

How to avoid overlooking cultural differences in a globalized world

There is no global endgame for how people want to live their lives

Business has become global. It is a cliché, but it is true. An increasingly unified way of doing business globally, however, seems not to have converged into a single globally aspired endgame for how people across the world want to live their lives. This current insight stands in some contrast to what optimists have suggested earlier. Take Francis Fukuyama. He wrote the book "The end of history and the last man" around 1990, in the wake of the fall of the Berlin wall, now thirty years ago. It is a fascinating book. He sketches a world where essentially all nations on earth are on the way to embracing a liberal democratic society model. The Western model had won. The West had provided the blueprint for how to live happily together ever after. Ample facts and figures provided by Fukuyama illustrated that the roll-out of the model globally proceeded well. It was only a matter of time and especially wealth generation in those countries that were still in transition towards the model, before the model would be the global universal standard.

Similarly, Thomas Friedman around 2006 published his influential book "The world is flat". He accurately and vividly describes the revolutionary change brought about by the possibilities of globally connecting people as enabled by the internet. He suggests that due to this connectivity and the related internationalization of trade and supply chains, we were likely moving towards an almost borderless world. This world enables every nation to participate in the global growing of the economic pie, making almost everybody happier.

When opening your eyes today, countries in Eastern Europe and the Middle East do not seem to embrace liberal democracy as much as they were expected to. In addition, most of Asia is either not democratic or democratic in name only. This applies even to countries that economically have shown phenomenal growth since Fukuyama published his book. This falsifies a hypothesis that by default wealthier people more likely want to live their lives in democratic societies. In addition, the pace of globalization which was still high around 2006 when Friedman predicted has flat world has now halted, if not is now in reverse. We have witnessed a Brexit vote fired up by the slogan "Take Back Control". The Trump-administration in the US also questions some of the fundamental dogmas of economic globalization. How flat will the world really be?

In spite of Western free-market-oriented democracies consistently occupying the highest ranks in the World Happiness tables, the past thirty years thus apparently has not led to a global consensus on how to govern and regulate how we live our lives, or so it seems.

For business strategy this implies that business needs to keep an eye on geopolitics and culture differences when for example assessing the attractiveness of markets for investments. No matter what the optimists say, the idea that there is such a thing as "one size fits all" for culture is hopelessly ethnocentrically biased.

This long introduction hopefully explains why as a business strategist I recently attended an international academic seminar on geo-politics. The seminar was

attended mainly by academics from the US, the EU countries, the Middle East and yes by one Russian delegate. You will hear more of him later...

The art of war redefined for the 2010s

At the seminar, one of the speakers was a Westerner. He attempted to define the art of war for the late 2010s. In his view the art of war had changed. Regular warfare, so not guerrilla-like terrorism, he said, is now more focused on influence and less on destruction. To me that sounded like good news. Yet, he observed, war had not become less aggressive. He subsequently compared 'classic cold war' Soviet strategies for gaining influence in the West and in doing so furthering Soviet interest with what Russia currently is reportedly doing to further its interests. The Russian approach, he stated, consisted of essentially three main elements of deception and denial:

- Maskirovka the art to deceive foreign adversaries, directly targeting their population by feeding them with misinformation, often through social media.
- Propaganda the art of handling their own population by controlling and coloring the information they have access to – even in today's internet times. Spreading conspiracy theories and fake news belong to this category.
- Denial the capability to deny their own people access to a variety of sources and opinions through censoring.

In today's wars the center of gravity as defined by 19th century war strategist Von Clausewitz is the human mind. The art of war today is to truly become 'engineers of the soul', stepping in the best 1930s Soviet tradition.

The speaker offered multiple ideas for Western approaches to counter this strategy. In doing so he ignored the universal applicability and even worse the universal application of the three main elements described above. This to me looked a bit biased. For the point I want to make though this fact and his suggested counter strategies are irrelevant. Even when the presenter, worthy of an academic, to a good degree maintained a neutral view, he implicitly did sound a call for action. He called to preserve Western democracies by protecting them against the venom of misinformation from Russia that may among others affect the outcome of Western elections and ultimately through this the Western style of life itself.

Seemingly, most in the audience seemed to concur. Some like myself may have possibly been unaware of a confirmation bias effect. We heard what we already believed. What was said comfortably confirmed our pre-existing views. In response and possibly unknowingly we stopped to think critically.

The embarrassment of questions and answers

Now it was question time. One hand went up. It was the only Russian delegate. He had only one question. He asked: "How many times have you been to Russia?" A bit embarrassed the speaker truthfully admitted "none". Our Russian delegate immediately retorted with a satisfied grin: "Thank you!".

Rarely have I seen the credibility of a speaker being hurt so devastatingly and effectively. The brilliant implicit message was (or at least so it looked to me):

- Who is misinforming here?
- How can you be so pretentious and outspoken on Russian strategies and tactics when you have never taken the trouble to experience Russia?
- What exactly gives you the authority to say this?
- What do you know about the complexity of studying culture at a distance (think: Margaret Mead)?

When I reflected on this later, the Russian delegate's reflexive answer also proved one of the speaker points, even when that may have been unintentional. As a Russian he implicitly felt it his duty to neutralize anti-propaganda right there and then. As per our speaker's framework he, when confronted, applied means to question the credibility of the source. What if I would call that a form of censoring?

The purpose of my visit was to get a better understanding of geo-politics. The serendipitous result was a short course in debating skills. Apart from that, I took home the following lessons for my future business strategy design and execution consultancy.

The end of history is not in sight

The first lesson I took home was that apparently in the global geopolitical strives of the 2010s, culture and values still have economy for breakfast – even in a world that economically is proclaimed to flatten. The end of history and the last man are not in sight. Apparently, when given a choice, many people in the world seem to prefer *respect and authenticity in poverty over wealth at the cost of a change of their values*. In a world that technologically is becoming flatter, people may well feel they have little choices left. The choice they still do have, however, is whether to assimilate to an emerging global 'elite' culture dominated by Western ideas or to stick to their own values.

This is not to say that people may not enjoy change. They may surely like to adapt to the next generation of the mobile phone at the time of their liking. For phones a global standard is fine. People across the world likely agree that having a mobile phone is a good idea. These very same people may, however, reject to be changed in their values. This holds probably especially true when such change is only for the sake of economic progress alone.

They may even staunchly support their government's initiatives, such as maskirovka. That is, when such initiatives ensure that value changes do not come

their way. This may even be true when that means they are in doing so knowingly sacrificing some of the rights they would have had in a liberal democracy.

The second lesson for me is that in business we have to respect this split. We may offer globally appreciated products that may lead to a global standardization of communication, but as business we have nothing to contribute to a discussion on a globalization of moral values. Neutrality and respect for people's choices is the only option. This is no new news, of course, but with the end of history not being anywhere in sight it may be a helpful reminder.

Finally, I assessed that it is important to recognize that the world is not likely to become one market culturally. What was true in ancient times, remains true today: when in Rome, act like the Romans. Applying this statement for business seems to suggest that when in Rome, hire a Roman as your sales manager to avoid cultural misunderstanding. In other words: never let your customer ask you: "Now I like your sales pitch, but tell me: how many times have you been to my country?"