

**November 14, 2013**

## **The Nail That Sticks Out Could Change the World: When Culture Stifles Innovation**

**Girish Malhotra**, President & Founder, Epcot International

### **45 comments**

Who are the technical innovators in the US? The image we often have is that of the young Silicon Valley geek or the surfing California biopharma scientist -- sometimes brash and unafraid to challenge authority and champion new and better ideas.

Their peers in other countries behave quite differently. This is especially true in Asia, particularly in the Far and South East. In India, China, and other parts of East Asia, cultural norms may impede innovation, even when the game-changing ideas come from extremely smart, highly-trained and educated people, and proven problem solvers.

Generally, one of the following will stand in the way:

- Fear of offending superiors/bosses
- Fear of challenging the status quo
- Fear of failure
- Fear of acceptance of ideas

There's one fundamental difference here. In Western culture, suggested innovation and improvements are not viewed as upsetting the apple cart, but improving it. They are expected and encouraged to improve business practices.

However, in the Eastern cultures, suggestions may be interpreted as insubordination. Any question that could be interpreted as challenging the prevailing practice, especially when it is raised by a junior professional who does not have the authority, is viewed as unacceptable. [A recent article in Time magazine](#) offers some examples.

If the practice has been in place and is profitable, and was put in place by higher ups in an organization, suggesting an alternative will be viewed as challenging the intellect of the superiors. It will be seen as attacking the ingrained culture.

Thus, a junior person working for an Indian or Chinese pharmaceutical company will not propose an idea that will improve current practices or profitability as there is fear of failure or fear of less than expected success.

In addition, some people in the organization will also make a point of blocking success and making sure that any new good ideas fail. (This can be true in Western nations as well).

Alternative practices will need to be tested and any expenses related to that testing will need to be

justified and approved by the higher ups, in addition to challenging their wisdom.

Often, there is no funding for testing novel ideas, and no "skunk works" for trying out new alternatives.

Ideas from outside the company -- say, from a company in another country, from a competitor, or best-practices from another industry that might work in the organization -- have even less chance of being heard. This is even true for ideas that come from a paid consultant!

Unless ideas are proposed within the company and come down the chain of command, many Eastern managers consider them as challenging prevailing competence. Unless approved by superiors, they will not get anywhere.

Unfortunately, this approach can result in problem solving challenges and stand in the way of long-term progress.

Developing countries have the talent needed for innovation, and that talent needs to be nurtured. Opportunities must be afforded and offered to use the ideas of young innovators. Trust and accountability have to become part of the organizational culture.

On a practical level, establishing a discretionary spending pool should become an established practice at more Eastern companies. In addition, the failure of an idea should not be considered a true failure, but, rather, a learning experience that can benefit the organization.

Management letting go of authority and control is the biggest challenge standing in the way of innovation. This may even be true in the West, but it is so much more so in the East. I'm sure that every organization isn't this way, but I would say that more than 60 percent of the commercial entities -- including pharmaceuticals, chemicals, and coatings companies -- in India, China, the Middle East and Asian nations, operate this way.

Some observers have suggested that change is about to take place. If that's the case, I certainly don't see it. Cultural barriers must be removed. This does not mean replacing the essence of these cultures with Western practices, but merely giving more voice to smart young people with good ideas.

I left India to come to the US in part because I was frustrated by these issues.

Management with the right vision and charisma can foster creativity and imagination, leading to significant innovation in pharmaceutical and other industries in Asia. Respect for authority and for knowledge should not be an excuse for paralysis.