

'This should be the first item for global managers to put in their hand luggage.'

NIGEL NICHOLSON, PROFESSOR, LONDON BUSINESS SCHOOL,
AND AUTHOR, *THE 'I' OF LEADERSHIP*



GLOBAL TEAMS

HOW THE BEST TEAMS ACHIEVE
HIGH PERFORMANCE

JO OWEN

FT PUBLISHING
FINANCIAL TIMES

Praise for *Global Teams*

'In this book, Jo Owen provides not only a thorough understanding of what makes a "global" organisation effective, but also ideas and reflections on how to go about it, in a way that is neither simplistic nor dogmatic. Great read.'

Bertrand Lavayssiere, Ayres and Co. Strategy Consultancy

'A perk of my job is that I get paid to read and review books. Nothing thrills me more than to know that one of my favourite management authors, Mr Jo Owen, has another book published.

I enjoyed reading his perspectives on the various aspects of management as he provides insights that can be easily digested by anybody, yet has the necessary depth to help you with the skills needed in management.

His latest offering showcases research that he has extensively carried out and provides astute insights that will benefit any executive from any level of management, be it middle or senior.

Quickly bookmark this for your "to-read list" as it is a useful, insightful read.'

Sadie Jane Nunis, Publications Manager, Singapore Institute of Management

'Jo Owen has done it again – spotted a big gap in the literature and filled it elegantly and effectively with this splendidly readable, comprehensive, practical and evidence-based treatment of a topic that is really challenging to our globalising business world. Packed with great examples and quotes, Owen leads the reader through the toughest and most interesting challenges in cross-cultural management: leadership, team dynamics, business context and systems, cultural intelligence and conflict resolution. This should be the first item for global managers to put in their hand luggage.'

Nigel Nicholson, Professor, London Business School. author, *The 'I' of Leadership: Strategies for Seeing Being and Doing*

because you cannot manage detail by fax. The relationships with their agents go back generations:

*Most of our agents work with us for many years. So it is very easy working with them: it's all about performance. Half of our agents have been working with MOL¹¹¹ 45 to 60 years from father to son. They are our eyes and ears in the local market so we rely on them. They are kind of family to us, based on trust and relationship.'*¹¹²

Mitsui OSK Lines need agents they can absolutely trust in good times and bad: a track record which stretches over decades counts for everything.

In contrast, when credibility is lost it can be exceptionally hard to recover. We were working in a chemicals plant in central Japan and occasionally we heard the management talk about some terrible work done by a global and prestigious firm of consultants. The consultants were blacklisted and it was clear that it was a raw issue for the management. The consultants had zero credibility. They had performed their work 20 years previously.

The bias of most managers is to work with people they know and trust. One new Japanese partner at a large professional services firm got over the credibility problem by bringing all of his team with him, and all his clients followed as well. So the clients got a partner they trusted, and the partner got a team he trusted. Such wholesale moves of teams and clients are not unusual in professional or financial services, and have the ability to lead to litigation.

There are three ways to build credibility. The first two take time; the third way offers some short cuts.

Method one: always deliver; always

An inscription on the James Farley Post Office in New York City reads: 'Neither snow nor rain nor heat nor gloom of night stays these couriers from the swift completion of their appointed rounds.'

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The US Post Office understood that you must always deliver if you are to stay in business. Excuses don't work if you want credibility. The reality is that credibility has to be earned: 'you don't declare trust; you have to gain trust'.¹¹³ Earning trust comes from consistent delivery. Occasional flashes of brilliance do not build trust if there

are also occasional failures. Trust is like a vase: it takes time and effort to build it, but it is very easy to break. Once it is broken, it is even harder to repair.

Method two: set expectations

We have already noted that credibility is about alignment between what you say and what you do. What you do matters, but it is also critical that what you say is clearly understood. Setting expectations is a vital part of credibility: only commit to what you can deliver. If there is any doubt about delivery, have the difficult conversation before you start. When you finish, do not assume that you have built credibility. Check that your contribution has been noted and meets expectations. Many managers avoid negative feedback, so you have to make sure that you deliver what they expect. If anything is amiss, you have a chance to correct it.

Method three: employ some short cuts

There are some short cuts which gain temporary credibility. They enable you to walk through doors which would otherwise be shut. But once through the door, you still have to earn the credibility you have borrowed by performing reliably.

Credibility can be granted from one of three main sources: referrals, qualifications and membership.

- ▶ Referrals count. If someone you trust refers you to someone else, you are more likely to give that person the benefit of the doubt than someone you have never heard of before: 'If someone I know and trust introduces me to somebody else I am more likely to trust that person.'¹¹⁴
- ▶ Qualifications are a powerful short cut to credibility in some professions. We will more or less happily submit to the tender care of a qualified dentist, but would probably be less keen on entrusting our teeth to a mechanic armed with a pair of pliers. Unfortunately, qualifications do not count for so much in management. Saying that you have an MBA does not assure you of a leadership position: with up to one million MBAs¹¹⁵ being minted every year, the qualification is rapidly becoming devalued. Saying that you have an MBA from Harvard is likely to get a very mixed reaction.

- Membership of a credible organisation. This is hugely powerful. Doors open readily for partners of the big four accounting firms: KPMG, PwC, Accenture and Deloitte. The same partners suddenly find doors remain shut when they decide to leave and operate on their own. They have initial credibility because of their firm, not because of who they are. This works powerfully within firms as well as across firms.

Within a firm, credibility is to some degree granted simply by being a member of that firm. If you work at Goldman Sachs or McKinsey, you can be fairly sure that your colleagues will also be bright and highly driven over-achievers: they would not have survived the recruiting process otherwise.

Other firms go to great lengths to develop common standards and common values, which makes it far easier to work across borders. Team members know that other team members will have a basic level of competence and some common values. For instance, GE invests over \$1 billion a year in talent development¹¹⁶ through its training centre at Crotonville and other hubs globally in Munich, Shanghai, Bengaluru, Abu Dhabi and Rio de Janeiro. These centres not only impart skills, they impart values.

Even within these firms, short cuts to credibility may be short but they are not strong. At the start of any assignment, there is normally a battle between the team leader and HR. The team leader will fight tooth and nail to bring on talent that can be trusted. Essentially, any talent that is available is questionable: if they are great talent, why aren't they assigned already? So the team leader will try to recruit known talent while HR will be pushing hard to place the untried and untested, along with a few others who may need a second chance. Absence of a good track record means that even in excellent firms credibility is not taken for granted.

Conclusions

Trust matters for three reasons:

- Trust is the currency of global leadership. It is better to be trusted than to be liked.¹¹⁷ courting popularity is weak and popularity is fickle. But trust is lasting and gives you strength with your team.
- Trust is also the glue that binds your team together. A high-trust environment encourages open and honest conversations, which are essen-

tial if the team is to understand each other and work well together.

- ▶ Trust helps to drive performance. It is easier to delegate and create a sense of autonomy and accountability with a team you trust: you do not have to micro-manage them.

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There are few short cuts to building trust. However, the trust equation gives simple guidance on how you can go about building trust with your team:

- ▶ Build intimacy. Get to know each team member as a person. Meeting face to face is a huge first step to building trust. Find excuses to bring the team together: training, planning, workshops. Behind the formal agenda, the informal social agenda of building trust pays huge dividends. Trust goes hand in hand with mutual understanding. Invest time in knowing your team.
- ▶ Build credibility. Always deliver on promises, however small they may be. And be very careful in setting expectations: people hear what they want to hear, which may be different from what you think you said. It is better to have a difficult conversation early about expectations, than to have a far harder conversation later about how expectations were not aligned or met.
- ▶ Be selfless. Show that you are prepared to put the interests of your team ahead of your own immediate interests, at least occasionally. You are very important in your followers' lives and they need to know that you support them.
- ▶ Manage risk, which is personal to each member of your team. You can do this in two ways. You can reduce risk by cutting up a large and risky project into small, manageable pieces for your team. Even if the whole journey is daunting, the next step may be simple. Second, you can show that the risk of doing nothing is greater than the risk of the way forward.

Although trust is the magic ingredient that makes global teams work, there is no magic in building trust. It is a form of social capital which requires investment of time and effort, but once you have made the investment it pays a steady return.

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CHAPTER FIVE

Communications

Less noise, more understanding

*'Many people communicate, few people connect'*¹¹⁸

We live in an age of hyper-communication. Never has it been so easy for people to communicate with each other: the cost, speed and accessibility of communications today is beyond the dreams not just of our grandparents, but even of our parents.

And yet, global teams consistently see communications as one of their greatest challenges. So how can communications be so difficult in the golden age of communication?

In practice, global teams do not see the problem as being about communicating: they see it as one of understanding. We may communicate more than ever, but we understand as little as ever. Better communications does not always lead to better understanding.

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Global teams feel the communications and understanding problem keenly. Seventy-six per cent of interviewees rated communications as one of the top five challenges facing the team. This was not about having a common language, nor was it about technology. Only 8 per cent of interviewees saw common language as a challenge for the team. Even where the interviewee spoke the language of the parent firm, over 70 per cent still saw communications as a core challenge.

Many saw technology as part of the problem, not part of the solution. Technology may help communication, but it does not help understanding. Many teams feel that hyper-communication is now becoming

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