

The Functional Level of Culture

Understanding culture at the functional level of analysis is of special importance since key performance objectives rely on effective cross-functional collaboration. Achieving higher levels of responsiveness, efficiency, and innovation depends increasingly on “groups of people with a clear purpose representing a variety of functions or disciplines in the organization whose combined efforts are necessary for achieving the [its] purpose” (Parker 1994). That cross-functional teams present a unique type of challenge is no surprise to anyone who has ever been a member of one. Rifts between research and marketing, engineering and sales, or human resources and general management are, among others, notorious parts of the corporate experience. Applying an intercultural perspective to cross-functional interactions provides more than a differentiated understanding of the phenomenon of culture; it unlocks a set of powerful synergies.

During a recent project, TMC assisted a product development team of a pharmaceutical company whose underperformance was believed by our client to stem from its international makeup. Working with the team and applying the generalized tools of the Cultural Orientations Approach™ proved useful in unexpected ways. The mapping and analysis of interaction patterns and experiences, assisted by the aggregate Cultural Orientations Indicator® (COI) profile and direct observation, yielded distinct differences along functional lines that clearly cut across nationalities.

Differences on both the surface and deeper levels of functional culture stood in the way. On the surface, terminology and jargon presented a significant obstacle. In one instance, the acronym PDF was used over several months only to be revealed as carrying three distinct meanings across the represented functions. Deeper cross-functional disconnects emerged when TMC explored the perceptions of and attitudes towards risk, decision making, conflict handling, and one’s ability to affect desired outcomes.

TMC’s analyses of existing COI data based on business function indicate statistically significant differences between Research & Development and Marketing functions. The data tells an interesting story that suggests that the experience of the cross-functional team described above is anything but unique. Notably:

- R&D functions tend to approach problems and projects in a more specific, sequential and focused way, while Marketing functions tend to focus on interrelatedness and multiple contingencies.
- R&D functions tend to value following formal hierarchy and authority, whereas Marketing functions tend to tolerate bypassing formal hierarchy and authority.

- Decision making tends to be more collectivistic in R&D functions, while it is more individualistic in Marketing functions.
- When viewpoints conflict, R&D functions tend to value compromise and mutually acceptable solutions, whereas Marketing functions tend to be more tolerant of open conflict and asserting individual points of view.

In the vocabulary of the COI, these differences can be mapped as cultural gaps.

R&D Functions	Marketing Functions
Linear	Systemic
Single-focus	Multi-focus
Hierarchy	Equality
Collectivistic	Individualistic
Constraint	Control

As a result of the respective cultural orientations above, Marketing managers tend to experience their R&D colleagues as overly narrow, unconcerned with the bigger picture and ignorant of interdependencies of organizational performance, limiting, and even paralyzing. R&D managers, on the other hand, may find their marketing colleagues unfocused, perhaps slightly chaotic, irreverent, unmeasured, and erratic. These perceptions can minimally distract from shared objectives, but often seriously derail success altogether.

Of course, understanding functions as cultures and cross-functional interactions with an intercultural perspective does not in itself create better interactions or more effective teams. It does make a difference to understand that a Marketing or R&D representative acts in a particular way not because he or she is a difficult person or seeks to derail the project, but because of endemic differences associated with the performance, structure, and unique processes within a specific functional group. Therefore, creating a shared, nonjudgmental understanding of team patterns is a critical first step. Recognizing the *cultural* nature of behavioral tendencies helps to depersonalize the attribution of difficulties. Once these parameters have been established, resolution can be enabled through the process of *cultural dialogue*, a learning dialogue through which differences are explored and acknowledged and mutual adaptations, guiding principles, and new norms are negotiated.

In the case of the global development team above, this dialogue was conducted as a one-day facilitated process in which the experience of the facilitator as an embedded member of the team could be leveraged with the specific COI data and general COI patterns on a functional level. Drawing from various data sources was an important aspect of the process, particularly for the more scientifically oriented participants; however, the data served mainly to gain credibility and buy-in. The core of the dialogue was focused on breaking through the emotional barriers and resistance

built up over months that created a virtual stalemate to collective progress. Once constructive momentum was generated, the team generated a number of adaptations and defined guiding principles for moving forward, including a way to track its own progress.

The ability to facilitate a cross-functional team through such a process is essential for culturally competent leaders. It is the cornerstone for reaching across cultural boundaries and beyond stereotypes. It leads to the ability to value and ultimately leverage existing differences and is central to creating the synergies that executives hope for when rearranging organization charts. These synergies enabled the product development team above to exceed expectations of the executive sponsor, generate a best practice for shortening development time, and engage external stakeholders. Shifting the identification of team members away from their functional affinity and towards the team itself was fundamental to this success.

Based on TMC's own analysis of its Cultural Orientations Indicator[®] (COI) database, cultural differences by functional or occupational disciplines can be at least as significant as those on a national level. This is not a surprising finding since career choices are frequently acts of self-selection. It is expected that a particular industry or activity would appeal to similar individuals and would inculcate specific beliefs and norms through practice and formal training.

The reluctance in many organizations to act on this insight, however, *is* surprising. Most organizations provide some sort of preparatory training to its expatriate managers or employees who work in an increasingly international or global context. They do so because they are convinced that their employees require some preparation to manage the seemingly obvious and uncontested cultural differences between nationalities. Organizations would be well-advised to apply the same due diligence to differences and interactions between their functional/professional (or occupational) groupings.

The above analysis of cultural orientations patterns between R&D and Marketing illustrates the relevance of a cultural perspective at the functional level. It can easily be seen how these orientations contribute to the creation and persistence of stereotypical notions that fuel a vicious cycle of devaluation, disregard, disrespect, and the resulting lack of effectiveness.

The COI data analysis supports those who lament the overemphasis and overreliance on the national level of culture and the underestimation and underutilization of the cultural perspective at a functional level. Since many of the performance imperatives of today's global organizations rest on the ability of individuals and teams to transcend both national and functional differences effectively, both levels need to be taken into account and approached with careful differentiation. Understanding functions as cultures within the same national context can unlock significant performance improvement and meaningfully support change initiatives.

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