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### **5.3 Dealing with Cultural Differences**

This section covers the topic of dealing with cultural differences between Swiss exporters and distributors in Arabic-speaking countries (© Fig. 5.1). In the beginning, the approach of a Swiss manager in an ABB factory in Saudi Arabia and his take on how to deal with cultural differences is presented. These are analyzed and presented based on proverbs. The

section is summarized in rules with the most important insights into dealing with cultural differences.

### 5.3.1 Case Study: Dealing with Cultural Differences—ABB

ABB ([www.abb.com](http://www.abb.com)) employs about 110,000 people in over 100 countries and offers products and services in the fields of electrification, robotics, automation, and motion technology.

From 2016 to 2019, Anton Tremp was the Local Business Unit Manager for High Voltage Products of ABB in Saudi Arabia, which included a production facility. In Saudi Arabia, there are cultural peculiarities that contradict typical rules and values one would commonly relate to Swiss mentality. A good example is the concept of *Barakah*, which can be translated as “blessing” and refers to the belief that closeness to God will have a more relevant impact on the result of an activity than one’s own actions. What is well known and related to this concept is the expression “in shā’ Allāh”, i.e. “God willing”, which explicitly expresses that for the outcome, one must rely on the mercy of God. Thus, the future outcome lies in God’s hands and can only be indirectly influenced by a person’s closeness to God. Therefore, if a result cannot be achieved, it may not be attributed to individual actions, but rather to God’s will. Foreigners who work in Saudi Arabia need to understand and positively accept the *Barakah* concept, as it would not be acceptable to directly or indirectly criticize this approach, since it would be perceived as a criticism of Islam itself.

In terms of leadership, there is quite a top-down mentality: a manager in Saudi Arabia is always right. Any form of criticism—direct or indirect—is viewed by both managers and employees as unacceptable. Even simple feedback can easily be understood as criticism, which is why employees are afraid of potential retaliation. Therefore, such an environment results in a “highly flexible approach” of subordinates toward any data, factual information, or agreements to avoid potential repercussions. At times, typically Swiss expectations are not met, which may be experienced as disturbing in the beginning; but, as Anton Tremp pointed out, it is important to understand the local “socially accepted level of dishonesty” and to adjust one’s expectations while at the same time driving softly toward the necessary improvements, which are needed to manage one’s business—and this is the only way to achieve sustainable improvements.

In Switzerland, efficiency is very highly valued. However, in Arab cultures, personal relationships are equally important. Building a tangible business relationship with a local partner typically requires several personal meetings to foster it before it can serve as a foundation on which to build a business. Anton Tremp mentions some of the success factors when dealing with the cultural challenges typically faced in Saudi Arabia. First and foremost, one needs to be non-judgmental in their approach, as well as flexible and fault-tolerant to start with. There is a lot that will not work in the beginning, and in such situations, the potential approaches for improvement need to be phrased free of criticism

toward the local partner in the initial phase in order to avoid them losing face—not necessarily from a Swiss perspective but, more importantly, from a local perspective.

Anton Tresp also explained that for the ramp-up of the production facility, a Quality Management System according to ABB's global standards had to be built up, and, in this context, a Continuous Improvement Process (CIP) was of crucial importance. Bringing this to life in a culture where everyone was afraid of giving any feedback on how something could be improved proved to be a challenge. Therefore, as a first step, a feedback system was introduced where the local management team had to learn to openly criticize Anton Tresp himself. To start with, the team was forced to express criticism via an external person so as to ensure anonymity; all these points were openly discussed in front of the management team but still in an anonymized form. As the employees noticed that giving such feedback did not have any negative consequences, they became more open and, one-by-one, started to openly express themselves. This also improved day-to-day cooperation and commitment. In a following step, weekly CIP sessions were introduced with mandatory participation of all employees across all hierarchical levels. In these CIP sessions, the different departments had to present some of the improvements they had made, and Anton Tresp presented subjects related to leadership and soft skills, as well as the macroeconomic challenges Saudi Arabia was currently facing. Also, quarterly town hall meetings were introduced, where all employees were informed about the progress of the business. Through such open dialogue and trusted relationships, it was possible to introduce a vast range of business-related changes, being supported by the employees and consequently developing the business in line with its strategic direction. It also allowed for significant changes from a societal perspective. When Anton Tresp took over his role in 2016, there were no women in the respective workforce, but when he left in 2019, two women were part of the local management team.