
The Rise of Multicultural Managers



By Yves Doz INSEAD Emeritus Professor of Strategic Management; and the Solvay Chaired Professor of Technological Innovation

Many multinational companies have hidden, unrecognised multicultural gems within their ranks. To find these and get the most from their unique skills means taking the time and trouble to carefully develop and deploy multicultural managers in critical positions.

Multicultural managers can make a huge, positive difference to the success of global innovation projects and processes. The research of Hae-Jung Hong, now an assistant professor at the Rouen Business School and co-author of our article (*“How L’Oreal masters multiculturalism”* in the June 2013 issue of *Harvard Business Review*) on cosmetics giant L’Oreal shows how unique features of multicultural minds enable them to play five critical roles better than their monocultural counterparts.

These roles are:

1. Making creative associations and drawing analogies between geographical markets, allowing L’Oreal to develop global products and

build global brands while remaining sensitive to local market differences.

2. Interpreting complex knowledge – i.e. tacit, collective and culture-dependent, hence impossible to simply “explain”_ across cultures and contexts an essential skill when marketing products like cosmetics, where much of understanding is tacit and culture-dependent.
3. Anticipating cross-cultural conflicts, and addressing them, something critical to the effectiveness of global teams.
4. Integrating new team members from different cultures into teams that quickly develop their own norms of interaction and a strong “in or out” identity, making joining the team once it has been in existence for a while particularly difficult.
5. Mediating the relationship between global teams, with a high level of cultural diversity among their members, and the senior executives they report to, or their interaction with local subsidiary staff they collaborate with, who are usually monocultural.

In short, their ability to be creative, to share complex knowledge across locations, contexts and cultures and to manage global innovation and product development teams effectively is precisely why multiculturals in integrative roles in the innovation process do make such a positive difference.

Multiple Cultures Means Creativity

Indeed, using lab experiment methods (with students or executives performing revealing exercises), INSEAD Professor Will Maddux and his colleagues found that the experience of multiple cultures favoured creativity. In addition, they identified intercultural, cognitive integration (one’s ability to simultaneously hold and apply several culturally different schemas and thus to think as a member of one culture or another depending on need and context, or to think simultaneously as member of several cultures) as the key to creative, adaptive and leadership skills fostering their career success. As one of the managers Hae-Jung Hong interviewed put it:

The most important skill I need in order to develop and launch this product line successfully is to exploit what I’ve got from one part to other parts of the world, which brings something innovative in the market. I am able to do this because I have references in different languages— English, Hindi, and

French. I read books in three different languages, meet people from different countries, eat food from different countries, and so on. I cannot think things in one way only. That's not my way.

(Indian-American-French project manager)

Observing multiculturals in action, a monocultural executive at L'Oreal commented:

"Multiculturals have a kind of gymnastic intellectual training to think as if they were French, American, or Chinese and all together inside them."

Yet not all multiculturals are equally skilled at integrating across cultures at work. Personality plays a role: Being extroverted, assertive, and sociable, contributes to effective multiculturalism. A balance of integration strength between cultures is also a required condition for effective bridging. If in the self-representation of a multicultural person one cultural identity "wins" to the detriment of the others, the person cannot actually be effective as a multicultural!

And not all organisational contexts are equally propitious for multiculturals to play effective roles. Organisational culture, human resource management policies and cultural value conflicts in the organisation reduce or enhance a multicultural's willingness and ability to be effective. Being appreciated and trusted by their colleagues and peers in global teams is also a must but colleagues may zero-in on one of their cultures and make the development, or maintenance, of balanced integration skills harder, and multicultural managers' roles less effective.

"Being There" is Not Enough

Some individuals are multicultural by ethnic background and early childhood experiences. But, can one become multicultural through expatriate assignments as an adult in a multinational company, or just by living and working in multiple countries and cultures? The experience of living in multiple cultures obviously helps, but just "being there" is not enough. One needs to have strong on-going interaction with people belonging to the local culture, and become embedded in the local culture. Expatriate "villages" will not suffice. Beyond mere language fluency, actively learning about the local culture and creating opportunities to experience it first-hand are also needed. Just understanding the behavioural adjustments – for instance in decoding polite "no" answers, or in giving feedback to others without

offending them- is not enough, one needs to delve into the underlying “whys”, i.e. the meanings not just the manifestations of culture.

Despite all these efforts, though, “born multiculturals”, for instance with parents from different cultural origins, may still enjoy an advantage: They can bring recollections from childhood to bear on experience later in life. Studying and working abroad as an adult, immigration, or an international marriage may provide the quality of interaction required, but becoming multicultural takes time and effort as several cultures need to be internalised. Further, some immigrants may strongly aspire to adopt the culture of the country they move to, or feel under social pressure to do so, or alternately, find they stay hostage to the culture they came from - for instance by living in an immigrant community and not mastering the local language. Neither can achieve the integration balance so critical to effectively develop and use unique skills as a multicultural manager.

Although the length of exposure to different cultures is not a strong determinant of multicultural skills (beyond a minimum of two years), frequent “rotational assignments” in multinational companies may be detrimental to the development of deep multicultural skills. Long ago André Laurent, the pioneer of this line of research at INSEAD, studied expatriate executives at IBM and other major multinationals. His findings were reported in an evocatively titled article “Once a Frenchman, always a Frenchman”. He observed that experienced expatriates learned to behave as a “global” executive, but this learning effort actually reinforced their identification with their culture of origin. Their social identity (a “global” executive) conflicted with their deeply felt inner personal identity (a member of a “local”--national--culture).

In her study of the “multicultural lives” of many of INSEAD’s MBA students, Professor Linda Brimm, another long time INSEAD faculty member, made similar observations in her book *Global Cosmopolitans* (Published by Palgrave MacMillan in 2010).

The Multicultural Manager: Integrator or Pioneer?

Managers who find maintaining a balance between their various cultural identities relatively easy may be good “bridges” between their cultures; managers who live their multicultural identity as conflicting may excel at comprehending new cultures, suggesting they should play different roles in a multinational company. Carlos Ghosn, perhaps the paragon of the successful

multicultural executive, reflecting on his own experience (in a speech in Prague in October 2012), adds a deeper contrast, arguing that his ability to succeed as CEO of Nissan was enhanced by the combination of being Lebanese (from a multicultural country he described as a crossroad of warring armies and conflicting religions) and Brazilian (a country he described as a peaceful example of integrated multiculturalism) and having become a French engineer. This is multiculturalism times two, or three!

The operational link between HR policies and the opportunities offered by multicultural managers as “hidden gems” remains largely to be built, and more research is needed on these issues. Multicultural managers at companies such as L’Oreal have emerged from the growing pool of “international talent” over the past decade, bringing their experience and insights into “new markets”. It hasn’t taken long for their colleagues to become aware of their unique skills, and of their usefulness.

But for every one company that recognises the opportunity offered by multicultural managers, how many miss it entirely?



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