



A survey of senior expatriate managers in Ireland

Can Irish management compete?

leadership customer service strategy management organization shareholders team-working human resource management inspirational leadership planning shareholder satisfaction customer need innovation cross-cultural understanding problem-solving accountability culture and identity co-operative thinking market segmentation business strategy dynamic economy time-management cross-cultural management five forces competitive advantage management training liberty and responsibility financial objectives selling expertise best practice quality internal audit competitive strategy differentiation marketing edge cultural change time management balanced scorecard global markets shareholder needs unexpected situations hard work management style customer focus forward-thinking scenario planning meetings reporting requirements economic leadership competitive environment key account management originality marketing plan strategic staircase decision-making scanning the time interpersonal skills concentration deadline management demand pull supply chain management pest analysis customer need knowledge management globalisation financial strategy cross-border negotiation optimisation of resources education and training competition cost leadership succession planning strategy differentiation product life cycle innovation risk cube change strategies competencies zones of uncomfortable debate leadership customer service strategic management organisational team-working human resource management inspirational leadership planning shareholder satisfaction customer positioning innovation cross-cultural understanding problem-solving accountability culture and identity co-segmentation business strategy dynamic economy competitive strategy time-management porter five-

A study by Torc Consulting Group, Ireland and
Cranfield University School of Management, UK

Prepared and managed by

AD CAPITA
EXECUTIVE SEARCH

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Torc Consulting Group is a Management Consultancy based in Dublin specialising in Human Resource Management and Organisational Design solutions for clients in both the public and private sector. Through its Executive Search Division, Torc is a member of the INAC worldwide partnership of independent firms, whose members are each supporting their own country's survey in this series. Torc immediately saw the value in this exercise and co-ordinated the Irish study, identified potential respondents, distributed the questionnaire, collected and analysed the data and provided the overall editorial and production input.

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Cranfield School of Management in the UK is one of Europe's leading business schools. As well as its renowned MBA courses, Cranfield is also a world leader in executive development and short management courses, as well as providing advanced consulting services to top businesses throughout the world. Chris Brewster is a Visiting Professor and a member of the School's Centre for Research into the Management of Expatriation, which is a founding member of the worldwide Global Mobility Forum.

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Executive summary

Ireland's competitiveness ranking is dropping fast. Irish managers are becoming complacent and their poor international skills and lack of strategy and customer focus are putting Ireland's continued success at risk, concludes this survey of top foreign managers working in Ireland.

Senior foreign managers in Ireland were questioned in an extensive survey carried out by Torc Consulting Group in Dublin, supported by one of Europe's top business schools, Cranfield School of Management in the UK. Ireland's dependence on FDI and overseas trade means that what foreign managers think is of crucial strategic importance.

Foreign managers agree that key problems relate to an insufficient focus on the long term and the wider world. In particular, in the view of their foreign peers, Irish managers generally:

- Do not follow a planned, strategic approach
- Are not very well organised and do not take deadlines seriously
- Do not focus on customer needs and offer poor customer service
- Have weak intercultural business skills, with limited linguistic abilities

Foreign respondents view these as serious deficiencies which can greatly reduce competitiveness. A control group of Irish managers surveyed is much less critical and shows a high level of self-satisfaction which their foreign counterparts do not always share. This suggests considerable complacency as to the need for improvement. Nevertheless, foreign managers agree that the underlying management culture is strong and offers some clear competitive advantages:

- Team-working is very strong in Irish organisations
- The Irish are gifted at building close relationships with business partners
- Irish managers are excellent at sales
- Foreign managers enjoy living in Ireland and appreciate the warm, informal and dynamic working environment

The report concludes that the deficiencies that exist need immediate action if Ireland is to improve its image and maintain its competitive position. Irish managers must face up to the need for retraining in key areas, or they will be overtaken by powerful new competitors. In particular, the study recommends that training is urgently needed in the following areas:

- Foreign languages and cultures
- Delivering excellent customer service
- Practical business strategy
- Time management.

Senior expatriate management survey

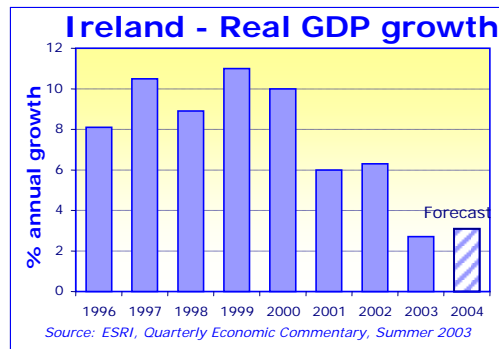
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“Managers have in general excellent interpersonal skills and are very relaxed about their business approach. The Celtic Tiger has largely influenced the manager’s life who has had to become a people manager...more than a business manager” *[French manager]*

“Two phrases can characterise Irish management culture - 1. Disorganisation 2. No systems in place...” *[Czech manager]*

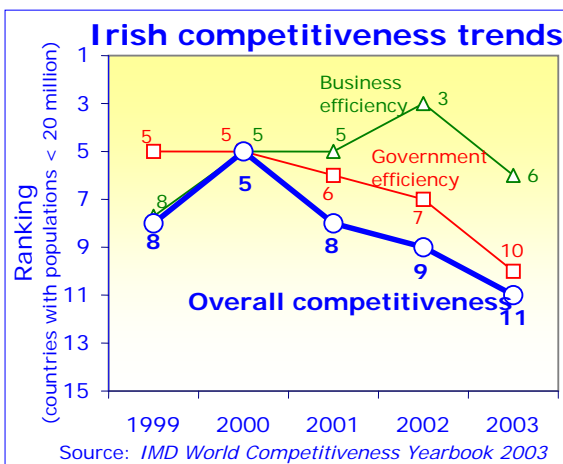
Introduction

Ireland’s transformation in the last few decades has been dramatic. Growth has been spectacular and, while agriculture has dropped to only 7% of GDP, farsighted Government strategy and an innovative Industrial Development Agency, have helped establish a valuable manufacturing base in electronics,



pharmaceuticals and the medical device sectors. This growth, coupled with the impact of joining the EU, helped it earn its soubriquet of The Celtic Tiger.

GDP growth has been consistently strong, with unemployment dropping and the standard of living ever increasing. Ireland’s competitiveness has been very high – ranking



fifth among smaller nations in 2000. Yet there are signs that the good life may not last forever. While growth – despite the worst global economic situation for several decades – remains comparatively high, there are indications that the economy may not continue to hold such a privileged position among its competitors. The country’s IMD World

Competitiveness ranking¹ has dropped to 11th in only three years. Within this overall figure, we find that business and government efficiency – especially the latter - are falling. Similar indications appear in the World Economic Forum's analysis².

Government measures in the 1960s and thereafter were certainly crucial in turning around the economy. Three key areas were focused on – education, openness in the economy and the attraction of foreign direct investment. Coming out of a deeply protectionist, inward-looking economic culture these were dramatic and profound changes which bore very rich fruit in the long term – Ireland now scores high on all these areas compared to its competitors. However, that dynamism in government and the state sector may be fading and one particularly serious result is poor infrastructures, including communications.

For economies which cannot exploit valuable natural resources, the most important long term factor underlying growth is management culture both in business and in government. It is undoubtedly the quality of management – expressed in both visionary government policies and dynamic business performance – which created the brilliant success which is Ireland today. If this quality is deteriorating or not keeping up with competing economies then Ireland's future competitiveness is also at risk. By asking senior foreign managers working here what they think of Irish management culture, we can obtain an outside view of where that need for management quality is being fulfilled and where it is under threat. In addition, foreign direct investment continues to be the bedrock of Irish economic success, so how foreign managers working here view management culture is of critical importance.

The study series

The idea for this study was initially discussed in 2000 between Clive Viegas Bennett in Portugal and Chris Brewster of Cranfield University School of Management in the UK. The first study was carried out in Portugal in 2001-2 and received extensive attention in the press and academia.

While discussing our intention to expand the research to other countries, Patrick Collins at TORC in Dublin expressed considerable interest in the project and we agreed that his

¹ IMD World Competitiveness Yearbook 2003

² Report of the World Economic Forum 2003

offer to support the research in Ireland would be an excellent first step – the results here have proved him right.

Chris Brewster is now Professor of International Human Resource Management at Henley School of Management but remains as a Visiting Professor at Cranfield and is a member of Cranfield's Centre for Research on the Management of Expatriates. Andrew Kakabadse, Cranfield's Professor of Human Resources Management has warmly supported this project.

The questionnaire is reprinted in [Appendix 1](#) and a description of the methodology used appears in [Appendix 2](#).

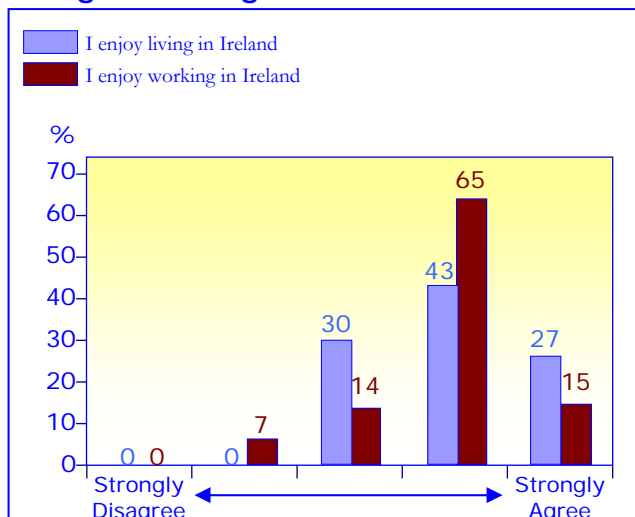
Apart from the immediate interest in seeing how outsiders view the management culture of each country, once we begin to collect sufficient data, we will also look at comparisons among the various countries and at how expatriates in general interact with their host nations. Similar national surveys are now planned in a number of other countries in Europe, Asia and South America.

Results: What do foreign managers think of Irish management?

Survey response data, including statistical analysis results, appear in [Appendix 3](#). We also list comments added by respondents in [Appendix 4](#). Note that in the text of this report and in the accompanying graphs we have occasionally turned a positive statement in the questionnaire into a negative or vice versa – and reversed the order of response statistics accordingly – in order to be able to compare trends more easily. We indicate where we have done this. Note also that some of the sets of percentages add up to only 99% - this is due to rounding effects – the statistical analyses were done on the original unrounded figures.

General social and business environment

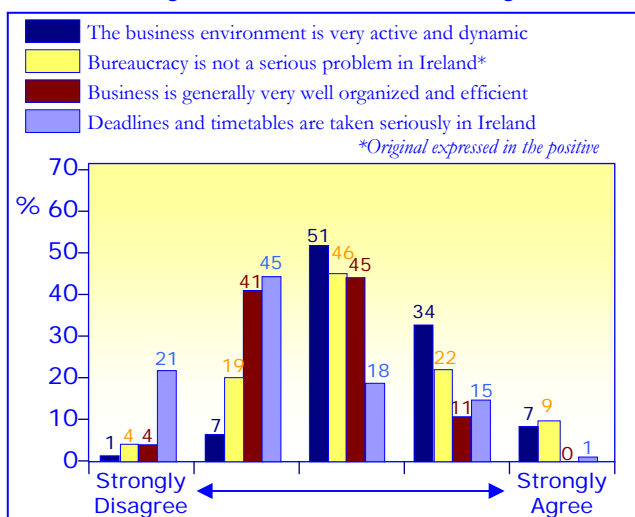
Living & working in Ireland



“Generally there is a ‘can do’ attitude which is helpful in setting up new initiatives on technology. In practice things slow down due to infrastructure problems.”
[German manager]

Whatever they think about Irish management, foreigners enjoy living and working here. 70% of foreigners enjoy living in Ireland (with none saying they do not), although 30% are non-committal.

Business dynamism and efficiency



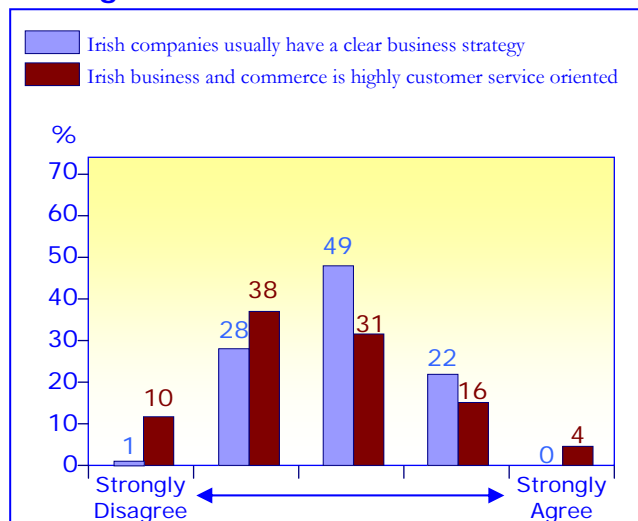
Respondents are even clearer about enjoying working in Ireland, with a full 80% saying they do and only 14% unsure (7% do not).

Foreign managers see the general business environment in Ireland as very dynamic but pretty inefficient. Only 8% of

respondents disagree that the business environment is very active and dynamic while 41% are positive that it is. However, more than half (51%) are not sure. Bureaucracy is not a big hurdle in Ireland, with 31% saying that it is not a serious problem. 23% disagree but nearly half (46%) do not feel very strongly either way. However, other aspects of inefficiency were much more unequivocally expressed. Overall, the strong, statistically significant, opinion of foreign managers is that business is not very well organised and efficient, with only 11% able to confirm that it is and 45% against. More specifically and even more emphatically, 66% complain that timetables and deadlines are not taken seriously in Ireland, with over a fifth (21%) feeling strongly about this.

Business is not seen as being very strategically focussed, whether in general or more specifically towards the customer. Only 22% of foreign managers feel that Irish companies usually have a clear business strategy, with 29% against and almost half unconvinced either way. Only 20% confirm that Irish business and commerce is highly

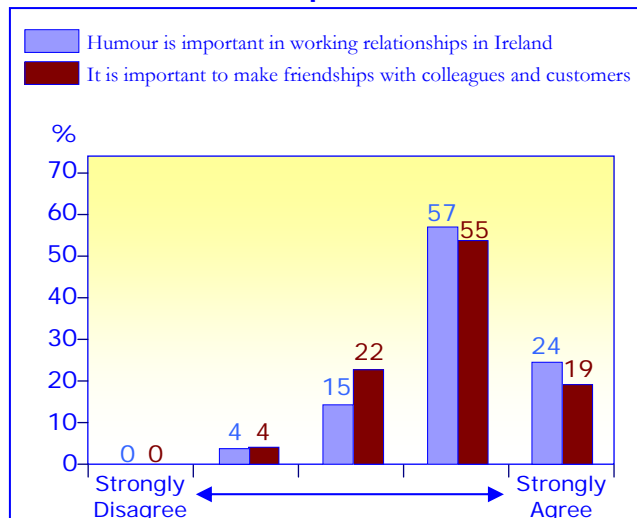
Strategic focus



customer service oriented, while nearly half (48%) disagree. This last result is very statistically significant.

Business in Ireland is a profoundly human, person-to-person affair. The need to know and understand business partners is essential. Humour and friendship are key aspects of the business environment. These findings are a close second to the enjoyment of living and working Ireland in the emphatic

Business relationships

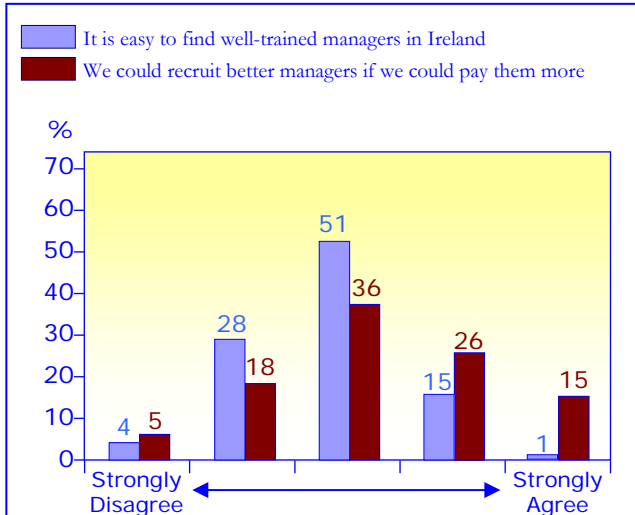


positive response given by foreign managers here. 81% respond that humour is

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important in working relationships in Ireland – a quarter (24%) strongly so. Similarly, 74% feel that it is important here to make friendships with colleagues and customers. In each case, a mere 4% disagree and the numbers of ‘undecideds’ are also low.

Management availability



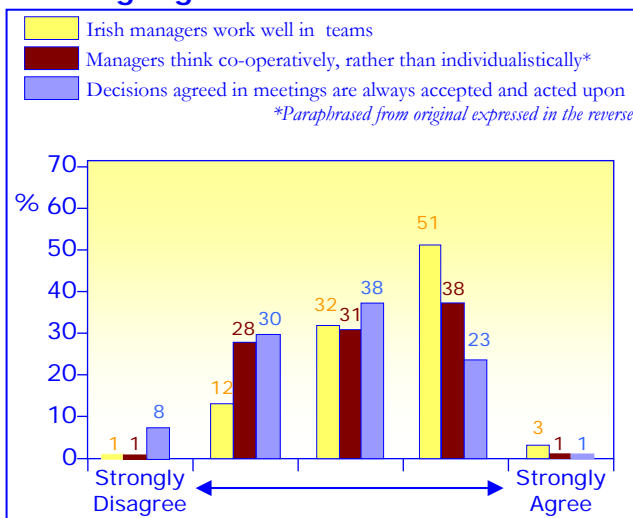
Senior foreign managers are concerned about the availability of good managers on the Irish market but they show believe that they could get better managers if they could pay them more. Although 51% of respondents are uncommitted as to how easy it is to find good managers in Ireland, a statistically significant number (32% against 16%) say it is not easy.

Moreover, 41% say that they could recruit better managers if they could pay them more, with over a third of these feeling strongly about the matter. Only 23% disagree.

Management style

“Main complaints: some fear creativity/‘brainstorming’ on solutions. People don't speak up enough and unless they are sure to sound articulate about the subject, they are too afraid of being embarrassed.” [US Manager]

Working together

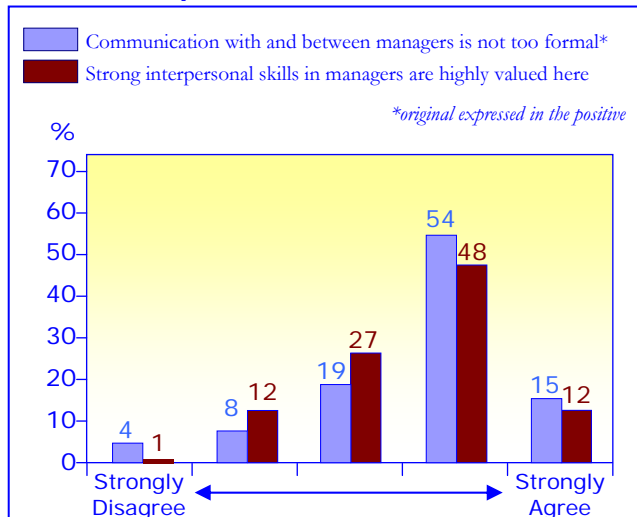


There is a consensus among foreign managers that Irish managers are rather good at working together, although meetings are not necessarily taken seriously. 54% positively state that Irish managers work well in teams, with only 13% disagreeing. There is no such clear view of managers’ tendency to think co-operatively rather than

individualistically, with a fairly even spread among for, neutral and against (39%, 31% and 29%, respectively). On the other hand, foreign managers do not accept that decisions taken in meetings are always accepted and acted upon, with 38% against and only 24% for the proposition.

As might be expected from the earlier results on the importance of personal relationships in business, relationships between managers in Ireland are strong and informal. 69% of respondents state that communication with and between managers is not too formal, with 15% agreeing strongly and only 12% disagreeing. More generally, 60% of foreign managers

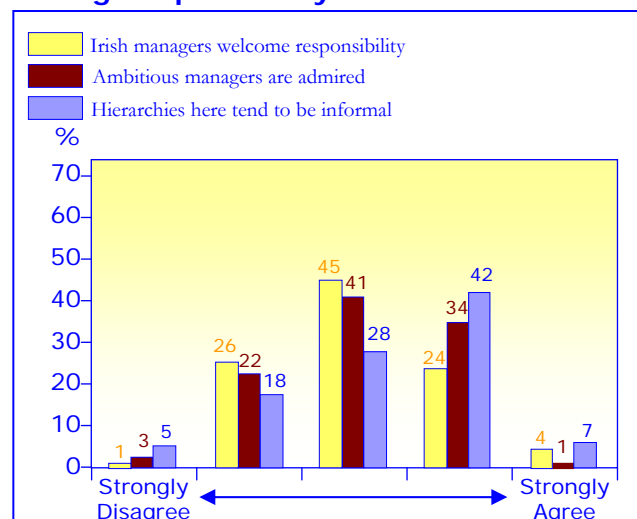
Relationships



find that strong interpersonal skills are highly valued here, again with only a small dissenting voice (13%) and 12% agreeing strongly. In both cases the uncommitted response was comparatively low at 19% and 27% respectively.

In contrast with its team spirit, Ireland does not strike foreign managers as having a strong leadership culture. 28% of respondents say that Irish managers welcome responsibility but 27% say they do not. A large number (45%) are not moved either way. Neither are they convinced as to whether

Taking Responsibility

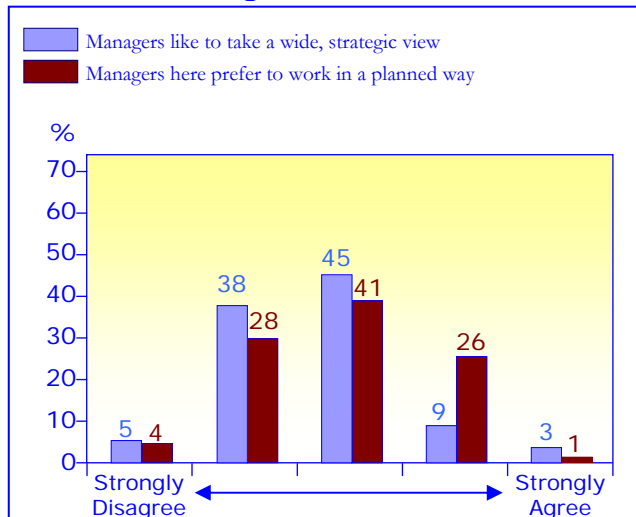


ambitious managers are admired – with 35% of responses in favour of the affirmation

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and 25% against (38% are uncommitted). However, hierarchies here are clearly informal, with nearly half (49%) of respondents positively confirming the statement and only 23% disagreeing.

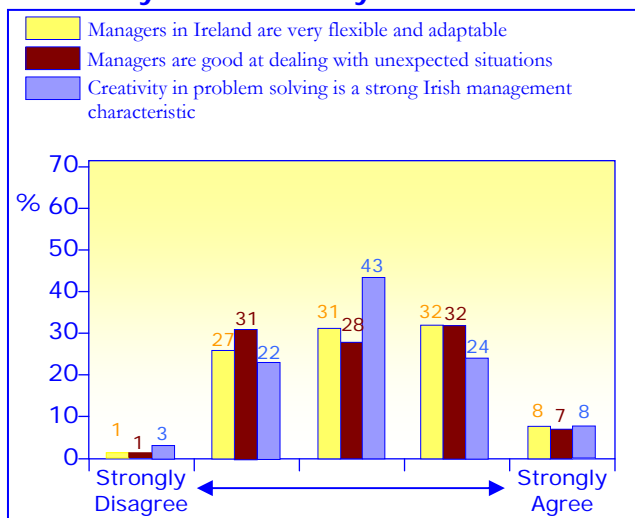
Planned working



Foreign managers believe that Irish managers are neither strategic nor especially planned in their working. In particular, 43% of respondents reject the idea that managers like to take a wide, strategic view and only 12% agree, with a 45% neutral position. There is no definite feeling that managers here prefer to work in a planned way, with only 27% of foreign managers responding that they do and 32% saying they do not.

way, with only 27% of foreign managers responding that they do and 32% saying they do not.

Flexibility and creativity

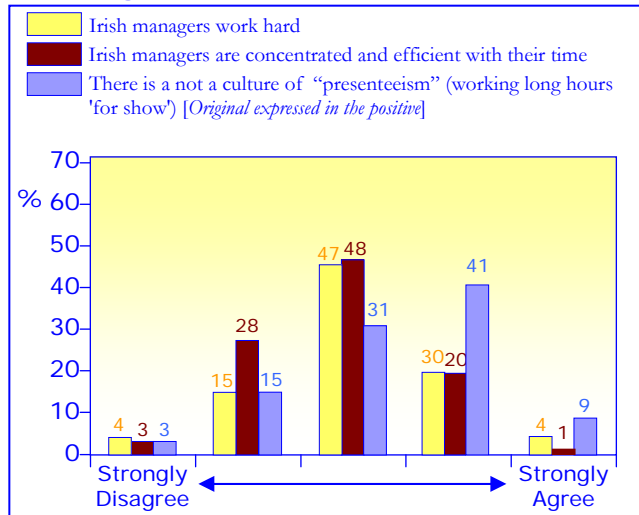


On the other hand, Irish managers are flexible and adaptable, although creativity and ability to deal with the unexpected are not special characteristics. 40% of respondents think that managers in Ireland are very flexible and adaptable and against 29% who disagree. – this finding is just statistically significant. Irish

managers are not especially good at dealing with unexpected situations (39% for, 28% neutral, 32% against); neither is creativity in problem-solving a special characteristic of Irish management culture (32% for, 43% neutral, 25% against).

Irish managers work only moderately hard and efficiently but certainly do not play the game of staying at the office late just for show. The response to the statement that Irish managers work hard is balanced, with 29% for, 23% against and nearly half (46%) uncommitted. Similarly, foreign managers are not convinced that Irish managers are concentrated and

Working hard



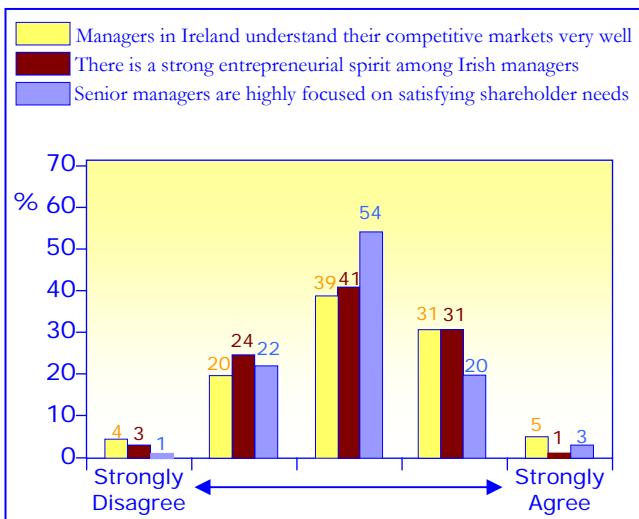
efficient with their time. 21% of respondents say that they are but 31% disagree and nearly half (48%) are uncommitted. However, responses demonstrate clearly that there is no culture of “presenteeism” (working long hours ‘for show’) – 50% support this position (9% strongly) and only 18% disagree, with a 31% neutral view.

Managers and the market

“In my opinion, the challenge for Irish companies is to tackle their lack of customer service, the customers should always be listened to and their needs should be incorporated in the company’s marketing strategy.” *[French manager]*

Foreign managers do not think that their Irish colleagues have an especially developed awareness of the market context in which they do business. None of the responses in this category show a statistically clear reaction for or against the three propositions we put to respondents. 36% agree that Managers in Ireland understand their competitive markets very well but 24% disagree and 39% are uncommitted. 32% respond that there is a strong entrepreneurial spirit among Irish managers while 27% do not and 41% are neutral. There is no clear feeling about the proposition that senior managers

Awareness of the market context

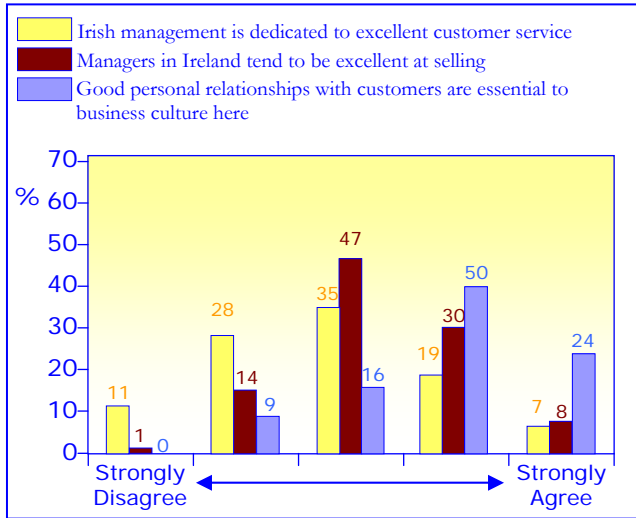


the proposition that senior managers

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are highly focused on satisfying shareholder needs – the responses are evenly balanced around a very high 54% non-committal position.

Managers and customers

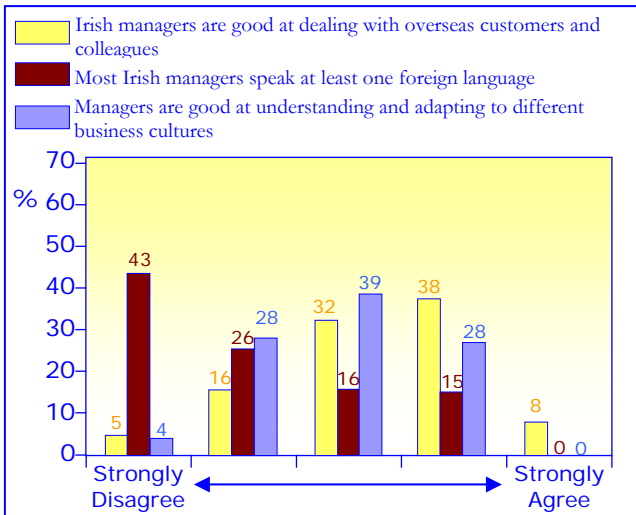


Irish managers are excellent salespeople, in a market where personal relationships are paramount. However, these skills are not translated into a dedication to customer service. 39% of foreign managers disagree (11% strongly so) that Irish management is dedicated to excellent customer service although 26% believes it is and

over a third (35%) are uncommitted. While this suggests an overall negative view, it is not a very statistically significant finding (it only achieves an 83% level of confidence). Much more clearly significant is the finding that that managers in Ireland tend to be excellent at selling (38% for, 47% neutral, 15% against). It is overwhelmingly found that good personal relationships with customers are essential to business here, with 74% agreeing with the statement, and only 9% against.

Irish managers’ international business skills are not too good, say respondents – their language skills are abysmal and they are not especially adaptable to different cultures, although they are good at looking after foreign visitors. “Irish managers

International business skills



are good at dealing with overseas customers and colleagues” gets a 46% positive response, with 21% against and 32% neutral. The proposition that most Irish managers speak at least one foreign language is met with derision – with no less than 43% disagreeing strongly out of a total 69% rebuttal. Only 15% agree and 14% uncommitted. 28% of foreign

managers believe that managers are good at understanding and adapting to different business cultures but 32% believe that they are not, with large swathe of 40% uncommitted – a decidedly lukewarm response, especially from managers coming from exactly those different business cultures.

The Irish control group

The summary of data in [Appendix 3](#) shows not only the distribution of responses of the two groups – foreign and Irish managers – but their overall responses, namely, where there was a statistically significant response away from the neutral.

There is a notable difference between how the Irish and foreign managers respond. In general Irish managers are much less critical of their management culture. Where foreign managers are positive, Irish managers tend to be more strongly so. Where foreigners are critical, Irish managers usually either disagree or take a non-committal position.

For example, while the target respondents clearly find that Irish business is not customer service oriented, the Irish control group is uncommitted. Foreign managers say that business is not very well organised or efficient and that deadlines are not taken seriously – Irish managers positively say they are organised and do not recognise any lack of attention to deadlines.

There are also cases where foreign managers are unconvinced about particular qualities (such as entrepreneurial spirit, planned working, understanding competitive markets) yet Irish managers believe they are endowed with them.

Oddly, there is one finding on which Irish managers are even more negative than their foreign counterparts – the control group felt more strongly that decisions taken in meetings are not always accepted and acted upon. Only on two other aspects do Irish managers take a negative view – they accept that they do not take a strategic view and that they do not speak foreign languages.

The contrary Irish responses are not strong enough to be seen as defensive but, rather, complacent. Their view seems to be that the culture is healthy, management performance is fine and everything is as it should be.

Other segments

None of the segments (e.g. nationality, age, company size) within the sample of foreign managers responding were of a statistically useful size to draw any meaningful conclusions about differences within the overall sample. The biggest single national group, for example, was German, with 23 respondents, which is not large enough by itself to support statistically significant findings.

Conclusions

Competitiveness in the balance

“The youth of this country and the very high level of educated members of staff surely is not maximised to prepare this country to be competitive in an increasingly global economy.” *[French manager]*

The Irish economy is sometimes referred to in journalism and political and academic debate around the world as an almost miraculous phenomenon epitomising the glory of what the free market can do for a nation and its people when wholeheartedly supported by enlightened governments and daring business leaders. Even in more toned-down language, it is difficult to argue with this analysis, since almost every measure of national wealth and individual material and personal well-being in Ireland has risen fast and high in only a few decades.

However, the danger facing the country is that which faces many meteorically successful companies – complacency. Yesterday’s brilliantly innovative product is today’s commodity, the business environment which had up to now proved so attractive to foreign direct investment (FDI) is now being copied even more aggressively elsewhere. Like a truly successful business, Ireland must be constantly looking at ways to maintain its competitive edge today and tomorrow. The need to keep ahead of its competitors is particularly important for an economy which has a very small internal market, has a logistically peripheral position and is so dependent on external trade and investment.

In this context, the view of senior foreign managers working in Ireland is doubly important, not only as a reasonably objective critique of Irish management culture and its strengths and weaknesses but also as a barometer of the level of interest of critically important international customers and investors in continuing to sustain the growth of the economy. Where management culture is falling behind in any areas then urgent remedial action must be taken. Where the culture shows especially strong characteristics then the opportunity for developing a sustainable competitive advantage must be seized. The question “Can Irish management compete?” lies at the heart of how Ireland will compete for the future.

Having examined the replies of respondents to our questionnaire in detail, we look here at what these responses suggest might be right or wrong with Irish management culture and, more broadly, at the implications for the continued success of the Irish economy.

General response

Overall, foreign managers in Ireland have a benign view of Irish management culture. There are a few critical areas (such as customer focus and intercultural skills) and some complimentary findings (such as team-working and selling skills) but in many cases the responses suggest that Irish managers are performing at a comparative level to their competitors. This fairly middle-of-the-road reaction compares favourably with the much more extensive critical tone of the Portuguese study, for example.

The contrast between how Irish managers see themselves and how they are seen from the outside is worrying. The marked lack of self-criticism supports our earlier suggestion that complacency is a serious risk to Ireland's economic future. Even if – and it would be stretching credulity a bit thin – foreign managers are completely wrong in their criticisms, the fact that they view management culture in Ireland in this way is of concern in itself and needs addressing.

If Ireland is to continue to excel, Irish management itself needs to excel and attract admiration and approbation for its outstanding qualities – a mediocre level is not good enough. For example, for an economy that needs to be proactive and dynamic, it is regrettable that responses were totally balanced (i.e. unimpressed) about statements on entrepreneurial spirit and the willingness to take responsibility. There are other more dangerous tendencies but first let us look at Ireland's strengths.

The personal touch

For the land of a thousand welcomes it may not be a surprise that the personal touch is important. Nevertheless, this trait translates into some key advantages in the hard world of business. That interpersonal skills are indeed highly valued and that there is a need for humour and warmth of personal relationships – among managers and with customers – are crucial findings. As global business becomes more and more dependent on partnerships between customers and suppliers and even among competitors, so the ability to develop long-lasting personal bonds becomes essential and immediate price-based wheeler-dealing becomes more short-sighted and inefficient.

This has interesting parallels with an apparently totally different culture – Japan. Anyone doing business in that country finds that it takes time to close contracts, because developing trust and mutual respect for the long term are viewed as more important than the pressurised arm-wrestling of, say, an American deal. Management methods all focus on relationships – with customers, with suppliers, among employees, and with the company itself. The effectiveness of this approach, especially when it comes to production, product and market development and long term strategic planning, has had a profound effect on Western management theory and practice and most forward-looking companies have taken on board many of the key lessons the Japanese have taught us. Ireland has been no exception and has indeed proved especially suited to adapting to approaches relying on long-term relationships. As an Irish manager, who also adds some other very lucid comments (see [Appendix 4](#)), says:

“Relationship building is now emerging as a significant competitive advantage among some companies based in Ireland, not least of all when a ‘can do’ attitude is shown with minimum levels of bureaucracy and adherence to time lines/delivery times.”

On a more day-to-day level, the ability to reach others at a personal level expresses itself at the level of the sale – Irish managers are exceptionally good at selling, say our respondents. They understand their markets and their customers and make it their business to get to know them as friends, to cement the customer-supplier partnership. In addition, the Irish are found to be especially good at dealing with overseas customers and colleagues. (Although we shall see that their international skills are dangerously flawed in other aspects).

The importance of personal relationships in Irish culture is also reflected in strong team-working skills. Irish managers enjoy working in teams and in contributing to the success of the whole. The workplace is one of informal personal interactions and interchange of views and information rather than the competitive achievement of individual goals. The result can at times be a certain disorganisation and exaggerated informality – the study’s results bear this out – but the benefits appear to outweigh the disadvantages.

Great hospitality has its downside. The 2003 Competitiveness Yearbook ranks Ireland as 27th out of 29 smaller economies (i.e. close to worst) for problems posed in the workplace by alcohol and drug abuse. Irish people (as well as others in Northern Europe) should understand how strange an alcohol-centred social life can seem to others, even to close neighbours in Southern Europe, and how that can affect important international

business relationships. A South African respondent commented that “...the work ethic is condemned by the drinking /pub culture.”

Creating and implementing

Bureaucracy is not found to be a special problem in Ireland. Our respondents expressed no strong feeling either way on this issue. Indeed, in Ireland, with its very low corporate tax rates, attractive and efficient incentives to FDI and other government assistance to business, the State is not viewed as the impediment to growth it is in some other countries. Nevertheless, the rapid downhill slide of the Government Efficiency ranking for Ireland is worrying, given how important government’s role continues to be in oiling the wheels of the economy and its global inter-linkage. We believe that any failures may well reflect other more general problems with management in the country – government is as much dependent on good management as business.

In particular, those surveyed say that business is not generally very well organised or efficient and that deadlines and timetables are not taken seriously. While not finding significantly against, the efficient use of time is only average. Just as importantly, given the constant need for a competitive edge, none of the responses support the idea of Irish managers as being especially flexible, creative, adaptable or good at dealing with the unexpected. Neither do planned working and the strategic approach impress visitors as being particular national traits.

Clearly, for Ireland to have achieved such an extraordinary change in such a short time, some very dynamic, creative and effective business activity has been going on. With nearly 50% of manufactured goods being high-tech products for export, technical innovative skills must be – or have been – high. However, at best the message is not getting through or, more probably, complacency has taken the edge off the creative and adaptive drive. The problem is not education, which is widely admired and scores high in most surveys.

The problem is, to paraphrase the comment made by a French manager to our survey and quoted earlier, that the educational skills and abilities of employees are not effectively applied. In-company training may be part of the problem and a number of comments refer to this: “training staff does not seem to be a priority for most companies”, for example. More generally, it is essential that the managers who got Ireland to where it is now do not now sit back smugly and tell their young ambitious colleagues “this is how

we did it and that's how you're going to do it". Again, best practice can teach us that the wisdom of older leaders can be applied without stifling the creativity and dynamic drive of the young and inexperienced. There must be more flexibility within management structures to foment knowledge and skill transfer within and across departments, firms and industries. Comments suggest that there is a fear about being different, expressing unconventional ideas: "Some fear creativity / 'brainstorming' on solutions", says one respondent, "In a bid to remain cordial and polite, Irish Managers tend not to give honest feedback for fear of upsetting the subject", says another. Company cultures must be adapted to encourage the expression of new and non-conforming proposals and criticisms.

Business leaders must be constantly looking for tomorrow's competitive advantage rather than simply building on yesterday's. Top managers are paid – and paid well – to take responsibility and to make sure that their juniors are trained and groomed to succeed them with new and better ideas. If the Irish economy falters now and does not fulfil the promise of the recent decades it will be the fault of exactly those managers who helped it grow in the first place and may now be sitting comfortably at the top of the hierarchical heap trying to hold their positions.

Customers

Irish business and commerce is not highly customer service oriented. Indeed, of the varied comments we received, the most common theme was poor customer service, although in fairness we should mention one very happy French manager who claims the opposite ("Irish Management Culture is very customer orientated..."). Comments such as "the challenge for Irish companies is to tackle their lack of customer service", "There is no focus on customer service" and "Overall, the weakest element of Irish business in B2B and B2C companies - is customer service" support the significantly negative response on this question.

This position is worrying and lack of preparation for the international market is a particularly serious aspect. While the Irish are good at looking after customers and colleagues from abroad, that renowned charm and hospitality is not enough when it comes to adapting to other cultures or, just as importantly, improving the disgraceful performance on foreign languages. It is difficult for managers from English-speaking countries to understand how important language is. Indeed, it is indisputably the case

that one of Ireland's key competitive advantages is or, rather, has been its strong cultural and, more importantly, linguistic ties with the US and UK.

Doing business in a country where people speak your own language is much easier. English speakers find doing business in, the Netherlands or Scandinavia so much simpler than in, say, France because of the extraordinary high levels of linguistic education in those countries. The Chinese government is sending large groups of managers out to be trained in countries all over the world so that their businesses will be prepared to deal with every culture and language – not just the English speaking ones.

As the US/UK base of Ireland's international success becomes less dominant, so Irish managers must be trained in the languages **and** cultures of their new customers and partners in, say, Germany, Spain and Korea. Just because your German, Spanish or Korean customers speak English does not mean they would not be happier speaking their own language with you.

Speaking the customer's own language is just one basic lesson. Customer service must be at the heart of Irish strategy, whether the customer is buying goods or investing in the country:

“I'm not sure why the logic of ‘please the customer and he/she will return’ isn't understood here, as it seems so basic... Whatever the reason it needs to change if Ireland is to remain competitive in a globalised business environment.” [US manager]

Recommendations

These country studies are not intended to find definitive solutions to problems identified. Nevertheless, it is obvious that Ireland's formidable position among the smaller world economies is being undermined but that there is yet time to remedy the shortcomings identified by our respondents.

The positive conclusion is that the underlying culture is fundamentally healthy – an active and dynamic business structure is underpinned by a pervasive culture of personal commitment and relationship building, teamwork, commercial acumen, educational excellence and, crucially, a deep-seated and long-term understanding of business needs by government.

We believe that most of the key deficiencies which affect the competitiveness of Irish management can be significantly improved by focused training initiatives which build on

these strengths to create truly sustainable competitive advantage. In particular, we recommend that managers (including, or even especially, at a senior level) urgently need training in the following areas:

- Delivering excellent customer service
- Foreign languages and business cultures (including school language learning)
- Practical business strategy
- Time management skills

Conclusion

Ireland is a country of unusually highly educated, dynamic business people and visionary political leaders. These qualities have all produced success. The danger is that success has gone to the head. New competitors from Asia and Eastern Europe are snapping at Irish heels and charm and self-satisfaction are no defence.

The underlying business culture is strong but there are some serious deficiencies which need remedying, urgently.

In particular, business and political leaders need a new strategic approach, building on but extending the success. The competitive advantage needs to survive tomorrow and after tomorrow. For this, managers need to be more efficient, strategically clear-minded and customer focused than their competitors – the relaxed approach should be used to soften tough efficiency and clarity of purpose behind the scenes, not to smudge the failures. Corporate culture must encourage new ideas and the rapid exchange of knowledge and skills – business leaders who protect their positions by stifling their younger colleagues will also kill their businesses. If the outstanding educational training of Irish managers is not used to win future business then it is the fault of today's top management.

Most importantly, the Irish must learn to adapt to and understand other cultures and languages. While the US's huge internal market and global power may provide the luxury for Americans of (apparently) not needing to understand foreigners, Ireland does not have that luxury and future competitive advantage may well rest on super-flexibility and understanding of overseas cultures and markets. Poor language skills and lacklustre cultural adaptability are unforgivable in such a foreign trade dependent economy.

APPENDIX 1: The questionnaire

Instructions

Read each statement and circle ONE number corresponding to how far you agree or disagree (1= STRONGLY DISAGREE...5=STRONGLY AGREE).

Answer by comparison with your experience of managers in other developed economies and based on your personal idea of a "typical" Irish manager.

	Strongly DISAGREE				Strongly AGREE
General social and business environment					
I enjoy living in Ireland	1	2	3	4	5
I enjoy working in Ireland	1	←	3	→	5
Bureaucracy is a serious problem here	1	2	3	4	5
Irish companies usually have a clear business strategy	1	2	3	4	5
The business environment here is very active and dynamic	1	2	3	4	5
Irish business and commerce is highly customer service oriented	1	2	3	4	5
Business is generally very well organised and efficient	1	2	3	4	5
Deadlines and timetables are taken seriously in business in Ireland	1	2	3	4	5
Humour is important in working relationships in Ireland	1	2	3	4	5
It is important here to make friendships with colleagues and customers	1	2	3	4	5
It is easy to find well-trained managers in Ireland	1	2	3	4	5
We could recruit better managers if we could pay them more	1	2	3	4	5
Management style					
Irish managers work well in teams	1	2	3	4	5
Managers are individualistic, rather than co-operative, in their thinking	1	2	3	4	5
Hierarchies here tend to be informal	1	2	3	4	5
Irish managers welcome responsibility	1	2	3	4	5
Communication with and between managers is too formal	1	2	3	4	5
Managers like to take a wide, strategic view	1	2	3	4	5
Managers in Ireland are very flexible and adaptable	1	2	3	4	5
Ambitious managers are admired	1	2	3	4	5
Managers here prefer to work in a planned way	1	2	3	4	5
Managers are good at dealing with unexpected situations	1	2	3	4	5
Strong interpersonal skills in managers are highly valued here	1	2	3	4	5
Creativity in problem solving is a strong Irish management characteristic	1	2	3	4	5
Decisions agreed in meetings are always accepted and acted upon	1	2	3	4	5
Irish managers work hard	1	2	3	4	5
Irish managers are concentrated and efficient with their time	1	2	3	4	5
There is a culture of "presenteeism" (working long hours 'for show')	1	2	3	4	5
Managers and the market					
Managers in Ireland understand their competitive markets very well	1	2	3	4	5
Irish management is dedicated to excellent customer service	1	2	3	4	5
Good personal relationships with customers are essential to business culture here	1	2	3	4	5
Managers in Ireland tend to be excellent at selling	1	2	3	4	5
Irish managers are good at dealing with overseas customers and colleagues	1	2	3	4	5
Most Irish managers speak at least one foreign language	1	2	3	4	5
Managers are good at understanding and adapting to different business cultures	1	2	3	4	5
There is a strong entrepreneurial spirit among Irish managers	1	2	3	4	5
Senior managers are highly focused on satisfying shareholder needs	1	2	3	4	5

Information about you and your organisation

Your organisation is:

- Majority Irish owned/controlled
- 50% or above overseas owned/controlled

Your organisation employs, in Ireland:

- Fewer than 10 people (or you are a single independent)
- 10 to 50 people
- 51 to 500 people
- More than 500 people

Your nationality is:

_____ (specify)

You are:

- Indefinitely resident in Ireland
- Only resident for the duration of your post here
- Not resident in Ireland

You have worked in Ireland for (in total):

- Less than 1 year
- 1 to 5 years
- More than 5 years

You have lived outside Ireland for (in total):

- Less than 1 year
- 1 to 5 years
- More than 5 years

You speak fluently (mark all those appropriate):

- | | |
|----------------------------------|-------------------------------------|
| <input type="checkbox"/> Dutch | <input type="checkbox"/> Italian |
| <input type="checkbox"/> English | <input type="checkbox"/> Portuguese |
| <input type="checkbox"/> French | <input type="checkbox"/> Spanish |
| <input type="checkbox"/> German | <input type="checkbox"/> Other |

Your job title is: _____

Your age is:

- Less than 30
- 30-40
- 40-50
- Over 50

Your *highest* level of formal educational qualification is:

- High school
- Degree
- Masters
- Doctorate

Further comments [on separate page]

Please insert below any further comments - whether about Irish management culture or about this survey.

APPENDIX 2: Methodology

Questionnaire design

The survey questions fall into two parts – 37 questions soliciting respondents’ opinions about Irish management culture and ten demographic questions such as age, nationality and company size.

The number of questions and layout were carefully chosen to enable the questionnaire to be answered quickly. The opinion questions were posed as positively expressed statements to which respondents could choose one of five tick box answers graded from ‘Strongly Disagree’ to ‘Strongly Agree’ The questions were framed in such a way as to avoid bias in tone. The questions were grouped in three areas:

- General social and business environment
- Management style
- Managers and the market

Some particularly important questions were asked twice in different forms, as a cross-check. Thus there are two questions dealing with: dedication to customer service; shareholder satisfaction, planned working, cross-cultural attitudes, and team-working.

Addressees and Respondents

The target population for the survey is senior foreign managers working in Ireland. While the title of the survey refers to expatriate management, strictly speaking we were interested in all foreign nationality managers working in Ireland, whether on a time-limited expatriate basis or permanently resident.

Our main sources of addressee data were our own database and foreign Chambers of Commerce in Ireland. Foreign managers were identified and all companies contacted to confirm names, titles and contact details. In some cases, companies told us of

Respondent nationalities	
Australia	1
Belgium	1
Canada	3
Czech Republic	1
France	6
Germany	23
Japan	1
Korea	2
Luxembourg	1
Netherlands	2
Nigeria	1
Norway	2
Poland	1
South Africa	2
Spain	1
Switzerland	1
Trinidad	1
UK	11
USA	11
<i>Undeclared</i>	2
Total foreign	74
Ireland	37

other foreign nationals among their management. Almost all managers addressed were at board level or were senior professionals such as consultants, auditors, engineers and architects.

We sent out the questionnaire to a total 390 foreign managers in Ireland at the beginning of April 2003. We estimate that this represents a significant proportion of all senior foreign managers working in Ireland. We also sent out a further 55 questionnaires to senior Irish managers from our own contact lists, trying to balance approximately the management level and sector spread of this control group against the target group.

We received a total of 111 replies – an excellent 25% response rate. Of these, 74 were overseas managers and 37 were Irish. The higher response rate among the Irish control group is mainly due to their being known to us and thus allowing greater freedom to encourage replies. The nationality breakdown in replies is shown in the table.

Analysis

We compared the responses of foreign managers working in Ireland with those of the Irish control group. We also compared subgroups among the foreign managers to see whether any demographic factors (for example age, residence status, size of company) affected the responses given. However, as mentioned, the segments were not large enough to provide meaningful statistical analysis. Experience from the Portuguese study suggests that in fact there are probably few significant differences based on these demographic parameters.

APPENDIX 3: Summary of data

Irish and foreign managers' responses

General social and business environment

- I enjoy living in Ireland
- I enjoy **working** in Ireland
- Bureaucracy is a serious problem here
- Irish companies usually have a clear business strategy
- The business environment here is very active and dynamic
- Irish business and commerce is highly customer service oriented
- Business is generally very well organised and efficient
- Deadlines and timetables are taken seriously in business in Ireland
- Humour is important in working relationships in Ireland
- It is important here to make friendships with colleagues and customers
- It is easy to find well-trained managers in Ireland
- We could recruit better managers if we could pay them more

Management style

- Irish managers work well in teams
- Managers are individualistic, rather than co-operative, in their thinking
- Hierarchies here tend to be informal
- Irish managers welcome responsibility
- Communication with and between managers is too formal
- Managers like to take a wide, strategic view
- Managers in Ireland are very flexible and adaptable
- Ambitious managers are admired
- Managers here prefer to work in a planned way
- Managers are good at dealing with unexpected situations
- Strong interpersonal skills in managers are highly valued here
- Creativity in problem solving is a strong Irish management characteristic
- Decisions agreed in meetings are always accepted and acted upon
- Irish managers work hard
- Irish managers are concentrated and efficient with their time
- There is a culture of "presenteeism" (working long hours 'for show')

Managers and the market

- Managers in Ireland understand their competitive markets very well
- Irish management is dedicated to excellent customer service
- Good personal relationships with customers are essential to business culture here
- Managers in Ireland tend to be excellent at selling
- Irish managers are good at dealing with overseas customers and colleagues
- Most Irish managers speak at least one foreign language
- Managers are good at understanding and adapting to different business cultures
- There is a strong entrepreneurial spirit among Irish managers
- Senior managers are highly focused on satisfying shareholder needs

Response distributions (%)*						Average responses**					
Irish			Foreign			Irish	Foreign				
SD	←→		SA	SD	←→		SA				
0	3	3	38	57	0	0	30	43	27	Agree	Agree
0	3	5	46	46	0	7	14	65	15	Agree	Agree
5	30	30	24	11	4	19	46	22	9	neutral	neutral
3	27	30	41	0	1	28	49	22	0	neutral	neutral
0	11	46	27	16	1	7	51	34	7	Agree	Agree
5	30	30	30	5	11	38	31	16	4	neutral	Disagree
0	19	46	27	8	4	41	45	11	0	Agree	Disagree
8	30	30	27	5	22	45	18	15	1	neutral	Disagree
0	8	11	57	24	0	4	15	57	24	Agree	Agree
0	5	11	51	32	0	4	22	55	19	Agree	Agree
5	27	41	22	5	4	28	51	15	1	neutral	Disagree
8	16	30	30	16	5	18	36	26	15	Agree	Agree
0	24	16	41	19	1	12	32	51	3	Agree	Agree
0	32	38	27	3	1	38	31	28	1	neutral	neutral
8	24	19	46	3	5	18	28	42	7	neutral	Agree
0	14	14	59	14	1	26	45	24	4	Agree	neutral
3	46	32	19	0	15	54	19	8	4	Disagree	Disagree
8	35	43	11	3	5	38	45	9	3	Disagree	Disagree
0	22	27	49	3	1	27	31	32	8	Agree	<i>Agree</i>
3	19	35	32	11	3	22	41	34	1	Agree	neutral
0	19	38	41	3	4	28	41	26	1	Agree	neutral
5	11	27	49	8	1	31	28	32	7	Agree	neutral
8	5	14	51	22	1	12	27	46	14	Agree	Agree
5	14	41	30	8	3	22	43	24	8	<i>Agree</i>	neutral
14	35	32	19	0	8	30	38	23	1	Disagree	Disagree
3	3	16	65	14	4	15	47	30	4	Agree	neutral
0	22	46	32	0	3	28	46	20	1	neutral	neutral
0	27	35	32	5	9	41	31	15	3	neutral	Disagree
8	3	32	49	8	4	20	39	31	5	Agree	neutral
8	16	32	41	3	11	28	35	19	7	neutral	neutral
3	3	14	49	32	0	9	16	50	24	Agree	Agree
0	16	38	46	0	1	14	47	30	8	Agree	Agree
3	11	35	43	8	5	16	32	38	8	Agree	Agree
49	22	14	14	3	43	26	16	15	0	Disagree	Disagree
5	27	27	35	5	4	28	39	28	0	neutral	neutral
3	14	30	49	3	3	24	41	31	1	Agree	neutral
3	16	46	30	5	1	22	54	20	3	<i>Agree</i>	neutral

* "SD"= Strongly Disagree; "SA"=Strongly Agree

** Average responses are tested statistically (two-tailed test of significant difference of sample means from 3). Responses in **bold** are significant to over 95% levels of confidence, responses in *italics* to over 90%. Neutral responses show levels of confidence below 90%.

APPENDIX 4: Comments added by respondents

The division between Management and production workers needs to be addressed in Ireland. The gap seems to have widened over the past several years. *[Spanish manager]*

In a bid to remain cordial and polite, Irish Managers tend not to give honest feedback for fear of upsetting the subject. *[Nigerian manager]*

I believe that Irish Management Culture is very customer orientated. Managers have in general excellent interpersonal skills and are very relaxed about their business approach. The Celtic Tiger has largely influenced the manager's life who has had to become a people manager (retention, job satisfaction) more than a business manager. The Irish Manager is surely working less hours than other European managers and his or her style is somewhat influenced by the American/Canadian way (most of the companies being US based). *[French manager]*

In my opinion, the challenge for Irish companies is to tackle their lack of customer service, the customers should always be listened to and their needs should be incorporated in the company's marketing strategy. This could be due to the fact that training staff does not seem to be a priority for most companies. With the days of the Celtic Tiger well behind us now, I hope that the relationship between managers and their customers will be improved. This is crucial for the overall success of the economy. The youth of this country and the very high level of educated members of staff surely is not maximised to prepare this country to be competitive in an increasingly global economy. *[French manager]*

I would be very interested to be informed of the findings of this survey. *[Canadian manager]*

Time Keeping. Employees to be given more inside information. Risk is same as any other country. *[German manager]*

There seems to be a significant difference between retail and B2B management styles and customer service. In Ireland, retailers seem to care very little about customer satisfaction whereas B2B managements cater to their customer and shareholder base. I'm not going to express a comment with regard to bureaucracy in this country. *[United States manager]*

There is no focus on customer service and the work ethic is condemned by the drinking /pub culture. *[South African manager]*

Two phrases can characterise Irish management culture - 1. Disorganisation 2. No systems in place (compared to Germany). *[Czech manager]*

I work for a consulting firm, so I've seen the structure of many organisations in a variety of industries. My opinions in the survey are all relative to my experiences in the States - mostly San Francisco. I've been in Ireland for 3 years and business has made significant progress just in that time, but efficiency and staff training in organisations are far behind where they should be. Overall the weakest element of Irish Business in B2B and B2C companies - is customer service. I'm not sure why the logic of " please the customer and he/she will return" isn't understood here, as it seems so basic. Perhaps it's solely due to a lack of incentive for employees based on low pay, minimal commission/bonus structures and/or having no voice in the organisation. Whatever the reason it needs to change if Ireland is to remain competitive in a globalised business environment. *[United States manager]*

Can Irish management compete ?

Main complaints : ----Some fear creativity / "brainstorming" on solutions ----People don't speak up enough and unless they are sure to sound articulate about the subject, they are too afraid of being embarrassed. ----Managers tend to separate themselves unnecessarily from Staff ---There is obvious hierarchy / lack of development & trust results. *[United States manager]*

This survey takes more than 10 minutes !! Or maybe I am not efficient or too slow ! *[German manager]*

Generally there is a "can do" attitude which is helpful in setting up new initiatives on technology. In practice things slow down due to infrastructure problems. Costs have risen too but the present economic downturn acts as a dampener. *[German manager]*

My comments relate to a company based in rural Ireland. Attracting GOOD managers to a border county (Monaghan) has been a problem for more than 20 years. Good young graduates go to the big city. *[German manager]*

The approach to a lot of queries/problems can be interpreted as lax and the feeling given that tomorrow will suffice. Not always true but often this message is transmitted. *[British manager]*

The urgent too often wins out over the important. *[United States manager]*

Really there is no such thing as "Irish Management Culture". Each business in Ireland has it's own unique culture which is the product of evolution influenced by a wide range of factors, including the extent of exposure of its people to external performance measures and international business experience. This survey seems to seek to produce a very general view of "Irishness in Business" which itself may become another inaccurate perception. In my experience such "Caricatures" are at best misleading and at worse dangerous in perpetuating narrow views of national characteristics. *[British manager]*

In relation to culture – increasingly Irish business managers are becoming more adept at responding to the cultural diversity demonstrated by customers. The cultural nuances associated with business practices in various countries are now being responded to with increasing levels of success in Ireland. Language skills remains an issue, however, if English is the business language then that mitigates the need for Irish managers to develop that competence. In many Irish organisations, especially if they are indigenous, there is an obvious pragmatism demonstrated as/when they adapt to particular customer needs.

A significant point of frustration for some Irish businesses is when there is a significant lead time associated with the payment of invoices by customers in non-European/non-US businesses. Poor cash flow in such instances presents a risk that some Irish businesses will not entertain, thereby reducing the possibility of entering into new business relationships.

Relationship building is now emerging as a significant competitive advantage among some companies based in Ireland, not least of all when a “can do” attitude is shown with minimum levels of bureaucracy and adherence to time lines/delivery times. Non-Irish businesses, with headquarters located outside Ireland are typically governed by clearer business objectives, not least of all because of clear accountability expectations set by shareholders abroad. *[Irish manager]*

In general, Irish Managers do not fully understand the concept of "Supplier / Customer Relationships" and the importance of this relationship in conducting business. Some managers are happier to delegate a problem they have either down, up or across the organisation rather than admit that they have a problem and need help. *[British manager]*

Irish Managers tend to make very limited use of known management processes and methodologies. Often a more "political" solution will be sought instead. Irish Managers tend to make very little use of quality tools and processes like Total Quality, Six Sigma. Often, it seems that "The print of Friday" is more important than open performance feedback. On a positive note, mixing both Irish and non-Irish managers often has a positive effect. It seems that Irish Managers are pushed for better performance when "competing" with non-Irish Managers. *[Dutch manager]*

My exposure to Irish Management varies from month to month. Essentially, I am based in Ireland but the European HQ for my company is based in France. I am the only manager from my department that is located in Ireland and the majority of my day-to-day activities focus on communication and activities with the other European Managers based in Germany, France etc. However, I have had both professional and personal interactions with many of the Irish Managers within my company and as a result of these interactions I was able to answer your questions. The one thing that stands out in my mind as something that could use improvement is the training of personnel who are put into managerial roles, either out of choice or of necessity. Too often I believe that the personnel are ill equipped to handle employee relations or "political" issues and, therefore, may not handle the respective situation as well as they could have with proper training and a solid foundation. *[United States manager]*

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