

When International Truck and Engine Corporation launched a multinational initiative in 2003, it quickly became apparent that critical business information was not flowing across the global team as it should. The result was slow progress and unnecessary cost. Here, Gretchen Rosswurm and Patricia Bayerlein describe the steps taken to improve information flow, resulting in savings close to US\$1 million.

Overcoming barriers to global success at International

Tactics for improving information flow across multinational teams

By Gretchen Rosswurm and Patricia Bayerlein

International Truck and Engine Corporation is a leading manufacturer of trucks and engines with US\$6 billion in annual revenues and more than 14,000 employees globally.

Three months after launching a multinational initiative to build its next generation of products, the management at International Truck and Engine Corporation was surprised to find that the project was not progressing as planned. The reason? Critical business information was arriving late, incomplete, or both. Not only was this lack of information hampering management's ability to make key business decisions, it was also affecting the project team's ability to implement an aggressive timeline, impacting productivity and ultimately driving up costs. With top talent from engineering, manufacturing, finance and project management on the team, management couldn't understand why they were data-rich yet information-poor.

As management began to identify the communication issues hindering the project team, they turned to the corporate communication team to help identify some solutions.

Identifying barriers to information flow

Over a period of three months, the communication team, together with consultants from strategy execution and employee engagement firm Matha MacDonald, conducted a study of the 60 cross-functional, project team members from Canada, the US and Mexico, and their leadership sponsors.

Through in-depth interviews conducted in the US and Mexico over a three-week period, the communication team found that even though excellent project management systems, tools and reporting structures were in place, levels of cultural understanding within the project team and senior leadership varied so greatly they were causing problems. The team was struggling with cultural issues such as the perception of time and differing attitudes toward decision-making and relationship-building.

It soon became clear that addressing language issues and conducting cross-cultural training would only be one part of the solution. If project team members wanted to achieve their objectives, they would need to shift their mindset and behaviors around sharing information.

The following barriers identified at International Truck and Engine provide useful insights for companies working in the global marketplace.

Barrier #1: A bias to communicate locally, not globally about implementing key initiatives. In many companies, strategic initiatives or programs are structured and managed primarily to support autonomous local initiatives and actions. Because of this bias, important resources in one country or region are not used to solve problems in other countries or regions. Companies that act in this manner potentially risk losing sales and can cause damage to corporate reputation and brand image. As an initiative moves across borders, cross-cultural communication needs must be integrated into the project strategy to help employees – no matter where they are – connect their actions to the ultimate goals of the project and the business. When an initiative expands its reach to different countries, a communication function must be prepared to help address the communication challenges of the entire team.

Barrier #2: A global team dominated by the perspectives and experience of headquarters thinking. Companies typically focus project teams, resources and budget dollars on initiatives and programs driven from headquarters or home country perspectives. If thinking is too homogeneous and does not take into account the diversity of knowledge, perspectives and experience in the field, the organization can miss opportunities to identify customer and employee issues and stay nimble in executing the business strategies it requires for worldwide success. The challenge is to develop discipline around good information flow and knowledge sharing, which in turn enables companies to identify, prioritize and mitigate threats by tracking and monitoring issues in key regions and markets. Communication should lead the way by cultivating dialogue and improving the flow of information from corporate to the field and vice versa.

Barrier #3: Corporate and local teams come together without an in-depth understanding of each other's issues, operations, roles and responsibilities. Immersed in managing the day-to-day challenges of managing a global project, teams often lack time to discuss key issues together. Without group discussion and dialogue, issues are not well understood and properly handled. Last-minute intervention by corporate staff to solve problems reinforces the field's desire to be increasingly independent, which reduces opportunities for effective collaboration. When there is a lack of integration in strategy and planning across key issues it can impact negatively on operations in more than one country.

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Tactics to improve global communication

Armed with a better understanding of the barriers holding the global team back, the communication and project teams implemented the following tactics to improve information flow. Many of these learnings can help other global companies address similar communication challenges.

Tactic #1: Assign a strategic communication resource to your global project team. All processes and systems in a global initiative require sound planning and management for success, of which communication should be an integral part. A dedicated member of the communication staff should be assigned full time to plan, manage and integrate the communication around a global business initiative and provide support for the strategic issues that affect the flow of information and sharing of knowledge.

Implementation: At International, the VP of corporate communications and the VP of operations identified integrated communication planning as a need in the early stages of the company's key international initiative. They both recognized that formal, face-to-face project team meetings worked well to review project implementation plans, but they were not enough to create the conversations necessary to anticipate and mitigate risks to those plans. With strategic communication expertise added to the team, ▶

↓ KEY POINTS:

- The launch of a multinational initiative at International Truck and Engine Corporation alerted management to a number of issues hindering the success of the global project team.
- A series of in-depth interviews with members of the team revealed a number of barriers preventing information flow.
- One key finding was the different levels of cultural understanding around issues such as decision-making and relationship-building.
- Steps taken to address each communication issue resulted in improved efficiency and productivity, and savings to the business.

- ◉ project leaders had additional tools to improve organizational communication and provide the clarity needed to reach project milestones.

Tactic #2: Define the meaning of “open communication” and set expectations. It’s important for a multinational, cross-functional project team to define the key behaviors for open communication at the outset (see side box, right). Without setting expectations upfront, individual objectives are changed, disconnects are discovered too late and overall plan targets are missed. In cultures with different attitudes to disclosure, employees might even fail to communicate risks and potential problems until the last minute, to avoid confrontation. The assignment of dedicated strategic communication counsel to facilitate individual group and team discussions, and to set appropriate expectations around communication and communication behaviors, enables project team members to move the right information up, down and across the organization. This gives leadership and other key stakeholders time to make good decisions.

Implementation: At International, we found that both functional leaders and local operations managers were making adjustments to their plans without communicating the change quickly across the team. Once this behavior was identified by analyzing information flow, the project team was able to see how this silo-driven behavior affected the ability of other functions to deliver on time. Corporate communications then worked with the team to develop a regular update process so that no one would be caught by surprise.

Tactic #3: Build in time for listening to all members of the team. Many global project teams working to tight deadlines move quickly from analysis to solution, without taking the time to listen to a local assessment of the issue. From culture-to-culture, it’s important to understand that fact-based decisions are valued in different ways. From the US perspective, it’s easy and logical to move quickly from the presentation of the facts to the execution of a task. Other cultures require the assurance that there is harmony in the group and need to thoroughly discuss the different interpretations of the data to agree on a final solution. US managers can view these lengthy discussions as costing the team precious time. But in the end, active listening and discussion can actually save time and improve information flow when issues that are overlooked or data that’s incomplete or incorrect are brought to light in time. When interpreting

the data built into project plans, it’s important to consider access to resources, interpretation of the rewards associated with task completion, different notions of time and varied ideas about how relationship-building and task-oriented work should go together.

Implementation: At International, the corporate communications team introduced a framework to improve listening skills and enhance the interpretation of data and sharing of information. The three steps – consider, dialogue, solve – were used to improve dialogue, inclusion and candor by building in time and sensitizing the team to the need and value of each step. Corporate communications also helped the team create a forum to discuss cross-cultural challenges, and developed guidelines to ensure key roles existing in different countries were included in the formal project meetings. As the project team began to include new functions, such as government relations, they quickly identified the need to better understand international shipping regulations, and the costs to the project in time and money when equipment and components didn’t arrive on time.

Tactic #4: Send clear messages on key issues and the company’s strategic objectives. Establishing a successful global project team requires communications that prioritize key issues for the team, aligned with the company’s goals and objectives. Without clear top-down communication, messages are often conflicting and not communicated in a timely fashion. This affects the project team’s trust in management, and their confidence in the overall plan. It can lead to a conflict of interests across functions and regions regarding the goal that needs to be achieved. Lack of clarity and alignment slows down the decision-making process and can severely affect project timelines; impacting production schedules, quality and cost.

Implementation: At International, the corporate communications team worked with leadership to clarify expectations around project strategy, goals, objectives, ethics, practices, rules and regulations. The team developed a clear platform for the local operation to understand how its role in the project contributed to company’s overall success. The team also coached project leaders and plant managers on how to set the business context so employees could help the project team deliver on its goals.

Tactic #5: Determine cross-cultural competencies and education required for global leadership.

Building a global company requires an unwavering focus on developing the global mindset of its leadership. Setting guidelines to develop cross-cultural communication competencies throughout the company for leaders and communication professionals alike is critical to successful execution. Since levels of awareness, understanding and competency can vary greatly from region-to-region and function-to-function, it's important to use training and education to establish some common guidelines. Developing and building specific competencies for effective global communication and leadership throughout the world is essential for building strong brands, managing emerging issues, transforming corporate cultures, launching operational initiatives and addressing business challenges that go beyond local priorities.

Implementation: At International, we found that employees voiced concern about cultural differences but were unsure of how to address them. Corporate communications collaborated with the HR team to develop a cross-cultural workshop that exposed US managers to working in Mexico, and Mexican managers to working in the US. The team also conducted an information flow assessment in both English and Spanish to dig more deeply into the cultural issues the team faced, and identify those issues that required more than just intercultural training.

Tactic #6: Find the root cause for the critical issues limiting information flow. Many international companies with cross-border operations struggle to prepare managers and employees from different countries to work together. When things go wrong, managers often blame cross-cultural differences and language issues for a project or process that failed. But often, when the project team digs below the surface, it finds that the failure is not based only on national culture, but corporate culture as well. Consider a company where leaders are not aligned around enterprise-wide goals to provide a means to prioritize functional activities and functional line-of-sight to those goals. When there's a lack of confidence in plan assumptions (such as demand forecasts) because people don't understand them and the numbers don't fit, it's difficult for a global project team to work effectively.

Implementation: At International, the team provided clarity around whether the manufacturing facility was operating in the style of a "US plant," a "Mexican plant," adhering to local business practices, or a hybrid of the two.



DEFINING THE TERM "COMMUNICATION"

At International Truck and Engine Corporation, the communication team found in their research that communication is a loaded term. For example, employees from the US viewed communication to mean formal project meetings, reliance on technology and tightly-timed agendas, while employees in Mexico viewed communication as promoting the dialogue to build the relationships and rapport needed to avoid confrontation and preserve harmony. A good manager in Mexico is one who communicates with others well. In the US, good managers are those who get the job done right and quickly. In Mexico, it's important to maintain positive feelings between people; keeping relations amicable is more important than progressing with the project in a speedy fashion.

Focusing on information flow, or how knowledge and information is shared in an organization, provided an approach that was culture-neutral. Each participant felt comfortable commenting on how better information flow could affect their ability and the ability of other team members to communicate well and do their jobs effectively from their own cultural perspective. In addition, it enables multinational groups to work together to tackle both functional and cross-functional issues blocking information flow, without singling out a specific nationality or individual on the team.

The matrixed structure of the organization made it difficult for the local plant management to navigate the organization to get an answer. Corporate communications was able to identify the issue and work with leaders to set clear expectations for the role of the operation. Once their role was directly addressed, local managers could focus on the task at hand and make significant progress in achieving project goals.

Conclusion

At the end of the six month project, better information flow at International helped the company to improve first-time product quality, productivity, efficiency and delivery, as well as increase credibility with customers and build greater trust among employees in cross-border operations. It also helped identify the potential for cost savings in the range of US\$1 million.

This case study demonstrates the significant role that communicators can play in increasing dialogue and shaping the understanding about how we share information in the organization. This counsel and leadership can improve both the communication culture within the organization, and the bottom line. [scm](#)

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