



Every Country has its own Way of Doing Business.

To be, or not to be, appearance or reality, action or lip service – many such word pairs come to mind when you compare some firms' "global" and "international" company philosophies. What we are talking about here are those companies which take such great pains to appear worldly and cosmopolitan, and yet still remain so provincial at heart.

Take a company, for example one based in Germany, which is proud of its extensive worldwide activities and numerous foreign subsidiaries. It boasts executives who fly constantly from continent to continent, and who can converse just as smoothly today in French as they do tomorrow in English. But, when it comes to evaluating and handling personnel issues at its foreign subsidiaries, the same old traditional German misconceptions come to the surface.

There are many examples of this. The German parent company, in this case, has fallen on hard times and is forced to tighten its belt. The American subsidiary, on the other hand, is growing rapidly and is quite profitable. The American manager, though, not only finds him/herself being denied a bonus as a just reward for good performance, but is also forced to join in the belt-tightening. The same manager might even be

asked to take a pay-cut. In the next case, a German company searches long and hard for a new president for its U.S. subsidiary. It finally finds the ideal candidate at the competition, but has trouble accepting the request for a lump-sum payment of \$30,000-\$50,000 to cover his/her moving expenses. German management simply can't imagine that this is anything but naked and impudent greed – not realizing that this amount is quite within normal bounds in the U.S. And when German headquarters is asked to pay a relatively minor sum to an exceptionally talented new American executive as compensation for the bonus or stock options he/she is foregoing by leaving his/her former employer, then all the talk about "globalization" goes up into thin air, as this is clearly not the "German way".

There is an old saying, "When in Rome, do as the Romans do" – advice that should always be followed. The United States, like every other country, has its own traditions and customs, and what is "normal" or acceptable in Germany may be irrelevant in the American context. Of course, all steps should be taken in moderation, and no international organization should zig and zag too far from its core culture.

At the same time, though, it is simply logical for a company's operation in the U.S. to be as American as possible. This is particularly true in the area of human resources. No one knows how many unmotivated and disappointed managers of German subsidiaries are sitting around in the U.S., each of whose abilities and enthusiasm could be brought to bear to the benefit of the company – if only their German management would take to heart the message, "When in America...". ■

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