

A practical approach to director's cultural challenges in Asia



Didier Guérin MAICD
President and CEO
Media Convergence, Asia-Pacific
Member since 2008

Part 2: At the Board – behaviour and management

Dealing with obstacles and challenges are not a Western monopoly. They will occur as frequently, if not more often in Asia. The best approach to solve them is to abandon the Western values of individuality and personal achievement and to become more Chinese (or more Asian) than the Chinese.

As explained before¹, the need for *Mianzi* (saving face, status and honour) will have to drive the motivation and action of the Western director at the board meeting. Leaders do not exist by the rights they have to make decisions, but by the obligations they have to preserve the group. Therefore, the preparation is usually more important than the occurrence of the meeting itself.

The slightest conflict cannot take place at the meeting. Everything in its minute details has to be dealt with before the meeting in order to avoid surprise. Even the agenda has to be presented as a draft well in advance with requests for comments and suggestions. It is also essential to provide as much information as possible to the other directors in order for them to be comfortable with the issues. If any disagreement is perceived, it must be solved before the

meeting. In case the disagreement appears to be substantial, it is better to send a middle level executive, or a consultant, to meet the other directors to try and find an understanding. An emissary will always be accepted provided he or she is driven by the always constant “win-win” motivation and appearing as a friendly non-decision maker.

Conversely in the West, we tend to establish systems and procedures to prevent or pre-solve problems, in Asia (and even if the same set of systems are in place), the personal intervention will always prevail. Decisions are made by consensus, not by compromise. Therefore it takes a lot more time to make decisions than in the West. My advice is to multiply by two – the time you would normally expect to deal with an issue. Then multiply by four if you have to use an interpreter. But this apparent loss of time upfront, will save precious time during the meeting and will help to avoid direct confrontation which is always difficult to handle in this cultural context.

The irony is that Western directors have to evolve

in an environment where the concept of corporate governance is fluid. The basic principles of transparency, discipline, disclosure and proper communications with the shareholder must be frequently emphasised as they do not always appear essential in Asia, still driven by the main values of Confucius. As presented separately², CLSA Asia Pacific has surveyed 11 countries’ public companies to find that the most reliable places to follow some level of corporate governance integrity were Singapore, Hong Kong and Thailand, followed by Japan equal with Malaysia, then Taiwan, India, Korea and China. The worst last two countries are the Philippines, slightly improving, and Indonesia, slightly worsening.

Finally, what happens after the board meeting is equally important as the meeting itself. It is the time to celebrate and acknowledge people – don’t avoid the banquet which will most likely have been planned – and to confirm your commitment, long term to the company. You cannot have winners or losers, but

always win-win situations.

As Paul Cheng, a Hong Kong Chinese entrepreneur who has had several board memberships of large companies in Asia, wrote: “In China, everything is possible, but nothing is easy”³. ©

Didier Guérin has experienced the challenges of communicating with fellow directors in various different cultures. He has been a Member of the Board of several media companies in Japan, Taiwan, Hong Kong, Thailand, Australia and the US.

¹ “A Practical Approach to Director’s Cultural Challenges in Asia – Part 1” *INT Director – Summer 2013*

² *AICD The Boardroom Report – Volume 11, issue 6, 3 April 2013*

³ “On Equal Terms: Redefining China’s Relationship With America and the West”, by Zheng Mingxun, *John Wiley & Sons, 2011*

