

ICXI -POST newsbriefing

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Introduction From The President

The sad and unexpected death on 8th September 2022 of Queen Elizabeth the Second, who reigned over the UK for 70 years has generated an unforeseen global display of respect, admiration and thanks for her selfless service and dedication to conduct both the affairs of state and her private life to the highest standard. To those of the rest of the world we add our most sincere condolences.



Image ITV Hub

There can be no finer example of a life dedicated to service or the loyalty it generated from those to whom it was delivered or by whom it was observed. Time invested in the study of her ways of leadership by thought and deed rather than by power, might or fear is likely to reap great dividends to those with the wit to take the trouble to so do.

The passing of Her Majesty ushered in a period of substantial change. Both short term change to manage the logistics and protocols of regnal succession and the consequent public and private funerals. Also, the as yet unseen medium to longer term change as the world comes to know and respond to the reign of King Charles III.

There is no doubt that Queen Elizabeth's decorum and deportment was guided by a clear set of values that provided a solid foundation yet enabled her to carry out her duties in a way that was capable of both leading and responding to the many challenges of change she encountered in her public and private life.

So What Can be Usefully Observed From Her Time?

Organisations, whether in the public or private sector, carry out their work, to a greater or lesser degree in full view of citizen gaze. Citizens form opinions about what they see, feel or experience whether the organisation knows about them or not. Those opinions are likely to be a major influence on the degree to which citizens engage or support the organisation.

The level of such engagement or support will ultimately impact the success and longevity of the organisation whether that be a monarchy, a public institution or a commercial company and that creates an important choice. Does the organisation seek to manage that opinion or just let it freewheel as it will. The danger with the it-will-be-what-it-will-be choice is that it may be positive but equally it may become irretrievably negative.

As situations, political, social, economic or technological change then organisations need to have the flexibility to evolve to meet the challenges and optimise the opportunities as they arise.

Queen Elizabeth II showed that a commitment to clear values provides the sounding board against which options for change can be evaluated and the degree to which such options deflect or support the achievement of the expectations of those values.

So What is A Value?

In the past “value” always carried a dictionary definition associated with worth, price or cost. More recently it has evolved to include also and expression as follows.

In ethics and social sciences, value denotes the degree of importance of something or action, with the aim of determining which actions are best to do or what way is best to live, or to describe the significance of different actions. [Wikipedia](#)

A useful definition but there must be an earlier step which describes how a value arises. One definition which may be helpful is as follows

A value is an individual or collective human sentiment or belief that is powerful enough to stimulate, attract, encourage, maintain, enforce or change an attitude or behaviour.

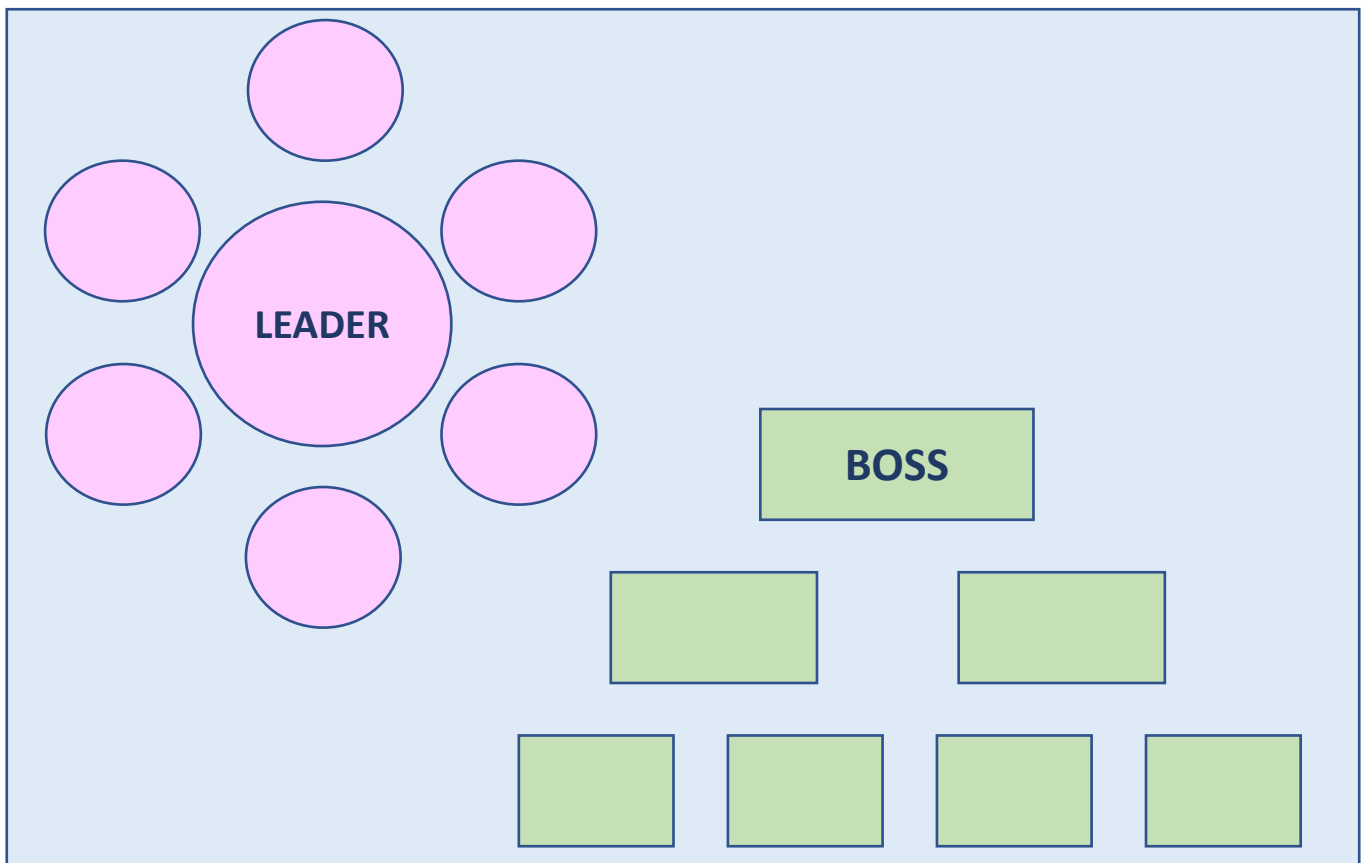
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Usually a value is created, held and upheld because is believed that there is a beneficial expectation of something existing or not yet fully seen.

An expected result or expected outcome.

Why else hold a belief?

So in an organisation how would such a sentiment be communicated to and shared by everyone involved its delivery?



Regardless of the way the organisation is structured the key requisite is the Leader(s) or the Boss(es) has either developed the value or substantially supports it.

The second requisite is that the expected outcomes of the value are clearly identified and defined in both reason and importance in order for the purpose of the value to be communicated across the organisation? Clairvoyance could be tried but has yet to be established as a widely accomplished human skill.

But what about if the leaders of the organisation have more than one value that they consider to be important?

In most organisations this is usually the situation therefore they need to prioritise their values, not a simple task but one is vitally important in defining how the organisation will behave and thereby be perceived by its existing and potential customers.

This priority becomes the foundation for the culture of the organisation.

For example two organisations may have the same two values, say *A. customer experience* and *B. return on investment*. |

If the leaders of organisation one place *A above B* the organisation is likely to conduct itself differently than if in organisation two the order were reversed and Return on Investment is above Customer Experience.

Two organisations, same values, different behaviour, which may be a key competitive difference.

So What is Culture in an Organisation?

A culture can be described as the sum and priorities of the values of an organisation as defined by its leaders, and where those values are accepted or tolerated by the organisation as a behaviour guide to achieve or sustain a perceived individual or collective benefit. Values should avoid being in conflict with each other and even though prioritised should always be inter supportive.

How can the level of acceptance within the organisation be measured ?

Culture acceptance can be measured

- a. By assessing the views of those within the organisation at both an individual and collective level regarding their perception of the success towards achievement of the expected outcomes from each of the values.
- b. By assessing the views of any interested group out with the organisation, for example supply chain partners

How can it be known if its working?

Culture performance can be measured by assessing not only the views of those within the organisation but also any interested group out with the organisation on a range of perspectives including political, economic, social, technological, legal and environmental.

And what of culture change?

Over time new issues emerge which assume greater competitive significance with time and need to be addressed at a values led level, for example technology security, gender equality, corporate sustainability or even in response to extreme events like the Russian invasion of Ukraine where existing ethical values may be propelled to have greater importance.

Generally such changes are evolutionary rather revolutionary but can occur rapidly for example if a failing organisation needs to reposition its culture after a takeover.

Culture change can be measured after the original values have been replaced, repositioned, reprioritised or redefined by assessing the views of those within the organisation at both an individual and collective level to the achievement of the updated expected outcomes .

Why bother with all of this?

In a small organisation, for example a sole trader in a retail or technical sector the boss is close enough to the behaviour of the organisation to manage it on a daily basis. As organisations grow hands on leadership by the boss becomes less feasible so if the organisation is to conduct itself in a way that the leader(s) wish then there has to be a mechanism by which this can be achieved.

Values based leadership and culture management is the means by which instinctive⁴ organisational behaviour can be managed.

A Culture Management Model

Culture Management



The Process

The full application process tracks through the model from bottom to top (1 through 7). In most organisations some of the input data already exists either formally or informally, sometimes with some of the element components mixed together. In others it needs to be generated from scratch. In either case the need for clarity is imperative and time invested in a little Socratic analysis will pay dividends to all stakeholders.

Levels 1 through 4 seek to give the organisation behavioural **stability** and 3 through 7 the **flexibility** to adapt to change.

The process seeks to get complete clarity that is easy to

1. Understand
2. Communicate
3. Measure
4. Refine

Free implementation notes are available from philip.forrest@icxi.com

An International Perspective

Culture is a more widely used expression when used in terms of international comparison. It is front of mind awareness that the culture of for example China, India, Saudi Arabia, Nigeria, Japan and South Africa vary widely but the degree to which this is taken into account in managing the customer experience in international business dealings still varies widely.



An article by Jeswald W. Salacuse is the Henry J. Braker Professor of Law at the Fletcher School of Law & Diplomacy, Tufts University. Sets out 10 ways to improve performance in this area.

These “top ten” elements of negotiating behavior constitute a basic framework for identifying cultural differences that may arise during the negotiation process. Applying this framework in your international business negotiations may enable you to understand your counterpart better and to anticipate possible misunderstandings.

1. Negotiating goal: Contract or relationship?

Negotiators from different cultures may tend to view the purpose of a negotiation differently. For deal makers from some cultures, the goal of a business negotiation, first and foremost, is a signed contract between the parties. Other cultures tend to consider that the goal of a negotiation is not a signed contract but rather the creation of a relationship between the two sides. Although the written contact expresses the relationship, the essence of the deal is the relationship itself.

It is therefore important to determine how your counterparts view the purpose of your negotiation. If relationship negotiators sit on the other side of the table, merely convincing them of your ability to deliver on a low-cost contract may not be enough to land you the deal.

2. Negotiating attitude: Win-Lose or Win-Win?

Because of differences in culture, personality, or both, business persons appear to approach deal making with one of two basic attitudes: that a negotiation is either a process in which both can gain (win-win) or a struggle in which, of necessity, one side wins and the other side loses (win-lose). Win-win negotiators see deal making as a collaborative, problem-solving process; win-lose negotiators view it as confrontational. As you enter negotiations, it is important to know which type of negotiator is sitting across the table from you. Here too, my survey revealed significant differences among cultures. For example, whereas 100 percent of the Japanese respondents claimed that they approached negotiations as a win-win process, only 33% of the Spanish executives took that view.

3. Personal style: Informal or formal?

Personal style concerns the way a negotiator talks to others, uses titles, dresses, speaks, and interacts with other persons. Culture strongly influences the personal style of negotiators. It has been observed, for example, that Germans have a more formal style than Americans. A negotiator with a formal style insists on addressing counterparts by their titles, avoids personal anecdotes, and refrains from questions touching on the private or family life of members of the other negotiating team. A negotiator with an informal style tries to start the discussion on a first-name basis, quickly seeks to develop a personal, friendly relationship with the other team, and may take off his jacket and roll up his sleeves when deal making begins in earnest. Each culture has its own formalities with their own special meanings. They are another means of communication among the persons sharing that culture, another form of adhesive that binds them together as a community. For an American, calling someone by the first name is an act of friendship and therefore a good thing. For a Japanese, the use of the first name at a first meeting is an act of disrespect and therefore bad.

4. Communication: Direct or indirect?

Methods of communication vary among cultures. Some emphasize direct and simple methods of communication; others rely heavily on indirect and complex methods. The latter may use circumlocutions, figurative forms of speech, facial expressions, gestures and other kinds of body language. In a culture that values directness, such as the American or the Israeli, you can expect to receive a clear and definite response to your proposals and questions. In cultures that rely on indirect communication, such as the Japanese, reaction to your proposals may be gained by interpreting seemingly vague comments, gestures, and other signs. What you will not receive at a first meeting is a definite commitment or rejection.

5. Sensitivity to time: High or low?

Discussions of national negotiating styles invariably treat a particular culture's attitudes toward time. It is said that Germans are always punctual, Latins are habitually late, Japanese negotiate slowly, and Americans are quick to make a deal. Commentators sometimes claim that some cultures value time more than others, but this observation may not be an accurate characterization of the situation. Rather, negotiators may value differently the amount of time devoted to and measured against the goal pursued. For Americans, the deal is a signed contract and time is money, so they want to make a deal quickly. Americans therefore try to reduce formalities to a minimum and get down to business quickly. Japanese and other Asians, whose goal is to create a relationship rather than simply sign a contract, need to invest time in the negotiating process so that the parties can get to know one another well and determine whether they wish to embark on a long-term relationship. They may consider aggressive attempts to shorten the negotiating time as efforts to hide something. Gen Z: Consumption and implications for companies

6. Emotionalism: High or low?

Accounts of negotiating behavior in other cultures almost always point to a particular group's tendency to act emotionally. According to the stereotype, Latin Americans show their emotions at the negotiating table, while the Japanese and many other Asians hide their feelings. Obviously, individual personality plays a role here. There are passive Latins and hot-headed Japanese. Nonetheless, various cultures have different rules as to the appropriateness and form of displaying emotions, and these rules are brought to the negotiating table as well. Deal makers should seek to learn them.

7. Form of agreement: General or specific?

Whether a negotiator's goal is a contract or a relationship, the negotiated transaction in almost all cases will be encapsulated in some sort of written agreement. Cultural factors influence the form of the written agreement that the parties make. Generally, Americans prefer very detailed contracts that attempt to anticipate all possible circumstances and eventualities, no matter how unlikely. Why? Because the deal is the contract itself, and one must refer to the contract to handle new situations that may arise. Other cultures, such as the Chinese, prefer a contract in the form of general principles rather than detailed rules. Why? Because, it is claimed, that the essence of the deal is the relationship between the parties. If unexpected circumstances arise, the parties should look primarily to their relationship, not the contract, to solve the problem. So, in some cases, a Chinese negotiator may interpret the American drive to stipulate all contingencies as evidence of a lack of confidence in the stability of the underlying relationship.

8. Building an agreement: Bottom up or top down?

Related to the form of the agreement is the question of whether negotiating a business deal is an inductive or a deductive process. Does it start from an agreement on general principles and proceed to specific items, or does it begin with an agreement on specifics, such as price, delivery date, and product quality, the sum total of which becomes the contract? Different cultures tend to emphasize one approach over the other. Some observers believe that the French prefer to begin with agreement on general principles, while Americans tend to seek agreement first on specifics. For Americans, negotiating a deal is basically making a series of compromises and trade-offs on a long list of particulars. For the French, the essence is to agree on basic principles that will guide and indeed determine the negotiation process afterward. The agreed-upon general principles become the framework, the skeleton, upon which the contract is built.

9. Team organization: One leader or group consensus?

In any negotiation, it is important to know how the other side is organized, who has the authority to make commitments, and how decisions are made. Culture is one important factor that affects how executives organize themselves to negotiate a deal. Some cultures emphasize the individual while others stress the group. These values may influence the organization of each side in a negotiation. One extreme is the negotiating team with a supreme leader who has complete authority to decide all matters. Many American teams tend to follow this approach. Other cultures, notably the Japanese and the Chinese, stress team negotiation and consensus decision making. When you negotiate with such a team, it may not be apparent who the leader is and who has the authority to commit the side. In the first type, the negotiating team is usually small; in the second it is often large. For example, in negotiations in China on a major deal, it would not be uncommon for the Americans to arrive at the table with three people and for the Chinese to show up with ten. Similarly, the one-leader team is usually prepared to make commitments more quickly than a negotiating team organized on the basis of consensus. As a result, the consensus type of organization usually takes more time to negotiate a deal.



10. Risk taking: High or low?

Research supports the conclusion that certain cultures are more risk averse than others. (Geert Hofstede, *Culture's Consequences: International Differences in Work-related Values* (Newbury Park, CA: Sage Publications, 1980)

In deal making, the negotiators' cultures can affect the willingness of one side to take risks—to divulge information, try new approaches, and tolerate uncertainties in a proposed course of action. The Japanese, with their emphasis on requiring large amount of information and their intricate group decision-making process, tend to be risk averse. Americans, by comparison, are risk takers. Among all respondents in the author's survey, approximately 70 percent claimed a tendency toward risk taking while only 30 percent characterized themselves as low risk takers. Among cultures, the responses to this question showed significant variations. The Japanese are said to be highly risk averse in negotiations, and this tendency was affirmed by the survey which found Japanese respondents to be the most risk averse of the twelve cultures. Americans in the survey, by comparison, considered themselves to be risk takers, but an even higher percentage of the French, the British, and the Indians claimed to be risk takers.

<https://iveybusinessjournal.com/publication/the-top-ten-ways-that-culture-can-affect-international-negotiations/>

The importance of understanding culture in international trade is stated by Erin Myer

Today, whether we work in Düsseldorf or Dubai, Brasília or Beijing, New York or New Delhi, we are all part of a global network (real or virtual, physical or electronic) where success requires navigating through wildly different cultural realities. Unless we know how to decode other cultures and avoid easy-to-fall-into cultural traps, we are easy prey to misunderstanding, needless conflict, and ultimate failure."



— Erin Meyer, *The Culture Map: Breaking Through the Invisible Boundaries of Global Business*

The Final Word

The life of Queen Elizabeth II was, of her own volition, committed to service, not only to the United Kingdom and The Commonwealth of Nations but also to all the wider world. As a great school teacher can inspire interest in a subject merely by the energy, importance and love they have for it. Such means lead us to see the benefits available simply by their enthusiasm and dedication.

So, it was with Queen Elizabeth II and while the world knows less of her personal life, in her public life her key value of service supported by the values of her faith has generated a leadership model that has enabled her to achieve great feats of international statesmanship like transforming an empire into a commonwealth which continues to grow attracting and welcoming countries with no previous colonial links with the UK. It has also helped her deal publicly with more personal matters like the Windsor Castle fire and the sometimes less values led behaviour of some of her family.

Leadership has been defined in many ways. At a dinner in Brighton many years ago I sat next to Sir Ranulph Fiennes an idiosyncratic English gentleman adventurer/explorer. I said that as a business leader my errors in judgement would be punished at worst by financial loss whereas if he made leadership mistakes people could die, so how would he define leadership. He thought for a couple of moments and said,

“Total subjugation of self to cause”.

The world sees many business leaders, statesmen and politicians who prefer to follow the line of *total subjugation of cause to self*.

In Queen Elizabeth II there is no better example of values led leadership, evidenced by the global expressions of respect received from all whether commoners, presidents or kings. She also demonstrated the rare skills of being able to listen and to hear and the capability to foresee the consequences of her words and deeds.

The key benefit of managing values is that once a leader understands the components and mechanisms that make up and define their own cultures, they are better able to understand and interpret the culture of others whether they be partners or competitors.

Recommended Reading

<https://iveybusinessjournal.com/publication/the-top-ten-ways-that-culture-can-affect-international-negotiations/>

<https://www.airswift.com/blog/importance-of-cultural-awareness>

lib.cufe.edu.cn/upload_files/other/4_20140605102213_Culture%20and%20International%20Business%20Recent%20Advances%20and%20Their%20Implications%20for%20Future%20Research.pdf