

INTERNATIONAL MANAGER

Companies Try to Bridge Staff Cultural Differences

By SHERRY BUCHANAN

International Herald Tribune

LONDON — Companies are beginning to admit that getting members of a mixed U.S. and Japanese staff or a multicultural management team to work well together is not always easy. Cultural differences can lead to misunderstandings that result in wasted time, low morale, high personnel turnover and even animosity.

Pharmacia, the Swedish pharmaceutical company, and Groupe Stanssens Strafor, the French office furniture and systems company, along with Procter & Gamble, Kodak Japan, Du Pont Co., Intel Corp. Japan, Rohm & Haas, as well as some Japanese companies in the United States, such as Fujitsu America, Hitachi and Sumitomo, are attempting to train personnel from different cultures to help them understand each other.

The problem comes when the employees perceive the training as just a corporate effort to indoctrinate them into the company's culture, be it Japanese, American or

'We try to tell people that it's like language.'

Kuwait To Issue Debt

Move Is a First For Gulf Nation

By Olfat Tohamy

Special to the Herald Tribune

KUWAIT — The government of Kuwait will issue debt for the first time ever this year to partly cover a projected budget deficit of 1.3 billion dinars (\$4.6 billion), the finance minister, Jasssem al-Khorafi, said Wednesday. The move is a first among Gulf oil producers.

"A law will be issued soon allowing the government to borrow," Mr. Khorafi said in an interview here. "We think that it makes more sense to draw on the nation's surplus liquidity than to draw down our investments."



Soviet women at a saloon

The Invisib

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"After four months of training," said Doug Lipp, program director at IRI International in Redwood City, California, a firm that teaches U.S. and Japanese managers to communicate. "The attitude is, 'Wait a minute, don't try to change me and turn me into an American or Japanese close.' We try to tell people that it's like language. You don't have to forget your mother tongue in order to learn another language."

IRI has three consultants working at Procter & Gamble in Tokyo and one in Rohm & Haas in Tokyo. IRI also has worked for Sumitomo, Hitachi and Fujitsu America.

"If we had tried to impose anything it wouldn't have worked," said Neville Owin, director of marketing for Steelcase Strafor, which is based in Strasbourg, France, with divisions in France, West Germany and England and branches all over Europe.

TO GET the general managers to work together, the company hired InterCultural Management Associates, a Paris-based firm. "We work with multicultural teams," said Iruse Rogara, a partner with InterCultural Management who spends time fixing cultural clashes within companies and coaching executives on different negotiating styles.

Sometimes the solution can be quite simple. In one company, the management team members fluent in English decided to talk more slowly, without using colloquialisms, and stopped the meeting every half hour to make key words clear.

Differences in management styles come from, among other things, differences in the perceptions of time, authority, hierarchy, risk and teamwork versus individual work.

"Companies are slowly waking up to the idea that cultural differences matter," said Lena Ahlstrom, who manages the Inter-cultural Communications department of Scandinavian Airlines System in Stockholm and provides training for SAS and other clients.

"A Swedish manager will take a long time before making a decision, holding many meetings to try to reach a consensus," she said. "A U.S. manager will take the decision first and then inform everybody else. The time element comes in getting people to accept the decision."

A day of working out cultural differences costs the client 14,000 Swedish kronor (\$2,163), compared with 10,000 kronor for briefings before departure and 3,000 kronor to teach business travelers the social dos and don'ts.

Measuring success is difficult. One manager believes that his company has been able to retain some of its talented U.S. staff in Japan thanks to IRI training. "The difference in how Japanese appraise people caused frustration among our American staff who were used to moving ahead much faster," said Mike Copland, the international support-servicing manager for Procter & Gamble in Cincinnati. "IRI training has enhanced our ability to retain talented people in the Japanese subsidiary."

ducers, but in 1985 tapping its huge foreign reserves to finance its budget deficits.

The continuing drawdown, coupled with a worldwide decline in interest rates, has in turn sharply reduced the country's investment income: For the year ended June 30, 1986, the last year for which full statistics are available, earnings plunged to 1.15 billion dinars from 2.5 billion in 1985.

Income from a separate reserve, the 14.3 billion dinar Fund for Future Generations, is untouchable.

As the same time, a sharp rise in cash balances for the country's businesses and 1.5 million residents has triggered fears of an inflationary spiral developing.

"Borrowing will do a lot to sop up the excess liquidity in the economy," said a Paris-based executive for one Arab bank. "It's a significant development that will help them develop some financial stability. It's certainly better than printing money to cover their deficits."

While the government's 1987-88 budget anticipates a deficit of 1.3 billion dinars, analysts said the actual shortfall was likely to be much smaller. They noted that the government's revenue estimates were based on an average oil price of \$15 a barrel, while Kuwaiti crude is now selling for an average of \$16.50 a barrel.

Mr. Khora'i said he did not yet know whether the entire deficit would be covered by borrowing.

He said the government had yet to decide on the type of the debt instruments to be issued, but stressed that only local financial institutions would be allowed to purchase them.

By Steven Greenhouse
New York Times Service

PARIS — In Moscow, entrepreneurial comrades are running their own beauty parlors and auto repair shops, while in China many farmers are eschewing the communal system in favor of selling produce they grow themselves.

On the other side of the ideological world, Britain and France are pushing to reinvigorate the state-owned companies by selling them to the public, while Washington the Reagan administration is pressing ahead with tax cuts and its war against government regulation of business.

It seems that no matter where you look nowadays, governments are turning to market mechanisms, Adam Smith's genius "invisible hand," to put up their economies.

Economists say that there is unusual agreement among capitalist and Communist countries about the importance of giving freer rein to the market: a overarching mechanism that helps articulate consumer desires, encourages inventiveness and disciplines inefficient producers.

"In remarkably different circumstances, people are learning that one can make market systems work in very useful ways," said Charles Lindblom, a Yale University political economist and author of "Politics and Markets."

Certainly the most important recent move toward the market was the historic policy change announced last month by the