

# Financial Barriers

Finance team leaders can leverage cultural differences to maximise business integration, says *Amitai Touval*

**C**HINA-BASED CFOs ARE increasingly expected to contribute to the business decision-making process, and organisations are striving to assemble finance teams capable of supporting CFOs' expanded authority.

As in the rest of the world, team members are expected to bring leadership skills and subject-matter expertise to the table. In China, however, finding the right mix of talent is difficult because rapid economic expansion has created an acute shortage of highly qualified professionals. To compensate for this shortage, large companies are searching for talent in global markets, recruiting finance leadership team (FLT) members from countries as diverse as Australia, India and Brazil.

While such FLT members may have impressive credentials, they may not share the same ideas on how best to communicate with other areas of the business. Some may strive to translate financial insights to ensure that their colleagues working in other departments fully understand the concepts they are attempting to communicate, while others may believe that it is their colleagues' responsibility to understand the language of finance.

These different approaches to integrating cross-functional management practices may hurt the business. Rather than pulling planning and measurement systems together, FLT members could unwittingly contribute to their fragmentation, diluting a CFO's authority in the process.

## Make Communication Explicit

What should be done to fix this situation? What is called for is an agreement between the FLT and other areas of the business concerning:

1. Desired outcome, such as a close partnership between finance and other departments, perhaps with finance working collaboratively as a problem solver (fully understanding the specific needs of all the business functions), or with financial language being routinely used in conversations across departments.
2. Shared communication protocol – a commitment from the FLT to translate financial insights to the other areas of the business.
3. Follow up – a commitment to ensure (via regular reminders) that the above-mentioned outcome and protocol are adhered to in the future.

FLT members in China may have particular difficulty with the follow-up reminder step. Beyond the challenge of engaging in feedback in an environment where feedback is not common practice, FLT members coming from a variety of different countries may not know which cultural values to invoke in order to re-energise a shared commitment.

## Different Strokes

To ensure effective follow-up reminders, it is worthwhile to draw upon the research of Geert Hofstede (the influential Dutch writer who has analysed how cultural differences impact upon the workplace).

Without a follow-up reminder in place to reinforce the agreed outcome and shared protocol, Brazilian and Indian executives, for instance, are likely to draw on the ideal of benefiting the organisation as a whole when reminding their Australian colleagues to avoid finance jargon when speaking with colleagues in other departments.

Australians, however, exhibit a strong individual orientation, which predisposes them to take care of themselves and their own needs first. They may perceive their Brazilian

colleagues' concern for harmony and consensus as evidence of indecision and lack of confidence.

The Australians may need a different sort of reminder, one that may be counter-intuitive to their Brazilian colleagues. Australians' commitment to avoid finance-specific jargon likely reflects their belief that - differences aside - all people are fundamentally equal. Taking a pragmatic approach to the different roles in the workplace, Australians are motivated to avoid jargon in order to get their work done.

## Integrated Ideal

Despite their leadership skills and expertise, cosmopolitan FLT members are also liable to create conflicting expectations within a company unless all of them make an explicit commitment to a shared communication pattern.

Such a pattern can be homegrown, can replicate an existing Chinese pattern, or be a new model or a hybrid. Whatever it is, team members will need to hold each other accountable to a shared behaviour by invoking one another's cultural values. In China, where CFOs are increasingly asked to contribute to business decisions, a team that intelligently leverages cultural diversity to achieve its purpose will bring in integration rather than confusion. **SBR**

*Amitai Touval, PhD, is a consultant at ITAP Americas, a consulting firm that helps CFOs leverage their team's leadership potential. Shanghai-based Shi Bisset & Associates is an Affiliate Member of the ITAP Global Alliance.*

