programme (to provide skills and knowledge of the performance management process). 2) the 'Leading in ESI' programme (2 days) focusing on leadership and change management and 3) the 'The Leader as Coach' (3 day) programme which provided a very different approach to coaching and relationship building.

By delivering each of the three programmes, by observing participants and obtaining direct as well as informal and anecdotal feedback, programmes 1) and 2) above had limited impact on managers in ESI. This was partly due to the need to provide the training in condensed 2-3 day sessions with limited ability to apply the knowledge and skills other than through taught inputs, simulation and discussion. The course material was generic and designed for UK-based managers in FSD. There was no pre-or-post course assessment nor was there any direct involvement from participant's managers in attempting to observe changes in behaviour and learning. Once delegates on training programmes had completed their training the learning appeared to dissipate and have little impact. The main advantages of programmes 1) and 2) above (derived from the direct research data and my own observations), was the ability of groups of managers to talk about the real issues and challenges they faced with people with whom they normally had limited contact. This appeared to promote greater understanding of each other's perspectives and contexts. The discussions prompted by the delegates, were seen as of most relevance to them. Many of these discussions led off into subjects beyond the 'official' content which posed challenges, in terms of time and learning objectives, for a number of us who directly delivered the programmes, but who nonetheless saw the value of these exchanges of ideas and experience.

The third programme, 'The Leader as Coach' Programme has been referred to throughout this dissertation and described in detail in Chapter 6 theme 3. A number of deficiencies of this management training programme, in terms of language and communication, were described in terms of the design, content and delivery. These related to the need to convey complex models of language of relationship building and facilitation, derived from the work of both Schutz (1994) and Heron (1999). These models were necessary in underpinning the practical skills of coaching. At the heart of the coaching programme were two key principles:

1. To be an effective manager/coach required an individual to examine his/her own behaviour and impact, as much as the coachee's.
2. That the coach's behaviour is impacted by the response of the coachee to the coach's interventions. That such a reaction can produce an emotional response in both coach and coachee which if not handled correctly can be to the detriment of both their joint relationship and the outcomes of the coaching.

The feedback from both the UK managers and those from ESI had shown some similarities i.e. that understanding the content and models was difficult because of their apparent complexity and use of language. That insights gained by firstly examining the origins and impact of their own behaviour both before, during and after coaching provided a frame of reference for their effectiveness in relationship building that extended beyond the more narrowly enacted coaching intervention.

The results of examining the implications of The Leader as Coach (TLAC) programmes indicated that both the content and methods were highly significant for managers and team leaders and yet the results presented a paradox.

On the one hand, the analysis of the design and delivery of this programme showed deficiencies due to the 'cut and paste approach' in transferring a UK based programme to a bilingual group of ESI managers. As Berrell et al (p..96 , 2001) note, "National culture has the capacity to exert greater influence on management development and organisational learning than either organisational or systems cultures." Berrell et al (2001) claim that management development programmes subtly reinforce ethnocentrism. It would appear that the dominance of both LBB and FSD ensured the cascade approach of the delivery of the management training programmes. This reflected the very centrally-driven training programmes delivered to ESI managers in the course of the research period and, in part, arising from the lack of a dedicated training resource. Training which isolates itself from the other culture(s) is therefore diminished in its effectiveness (Wright and Newton, 1998). The research pointed to the lack of a coherent management development strategy which reflected the specific needs and organisational culture and composition of ESI.

On the other hand, the analysis of the TLAC programme indicated that the potential strengths of this programme were overlooked or undervalued when examined in the context of developing relationships within an international organisation. What the content of the TLAC programme provided was to enable managers in ESI to gain an insight into relationship building that had resonance in a cross –cultural environment. Namely that relationship building and communication necessitated each party to the transaction developing a greater self-awareness and self-understanding when building and sustaining such relationships. "Not until I become aware of the origins of my behaviour can I be effective when I choose to change." Schutz (p.71,1994). Whilst this had been acknowledged in the UK evaluation study of 'The Leader as Coach' management training programme its relevance and potential for ESI as the basis for cross-cultural training was unseen at the time.

This research study suggests that managers operating in ESI, from whatever European nationality or with whatever level of 1st or 2nd language facility, needed capabilities different from those espoused by the UK Parent company, FSD. This was noted in examining ESI's HR processes and in the way that role profiles made little reference to the international nature of working in ESI. The performance management process and leadership competences only reflected the way that the UK operated, that the need for managers to be able to grasp communication at a level of understanding expected of those for whom English was their first language.

It suggested a level of capability for managers which had not been highlighted in any of the UK-centric role profiles, performance appraisal process or leadership capability framework. This is further explored in the next section by considering the competencies of international managers.

8.6 The role of the international manager: managing the interface

As indicated in Chapters 4-7, managers and team leaders operating in ESI had to manage the challenge of integrating different international operations whilst also achieving local responsiveness (Schuler et al., 1993) . Defining the role of the manager within ESI had been expressed, organisationally, through the ESI Leadership Competencies Framework. This framework had been derived from a group-wide framework which originated from the Grandparent company (LBB), and then was adapted and adopted by the Parent company (FSD) and, in turn, adapted by ESI for use with its own management population. This cascade process was initiated throughout the entire LBB group as part of a change initiative. This had taken place over a six month period with ESI being at the end of the implementation process. The evidence from Chapter 7 Theme 4 indicated that such frameworks were not the language of choice for managers and team leaders in ESI and there was little evidence to suggest that the leadership framework facilitated changes in managers' behaviour or attitudes. What really happened was that managers developed and expressed their own views on the role of the manager in ESI through their own personality, experiences, language, culture and metaphors. It was this that contributed most to their approach to managing and leading others. As indicated in Chapter 4 Theme 1, in defining the requirements of managerial capabilities for new roles within ESI there was little acknowledgment of the need for managers to possess multi-lingual capabilities or international experience. Yet the notion of 'managing the interface' expressed above did suggest a need for a range of skills which were not contained within the ESI Leadership Competencies Framework but which went beyond it.

Given the complexities faced by ESI managers having to manage and lead, to 'manage the interface', with the additional cultural variables identified earlier in the data analysis, some attempt to define the managerial and cross cultural capabilities needed to perform effectively, might help inform the nature and direction of management development/learning activity within ESI. The competencies of international and global managers are often considered to be cognitive competence, personality traits, and environmental variables (Eysenck, 1998). Both business practitioners and academic authors share similar ground in identifying that a key factor in business success is the degree to which managers within international businesses possess what Gersten (1990) referred to as 'cross-cultural competence' i.e. the degree to which individuals are able to function together effectively in another culture. Whilst this is not a panacea for international success, business managers who may be highly successful in operating in domestic markets may find it difficult (and may fail) in the international business market when cultural differences are at stake, due to a low levels of 'cross-cultural competence'. (Trompenaars, 994; Mishra and Sinha, 1999). Very few of the academic papers take an in-depth study of what cross cultural competence means in the context of the skills, knowledge and personal attributes that are the pre-requisites for such competence in an international subsidiary such as ESI. There is an ever growing level of literature relating to 'cross cultural competence' in the workplace and often flagged as 'diversity'. This has great relevance when considering the challenges of inter-cultural communication between people of different backgrounds. However this does not always fully integrate with the notion of 'cross-cultural competence' for businesses and managers operating in an international environment. Cross et al (1989) acknowledged that, in the context of workplace diversity, developing cultural competence is an on-going process requiring strong organisational support. Without it there are dangers of promoting the home country's perspective, ignoring the differences that exist in their international operations.

As was highlighted in Chapter 6, Theme 3, one-to-one cross-cultural interaction with 'strangers' evokes psychological and emotional responses reactions which, unless managed effectively through effective inter-cultural communication, can severely limit the quality and duration of the interpersonal relationship. The ability of ESI managers and their direct reports to acknowledge and react to this appropriately might therefore be important in establishing effective cross-cultural communication and hence represent another element of cross cultural competence. This had been obliquely referred to in the TLAC programme when considering how the emotional reactions to a coachee's response that could trigger feelings of 'fight-or-flight' in the coach. This was only done in the context of coaching but its relevance is much more significant when viewed within the context of reactions to 'strangers' in a cross-cultural setting.

Just as the power of emotions impacts our cross-cultural communication effectiveness evidence exists to suggest that intelligence alone will not explain our achievement at work or life and that emotion plays a key role in organisational success. Rosete and Ciarrochi (2005) showed that those executives higher on understanding their own feelings and that of their staff are more likely to achieve business outcomes and be considered as effective leaders by their staff and direct manager. According to Diggins (2004) the best managers need to possess emotional intelligence (EI) to make decisions that are based on a combination of self-management and relationship skills and an awareness of how their behaviour affects others in the organisation. Emotional intelligence (EI) recognises the non-cognitive psychological aspects of human behaviour. Research has identified a significant correlation between the cognitive and emotional components of people's intelligence, and how that relationship matters in effectively accomplishing all manner of goals in human behaviour and activity (Matthews et al., 2006). The concept of EI related to social and personal intelligence may have highly significant applications in the social and organisational environment. EI seeks to describe the role and relevance of emotions for intellectual functions (e.g. Gardner, 1993; Salovey and Mayer, 1990). High social-emotional intelligence reflects a person's capacity to perform actions on his/her own, and with and through others (Early and Ang, 2003; Bar-On, 1997; Mayer and Salovey, 1990). EI can also be defined as an array of capabilities, competencies and skills that influence a person's ability to cope with environmental demands Salovey and Mayer, 1990).

The importance of EI increases with authority level in an organisation. There is consensus among researchers that criteria for success in international settings should cover four main dimensions: individual, cultural, social and organisational

(Caligiuri, 2000; Dalton and Wilson, 2000; Arthur and Bennett, 1995; Katz and Seifer, 1996; Hofstede, 1993). As has been evidenced earlier managers operating internationally have to adapt to different norms and types of behaviour and need a high tolerance for ambiguity (Tye and Chen, 2005). Examples of British expatriate managers in ESI, highlighted in this research study, had found that the process of adjustment and adaptation proved a hindrance to performing effectively, particularly when this was associated with the need to quickly build their multi-cultural teams.

Cross-cultural adjustment, therefore, should be seen as a process where difficulties in adjusting include limitations in competencies or motivation for understanding, accepting or adapting to the norms of the foreign, 'stranger' culture. The latter are manifested in forms of behaviour towards the people, objects or conditions that represent another culture (Aycan, 1997; Mendenhall and Oddou, 2001). Research suggests that some dimensions of EI play an important role in explaining the cross-cultural adjustment and thereby success of international managers (Gabel et al 2005). So, cross-cultural management competence covers interpersonal and intrapersonal abilities and adaptability. These might provide predictors of cultural interaction and work adjustment. EI helps to reduce the cultural differences between the host and home cultures of the international manager, and this increases the possibility of better cross-cultural adjustment (Eysneck, 1998; Harvey et al., 2002).

What might this mean for managers and their direct reports operating within ESI? Cross-cultural adaptation is of significance and, as evidenced by the research data, was constantly being experienced by ESI expatriates and host country national managers. Whether as a British, new arrival from the UK into the ESI workforce, or where existing, local managers were given changed responsibilities involving managing teams representing a diverse mix of nationalitiy and experience. Handling such ambiguity and uncertainty revealed differences in managerial capability and response to these types of changes.

The emotional intelligence literature goes a long way in raising awareness of the need for a range of emotion-related skills, knowledge and competences. What it doesn't appear to provide are insights into the antecedents of behaviour i.e. what might drive our behaviour in situations where negative emotions, ambiguity and uncertainty are present? The work of Schutz (1994) and others helps clarify the link between behaviour, feelings and the self concept when individuals seek to build a relationship with others. It would appear that these have relevance when observed in cross-cultural encounters. Managers within ESI who undertook the Leader as Coach programme had been exposed to the theories of Shutz who, saw there was a close connection between a person's self concept and their feelings about others. Carl Rogers (1961) later proposed that self-awareness and self acceptance are pre-requisites for psychological health, personal growth, and the ability to know and accept others. Brouwer (1964, p.156) asserted:

> "The function of self-examination is to lay the groundwork for insight, without which no growth can occur. Insight is the "Oh I see now" feeling that must consciously or unconsciously precede change in behaviour. Insights- real, genuine glimpses of ourselves as we really are – are reached only with difficulty and sometimes with real psychic pain. But they are the building blocks of growth. Thus, self examination is a preparation for insight, a groundbreaking for the seeds of self-understanding that gradually bloom into changed behaviour."

As evidenced previously those ESI managers who went through the Leader as Coach programme found considerable benefit in examining some of the more fundamental origins of their behaviour, which could be linked back to the self concept. The counter to this is that self-knowledge may inhibit personal improvement rather than facilitate it. The reason is that individuals tend to evade personal growth and new self knowledge. As Maslow notes (1962, p.57):

> "We tend to be afraid of any knowledge that would cause us to despise ourselves or to make us feel inferior, weak, worthless, evil, shameful. We protect ourselves and our ideal image of ourselves by repression and similar defenses, which are essentially techniques by which we avoid becoming conscious of unpleasant or dangerous truths."

How can increased self-knowledge and personal change ever occur? One element is that verifiable, predictable and controllable information is less likely to create the defence response than information that lacks these characteristics. If an individual can test the validity of the discrepant information (e.g. if some objective standard exists for evaluating the accuracy of the information): if the information is not unexpected; if there is some control over what, when and how much information is received\ (for example, if it is requested) the feedback is more likely to be heard and accepted. Use of well researched self-assessment exercises (that have high reliability and validity) have been found to be associated with managerial success.

Additionally the notion of self disclosure is important in turning self awareness into action and change. Boden,et al (2008) identified that self-esteem predicted self-disclosure, with low self-esteem resulting in lower levels of relationship satisfaction. A lack of self-disclosure is likely to inhibit self awareness: it is almost impossible to increase the skill of self awareness without interacting with and disclosing ourselves to others. Unless an individual is willing to open up with others, to discuss aspects of the self that seem ambiguous or unknown, little personal growth or behavioural change is likely. It would appear from the psychological literature that self awareness can be managed by exercising some control over what kind of information you receive about your self and involving others in the process. Support and feedback from others (in a suitably controlled way and needfully by suitably qualified people) appears to offer the greatest chance of helping self awareness move from, at an extreme, from mere self absorption to greater oppeness, self understanding and personal change.

This would also suggest that the positive attributes of the design and delivery of the ESI Leaders as Coach training programme, and its emphasis on understanding self as a key part of understanding our response to and success in building and sustaining coaching relationships, had, as if by serendipity, opened up a way of exploring relationships and communication in a highly appropriate way for internationally-based managers. This, in spite of TLAC programme's effectiveness being diminished, as a training intervention, through an over reliance on highly technical language and the fact that the only medium was English. This led to some participants needing much more time to understand and assimilate the underpinning theory. Nonetheless this exploration of self-awareness, by participants, may have provided a greater opportunity for contributing to improving cross-cultural competence and understanding than was first recognised. What was of significance was that participants were asked to start to examine what drove their own feelings and behaviours and to examine the choices they made when dealing with others and the consequences of such choices on their communication and quality of interaction.

8.7 Implications for practice: developing managerial capability in an international context

The limitations of this research dissertation that need to be acknowledged refer to the fact that this is a single case involving a group of Western European managers in a relatively small international subsidiary of a larger financial services organisation as opposed to a larger, more global mix of participants, based in global locations and within different industry sectors.

Having examined the implication of the synthesis of the research findings, this section seeks to identify the broader implications of the findings for managers operating in international organisations and for those involved in management and organisation development. These implications recognise the limitation of the research study and the questions of the degree of generaliseability possible within such a study, and as described in Chapter 3.

Earley and Peterson (2004) have been at the forefront of challenging existing beliefs and practices relating to success in cross-cultural interactions across a wide variety of cultures. They claim that from a cross cultural perspective emotional and social intelligence go some way in defining cross-cultural competence. They assert that emotional-social intelligence lack cultural context as they attempt to explain how and why people act as they do:

> "There are a number of differences between emotional and social intelligence and our construct of cultural intelligence. Emotional intelligence captures a variety of attributes related to a person's ability to read and respond to the affective states of culturally similar others and to self-regulate emotion. " (p.105).

Cultural intelligence (CQ) captures the capability for adaptation across cultures and reflects a person's capability to gather, interpret, and act upon these radically different cues to function effectively in a range of cross cultural-settings or in a multicultural situation (Earley & Ang, 2003). The authors assert that adaptation across new cultural contexts requires that new or untested ways of dealing with others need to be experienced by an individual. This involves adjusting, adapting, or reinventing existing strategies in the light of the context, situation and culture. Earley and Peterson (2004) see emotional intelligence presuming familiarity within a culture and context that may not exist across other cultures. They regard cultural intelligence as differing from social intelligence as well for many of the reasons that it differs from emotional intelligence. That is, the formulations of social intelligence are relatively void of multicultural richness. According to Salovey and Mayer (1990), social intelligence reflects the ability to understand and manage people. Cantor and Kihlstrom (1985) argued that social intelligence may be an underlying dimension of personality.

Whilst, according to Earley and Peterson (2004) knowing oneself is not sufficient for high CQ—(i.e.awareness does not guarantee flexibility), they acknowledge that flexibility of self-concept and ease of integrating new facets into it are, however, associated with high CQ. Earley and Peterson are missing an important point; cross-cultural communication is nearly always likely to raise anxiety between the interactants and this, in turn, can trigger defensive 'defaulting' behaviours which may inadvertently, due to their subconscious nature, inhibit effective communication and relationship building. Such defensive triggers are a conduit and window into the self concept. (Schutz, 1994).

My own assertion based on this dissertation from within ESI and from the literature review, strongly suggest that for management development activity to be most effective will be best achieved by enabling and encouraging managers to achieve greater self-awareness and self-understanding of how and why they react and behave in circumstances where misunderstanding and perceptual differences can inhibit effective relationship building and cross-cultural communication. Matsumoto & Lang (2004) see the ability to regulate or control emotions as being a key part of our personal growth and that a key skill is the ability to put such emotions on hold and not let them overrule thinking, feeling and actioning (p.295). Just possessing a theoretical knowledge, or rehearsed skill will not aid our cross-cultural communication and relationship building, if our behaviour is prompted by the negative emotions that can be aroused in all cross-cultural communication. Defaulting to such regressed behaviour will not enable the individual to disengage from this negative emotional response. What is needed is the ability to achieve such disengagement and to apply more rational, critical thinking and openness to create alternative world views or mental maps from these personal and automatic default positions.

What does this mean for management development practitioners and managers? Given the conflict and misunderstanding that can occur in cross-cultural exchanges, I propose that cross-cultural competence combines cross-cultural knowledge and communication skills with an extra high degree of self-awareness and understanding. Misunderstandings were often at the heart of many of the communication challenges faced by managers and their staff within ESI. Cross-cultural misunderstanding was evident even in conducting some of the research interviews by me during this study. Increasing self-awareness suggests that before we can truly get closer to understanding how to build and sustain effective cross-cultural relationships within and outside an organisation we need to understand our own responses first. This was evident in this study where managers were faced with handling responses to ambiguity uncertainty and change. In managing responses to the inevitable anxiety associated with engaging with 'strangers', and dealing with the impact of emotional reactions when communicating and handling misunderstanding. What was emphasised was the importance of combining both self-disclosure and self-awareness as an aid to achieving personal change and improved relationships. All of these are competencies should underpin management development activity.

8.8 Developing the ability to 'manage the interface'

The synthesis of the findings within ESI suggest a number of inter-related components that help articulate the impacts of national and organisational culture and the personal attributes of individual managers within ESI and help inform what might be needed as the focus for developing and sustaining managerial capability. This is expressed in a model which is adapted from that proposed by Griffith and Harvey (2001) which was originally developed to describe '...the complexities of cultural influences, (i.e. national and organizational), into a intercultural communication model that is aimed to enhance the understanding of the development of relationship quality." (p.87). I believe that in addition to considering the impact of organisational and national cultures on communication strategies I suggest that the adapted model can help inform managers, trainers and management developers of the capabilities needed to help create effective working relationships within a culturally diverse organisation and to help improve the quality of Parent and international Subsidiary relationships. The main adaptation of Griffith and Harvey's model (2001) is by viewing the components that contribute to relationship quality in terms of individuals interacting with other individuals on one-to-one basis or with small groups. This reflects the need to view management and leadership in terms of the constant number of micro-interactions that take place between a leader/ manager and a follower within an international organisation, and as reflected in the qualitatively derived data gained by analysing such events. The components are set out in the model described in Figure 2.

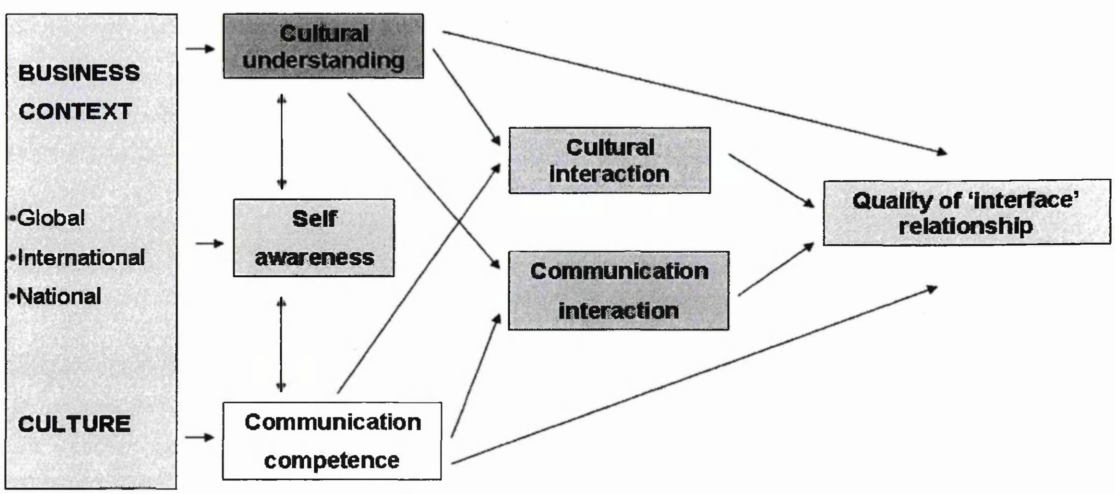

Figure 2. Adapted from Griffith and Harvey (2001)

The components are described as follows:

<u>Business Context and Culture</u>

These provide the influences that shape the subsequent level of quality of relationships within the Grandparent, Parent and Subsidiary companies

<u>Cultural understanding</u> consists of a number of abilities and knowledge of culture which is based on previous experience (just as were recounted in the stories of

the research participants in this study). This helps an individual engage appropriately with people of divergent national and organisational cultures. People able to develop cultural understanding at national and organisational levels will be able to develop the basis for the skills required to communicate effectively in those contexts. Communication competence is therefore seen as the ability and knowledge to engage in meaningful communication with others at a cognitive level (ascertaining meaning from verbal and non-verbal language) affective level (understanding emotional reactions and their impacts) and in terms of flexibility (the ability to react appropriately and be able to modify and change reactions). Here the value of an individual possessing or learning to develop high degrees of social and emotional intelligence would help contribute towards developing and sustaining effective interpersonal relationships.
Communication interaction, as in Griffith and Harvey's (2001) original model, would help create a new set of norms of communicating with individual or groups of diverse cultural background and social identity.
Cultural interaction would help achieve cultural adjustments over time to help change the cultural environment for individuals, groups and the organisation as a whole. The higher the level of interaction (coupled with sufficient cultural understanding and communication competence) the greater the chance of integrating together cultural differences to produce a positive cultural synergy, where diversity is seen as a possessing a competitive advantage, which contrasts with the research that describes such diversity as problematic e.g. where British managers failed to assimilate quickly within ESI. This latter component has relevance for developing relationships within and across teams within an internationally diverse organisation to help reduce stereotyping.
The ability for self awareness (and self disclosure) will be determined by individual, organisational and national pre-dispositions to engage in such activities.

In the context of this research study the above model would suggest, the potential to help articulate what might be required of managers in an organisation such as ESI to 'manage the interface'. From a management development perspective this may help to describe the attributes required of managers and staff and might make organisational competence frameworks such as the ESI leadership framework more meaningful, relevant and practical. It might also serve to help define what is required of management trainers who support the development of a subsidiary organisation.

8.9 Future research

Recommendations for future research would point to further studies of organisations in the early stages of international development from both financial services and other industry sectors. This would encompass examining the managerial behaviours that contribute to the growing notion of cross-cultural competence, and relationship-building in diverse managerial populations.

This study also suggests further research into the capabilities of management trainers responsible for developing international managers. Additionally, to study the methods and content of appropriate management training interventions aimed at generating self-awareness and self-disclosure as an aid to increasing cross-cultural communication effectiveness.

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Appendix 1: Note issued to managers in ESI at start of research

Re: Management Learning + Development in ESI

Background

One of the roles of O&PD will be in helping to establish ESI's current and future management education and development needs and advising on appropriate learning and development approaches. There is an opportunity to do this, in part, in conjunction with a piece of research being conducted by David Collier for a research dissertation for a Doctorate in Education at Sheffield Hallam.

NE gave his initial approval to this piece of work towards the end of last year and the research proposal has been submitted and approved by the University.

Title of the research: Developing Business Managers in an International Context: *What this means for ESI* .

Research aims and benefits

The purpose of the research is to describe, discover and develop propositions about the part played by cross cultural leadership training and development in enhancing leadership effectiveness for business managers operating in an international environment.

The research will serve to make a contribution to understanding the impact of organisational and national culture on managerial and leadership practices and what this means for managerial learning and development. The focus will be on aspects which relate to the management and leadership of people as opposed to the technical aspects of managing.

The proposed research has the potential to help develop the managerial capability of ESI's managers by identifying the most appropriate training and development interventions. This work may also be of value and interest to the other subsidiary parts of LBB , which might operate outside the UK.

David Collier O&PD,FSD.

Appendix 2: Participants involved in the research

RESEARCH PARTICIPANTS

TL = Team Leader   Mgr =Manager

Role	Reference number	Nationality	Based in	The Leader as Coach	Performance Managementt	Leadership in ESI	Inter view
TL	TL1	German	Maas	√	√		√
Mgr	Mgr2	Brit /Pakistan	Maas				√
Mgr	Mgr3	British	Bristol /UK				√
Mgr	Mgr4	British: IoM	Maas/Lux				√
Mgr	Mgr5	Dutch	Maas				√
OD	OD6	British	Bristol UK				√
Mgr	Mgr7	French	Lux	√			
Mgr	Mgr8	Irish	Lux	√			√
Mgr	Mgr9	German	Lux	√			√
Mgr	Mgr10	German	Lux	√			
Mgr	Mgr11	English	Lux	√		√	
TL	TL12	Italian	Lux	√			
Mgr	Mgr13	Italian	Milan	√			
TL	TL14	Dutch	Maas	√	√	√	√
TL	TL15	Dutch	Maas	√	√	√	√
TL	TL6	Dutch	Maas	√	√		√
TL	TL17	Dutch	Maas	√		√	
Mgr	Mgr18	German	Maas		√		
Mgr	Mgr19	German	Maas		√		√
TL	TL20	German	Maas		√	√	√
TL	TL21	Russian	Maas		√	√	√
TL	TL22	Dutch	Maas		√	√	
TL	TL23	Dutch	Maas		√		
TL	TL24	German	Maas			√	
Mgr	Mgr25	New Zealand	Lux			√	
Mgr	Mgr26	USA	Lux			√	
Mgr	Mgr27	English	Lux			√	
Mgr	Mgr28	Italian	Milan			√	
TL	TL29	Dutch	Maas			√	
TL	TL30	Dutch	Maas			√	
Mgr	Mgr31	Irish	Lux			√	
Mgr	Mgr32	English	Lux				
Mgr	Mgr33	Indian	Lux			√	
Mgr	Mgr34	English & Fr	Lux			√	
Mgr	Mgr35	Belgian	Maas			√	
TL	TL36	Lux	Lux			√	
Mgr	Mgr37	French	Lux			√	
TL	TL38	French				√	
Mgr	Mgr39	French	Lux			√	
Mgr	Mgr40	French	Lux			√	
TL	TL41	Belgian	Lux			√	
Mgr	Mgr42	French	Lux			√	
TL	TL43	French	Lux			√	
Spec	Spec44	German	Lux			√	
TL	TL45	German	Maas			√	
TL	TL46	German	Maas			√	

Appendix 3: Interview questions

General

- What is it like managing and leading in ESI?
- To what extent do you see yourself as a manager or leader or both? Why?
- What do you see your role as being? As someone managing people? [What mental model is held]
- What challenges do you face as a manager now? Why? In what way has this changed?
- What are the most difficult aspects of leading/ managing in ESI? Why?
- What training have you had as a manager in the past, now? What did it consist of? How effective was it
- What learning works best for you?
- What skills/ knowledge/ behaviours are most rewarded in ESI? Why?

Critical incidents in cross cultural leadership

Please describe below any critical incidents where you believe you experienced difficulties in managing/ leading/ communicating with others, and as a result of cultural differences. Cultural differences refer , mainly, to those differences arising from national cultural difference)

For each incident please record (as appropriate):

1. What happened: what were the circumstances: who was involved: what were you trying to achieve
2. What did you do/ think/ feel/say
3. What was the result or outcome

The incidents may be distinct or connected

- What training have you received to help you to manage cross culturally? (Please describe the nature and content of the training)
- How helpful was the training? Why was this?
- What training and development do you need to help you manage in an international environment? Why is this?
- To what extent do you believe that you can train people to manage cross culturally? What would you include in such training? Why is this?

Appendix 4: Example of transcribed interview

Team leader 1: Born in Germany and working in Maastricht

DC Can you just tell me a little bit about, - you became a Team Leader, why did you become a Team Leader, what were you doing before that?

TL1 I started in XXXX as a regular Team Member and with expansion and the rates so high there needed to be some more restructuring done, and Team Leaders were looked for internally first, so they took the best they thought for this position.

DC Moving from being a Team Member to being a Team Leader in the same team, was it the same team? Or, different people?

TL1 Yes, it was different people partly and partly the same people, there were a few people who were recruited, so it was a mixture afterwards.

DC What was it like then, moving from that role of Team Member to Team Leader?

J.R There was not much difference because of these enormous backlogs we already had several new people coming in and they needed coaching and advise and organising so at the point when we were officially appointed, we were already doing this anyway.

D.C Can you just remind of your initial team size?

TL1 I think we started with 4.5 now we have 9 in my team including one Temp.

DC What do you see as the role of the Team Leader in the area you are in?

TL1 In theory, in an ideal world, it should be to make people hope, prosper, have their chances and also to get as much input from these people as possible, by different means. Everybody is an individual, it is more about people than what we do now, but we are concentrating more on the work because of backlog pressures, not enabling us to completely fulfil our role as Team Leader. Unfortunately

DC Can you see that changing at all?

TL1 I hope it will change, our recruitment campaign that we started, is surprisingly going to be a bit more successful so we already have 6 or 7 for the new Team, in my Team, so we hope that we can start training and come into a new phase.

DC Do you see with other Team Leaders even in your same area, because xxx's there, that's the role that most Team Leaders feel they are in, they would like to be coaching and developing people but really there isn't time for that?

TL1 Yes, at the moment or let's say during the 3 years that I have been here the need certainly always dictated a trend, the priorities be taken first.

DC Above everything else

TL1 Yes

Appendix 4: Example of transcribed interview cont'd

<u>Team leader 1: Born in Germany and working in Maastricht</u>

DC So how would you describe, if it is possible to do so but from your point of view the management or the leadership style, do you see within ESI, what are the characteristics of leading and managing?

TL1 I am reading a book at the moment on American History from zero to the end from an English point of view and at the first chapter about colonisation, I always get amused because it is so similar, it's like a metaphor for the situation here, it is a healthy chaos so to say, the English way of doing, doing it better, if it doesn't work, try it again, for me it is a little strange as a German working for a Swiss Company, extremely conservative, everything has got to be planned, even the toilet visit!! It's a very different mentality.

DC Do you feel the presence of an "Englishness"

TL1 Yes, of course

DC How does that reveal itself, how does that express itself?

TL1 It's only the symptoms of the mentality, like, "Let's do this" without asking other people first, "what do they think" or "well I said so we have to do it now" and saying something without really knowing about it, it seems that if something is said it's not necessarily also done. In Germany, I come from a German background, so I can only base my opinion on this.

DC No, that's fine, it's about you

TL1 In Germany if you were for instance say something and not mean it, nobody will talk to you ever again. But in the British friendly and diplomatic way, there's always a chance of saying things without meaning them, and then learning to interpret sometimes how something is said and how it could be meant, there are different levels in the English language. In Germany it's just "Yes" - "No" English is more: "Yes we will think about it"

DC Or 'maybe'?

TL1 Maybe – literally, very cunning, is cunning negative or

DC It could be

TL1 Smooth? and friendly and diplomatic, polite

DC It's long as opposed to short?

TL1 Sometimes, but it can also be on the short term, that satisfies you .

DC So, you do sense that there is something about the cultural side that does have an impact?

TL1 Certainly

Team leader 1: Born in Germany and working in Maastricht

DC So when it comes actually to being a Team Leader, what difficulties or challenges?

TL1 It challenges your own comfort zone because again you have to go out of this limited German view and you have to go into a European mind of being and you have to get others to do the same

DC But is it European or is it English?

TL1 I hope it's European, I hope the English will join Europe soon. England became the first provider in Europe that's why I hope they will go European

DC So being a Team Leader then having that presence and a push of having an English culture, has its challenges, because you have to deal with it then you have to communicate it to your Team Members, so is it difficult for them as well?

TL1 Yes, of course, I am not the only one. My Team Members are not only German, there are Dutch, French and within that, they are from different regions, so they are different as well there. They are different cultures and different origins and they all have to learn the same view concept somehow.

DC Is there any way – you say you have to learn it – how do you learn it? Is it just by the experience of doing it?

TL1 Yes, doing by experience, going for instance on English courses, it's by technical means or also by drinking after work, it's just getting to know each other.

DC I was going to say, are there things a Company can do to help reduce that feeling or that challenge, do you think?

TL1 That's a good question, they could encourage the things I have just explained, which we are doing. We encourage people to have meetings, courses, to interact, to get to know each other. Encourage people to take English tests. It is the atmosphere, we must create an atmosphere as the basis for this.

DC Is it the sort of thing that is talked about, but shouldn't be talked about?

TL1 No, no not at all, it's more one of the funny things, it is for me, the reality is more fascinating. It's like a rainbow, there's a colourful rainbow and it looks very beautiful and it's funny to see the different colours sparkle differently in the light and how they interact.

DC So there can be a very positive part of having that mix?What would the positives be of having a cultural mix ?

TL1 The positive, it's like a holiday, it's every day like holiday, I was very disappointed when the Italian team left the floor and I couldn't hear the Italian any more. It felt like I would be in Rome on holiday, visiting some Coliseums or something, I felt it was a loss to me and it was more: no I have to work again, instead of: ah! I have to come to my holiday friends. Getting back to this atmosphere, we have introduced this International flavour, it's an atmosphere

Team leader 1: Born in Germany and working in Maastricht

that a lot of people are attracted to, especially the atmosphere we are looking for in the Customer Service area, who are

use to working in a very boring grey desk in Germany without ever having any fun in their life, this is very attracting factor.

DC That' interesting. So as the Company gets bigger, just by the size, that's going to be more important. So going back to this question of if you had to describe what management or leadership is like in ESI, we started by looking at some of the characteristics of management. If you were to say to me, if I was to join this Company and ask you what is it like and how are people managed, what sort of things would you be saying about that?

TL1 I would not necessarily think first about the English culture theme, I would talk about other things first. I would talk about performance and management, it is a more performance orientated system, I don't necessarily think of just this culture issue. It's just a bonus, a very attractive bonus, it's a flavour, and it's a taste.

DC You can have the influence of national culture, any organisation has its own culture, it own way of doing things and I suppose it's just what's the way of doing things when you are managing people in CME, is it e,g very much "You will do it because I am the manager" or is it"let's discuss it" or – do you see what I mean,

TL1 Yes, I think it's not an English issue from my point of view, I would not explain it as the English way or even the International way, it's the ESI way

DC What in your view is the ESI's way?

TL1 To support people, be supportive and flexible and encouraging, it opens a lot of views, a lot of doors, possibilities, even friendship. It is a very open area you come into when you come to ESI because at the moment we are growing into something we don't even know we have 5-year plans and after that, anything can happen. It's like a Germany, it's like a holiday trip, almost a holiday, but more entertaining and more encouraging to people, I think the way things are running in ESI, than in other Companies, who set you somewhere, let you grow up there and that's it.

DC In terms of your own development as a Team Leader, if there was one thing that you could say you could do better or differently, in the way that you manage people what would that be?

TL1 I wish I could speak Dutch!! That would give me a lot of respect I think and an advantage in communicating with the locals, that's what I would like to do.

DC So that would help your communication. Anything which is about, not communication, but just the way you deal with people at the moment, using your current communication skills, is there anything there that you would want to develop further?

TL1 You always want: everybody has along list of the things they want, but at the moment we have priorities and I need to respond to the need of other things, I try to prioritise my work with people to achieve these aims. I wish I had more resources

Team leader 1: Born in Germany and working in Maastricht

and be able to do also the other things, training for instance, which is needed for 10% of working time, but we need to shift even this 10% to cover the backlog.

DC In terms of the training that you get as a Team leader, have you had much training, to be a Team Leader?

TL1 I have had more training than I did with the former Company, I had this Leader as Coach Programme: Performance Management: training for Managers

DC Do you feel you are reasonably well supported in this training?

TL1 Yes, generally, it is what do say, the White!

DC So it was what you expected. What would be green for your training development?

TL1 If you can think of green, better think of red then take the opposite – your advice!! That would be to stop and to let you do things that you are doing good and perfect and just leaving you there. But green would be even enhancing the development, the opportunities, the possibilities, giving more. A lot of this I think has to do with the personal perception, my perception of my direct superior. In this Company a lot of rate is staying on this relationship. Some of my Team Members told me that if it weren't for me, they wouldn't be here any more, so there must be a very high rate from the Company on the personal capabilities of Managers and Team Leaders and trainers. It is more human, it's more personal.

DC People are seeing that what they get from you, and the way you lead them, affects the way they feel about the job as well.

TL1 I feel the same way about my job.

D.C So it's [the managers] role?

TL1 Yes.

DC I can understand that.

TL1 So, maybe if xxxx was another German or maybe if xxx was Italian, he wouldn't speak the same English, there would not be such a good communication, we would have to overcome some obstacles. I am not sure. But as this is very personal, it is important that we know we can talk to each other

DC So language, as you would expect, can be a big barrier?

TL1 Can be? – it is, we have heard the Team Members when they went to raise issues, technical issues with our head desk who already speak English and sometimes they need some help to translate and take care of special words, it's not so easy.

DC In some ways that must stray from the relationship you they have with you as Team Leader, because if I can't speak English very well,- not that I can!!! - I

Team leader 1: Born in Germany and working in Maastricht

would come to you as Team Leader, and you help me. Wouldn't that do something for my relationship with you? So what is a problem at one level is also an opportunity for you, or for other people to help each other, if they are willing to do that.

TL1 If they are willing to, yes, and creating the atmosphere to be willing to.

DC Rather than – "It's not my job to translate"?

TL1 You have picked a good example. The department in London where they don't know the German law at all, however they need to pretend to because they are the leading partners and so they wanted to try and skip translating those things, because we know that they always ask their local German lawyers anyway and they translate the whole thing and it would be double work. This is because they are too far away. I am sure that if they were in Maastricht, or Luxembourg, they could go to the desk and we could drink a beer, I don't drink beer but let's say that!! They drink beer, it would be very very different because they would be on the International route and they would understand they are not on their own.

DC Yes, I understand that. So do you see that your department… is there a lot of teamwork across departments within ESI? Mostly within the departments?

TL1 Yes, and there should be, and if there was no backlog there would be even more because automation for processes and new services. All these administrative things. We don't know when we need to be automated and for this they always and solely they need to rely on the administration input in this project. So if we did not have the backlog and workload, we would surely have huge backlogs in project workload, so there are a lot of cross-workings with finance and the ISF desk.

DC And more of that now I suppose over the next 6 months?

TL1 At the moment it is less because of backlog pressure and we have heard it will be increasing because we would have to do these projects, and everybody would have the same.

DC Just one question around the way you learned, where has most of your learning has come from as a Team Leader?

J.R I am an individual, and an individual has his own way of working, his own style I am one who learns by doing things. I also like to do it on my own, I don't like being dictated to, so most things I learned from experience of course, by reading, lots of reading. Talking to me, is a check, talking to me is more of a check and too much talking can be contradicting – "he said this, and I said that, and he said this me etc etc." I would like to get to the source of things, that's my way of doing things. To learn how to deal with people on these courses for instance it opened some eyes, there were some incidents from others where you could look and see how to deal with people, it's very difficult to explain.

DC Yes I do know what you mean, at least I think I do. Learning is river-rafting you don't always see the rocks under the water, you sometimes have to hit them to realise. So learning for you is about doing, not thinking about it. Thank you for your time TL1.

Appendix 5: Note to interviewees following transcription

Re: Research in ESI for my Doctorate

4 October xxxxx

Dear

I hope that you are well.

You will remember that in July you kindly agreed to be interviewed by me, as part of my doctoral research in ESI, and to have the interview audiotaped.

I have now transcribed all of the interviews. I agreed that I would send a copy of the interview to all those whose interviews were recorded in this way. I now attach a copy of the interview.

No one else will see this interview transcription. I am very sure that what you said at the time has been recorded but if I have made any mistakes on the transcription please let me know and return the amended copy to me.

If there are any aspects of the interview that you do not wish me to use please indicate and return the transcript to me. If I do not hear from you I will assume that it is OK for me to use the data. As I explained earlier to you the information will be treated by me in the strictest confidence and I will not be using your name / identity in my research findings.

I will be destroying all the interview notes/ transcriptions/ files once my research is over. I would urge you to not show this interview transcription to anyone and to destroy it. This will protect the confidentiality of you and of me as researcher.

I am still doing my research and may contact you again in the future. I hope that would be OK. I soon hope to be arranging to interview some managers/ team leaders in Luxembourg.

Many thanks again for your help and very best wishes,

David Collier

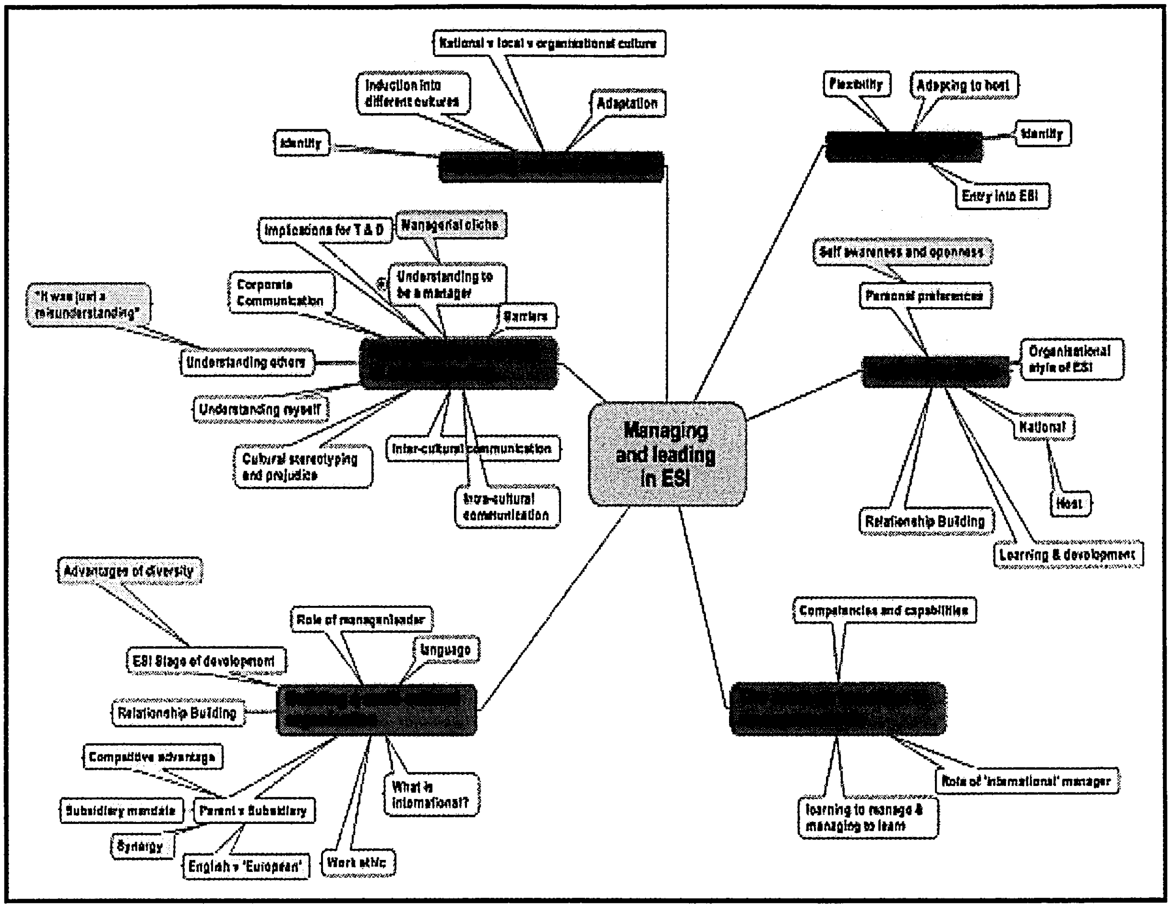
Organisation & People Development
FSD

Appendix 6: Sources of company documentation

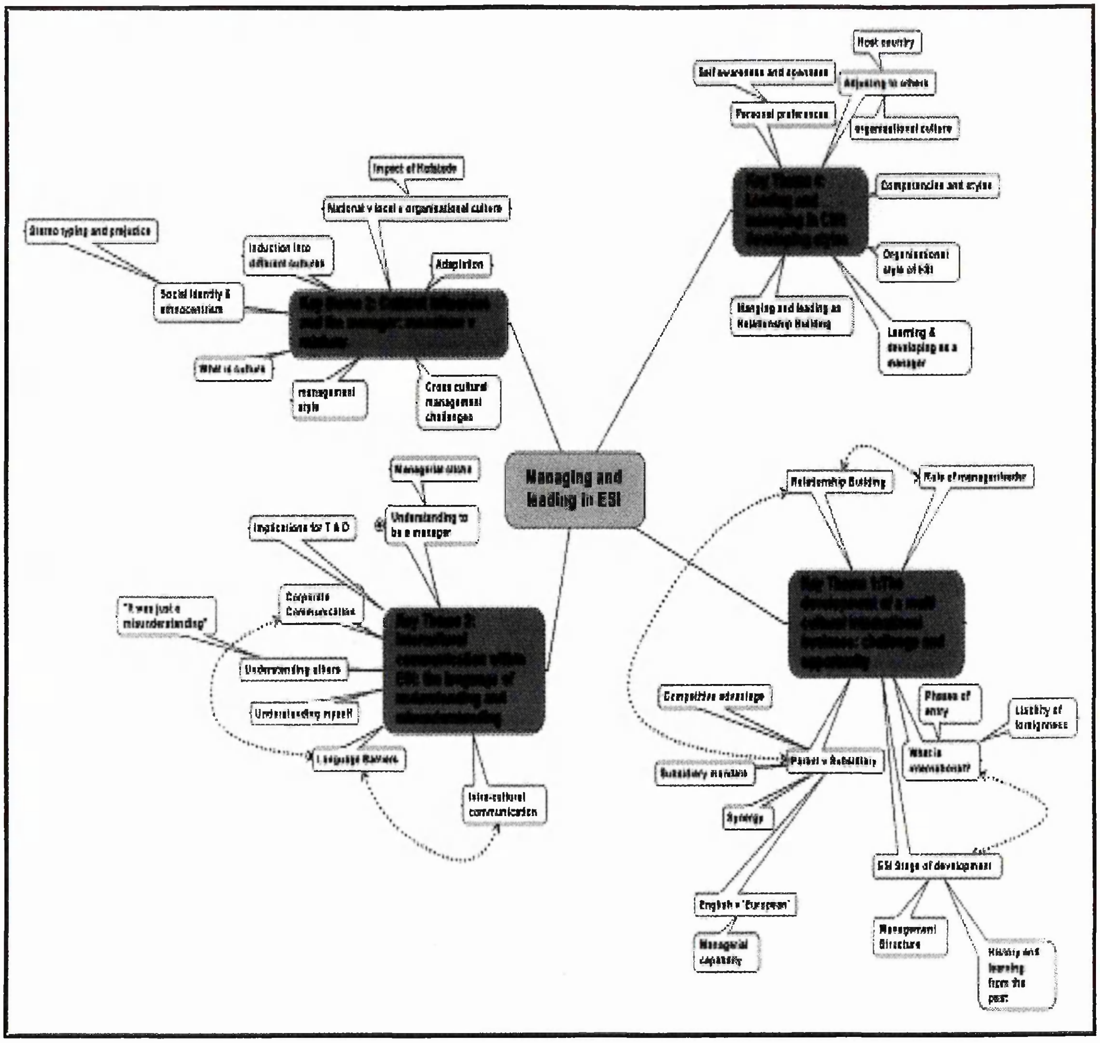
Internal company documentation from ESI, FSD, LBB

Date	Content	Document reference Internal doc
30th May	Memo: Mike R: Think big: reorganisation for Growth	Internal Doc 1
18th June	Memo: SB to AH Planned development areas	Internal Doc 2
June	Local team briefings pack	Internal Doc 3
27 June	The Staff opinion Survey: Corporate briefing pack	Internal Doc 4
19 July	DC report: observations on managerial capability re perf mangt training	Internal Doc 5
26 August	Outputs from ESI angt Away Day	Internal Doc 6
9th September	Proposal from DC to AH re leadership development in ESI	Internal Doc 7
12 October	Memo BI to DC re New HR Director	Internal Doc 8
	ESI handbook for induction: your role	Internal Doc 9
	ESI Mgrs handbook	Internal Doc 10
6th January	The Source (Intranet site): refocusing of the German Occup Pensions Programme	Internal Doc 11
7th January	The Source :ESI Staff changes	Internal Doc 12
January/feb	CME Financial Services: briefing pack to staff	Internal Doc 13
April	LBB Overall EOS results	Internal Doc 14
May	CL: OD Proposal for ESI	Internal Doc 15
9th May	Intranet : ESI No2 in Germany	Internal Doc 16
June	Context to leadership programme: key business challenges	Internal Doc 17
June	Managers briefing session re leadership development (developed by CL))	Internal Doc 18
June	Leadership in ESI CL presentation to ESI top team	Internal Doc 19
August/ September	Leadership in ESI BI presentation to ESI managers	Internal Doc 20
August	ESI: reorganisation chart: used at briefings	Internal Doc 21
October	Leadership in ESI used on opening of Leadership programme	Internal Doc 22
	Leadership framework for managers level 3-5	Internal Doc 23
January	NS Presentation pack to staff: reorganisation: ESI & Shared service project	Internal Doc 24
3rd February	The Source: ESI Italia	Internal Doc 25
22 March	CL OD Proposal for ESI “Building trust capability at CMI”	Internal Doc 26
21st June	CL to DC confidential update re Shared Service impact on ESI	Internal Doc 27
27 August	Intranet : Head of ESI Customer Services appointment	Internal Doc 28
	The Leader as Coach training Programme work book	Internal Doc 29

Appendix 7: Core categories



Appendix 8: Key themes



Appendix 9: 'The Leader as Coach' (TLAC) programme aims
Extract from TLAC workbook [Internal Document 29]

Background

The ability of managers to build effective and beneficial relationships with their people and others within the business, is a key leadership skill. Building such relationships through coaching encourages trust, collaboration, support and the sharing of learning across the business.

Coaching is one of the most powerful tools available to organisations to bring about improved performance, behavioural change and the facilitation of learning.

Clerical Medical's Learning and Development Strategy emphasises the role of managers in supporting the development of their people through coaching and other means.

<u>Aims of the Programme</u>

By attending the Programme you will develop a range of skills and understanding which can be used to strengthen the way you manage your relationships and lead others. The Programme will help you to flex your coaching style. It will also increase your awareness of the impact you have on others.

Objectives of the Programme

By the end of the Programme you will have:

- Improved your understanding of how you can build and strengthen your relationships with colleagues through using one to one coaching.
- Developed your skills and approach to coaching in a demonstrable way.
- Improved your understanding of when and with whom coaching is an appropriate intervention.
- Identified where your strengths in coaching are and the areas for growth.
- Built an awareness of how different learning styles need to be accommodated when coaching
- Developed a greater awareness of yourself and your impact on others, and how to use this knowledge in a positive way.

Features of the Programme

The Programme consists of 3 key stages:

- ➢ Pre Workshop activity: consisting of a questionnaire to review current coaching style
- ➢ 3 Day non-residential Workshop
- ➢ Post workshop Learning Groups. On-going contact with members of the group to provide support and coaching feedback

A key principle of the Programme is its highly practical nature with plenty of opportunities to use and practice the skills, and to receive personal feedback from colleagues and the tutors. The feedback you receive will build into a learning portfolio to assist you in your practice.
The programme involves delegates engaging in a high degree of personal and group reflection. It is highly participative and interactive. Whether or not this is your natural style, the programme will help you develop your practical and 'critical reflection' skills.