



## From „Mr. Schmidt“ to „Roland“.

What Companies Get Wrong bout Formalities in Germany

By Christian Rook

**A cultural perspective on hierarchy, personal boundaries, and the illusion of "one big happy team"**

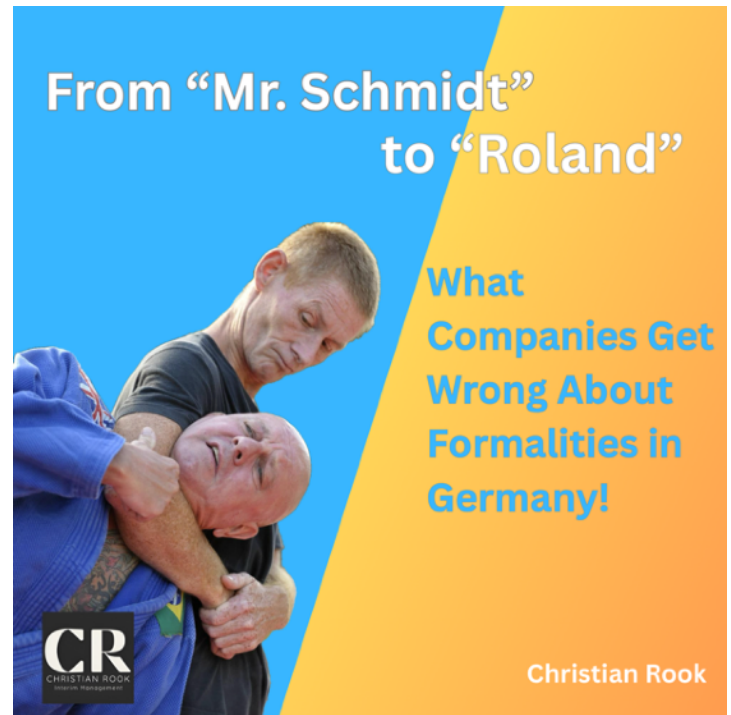
A few years ago, I took on an interim executive role in a **German manufacturing company**. What caught my attention immediately wasn't the technical setup or the operational challenges – it was the cultural seismic shift happening beneath the surface of organizational charts and process flows.

A young, American-educated CEO had decided to **"modernize"** the organization by introducing what he believed was a **more agile, start-up-like mindset**. One of the first symbolic steps? Everyone – from machine operators to board members – was now **on a first-name basis**. No exceptions. No negotiations.

It sounded **harmless**. Even **progressive**. After all, in the U.S., everyone is already "you." No formal pronouns. No "Mr." or "Ms." unless you're at the DMV or in court. But in Germany – and in many other European cultures – where formal address is a marker of **respect, boundaries, and social context**, this abrupt shift wasn't just linguistic. It was a **cultural rupture** that sent invisible fractures throughout the organization's foundation.

### The History of Formality: Why It's Not Just Politeness

In many European societies, formal address systems – such as *Sie* in German, *vous* in French, *usted* in Spanish – evolved to reflect **social roles, power distance, and the gradual building of trust**. They allow people to interact respectfully without overstepping relational boundaries.



What outsiders often misinterpret as **coldness** or **rigidity** is actually a **sophisticated social technology** – one that **creates clear spaces of interaction** while preserving individual autonomy. These linguistic markers serve as invisible scaffolding that supports complex human interactions in professional environments.

The move from formal to informal isn't just a matter of syntax. It's a **social ritual**, a mutual signal that says: *We've reached a point of familiarity where I trust you, and you trust me*. When this ritual is skipped or mandated from above, it feels like a **violation** – not an **invitation**. It's akin to forcing someone to shake hands when they've offered a respectful bow. The gesture itself loses meaning when coerced.

This isn't about being stiff or old-fashioned. It's about **having the freedom** to define the relationship, rather than **having it dictated**. That's not a language issue – it's a matter of **dignity**.

## Cultural Translation: "You" in English ≠ Equality

In English-speaking countries, especially the U.S., there's no equivalent to the formal "Sie." Everyone is addressed as "you," and **formality** is expressed through **tone, body language, titles, or professional decorum**.

This creates a paradox: While the language may sound egalitarian, the social structures behind it often remain rigid. Titles may be dropped, but power remains – sometimes even more entrenched because it becomes invisible, operating in unspoken codes rather than explicit markers.

What some global executives forget: language is not universal culture. You can translate a word – but not always the meaning behind it.

### The Waters Between Us: The Hidden Purpose of Social Distance

What I observed in this German company was a gradual erosion of the productive tension that naturally exists between organizational layers. Like an ecosystem where each species plays a unique role, traditional hierarchies – when healthy – create complementary functions that serve the whole.

Middle managers, once comfortable in their roles as translators between strategic vision and operational reality, found themselves in a liminal space – neither fully authority figures nor completely peers. The formal pronouns had served as subtle navigational tools in complex waters; without them, many felt adrift.

**"How do I disagree with someone I'm supposed to call by their first name?"** one department head confided to me. **"Before, I could say, 'Herr M., I see things differently,' and it was acceptable.**

Now, saying 'Thomas, I think you're wrong' feels like crossing a line that shouldn't be crossed."

The paradox emerged: forced familiarity created more hesitation, not less.

## The Illusion of Flat Hierarchies

In the company I joined, management believed they were promoting openness. **In practice, they created confusion.**

Employees no longer knew how to express dissent, give feedback, or navigate boundaries. The sudden imposed familiarity blurred the lines between roles, expectations, and accountability.

**This "flattening" didn't remove hierarchy** – it merely disguised it. Decision-making power remained concentrated at the top, but now without the transparent signals that helped everyone navigate the organizational waters. It was as if someone had removed all the traffic signs from a complex intersection while expecting traffic to flow more smoothly.

Informality is not a shortcut to trust. If anything, it can make trust harder to establish – because it removes the very rituals through which trust is usually built. Trust emerges through consistent patterns of behavior over time; it cannot be manufactured through linguistic shortcuts.

### The Silent Resistance: When Culture Fights Back

What management hadn't anticipated was the quiet resistance. In meetings, people began using passive voice more frequently – a linguistic technique that avoids direct address altogether. **"It would be beneficial if the timeline could be adjusted"** replaced "Could you adjust the timeline, Thomas?"

Some employees created their own counter-rituals – small gestures of formality that reasserted their autonomy. Documents were still addressed formally. Email signatures maintained titles. Private conversations reverted to the comfortable distance of *Sie*.

It wasn't rebellion; it was cultural immune response – a system protecting itself against a perceived threat to its integrity.

### Autonomy Matters: Let People Choose Their Level of Openness

Perhaps the most troubling aspect of the forced first-name policy was this: **it removed individual choice.**

In cultures where people expect to negotiate how close they want to be – professionally or personally – this felt intrusive. Employees weren't asked. They were told.

That's not inclusion. **That's cultural imperialism in casual clothes.**

The most successful international organizations I've worked with adopt a different approach. They create clear frameworks while allowing individual agency within them. They recognize that trust cannot be imposed but must be cultivated – often through the very cultural rituals that might seem archaic to outsiders.

### The Generational Complexity

Adding another layer to this cultural shift was the generational divide it exposed. Younger employees, many already influenced by global digital culture, adapted more readily to the informal approach. For them, the first-name basis represented a welcome liberation from what they perceived as outdated conventions.

This created a subtle but powerful divide: those who embraced the change versus those who felt marginalized by it. Ironically, a policy intended to unify created new fractures along lines that hadn't previously existed.

What management missed was the opportunity to create intentional transitions – spaces where different cultural and generational perspectives could coexist while a new, shared understanding evolved organically. Evolution, not revolution, tends to be more sustainable when it comes to cultural change.

### Real Leadership Respects Context

True transformation doesn't come from mimicking Silicon Valley. It comes from understanding the unique fabric of your organization – its people, its culture, its values. It comes from recognizing that organizational culture is like a river – you can direct its flow, but you cannot simply replace its water.

**Familiarity, like trust, must be earned.** If it's imposed, it's just another management fashion statement that underestimates **the complexity of human relationships.**

In the end, the German company reversed course – not completely, but significantly. They created a more nuanced approach that allowed for personal choice in address while maintaining clarity about roles and responsibilities.

### Takeaways for International Leaders

1. **Understand cultural depth, not just surface behaviors.** Language reflects social structure. Learn both.
2. **Respect rituals.** They may look formal, but they often serve emotional and relational purposes that aren't immediately visible.
3. **Don't force sameness.** Unity doesn't mean uniformity. Strong organizations thrive on diversity – including diversity of interaction styles.
4. **Recognize autonomy.** Let employees define how close they want to be. Agency over one's own social boundaries is a fundamental human need.
5. **Ask before you flatten.** Flatter hierarchies aren't better if they're fake. Sometimes clear structure creates more psychological safety than ambiguous "equality."
6. **Create bridges, not demolitions.** Instead of tearing down existing cultural structures, build connections between different ways of working and being.
7. **Watch for unintended consequences.** Cultural interventions often create ripple effects far beyond their intended outcomes.

The lesson? In our rush to create modern, agile organizations, we sometimes flatten the very cultural textures that give communities their resilience and depth. True organizational wisdom lies not in imposing universal solutions, but in cultivating environments where multiple cultural approaches can coexist and complement each other – creating something stronger than any single model could provide.

Not knowing, is also OK. Find somebody who can help you navigate those waters!

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