

Multinational Corporations' Approach to Multi-country Change: *Factors contributing to Success and Failure*

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Summary:

Change initiatives introduced by multi-national organisation across multiple countries require significant investments of money, time and other resources. Yet, post-initiative assessments indicate a low rate of success finishing projects on time and budget. In addition, the business value often remains unclear. Joanne interviewed 28 global or regional executives with experience introducing change initiatives and compared responses to a meta-review of relevant academic literature. She then used a case study to test the validity of observations and conclusions about change program management in a multi-national context.

Recommendations:

Joanne proposes that multi-national organisation leaders can improve the success rates of change initiatives by taking into account certain change-enabling and change-undermining factors as they plan and implement change initiatives. For example:

Scale: The expansiveness of an initiative across multiple countries adds to change complexity and therefore difficulty. One option is to be less ambitious. Another is to increase resources consistent with complexity levels.

National culture: Of 50 management practices identified as affecting change management and performance, the application of most if not all vary based on cultural habits and nuance. Assuming "all people are the same" underestimates the impact of cultural differences on change management efficacy.

Planned vs. transformational change: Most multi-national change initiatives concentrate on tactical and "engineer-able" process elements of change, overlooking the importance of communication to gain understanding and engagement of various stakeholders. More time and energy spent on the "people" aspects is a good "investment" for ensuring change success.

Lessons from others' experiences: Leaders experienced with multinational change are sources of illuminating insight based on their firsthand learning. One of the experience-driven tips captured in Joanne's research illustrates this point:

"We had a shared services concept [accepted] in the Philippines. Hong Kong outright resisted. Thailand and Singapore 'accepted' and resisted passively. New Zealand said 'no, we'll do our own thing,' and the Australians said 'if the numbers stack up'. Same concept, totally different reactions, totally different cultures."

Alignment of business and project objectives: Differences between time frames and business objectives were found to create ongoing practical reasons for project failures.