

For Review Only

"For any business, success in Asia is increasingly important.
Surfing the Asian Wave is a step-by-step guide to succeeding there."

— Mat Kirkby, Oscar-winning film director/producer

"Asia and the West are converging at an unprecedented, world-changing rate. This book shows you how to thrive at a critical time."

— Jay Shah, CEO, OpenDNA

**The world has changed. Asia and the West have intersected.
The old borders, rules and ways of working no longer apply.**

The single most valuable skill of the 21st century will be the ability to surf the waves of change in this new global reality. Vastly divergent values, priorities and communication styles pose huge challenges to anyone operating at the intersection of Asia and the West.

This book combines first-hand experiences from thinkers, leaders, creatives and entrepreneurs across multiple industries with robust academic research, then distils them into clear, actionable insights that you can apply in real life.

Each chapter focuses on a single area in which Asia and the West diverge in terms of thinking, tradition, behaviours and values, and where the most common mistakes are made. Chapters can be read in isolation, in sequence or reread when needed. Topics include: Power, Relationships, Corruption, Face and Risk.

***Surfing the Asian Wave* is an exhilarating guide to succeeding in the 21st century's seas of disruption. Get ready for the ride.**



Steve McGinnes is an Asia-based business leader, writer and commentator with more than 15 years' experience working across the Asia-Pacific region. He has led highly successful regional businesses and works with some of the world's largest MNCs, government bodies, educational institutions, startups and select individuals. Steve is a regular guest on BBC World News as an expert on business, culture, branding and communications.

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"Valuable insights that help the reader navigate the slippery slope of East-West relations."

— Karsten Warnecke, Ambassador, Asia-Europe Foundation

SURFING THE ASIAN WAVE



How to survive
and thrive
in the new
global reality

STEVE MCGINNES

"Fun and stimulating... provides great insights on the cultural differences in doing business across countries."

— Ian McLernon, CEO, Rémy Cointreau Americas

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SURFING THE ASIAN WAVE

How to survive
and thrive in the
new global reality

Steve McGinnes



Marshall Cavendish
Business

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1: Relationships

“Without humility and an effort to understand, you can’t build a relationship of trust. Without a relationship of trust, you can’t do business.”
— Ian McLernon, President and CEO of Rémy Cointreau Americas, 7 years spent in Asia

“In Asia, it is likely you will break the rules at the start. Did you sit in the right chair? Did you give the right greeting? Did you present your card the correct way? If you are arrogant or unthinking in your attitude or approach, then this will be seen as indicative of your character. Then it is likely that you will never be able to successfully do business with those people.”

Ian is solidly built, incredibly focused and immaculately dressed. We meet for lunch at a restaurant on a pier in Singapore. Sitting with him makes me feel like I got dressed in the dark. The soft Irish accent, the well-cut suit, the watch, the haircut, the smile, all combine to give an impression of elegant, conservative authority.

Ian works with luxury brands, and luxury is all about understanding the impression you are conveying and paying attention to the details.

"If you are humble and try to understand, if you start the relationship off in the right way, if you show interest in getting things right, then, even if you make a misstep, it will likely be overlooked."

As we eat, Ian becomes more animated. He gestures with one hand whilst holding a fork in the other. He talks passionately about his years in Asia.

"A trusting relationship is not a short-term thing. You can start to build it from the first meeting, but you won't actually have it for many years. That is where many expats, with their three-year contracts, go wrong. You can't build trust in such a short time."

If you are lucky, your predecessor, your company or your brand has established some trust and you can build on that."

Each country is different and has its own rules. There are common Asian foundations across China, Japan, Korea, South-east Asia, but they vary across specific aspects. Within each country, individuals can succeed beyond what we may see as a rigid structure by effectively managing relationships.

To give just one example, in South Korea most of the hugely successful companies are family-owned and run. That aligns with foundational Asian values. However, smart, driven individuals who are not part of the family can still do very

well in those companies. But they need to operate within that framework.

They build strong relationships with the key family decision-makers. They follow the protocols of a family business. They display respect and humility. But simultaneously they are able to bring in a fresh perspective and escape some of the family restrictions and expectations. This allows them to work effectively and even to drive the required change gently from within the organisation.

A number of successful and dynamic Asian business leaders grew up in Asia, so they are inherently grounded in an understanding of that culture and its relationship norms, but were then educated or gained professional experience in the West. They bring home alternative ways of thinking, building it into the solid and effective Asian values and principles they know so well.

This can be seen not only in the behaviours and results of successful individuals and companies, but also in how whole cultures and countries are starting to behave.

“Asians are not becoming Westernised! You would be naive to think so. They are selecting and adopting successful Western ideas, ways of thinking and practices, then integrating these into their existing traditions, relationships and ways of working. They are cherry-picking the best bits. That’s what’s driving the huge Asian success stories.

In the West, we have been really slow to see what is happening. And we still aren’t adopting the same principles. The learnings and successes are going one-way.”

It is clear that Ian thinks we should be paying a lot more attention to what Asian brands and businesses are doing. Not just to stay ahead, but to learn from them.

“Those who fail in Asia are those that do not appreciate what there is to learn here. They aren’t inquisitive. They don’t enjoy talking to people. They are not open. They don’t build strong relationships. As a result, they will never build respect or gain trust.

Title is important in Asia, but don’t forget that how you interact with others is what really demonstrates your position in the hierarchy. How you behave conveys your power, not what is written on your card – these are just words. The relationships and behaviours are what counts.”

As we finish lunch and pay the bill, Ian tells me a story that brings to life the importance of trust and relationships.

“I built up a strong relationship with one of our customers. He was the family business patriarch, an older gentleman in his 70s. Our companies had been working together for perhaps three years, and we had met a number of times.

When it was announced that I was leaving, he took the time to bring me into his life. He took me to his church. He took me to his favourite restaurant. Were we friends? Probably not, but perhaps we were starting to be. In the West we try to separate work and life. We think business and friendships are separate. They are not. They are extensions of each other.

In Asia, when the line between business and friendships begins to blur, that is when trust begins.”

Many Westerners are surprised at how deep and interconnected the webs of personal, family and business relationships are in Asia.

The family network extends beyond the standard Western nuclear family, to extended family connections and even the much larger clan network and relationships.

Friendships formed in the neighbourhood whilst growing up, at school or in army service are highly valued and nurtured. Childhood friends will see each other at Lunar New Year or other festivals and gatherings. School alumni groups meet regularly, have social media groups and mobile platforms. Army cohorts have regular get-togethers. They act as personal and professional support networks. Advice is sought, business deals done and jobs given, all within the group.

Not only are the groups stronger and larger than in the West, they are not distinct and separate the way Western groups often are. In Asia these groups overlap and interweave. Families work together, army friends employ each other, fathers hire sons-in-law, brothers-in-law help each other, brothers run competing departments, neighbours become colleagues, and colleagues become friends.

In Asia, a person's relationships are the conduit for almost every job opportunity, introduction, promotion or deal they will ever have. These relationships are built on their (or their family's or friends') reputations. The intimate interconnectedness of relationships means that your reputation is widely known, or instantly researchable. Your reputation and your relationships are your most valued assets.

Karsten Warnecke of the Asia-Europe Foundation (who we hear more from in the chapter on Time Perception) illustrates

the different emphasis on relationships in Asia, drawing on his experience working with global leaders:

“When the Asia-Europe Meeting (ASEM) was set up, the Asians wanted summits. Big, public gatherings with dinners and events and speeches and ceremony. The Westerners wanted meetings. They saw summits as a waste of time; better to just get together in small groups and agree actions.

That is what many Westerners misunderstand. They don’t realise that without the relationship-building, there can be no action.

In the West, we are conditioned to agree actions and business with the other side primarily – and only when the project is under way, then we start to build a relationship with the other side. Action first, relationship second.

In the ‘East’, it is the other way around. You take time to build the relationship first. Then and only then, with a strong relationship of trust and respect in place, do you start to do business.

Westerners often don’t understand that. We got the Westerners to the summit with the promise of bilateral meetings happening around the summit, where the actual work would be done!

You need to show your face, figuratively and literally. Asians will walk into a room and see who is and isn’t there. Who took the time to show up. Who showed a commitment. And who didn’t. It’s noticed and remembered. And not just whether a country is there or not. Who is representing that country is key too.

You have an election happening? You have a crisis? It

doesn't matter. The leader should still be there, if they cherish the relationship. Sending an underling doesn't cut it.

An Asian host country held a commemorative summit. A few countries didn't feel it was worth the head of state going. What would be achieved? It was noticed. When all the representatives arrived, they were ushered into a room for a meeting. The heads of state got plush leather armchairs. The non heads of state, the underlings sent instead of the head, got simple chairs. That's how the host showed their opinion of sending juniors, without having to actually say anything. The countries understood.

In Asia you have to show up. You have to demonstrate your dedication, not just say it; otherwise it's just seen as 'blah blah blah'.

Once you build the relationship, follow the formalities, observe the process and protocols, then you can start to be a little more direct with your requests. With some Chinese I am direct. Others might perceive it as rude, but because I have taken the time to build up that relationship, instead they say I am 'candid'!"

Navneeta and I meet in the offices of a major global media company. Art and awards on the walls. Food and snacks spread out for staff and guests to enjoy. Glass-fronted fridges filled with soft drinks, wines and beers.

Navneeta is small and elegant. In an industry that has its own self-imposed uniform, Navneeta dresses in a manner that whilst wholly professional and appropriate, reflects who she is, not where she is. We take up residency in a small conference room and sip from tall, thin cans of diet Coke.

"From an Asian point of view, a lot of Asians secretly believe Westerners are entitled. That they get given opportunities because of where they are from, not because of talent or hard work.

On the other end of the spectrum, there are also a lot of Asians who still look up to Westerners, who believe they have the answers. They want to ask the Westerners, 'Lead me!'

It's like in postwar Britain when the class system began to erode. People used to look up to the aristocracy. Then they realised these lords and ladies were just like them, no smarter, just the same. Then they started to hold them in contempt.

My advice: Before you start trying to tell people what to do, work your butt off. Demonstrate why you are in the role. Show that you are there by hard work and talent, not because of the colour of your skin. That way, you build solid relationships across both sides of the table. Both sides respect you."

We stop for a few moments, as Navneeta remembers she needs to instruct someone to organise her ticket for a trip to Japan in a few days. A few taps of the keyboard on her laptop and we continue talking. The topic has shifted to how to engage.

"When you can forget who you are, lose the baggage you brought with you and see from a neutral perspective, then you have crossed the boundary. Then the relationships move from superficial, functional ones to deeper ones. Then, even when you make a mistake, people will forgive it because they intuitively know where it has come from.

Building your local personal relationships is vital. You need people outside of the workplace that you can ask for

help and advice. You need people that you feel comfortable saying to them, 'I don't know. Can you help me?' This is vital when you are learning and growing, transitioning between roles or building new contacts."

Research by Ronald Burt (University of Chicago) and Katarzyna Burzynska (Radboud University in the Netherlands) from 2017 looked at the number, type and depth of relationships held by thousands of people, including businessmen and entrepreneurs, in China.

The research showed that those with larger, more open networks were more successful in business than those with smaller, more closed networks.

The research demonstrated that trust was strongest in those relationships where contact was regular. This makes sense in light of what we have heard from our experts. The research also showed that the contact does not need to be formal or face-to-face; any means of engaging is effective for keeping the relationship and the trust strong. Even dormant relationships can be reanimated with a call or a renewed connection, opening up opportunities for job-seeking, business deals or referrals.

Interestingly, a large number of successful relationships (75%) were found to be from "unknown sources" – they were not a schoolmate, family member or military contact, but were a connection made via a connection. This means that fruitful relationships can, and should be, built beyond your immediate circle.

Bob, a global creative director, knows about the positive effect that strong relationships can have. After 20 years living

and working in Moscow, Bob is now back home in Australia. But you can tell he is getting itchy feet again. When he talks about Russia he lights up.

Bob looks like the archetypal Aussie. Open personality, infectious smile. Enjoys a beer and a good time. But scratch the surface and Bob is a truly global guy. He met his wife whilst in Moscow. They have a young son.

"Russia isn't a Western country, it is much more Asian in its thinking. Westerners get confused. They think Russians have the same way of thinking as them, because they look the same as them. They don't. Group. Loyalty. Honour. Much more Asian.

Once you make strong connections, people will do anything for you. If you asked to borrow \$100 from a Russian friend, they would give you their last \$50, and then borrow another \$50 to give you.

We used to call people fresh in from the West 'peaches'. Soft on the outside but with a hard-to-crack core. As Westerners, we find it relatively easy to make friends in a short time, but often that friendship can be somewhat superficial.

Russians are more like coconuts, hard on the outside and difficult to have a breakthrough with. But there is so much good stuff hidden inside.

There is an old bit of Russian advice about not smiling around strangers - after all, if you don't know them, why would you smile at them?"

This notion goes deep. It is intrinsic to the understanding of the nature of friendship outside the West.

"It takes more time and effort to make friends, because friendship is something that is of very high value. This is rooted in the need for real trust between friends in societies that often have not been able to trust their own institutions or governments. Friends, like family, are the central social support network that people rely on.

I have a personal example in my relationship with a man I hired to drive for me, Max. Over the course of about 12 months, Max and I slowly developed a friendship, a relationship that eventually extended to my whole family. From that point on, Max went far beyond the requirements of being a mere driver.

The perfect example happened on a Sunday morning, which was Max's day off. I suffered a rather horrendous broken leg in an accident and was transported to the hospital emergency room. I was heavily sedated and after a few hours woke to find Max at my bedside. He was busily directing all the nurses and doctors to make sure I was being looked after properly. He stayed with me all afternoon and into the evening, and when it was finally decided to airlift me to France for surgery, Max (through a few 'connections' – he was ex-military) arranged for a police escort for my ambulance to the airport, even to the point that the officers were the ones who lifted me onto the jet.

The point is that actual friendship for Russians is a commitment to do absolutely anything for your friends. A commitment they take very seriously. I never did find out how Max knew I was in hospital. He wouldn't tell me."

In Asia, compared to the West, there is a lot more informal power in place through relationship influence. This is the "soft

power” that lurks in the shadows. It is not overt or obvious – in fact it may have nothing at all to do with the official hierarchy – but it can be equally important.

Joanna, a branding agency CEO who has spent over 20 years working in Asia (we hear more from her in the chapter on Risk & Face), says:

“In Bangkok, the team secretary wielded a huge amount of power. On paper she was the lowest support function, but in reality her knowledge, relationships, influence and connections gave her power. To get a visa sorted or a passport problem dealt with would ordinarily take weeks, but for her it would be done in hours. She had the connections.

When our office was getting too full, we were given some space in the next office tower. We looked for some volunteers to move across to the nicer, newer, better-equipped neighbouring building. It was a no-brainer. Then myself and my boss, the VP, worked out seating plans, etc. But because we hadn’t consulted the team secretary about it, she blocked the move. She managed to sabotage, undercut and undermine the whole thing. The global VP had to back down. We never made the move.”

This shows that it is always important to share and socialise ideas across the team. Try to engage a wider circle of people than you would think is necessary, who may not be part of the official decision-making process. These people likely won’t have any specific comments or suggestions, but they need to know they were asked. Getting their buy-in may be what makes the difference between success and failure.

As a Westerner, you need to actively and consciously do what an Asian may automatically do. Understand the relationships in place, determine the roles they play in the power structure, and stay on the right side of them!

Tobias and I meet at a climbing wall in a mall. It is Saturday morning and the space is just starting to fill up. He is dressed in a cut-off t-shirt, which shows his defined arms and “full sleeve” tattoos. When he sees me, he drops off the wall and we take a seat together to one side of the activity. Tobias works for a big global German company. I suspect he looks more corporate from Monday to Friday.

“Westerners get the impression that Asians aren’t loyal. That they are self-serving and will change companies at a moment’s notice, for a better deal or a bigger salary. That is true from our perception, but in fact they are just valuing a different set of relationships. Asian relationships are much more personal.

Loyalty is towards a person, or a group of people, such as a family. This is seen in the loyalty that people have for a family business, but not so much for a big, faceless corporation. Western companies often treat people just as assets. So in Asia, people respond accordingly and, you could say, appropriately.

We need to create compelling reasons for loyalty. Be a great place to work that actually values its people. We need to be sincere. You don’t achieve that by putting inspirational quotes on the wall, putting down bean bags or buying a new coffee machine! Value people – like friends and family would.

Often when a new senior person comes in, they will bring a whole level of people below them. An instant network of

trusted colleagues that they know they can rely on. That they have already built a loyal connection with. Immediate, reliable relationships.

Professional relationships in Asia are deeper than we are used to in the West. It is not about the company or the name on the sign. It's about the people."

Putting it into action

1 Build personal relationships alongside professional interactions. Remember that in most Asian cultures, team members will not be loyal to you simply because of your title. Loyalty is primarily toward people, not companies. Take a genuine interest in them as individuals, make small talk, share personal information about yourself. Keep it professional, but make it clear you view them as more than just a company asset.

2 Build a strong core of local people who can be honest with you. Find people you can ask: "What should I do? What did that mean? What do you think?" People who you can trust to give you open and frank advice rather than merely polite responses. Find these outside of your direct team, reports or bosses.

3 Join activities where locals and Westerners mix. Some suggestions are team sports (dragon-boating, squash ladder, five-a-side, softball games), sports followers groups (a football team supporters bar, a live showing of a big game), arts groups, cooking classes, etc. These are good avenues for building relationships outside of work in a relaxed setting.

4 Find out beforehand the networks of relationships that are in play – above and beyond the org chart. Ahead of your first engagement with a new company, team, supplier, client or partner, ask your close contacts for pertinent background information on the new people. Ask specially about the relationships at play (hierarchies, alignments, rivalries, etc). You will need to be overt in your questioning, as they may take the relationships in place for granted and forget you are not aware of them.

5 Take special care when inheriting a role from a predecessor. If they had strong and positive relationships, that's a good start, but you must ensure you are able to transition them to you smoothly and build on them. If the relationships were not so good, try meeting with the other parties to show your commitment to a fresh start. Make it clear that you understand the past and want to build a stronger future. Be candid – ask what you can do personally to improve things.

6 Decide early on whether you want to be social media “friends” with work contacts. Many Asian cultures blur the lines between professional and personal social media use. Whether you choose to “friend” your work contacts or not, you need to be consistent. “Friending” no one is your choice. “Friending” some and not others could be seen as a snub.

7 Map out 10 key relationships inside your organisation and outside it. Identify which ones you already have and how strong they are (be honest), and which ones you don't have yet but need to build. Set yourself the goal of doing something to

strengthen those relationships every week. Send them the link to an article you feel may interest them. Drop by their office to say hello. Suggest going for a coffee. Then build on the list to identify your 50 key relationships. Find a reason at least one a month to connect with these people.

8 Invest in relationships for the long term. Remember that building strong relationships can take years. Don't be impatient. This is a marathon, not a sprint. Build relationships with people regardless of whether you think you will need help or agreement from them. The full network of relationships is often invisible at first. These people may hold soft power that you will rely on later.

9 Make relationship-building a daily habit. Invest time on a day-to-day level in making small talk, socialising and engaging. If necessary, build it into your diary, with a reminder alert. Soon it will become second nature to you.