

SEARCH



European Newsletter
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MULTICULTURAL HUMAN RESOURCES

Senior European recruiters are increasingly favoring bi-cultural or multicultural candidates in their quest to harness cultural diversity. This trend holds true wherever the position is located and whatever the industry. Its root lies in successful candidates' histories as evidenced by their personal track records and life experience as well as in their future career potential, based on their adaptability and strategic vision.

This trend is illustrated here by three authors: Tim Dickson, Michèle Gillot and Edouard Croufer. I would like to thank them warmly for their participation. ■ MICHEL GARRETTA ■

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Understanding the needs, attitudes and expectations of others and building trusting relationships is a requirement for everyone in business, not just for those working across national borders. Nevertheless the growth of cross-border mergers and other transactions – fuelled by globalisation of the world economy – has put a special premium on cross cultural management skills in recent years.

The consequences of failure in this domain are stark. It is sometimes wrongly – indeed smugly – assumed that Europeans are corporately wiser, more successful and more sensitive when it comes to assimilating acquisitions in other countries. Recent analysis of Europe's transatlantic ambitions in the late 1990s, however - an orgy of buying in the

US telecoms, oils, business services and investment sectors – suggests that as many as two thirds to three quarters of all such deals have either failed to enhance shareholder value or meet company expectations. Experts frequently cite “cultural” reasons – not least a European failing to adjust to the lack of protocol and formality embedded in the psyche of most US companies.

The boot, of course, is also on the other foot and many European companies are consciously – and impressively – seeking to address intercultural management issues. BMW’s International Management Training Group (IMTG) – a network of high flyers whose mutual support mechanisms and activities aimed at gaining a deep understanding of intercultural problems was featured in a recent issue of European Business Forum – is only one example. Nestle is another. Many authors have written on the topic of cross-cultural management. John Tomlinson’s *Globalisation and Culture* (University of Chicago Press, 1999); Wendy Hall in her book *Managing Cultures: Making*

Strategic Relationships Work (John Wiley 1995); more recently Charles Hampden-Turner and Fons Trompenaars in *Cross-cultural competence: How to create wealth from conflicting values* (Wiley 2000). Among messages for managers is an assurance that we generally all work towards the same end, albeit often by different routes. Inwardly directed individuals, for instance, generally see themselves as capable of ‘conquering’ nature, whereas outwardly directed individuals see themselves as learning from nature so that they can ‘conquer’ more effectively. In essence managers need to understand the routes so they can adapt to suit immediate circumstances.



TIM DICKSON is the executive editor of European Business Forum, a print and online publication aimed at top managers which promotes debate on the global challenges facing European businesses (www.ebfonline.com). ■

is not an end in itself. The search for complementarities determines the mutual interests, the risks encountered and the factors underlying success. This means that in any large operation, HRM plays a role alongside the financial experts and others involved in the due diligence processes, getting to know the management and the functioning of the organization concerned. In fact, both sides get to know one another, in a sort of domestication process that saves time, creates mutual confidence and makes it possible to select future teams.

Because the role of the men and women involved is determinant in implementing a strategic project and in ensuring speed of reaction, it is necessary to rapidly fill the key posts and to involve the new managers in the decision-making process. The affirmation of respect for national cultures finds expression by keeping the local management in place, supported by experts. In the case of Russia, these experts are mainly Czechs, who are now able to pass on the know-how which they themselves acquired earlier within the Group.

MULTICULTURALISM IN OPERATIONS

The objective of growth is to create more added value. In the case of the Czech Republic, obtaining competitive advantage from the geographical location and lower wages meant integrating the distribution networks and modernising the production plants, the quality, the IT, the reporting etc. In order to accelerate the process of change by the transfer of experience, project teams were set up, each with a mix of natio-

MULTICULTURALISM, THE HEART AND MOTOR OF A METAMORPHOSIS

MICHÈLE GILLOT is Vice-President Human Resources and Communication, Member of the Executive Committee of Glaverbel Group. She joined the Group in 1966 and acted in different positions, commercial, finance, communications and human resources. She is graduated in economics.

Glaverbel arose from various mergers during the 20th century, as the heir to the great Belgian tradition of

glassmaking. The growth was assured in three ways, namely setting up new units, setting up joint ventures, and acquiring other companies. These could either be downstream of the production process, in glass processing, or they could be similar companies in eastern Europe (the former Czechoslovakia), Russian and western Europe.

In the space of ten years, Glaverbel has become the second-largest glassmaker in Europe, and the only one at the moment to be present throughout “greater Europe,”

(18,000 people). Multiculturalism has become a constant feature of daily, ongoing relations at all levels – strategic, operational and organizational – with human resources management being ever more closely integrated. In such an approach, human and social performance is considered as both the motor and the result of economic performance, with management and Human Resources as constant partners.

MULTICULTURALISM IN STRATEGY

The geographical diversification

nalities and skills, with well-defined objectives, deadlines, resources and reporting. Another process was communication, in order to promote the sharing of strategies, objectives and results, and to build “one” group from multiple companies. This led to the setting up of the International Operations Committee, a truly multicultural body incorporating 130 managers of different origins.

The need to combine operational realities, on the one hand with transversal HR and global policies on the other, led to the setting up of a network of national HR managers covering seven countries. This enables each member of the network to adopt the corporate values and this leads to a better integration of local particularities.

MULTICULTURALISM WITHIN THE ORGANIZATION

To manage its new size, the organization has been structured in three dimensions, namely operational (business units), functional (Corporate Finances, HR and other functions), and national (countries), with each sharing responsibilities and common operational methods for reporting, passing on information

and making decisions.

But beyond the organization charts, there is a living model of managing the managers and executives (1500 people), making it possible to federate the units through a transversal policy, each using identical tools whatever the country or activity: job evaluation, performance management, fixed and variable remuneration policy, training programmes, career and succession planning, training journey and job posting. This process, finalised over a space of three years, enables the persons

concerned and their manager to become aware of their driving role, while at the same time smoothing out cultural differences, as everybody has the same chance and the same value.

In all this, emotion plays an important role. When properly managed, it becomes a powerful lever. For instance, a contribution by an outside facilitator in seminars or interviews can unmask stereotypes and enable the participants to discover their differences, all in a relaxed atmosphere. Making improvements to working

conditions, organizing events, introducing a shared visual identity... these are all signs of recognition and belonging to the same family, with the same spirit.

Glaverbel has worked relentlessly at its development, constantly sharing his vision “to be the best recognised professional” in many different aspects, as customer, employee, shareholder and partner. This advantage puts the multicultural teams in a better position to deal with the future challenges of globalisation.

■ MICHÈLE GILLOT ■

INTERVIEW

EDOUARD CROUFER IS DIRECTOR GENERAL OF THE PHARMA SECTOR OF UCB GROUP SINCE 1997. HE JOINED THE GROUP IN 1993 AS VICE DIRECTOR THEN DIRECTOR OF THE CHEMICAL SECTOR. HE WAS PREVIOUSLY PRESIDENT OF EXXON CHEMICAL BELGIUM & THE NETHERLANDS, HAVING ACTED IN DIFFERENT MARKETING AND FINANCE POSITIONS. HE IS A CIVIL ENGINEER (BELGIUM) AND GRADUATED IN MANAGEMENT (CANADA AND AUSTRIA).

that this is “our company” and want to show to the world that we are the best. We are not afraid to fight with giant companies, because we believe that we are right, that we are fighting for the realization of a grand plan where we have original answers without which the world would be different.

We do this just the same way a family needs to defend itself against intruders; as a family would do, we do not see any risk even if we need to argue amongst ourselves to reach the final goal. Indeed, we will have reached the goal and will not have modified the fundamentals: the family won.

Your strong expansion leads you to recruit in relatively large numbers. What are the main challenges you need to overcome to successfully integrate these new staff members ?

As we expand in size, we also expand in geography. The model that has made the success of UCB is largely a traditional European model. It is not certain that new generations of managers identify themselves fully with the model, and that the model fully fits other cultures like Asian and American. We need to give enough breathing space for the new generations of managers and keep the fundamental basis of our success: the deep desire to make a difference; to leave a trace of one’s presence through a unique contribution

UCB is a group characterized by a specific culture and a strong sense of belonging. Could you give us an overview ?

UCB is now more than 70 years old. Yet, it has kept much of the culture of a start-up company. There is a very strong sense of belonging, here. We all feel



MICHÈLE GILLOT

in a unique set of circumstances materialized by the Company. On the other hand, we need to recognize that individuals have also material aspirations that are linked with their geo-political environment. Younger generations are also a lot more skeptical about the broader role of a company other than the financial objectives. This clearly means that we have to translate our culture in terms that either other cultures or newer generation can relate to. This being said, we find everywhere people who want to do more than



EDOUARD CROUFER

just earn money and who are very sensitive to what we intend to do. Once the choice is well made, we are always surprised to see how easy the integration occurs. Often, our time is too limited to coach our newcomers due to the fast growth of the company. But good and smart people always grow in a supportive environment.

The rapid internationalization of your activities requires you to recruit people of multiple nationalities. What is your approach ?

We strongly believe that we should have in our management team a mirror image of the culture of the markets where we do business. Consequently we hire in the markets where we expand; the know-how is then provided by functional expertise or by temporary expatriations. We always try to have the financial controls performed by representatives of the Mother Company. We find that if we have a good story to tell, the local market is quite responsive, and I can't recall ever having a major problem recruiting in any country. However, the more powerful the national companies are in a given country, the more difficult it is to attract capable people to join what is bound to be a relatively unknown company in the beginning. This is more the case in strong national market like USA, Japan, Germany, France or UK.

How do you implement it? At which levels (corporate, subsidiaries) and for which positions (functional, operational) ?

As I said we do not fear giving the highest position in a new country to a newcomer from that country. UCB operates on a principle of delegation and trust. We think people should express their own personality in

their job. Of course we want to respect Company Ethics and the law of their countries. We audit their performance here and there, and we are ruthless if they did not follow the few rules that we find fundamental.

There are also new positions at Headquarters as we grow and need to serve better Headquarters's "clients": the subsidiaries. In this case, we look for continuous upgrade in the skills and experiences. For a Headquarters that implement the Group strategy globally, we need skills that I call the "coordinate and de-localize" skills; it means that the center must be very competent but fully functional and we should de-localize as many capabilities as possible in the major markets. The difficulty is to find individuals who are very competent but can transfer the knowledge without using it as a source of power.

The results you achieve in this area prove the validity of your approach.

We have had a good degree of success both in the subsidiaries and in the center. The specifications must be very clear from the beginning especially if one uses a Search.

The role of the CEO is essential. How does he reconcile short-term objectives with medium-term issues ? In other words, how do you use these multicultural strengths to achieve operational objectives ?

I do not believe that a CEO can reach short-term objectives if he does not have a very clear long-term strategy. Therefore he cannot completely distinguish those activities: the medium-term becomes the implementation of his long-term strategy. In the global environment where we operate today, the challenge is to communicate the strategic goals to all the organization in a language that they not only understand but also can be useful to help them to play their part in the implementation of the whole strategy. All cultures do not react the same way to the same means of communication. We are still in a trial and error mode both in term of the amount of time invested to describe the strategy and the most effective way to implement it.

In your experience, what is the importance of the emotional factor in managing this diversity : differences of nationality, of culture, of ethnic origin, of personalities ?

Emotion is reality and reality is fundamental to understand in which game we are playing! It is fascinating

how much we ignore the real depth of the exchange of information between two human beings in an organization. We do not have any measures or metrics for that, but I would not be surprised that only 30 or 40 percent of the exchanged information is really captured. I believe that emotion is very difficult to capture across cultures, and we know that it can be a major motor in the implementation of a plan.

How, in this context, do you manage pre-established attitudes.

By acknowledging them first, by accepting them second, by trying to make them work in favor of the project, and finally by penalizing their author if they are too detrimental to the whole implementation. We are also deploying major efforts in training and development, giving opportunities not only to learn new skills, but also to network, to share and to cross fertilize.

What are the respective roles of communication and hierarchy ?

Communication is like the blood of an organization. Without it there is no life for that organization. But communication must be understood to mean the necessary information to perform the task to achieve the strategic goal. Everyone needs some form of filtering mechanism if he/she does not want to be drowned by the torrential flow of useless information available everywhere. This, in an organization, is the role of the hierarchy! That is the prime role of the hierarchical levels of a company to provide the necessary information to their employees; converting by so doing information into communication. The trend, obviously supported by the tremendous progress of NTIC, is going towards free access to information. ■

EUROPEAN NEWSLETTER ALEXANDER HUGHES

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