Globalization of Professional Services

Forewords by Heinz-Paul Bonn and Som Mittal

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Advancing Intercultural Competencies for Global Collaboration

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Abstract  Globalization is not a rite of passage, and culture appears to be the most neglected and underestimated source of challenge in global professional services. Academic research on national culture and cultural differences has identified dimensions with an effect on the functioning not only of societies and individuals, but also of organizations and project teams. Once cultural differences are recognized and understood, there is a better chance of building bridges across cultural gaps instead of seeking to achieve feigned homogeneity. Global managers need to develop a set of twelve affective, behavioural, and cognitive competencies for successful intercultural interaction. A targeted development of these key competencies requires a sound appraisal to identify individual strengths and limitations. They can be assessed and developed using ICCA™ (Intercultural Communication and Collaboration Appraisal) as a diagnosis framework. At its core, ICCA™ looks at the areas in which one’s environment is “different” from the culture one is going to work with. And using the Q methodology as a psychometric measurement tool, it charts a path towards advancing intercultural competencies by studying the manager’s subjective viewpoints.

1  Introduction

In the twenty-first century, successful professional services firms are organized across countries, continents, and cultures. Teams are set up and work is performed in places where employees with the right skills are available at the best price. It is a logic that dictates companies to focus on the best value and quality of their products or services.

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William J. Amelio, CEO of Lenovo, called it *Worldsourcing*. As per Amelio (2007), the label on the outside simply identifies the last stop on a complex global delivery journey; a minor glitch or sub-par standards can nearly destroy a brand.

Still, globalization is not a rite of passage. There are horror stories about failed endeavours to globalize service delivery, lack of quality, cultural clashes, data thefts, and companies moving things back home for these very reasons. Getting the processes and governance structures right for delivering consistent products or services from various parts of the globe (see Messner 2010) is really only one part of the game. And just as we are imagining that teams in different countries and cultures are following the same standards towards a common goal, we notice many deep-seated misconceptions about the other culture in day-to-day interactions. Some get articulated; some don’t and stay tucked away beneath the conscious mind.

It is beyond argument that in every cross-cultural alliance there is scope and potential for misunderstanding. While working across borders, culture seems to be the most neglected and underestimated source of challenge in selling in each other’s country, in acquisitions, and in producing products or delivering professional services.

Cultural differences are real and felt. What people from one culture think about themselves and about members of another culture is often in stark contrast to how they are being seen from the other culture. Figure 1 shows common perceptions between Westerners and Asians. For example, while Westerners say that Asians are polite, indirect, dependent on others, and in a perceived way unreliable, Asians call Westerners cold, aggressive, direct and think that with all the perfectionism and punctuality they exhibit, they have forgotten about personal relationships.

Superficial aspects of culture, like English as a business language, office dress code, American-style fast food, and standardized processes and governance structures, can lead to believe that potential cultural differences can easily be navigated. But values and attitudes, which really drive differences between nations and cultures, are invisible at first glance, but impact the way how work is delivered the most.
There are two ways in which we react to differentness. One, we try to deny or wish differences away. Second, we worry about them as an obstacle to progress and success. In order to overcome this state of ethnocentricity, we need to be fully aware of our cultural differences and about our own competencies in dealing with them. But the truth is that, according to Bhawuk and Brislin (1992) becoming interculturally fluent in another culture can take three or more years of full-time exposure in the other culture. The other truth is that in today’s fast moving age of world sourcing, global business does not give anyone this much time. We need an instrument to help set us on the right path; alone we will never achieve our full potential.

Every great sports person has a coach, politicians have advisors, and top business people have coaches to help bring out their best. Similarly, intercultural coaching helps to relate an individual’s cultural perspective with the worldview of the people around her or him. But the field of intercultural coaching is still evolving and many fundamental issues are yet to be fully understood and resolved, including what abilities are needed for successful intercultural interaction? The answer to this question is of course key to an intercultural training and coaching process. Any lack of clarity on this point of course means that the focus of training and coaching is likewise unclear, leaving the globally dispersed and culturally multi-faceted team in as bad a shape as before.

This chapter discusses the key intercultural differences and their relevance for global delivery, highlights key intercultural competencies, and it also suggests a diagnostic framework for assessing and developing intercultural competence.

2 Culturally Driven Differences and Similarities

Academic research on national culture and cultural differences started in the 1950s. Issues qualifying as common problems worldwide were identified and some first criteria for the identification of cultural differences proposed. Edward T. Hall highlighted that “Culture is man’s medium; there is not one aspect of human life that is not touched and altered by culture. This means personality, how people express themselves [...]”, the way they think [...], how problems are solved [...]. And he further warned that “denying culture and obscuring the effects that it can have on human talents can be as destructive and potentially dangerous as denying evil” (Hall 1976).

But only in the 1980s, the first worldwide survey about values of people in different countries was conducted by the Dutch professor Geert Hofstede; he stresses that “culture is more often a source of conflict than of synergy. Cultural differences are a nuisance at best and often a disaster” (Hofstede 1967–2007). Between 1994 and 2004, the pioneering work of Hofstede was followed by House et al. (2004), Chhokar et al. (2007) and their GLOBE study of leadership and organizational behaviour effectiveness. It identified cultural dimensions which have an effect on the functioning of societies, groups, businesses, and individuals.
• **Power distance** is the degree to which people expect and agree that power should be shared unequally.

• **Institutional collectivism** describes the degree to which the society encourages and rewards collective action, group loyalty is emphasized at the expense of individual goals, and whether being accepted by other people is important.

• **In-group collectivism** depicts the degree to which people express pride, loyalty, and interdependence in their families.

• **Assertiveness** is the reflection of beliefs as to whether people should be assertive, aggressive, confrontational, and tough in social relationships.

• **Future orientation** describes the orientation towards planning and sacrificing instant individual or collective gratification for long-term future rewards.

• **Uncertainty avoidance** is the extent to which ambiguous situations are threatening to individuals, to which rules and order are preferred, and to which uncertainty is tolerated in society.

• **Performance orientation** represents the degree to which an organization or a society encourages and rewards its members for performance improvement and excellence.

• **Gender egalitarianism** gives a picture of the extent to which an organization or a society minimizes gender role differences while promoting gender equality.

• **Humane orientation** describes if individuals in organizations or societies are encouraged or rewarded for being fair, altruistic, friendly, generous, caring, and in general kind to others.

The GLOBE study provides indices for these dimensions on a scale of 1–7 to compare current perceptions (as-is practices) with ideal perceptions (should-be values). In addition, these constructs are compared at a societal and organizational level.

Other models, such as proposed by Trompenaars and Hampden-Turner (1997) or Walker et al. (2004), share a large degree of practical commonality. But all these models show that people from different cultures think and act differently while being tasked with the same job. Once a global manager recognizes and understands these cultural differences, there is a better chance of “building bridges across the cultural gaps, and not seeking to achieve ‘one size fits all’ homogeneity in the team”. Instead, “The global manager has to collaborate with the team in establishing ‘cultural ground rules’ for day-to-day work that focus on the common tasks and goals, rather than try to eliminate the individual cultural differences” (Raghavan 2008).

3 **Competencies for Effective Intercultural Collaboration**

The importance of communication to build bridges between cultures is well acknowledged. According to Spitzberg (1993), such intercultural communication will be competent when it accomplishes the objectives in a manner that is appropriate to the context and relationship.
Unfortunately most existing models of intercultural competence are fairly fragmented with only a list of skills, abilities, and attitudes. While such lists appear to be useful on the surface, there is no sense of integration or coherence across lists.

In order to tell which competencies are most important for intercultural collaboration, we have derived intercultural skills from various academic publications (e.g., Bhawuk and Brislin (1992), Graf and Mertesacker (2010), Spitzberg (1993) to name but a few) and connected them with our own experience in the field. The resulting twelve essential intercultural competencies are shown in Fig. 2.

By means of an international survey, we have then asked a group of 137 interculturalists and international managers to pinpoint the six most important competencies:

- Open-mindedness
- Changing perspectives
- Communication Ability
- Flexibility
- Tolerance
- Sensitivity

While the obvious approach was to count how often each competence was classified as important, a more comprehensive picture emerged when we also took the actual ranking into account. Some competencies were only selected by few of the survey participants, but when selected, they were ranked most prominently.
Therefore we introduced a sounder weighting of the competency rank (the first most, the second most, the third most important competence, etc.) by using the mean of the rankings as the criteria of importance. In a subsequent step all competencies that were not considered for rank one to six by a survey participant were labelled with position seven. While this approach avoids the problem of a few, but prominent responses, it shrinks and under-rates the real difference between the competencies. Figure 3 shows the summary of the results of the survey in more detail.

4 ICCA™: Intercultural Communication and Collaboration Appraisal

Despite these varied constructs of intercultural competence, a study by Deardorff (2006) concludes that intercultural competence can indeed be measured. However, its multi-dimensional and multi-perspective nature needs to be taken into account. Numerous such external instruments now exist that claim to assess intercultural competencies. Notwithstanding, various surveys—such as Fantini (2009) and Graf and Mertesacker (2010)—conclude that most existing single instruments are usually inadequate for measuring all aspects of intercultural competence; some are predictive, others formative, normative, and/or summative.

In our research work, we have brought together applied skills with requisite psychological expert knowledge and developed ICCA™ (Intercultural Communication and Collaboration Appraisal) as a practical, reliable, and cross-culturally valid diagnostic instrument (Messner and Schäfer 2012). Using ICCA™, one can identify the areas in which one and one’s environment is “different” from the culture one is going to work with. ICCA™ also provides concrete advice on how to develop which skills to become more appropriate and effective in intercultural collaboration. ICCA™ can be used for a wide variety of purposes, including:

- Individual assessment in intercultural coaching and counselling situations
- Group analysis in intercultural teambuilding efforts
- Selection of expatriates
- Needs assessment in an organization for training design
- Further academic research

The instrument is available as an online version and a paper and pencil version, for one-time individual self-appraisal and as a licensable version for trainers, coaches, and corporates. It is easy to complete and it generates an in-depth graphic profile. At its core, ICCA™ consists of four parts:

- Part 1: Cultural predisposition
- Part 2: Time personality
- Part 3: Competencies in intercultural collaboration
- Part 4: Organizational commitment
differences are disappearing or diminishing. On the contrary, when cultures come into contact, they may converge on some aspects, but their idiosyncrasies will likely amplify. One of the challenges is acknowledging and appreciating cultural subtleties in different parts of the world. In order to work effectively with globally distributed teams, managers need to respond positively to practices and values that may be drastically different from what they are accustomed to.

By holding up a mirror, this part of ICCA™ permits the participant to embark on a journey of self-discovery and see the remarkable grip of unconscious culture. It builds upon the questionnaire items for the GLOBE dimensions as proposed in House et al. (2004) and respondents rate the items on a 7-point Likert-type scale. With the help of diagrams shown in Fig. 4 and a verbatim description of how individuals on the different sides of the spectrum tend to behave, participants can make comparisons to determine similarities and differences among themselves and initiate ways to improve intercultural relationships.

4.2 Part 2: Time Personality

The concept of time personality has recently become increasingly relevant with discussions around work vs. personal time and home office concepts. But there is also an underlying cultural dimension of time personality, such as preferences and feelings towards combining activities or not.
4.3 Part 3: Competencies in Intercultural Collaboration

A targeted development of key competencies in intercultural collaboration requires a thorough appraisal to identify individual strengths and weaknesses. Such an expert appraisal is a questionnaire-based instrument to identify deficiencies in relevant competencies consisting of three parts: the questionnaire, the report, and suggestions for development.

All three parts can be found in ICCA™ as well. However, instead of using a standard Likert-type scale questionnaire, a prescribed symmetrical, unimodal distribution as shown in Fig. 5 is imposed on the participants to force them to carefully think about their relative intercultural communication strengths and limitations.
Items placed in the middle categories are psychologically less salient than extremely placed items in portraying a person’s competencies. This so-called Q methodology was originally developed by Stephenson (1935, 1953), is now an established psychometric research method to study people’s subjective viewpoints, and applied by Schäfer (2011) for the assessment and development of management key qualifications.

The critical incident methodology was chosen to derive items which aptly describe the intercultural competencies. The Q methodology has many advantages over the standard Likert-type questionnaires; it motivates participants better and already through the process of comparing and sorting items they are able to reach a deep introspection of their own behaviour and competencies. Reviewing the layout with a coach can be the beginning of a high-quality intercultural coaching dialogue.

### 4.4 Part 4: Organizational Commitment

The last part of ICCA™ looks at the commitment to the organization. At a general level, it describes a psychological state that characterizes the relationship of an employee with the organization for which they work; and this psychological state has implications for an employee’s decision to remain in the organization or to quit and find another job elsewhere. While human resource management has been researched plentiful in the Western hemisphere, only recently Jha (2011) has analysed organizational commitment in the context of India’s IT services industry as well.

Three factors of organizational commitment have been identified by Meyer and Allen (1991).

- **The affective factor** describes an individual’s emotional attachment, identification with, and involvement in the organization and its goals. It results from and is induced by individual and organizational value congruency. Certain characteristics of the job, good performance, the feeling that the organization “cares” for its employees when making decisions, and the degree to which employees are involved in the goal setting and decision-making process are elements which help creating intrinsically rewarding situations.

- **The normative factor** reflects the sense of moral obligation to remain in an organization, an old-style value of loyalty and duty. This is measured by the extent to which an employee feels obliged to make personal sacrifices and not criticize the organization.

- **The continuity factor** exhibits the individual’s awareness of the costs of leaving an organization. Non-transferable personal investment, such as close working relationships with other employees, community involvement, acquired job skills being unique to the organization, and monetary investments, such as contributions to pension funds or stock options, can make it look too costly for an employee to leave and seek employment somewhere else.
The analysis of organizational commitment as part of the ICCATM is useful on two levels. First, a professional services company can study organizational commitment to understand the strengths of its employee base and overall the health of its organization. It should also know that it can actively influence the affective and normative factors by providing challenging jobs. Second, positive organizational commitment also supports an individual employee in passing quickly and unharmed through the phase of disillusionment which appears to be almost a given in intercultural encounters. Looking at the degree of affective, normative, and continuity commitment as pre-warning indicators, a skilled coach can enter into a high-quality coaching dialogue and thus help the employee not to fall too deep into the state of culture shock, but regain productivity as quickly as possible.

5 Conclusion

Cultural incidents are a legitimate cause for concern in globally distributed professional services delivery. But at the same time, they can become a motivation for learning about the other culture instead of turning against it. And in this process, one learns a great deal about one's own culture as well. At home, one is rarely ever prompted to reflect on the cultural self and own views. But once encountering another frame of reference, unusual behaviour of colleagues is noticed just as one becomes aware of one's own behaviour. Unusual behaviour is observed as a difference to one's usual behaviour, to what has so far been seen as the norm.

Developing the ability to see situations and behaviour from multiple perspectives is a great benefit even if working in a mono-cultural environment. It allows identifying alternatives to the standard way of doing things. Thinking outside the box, reinventing the organizational setup, changing the paradigm—in professional services delivery one does it all the time.

With ICCATM we have introduced a practical, reliable, and cross-culturally valid diagnosis framework for intercultural communication and collaboration appraisal, which is grounded in business reality and charts a path to progress intercultural competencies in a quality coaching dialogue. A sound assessment is an integral part of the intercultural coaching and education process; it provides an objective indicator to balance subjective views. When properly executed, ICCATM not only provides solid information about the individual that can guide the coaching process, but can also enrich and transform the global collaboration experience. Nevertheless, none of the findings should be considered to be absolute; in the daily interplay of lives, things can often be completely different. The key is that the ICCATM participant as benefactor will find some significant meaning in the process of becoming more effective and appropriate in global collaboration.
References


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