

## How to avoid cultural pitfalls

VERITY EDWARDS THE AUSTRALIAN JANUARY 23, 2016 12:00AM



Culture trainer Patti McCarthy with Transdev executive Michel van Maanen. Picture: Aaron Francis

**It can be as simple as failing to offer a gift, not seating a visiting international guest at the head of the table, or handing over a business card without bowing, with cross-cultural faux pas detrimental when establishing relationships and signing deals.**

Cultural Chemistry founder Patti McCarthy says Australian businesses and white-collar employees who move overseas for work — or those who relocate to Australia — most often fail to prepare staff for what lies ahead and it can have significant consequences. “When you have cross-cultural training you’re three to four times more likely to have a successful outcome,” McCarthy says.

“When you’re getting a \$300,000 or \$400,000 salary package in Singapore including private school fees and accommodation, why are people putting up with a 40 per cent chance of failure? It doesn’t make sense.”

McCarthy has been worked in cultural training for more than a decade and knows what it can be like to move to a different country after having relocated to Australia with her husband 20 years ago.

She is certified to deliver the Cultural Intelligence Assessment program, which was developed in the US and is used to assess the cultural intelligence of individuals and teams and identify gaps. The tool is widely used at Google, Unilever and Coca-Cola

teams and identity gaps. The tool is widely used at Google, Unilever and Coca-Cola Amatil.

It may seem like moving between English-speaking countries would be easy, but McCarthy says there are few support networks compared to those established for French or German speakers, or even asylum-seekers, leading to a sense of isolation.

She estimates the expat failure rate at between 39 and 42 per cent, and the divorce rate among expats to be 50 per cent higher than normal, particularly for couples where one person is not working.

When one partner stays home it can lead to low self-esteem, loneliness and loss of confidence. It can place unprecedented strain on a relationship, and McCarthy says it can be pronounced if one partner cannot find a job.

“People have no idea. They think once they get to their new house it’s all going to be lovely, but unless you’ve got connections and friends to come to your house, you might not want to stay,” she says. “People are not prepared emotionally and professionally and that naivety is very expensive.”

McCarthy says people need to be prepared for the existence they will lead, and not just excited about moving. Training also includes work expectations, how offices operate in different countries, and how to work with colleagues, particularly in Southeast Asia.

In 2014 PwC interviewed 1000 Australian chief executives and found only 9 per cent had dealings with our closest Asian neighbours.

In the year since the report, McCarthy says little has changed.

“Australians have been independent for too long and they’ve become complacent,” she says.

The Melbourne-based consultant says many business owners are unaware of how Australians are perceived and can be too relaxed and informal when dealing with international businesses where protocols, hierarchies and relationship building are essential. The “she’ll be right” attitude can also be damaging.

“People assume the Australian reputation for being laid-back is what everybody likes, but not everybody does; when you’re dealing with a hierarchical country, they don’t like being called by their first names. Some cultures don’t want to be treated as friends.”

In many Asian countries McCarthy says chief executives are often figureheads and prefer to be addressed before referring inquiries to a junior colleague.

In other countries management can be more hands-on and staff are rewarded for doing what they are told, rather than using initiative, as in Australia.

In some countries senior management will ensure their Australian counterparts are entertained in the evenings, but in Australia McCarthy says managers will often go home and leave their counterparts to their own devices — which may be insulting.

Courtesy and cultural understanding can be the difference between signing a deal or watching it fall through because of ignorance.

“If there were two people selling the same widget and one of them sold it to you in the way that you like and one doesn’t, you’re going to buy from the person who understands you,” she says.

“If you want to sell your widgets you have to think about how they want to buy them, not just how you want to sell them.”

Michel van Maanen, who is the performance director at the international transport services company Transdev, moved to Australia from Europe 18 months ago and struggled to adapt to cultural differences.

Van Maanen, 46, was born in Holland and has worked in Portugal, Belgium and Germany. He has found the Australian way of doing business and the cultural differences significant, noting an alignment to Britain rather than Europe. “If you go around Europe there’s more of a standard work ethic, there are standard approaches on how you run a business,” van Maanen says.

“Maybe there are differences between countries in education and the politics might be different, but the approach to contracts and IT and modernisation and implementation are mostly alike.

“Australia is quite different to Europe and it’s isolated and doesn’t have a lot of business harmony and synchronisation.”

Van Maanen regrets not undertaking cultural training in his first six months in Australia and found it quite difficult and lonely at times because he did not understand why people acted certain ways. “It’s different, the way of thinking, the way of talking, it’s more superficial when you ask how someone is, but you don’t really care,” he says.

“We’re Dutch, we say what we think, but you don’t do that in Australia; you be nice. You have to adapt to the way of the people.”

He says the business culture is also more hierarchical, and he is trying to ensure his company catches up to Europe and Southeast Asia by innovating and improving IT processes.

Van Maanen now ensures all recruits from overseas have cultural training before arriving.

