



Culturally Savvy Leaders Boost Strategy Implementation



By Martin Roll , Business and Brand Strategist, Founder of Martin Roll Company (INSEAD MBA '99D)

Business culture is a reflection of societal culture. Understanding its complexity is essential for those leading diverse, multicultural groups and implementing strategic change.

Societal culture and its complexities and sensitivities are directly reflected in employee behaviour in organisations. Successful implementation of corporate and branding strategies requires a complete on-boarding of the individuals within an organisation who would be driving this change in a culturally sensitive manner.

In Asia, a region typified as a melting pot of cultures and sub-cultures, implementing an effective strategic change within an organisation requires an in-depth understanding of the prevailing culture.

In my [last post](#), I talked about how boards should influence and implement a culture of branding in organisations. One of the key success factors behind an efficient and competitive brand strategy is the involvement and training of every individual in the organisation in the branding process. This is where the understanding can be achieved, but also where complexity and the nature of the organisational culture start playing a crucial role.

Organisations as cultural mirrors

Asian organisations, historically and even today, are characterised primarily by strong hierarchical structures. This in turn leads to a very linear form of decision-making and influencing. But, the concept of collectivism is also important. This is reflected in the phenomenon of placing more importance on the connections people have with other people around them. The combination of both these aspects leads to an environment where disseminating and implementing change becomes challenging.

The uniqueness and also the relative commonality of Asian cultures around themes of prestige, status and power are reflected within organisational structures too. The hierarchical decision-making structures in Asian organisations can be directly linked to Hofstede's concept of "power distance". In short, cultures with high power distance believe that more powerful people must be deferred to and not argued with. China has a high power distance level of 80, compared to 60 for some South East Asian countries and the world average of 55.

In addition to the cultural factors that inhibit change, it is also important to keep in mind that many successful Asian organisations initially started off as family-owned businesses. Although there has been an evolution in the mindset of running family-owned organisations in Asia, it is still a long journey before there is a complete overhaul of the thinking towards change management and strategy implementation. Younger generations at the helm of these kinds of businesses are doing better in terms of bringing in fresh perspectives, fresh thinking and new visions for future growth.

Understand culture for effective change

To ensure the success of a corporate or branding strategy in Asian organisations, it is imperative that the organisational culture is deeply understood, assessed and integrated into the implementation plan for the strategy. Some key factors to be mindful of are:

Organisational structure: This should include a mapping of the structure at a global, regional and country level. The drill-down is important because structures at individual country levels can significantly impact the effectiveness and implementation of strategy.

Careful selection of those responsible for implementation: Corporate culture in Asia still endows a high level of importance to the individual stature and position of individuals responsible for driving change in an organisation. Thereby, it is critical that boards select individuals within the organisation who have the visibility, personality, command and respect of employees across the region. Hierarchical decision-making increases the importance of power by multiple times, so it is important that the individuals selected have a reasonably senior position in the management and leadership teams.

Communicate with care: Asian cultures are primarily collectivist, conversationalist and shared-valued driven. These aspects are prevalent and strongly visible within organisations. Elements of the communication programme to be utilised for informing and educating employees about a strategic change should be carefully selected and drafted. This essentially means using formal forms of communication that have clarity, have objectives, can touch the emotional bonds that employees have with the organisation and can reinforce the importance of their participation in the process.

Local belief systems: It is not uncommon for local business units of regional and global organisations to operate with separate business objectives, policy and future targets. Some organisations deliberately allow this to happen and for some organisations this happens due to poor control over local market operations. So, when an organisational level strategy is being implemented, it is important to assess and measure how the strategy is going to impact a specific country operation. This is where a “bottoms-up” approach is required while drafting the strategy. In short, a situation where a local market completely ignores a strategic plan because their considerations were not taken on board needs to be avoided.

Step-by-step implementation: Any form of strategy implementation takes time and patience. In Asia, it may take longer because of all the factors discussed earlier. So, it is vital that the implementation plan is pursued with discipline and with focus. Again, the importance of keeping the key

individuals invigorated and driven throughout the process is critical.

Conclusion

It is only through a rigorous process of understanding and respecting organisational cultures, that strategic change can be implemented successfully in places like Asia. Expanding globally and exposure to Western management styles and organisational structures is opening up Asian thinking but the influence of culture in organisational decision-making will continue to be a critical factor.

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