

### **Executive Summary**

People have been aware of other cultures since the time of Columbus's explorations in the 13<sup>th</sup> century and before. However this awareness has been amplified in the 21<sup>st</sup> century as globalization continues to accelerate and developments in technology and social media effectively transcend global geography. While the 21<sup>st</sup> century world is shrinking, the business opportunities and challenges these changes pose are expanding day on day. One of the most significant global business challenges is the effective management of cultural diversity.

Here in Ireland our population remained relatively homogonous until the middle '90's. However the boom of the Celtic tiger years dramatically changed our cultural mix with the influx of immigrants to service our labor shortage. Consequently the proportion of population born outside of the republic of Ireland more than doubled in 10 years between '96 and '06.(1) Though the boom years have become a distant memory, our cultural mix is here to stay and we continue to work and share Irish society with people from different cultures on a daily basis.

So what is Culture? Simply put Culture comprises the values, beliefs and behaviours shared by a group of people whether they are of different nationality, religion, geography, language or workplace. However nationality and the nation state are most closely associated with culture though the nation state it in itself can encompass many cultures.

While a cultural mix offers business many opportunities as well as challenge, the ability to cash in on these offerings depends to a large degree on how effectively or poorly we communicate with business partners in or from a different cultural setting to ours. Simply put they are different and we need to take this difference into account to collaborate with other individuals from other cultures and manage and leverage cultural diversity effectively. Organizations need to mindfully create an organizational learning environment that is open, flexible and respectful of cultural difference.



The use of well proven cultural training models underpinned by a coaching approach has historically proved very effective in creating such an environment. Training models available are all or mostly based on the work of Geert Hofstede, interculturalist, and key figure in this area. Hotstede began researching crosscultural groups and organizations in the 60's and his findings have played a major role in developing a systematic framework for assessing and differentiating national cultures and organizational cultures. He initially undertook research into national culture differences across subsidiaries of a multinational corporation (IBM) in 64 countries. Subsequent studies by others covered students in 23 countries, elites in 19 countries, commercial airline pilots in 23 countries, up-market consumers in 15 countries, and civil service managers in 14 countries. Together these studies identified and validated four independent dimensions of national culture differences. A fifth dimension, 'long term orientation' was added in 1991 and a sixth 'indulgence versus restraint' in 2010. Kluckhohn and Fred Strodtbeck, Edward Hall and Fons Trompenaars and more recently Rosinsky in 2004 have all produced training models which are loosely based on the original by Hofstede. These models generally set out to distinguish cultures from each other though a framework of cultural dimensions. Different cultures are placed on a continuum within the dimensions depending on preferences and cultural inclination.

Strategically managing cultural diversity by putting in an effective training and coaching programme based on the latter reaps many rewards. Not only will staff feel more valued but a successfully managed multicultural workplace creates opportunity for learning, creativity, innovation and leadership in the workforce by bringing different perspectives and experiences to the organisation. Though Ireland in the noughties is no longer booming and our requirements are changed, our country's cultural diversity is here to stay. This cultural mix can positively impact on business bottom line and social integration if managed appropriately and well. Strategic diversity management gives Ireland the potential to be among the most innovative and dynamic places to work in the world and our organisations leaders in the field of cross cultural competence.



*"Your individuality is the most valuable thing you have."* Martha Beck *"The real voyage of discovery consists not in seeking new landscapes but in having new eyes."* Marcel Proust

# Background

As technological advance and social media growth continue to shrink our world, globalization (a buzzword coined in the early 90s referring to the influence and the convergence of world financial markets) has become a ubiquitous term. Ireland like many other countries has to compete on a global stage and we have Irish and multinational companies based in Ireland, whose employees interact daily with colleagues of different cultures. Moreover the Celtic tiger made a significant dent on Ireland's cultural mix with the influx of immigrant workers to feed our booming economy. (1) We went from predominantly indigenous and homogenous workforce in the mid 90s, to a diverse cultural mix including Africans and Asians but primarily immigrants from central Europe during the Celtic tiger years. In 2009 just over a guarter of non-Irish national's resident here were UK nationals and two thirds were from the EU. While the absolute numbers have grown significantly the percentage of non-Irish nationals from other regions is low Asia (11%), Africa (8%) and the Americas (5%). In 2009 just over a guarter of non-Irish nationals resident here are UK nationals and 2 third were from EU (CSO: Population and Migration Estimates 2003 and 2006) (2)

Though the boom is over, organisations continue to grapple with the challenges of cultural diversity in the workforce. These range from basic communication and language difficulties to more complex issues around decision making and team processes. Yet the United States and other multicultural economies have demonstrated that it is not only possible to effectively manage cultural difference but it's possible to leverage cultural diversity for greater organisational learning, creativity, innovation and leadership.

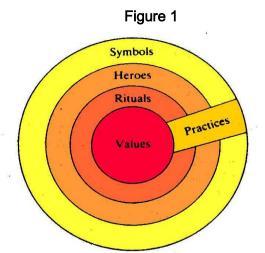
This paper examines the models, principles and benefits of a strategic approach to cultural diversity management.



## Culture as context in the Globalised Workplace

However before we examine the impact of culture in the workplace we need to address the concept of Culture. One definition suggests that 'Culture consists in patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinct achievements of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values' (Kluckhohn cited in Hofstede, 2001)

Hofstede interculturalist and key figure in this area condenses the above definition by describing culture as 'the collective programming of the mind that distinguishes members of one group or category of people from another' (Hofstede, 2001). He sees culture as a core system of values which are invisible but outwardly manifest by layers of practice; rituals, heroes and symbols (Figure 1). Rituals are collective activities, not necessarily essential are deemed important to keep individuals within the norms of society e.g. business protocols. Heroes are people alive, dead or part of a myth that possess highly valued characteristics and serve as valuable role models in society and symbols represent the most superficial layer of cultural practices and comprise of things such as gestures, pictures, dress code or fashion.



Hofstede's Onion Diagram: Manifestation of Culture at Different Levels (Hofstede, 2001)

Duchas Coaching and Training, Alta Villa, Montenotte, Cork Ireland **Mob:** +353 87 2170366 **Tel:** + 353 21 4898722 **Email:** <u>info@duchascoaching.com</u>



While many cultural definitions exist, attempts to define culture generally speak of the values, beliefs and behaviors shared by a group of people where group refers to nationality, religion, workplace or profession etc. Organizations also have their own distinct cultures based on the shared values, assumptions and learning. Probably the most common notion of culture is that of nation state and geography but this can also be complex e.g., people in a particular social grouping in their own country i.e. fashion designers may have more in common with fashion designers in a different country than with their own countrymen!

In 1980, Hofstede, a pioneer in this field, was one of the first interculturalists to isolate aspects of culture which are specifically relevant to the workplace by creating a model that initially identified four distinct dimensions based on the common tendencies of people. With a fifth dimension, long term orientation (LTO) initially called Confucian dynamism added in 1991 and a sixth, indulgence versus restraint, in 2010. Cultures or nations are placed on the continuum according to cultural preference/orientation.

# Hofstede's 5 dimensions (figure 2)

1. *Power Distance* – the extent to which the less powerful person in a society accepts inequality in power and considers it normal

2. *Uncertainty Avoidance* – the extent to which people feel nervous in a situation they consider to be unstructured, unclear or unpredictable

3. *Individualism –Collectivism* – the extent to which individuals look after their own interests or those of the group to which they belong and are loyal and which looks after them- extended family, organisation etc.

4. *Masculinity-Femininity* – masculine cultures define very distinct social roles for men and women. Men are expected to be assertive, competitive, strong, fast and materialistic.

5. *Long/Short-term Orientation* – the extent to which people focus their efforts on the present or future



Of the five dimensions identified by Hofstede, each one had at least one if not more cultural continuums. However this is only one of numerous models that exist to specially manage culture difference in the workplace. Since then other experts, including Florence Kluckhohn and Fred Strodtbeck, Edward Hall and Fons Trompenaars have created various cultural diversity models based on Hofstede's work adding additional updates/approaches per research results. In 2004 Philippe Rosinski created the Cultural Orientations Framework (COF) which is an integrative framework designed to assess and compare cultures. A cultural orientation according to Rosinski 'is an inclination to think, feel or act in a way that is culturally determined. For example, in the United States, people tend to communicate in a direct fashion, saying what they mean, and meaning what they say. The message is clear, but it can also be perceived as offensive. Their cultural orientation, then, is "direct communication," in contrast with Asians' typical indirectness. Asians don't necessarily spell out what they mean, at the risk of being misunderstood, because they wish to avoid hurting someone's feelings'. The COF includes a range of cultural dimensions/orientations grouped in seven categories including sense of power and responsibility, time management approaches, definitions of identity and purpose, organizational arrangements, notions of territory and boundaries, communication patterns, and modes of thinking.

## Managing Cultural diversity- a strategic approach

As we can see models may be a useful means of creating vision and developing a strategy which is comprehensive, coordinated, purposeful and integrated with other organizational strategies. However regardless of the cultural diversity model used, the principle of empathetic honest communication underpins the value of any successful framework in managing cultural variations. 'Understanding communication processes and developing a means of managing effective communication while remaining open and flexible in the workplace are integral to successful diversity management' (Henderson 1994)



Ultimately, it is through communication verbal and non verbal that we relate to one another and 'understand and overcome our differences' (Touraine, 2000) Effective programmes that reap rewards, seek to recognize and celebrate difference, and do not try to assimilate individuals or encourage everyone to fit institutional values and beliefs of the majority. Instead the approach emphasizes valuing the individual and encouraging them to draw on their own values and beliefs for problem solving and decision making. (McMillan-Capehart, 2006; Thomas and Ely, 1996)

### Coaching approach

As Culture is complex and not one dimensional, the addition of coaching to a diversity training programme can make a unique contribution in consolidating its underlying guiding principles i.e. communication, openness and flexibility. Coaching is also underpinned by these principles and seeks to create increased awareness and responsibility in the person being coached. If cross cultural coaching is part of a diversity programme in the organisation, the people and organisation will slowly learn and change to create the ideal conditions for sustained cross cultural success. Good coaching improving people's awareness of their own cultural perspectives, the critical first step in any cross cultural awareness programme; it also seeks to create greater responsibility and leadership in the coachee. There is no 'we are doing it to them stuff'; learning is a two-way process and 'we have as much to learn from the outsider as they have from us'. The coachee is not passively learning lists of cultural traits but working at a more fundamental level to improve his communication and interpersonal skills. Cultural diversity may be personally challenging for the individual also the organization because fundamental changes in people and company culture may be required. However mutually respectful exchange coupled with genuine interest can do wonders to create trust and bring down intercultural barriers. The coachee learns how to be present, to participate in the moment with people that are different and stay flexible about difference. He aims to overcome differences not by eliminating them but by acknowledging them and finding ways to make the most of them. People become more open to learning and open to expressing where they may



have difficulties. Humour is also useful; taking outcomes seriously but not taking yourself seriously brings ease and tolerance into conversation. This openness and flexibility is personally challenging as there is an element of unpredictability so coaching can act as a useful support when development and change is taking place. Learning to ask open questions and listen respectfully as part of the process naturally creates conditions for a good conversation regardless of cultural background.

## Organizational requirements

In a sense while everyone is the organization is leading the way to a more open, flexible creative environment, it requires a commitment from the top to manage the challenges that the cultural diversity programme asks of everyone in the organization. Thomas and Ely (1996) discovered that certain organizational preconditions enabled organizations to use cultural differences for learning, growth and renewal. Firstly leaders must appreciate and be tolerant of different perspective and approaches to work, and truly value variety of opinion and insight. (This may be challenging at first as it may be contrary to some management styles; a coaching programme is ideal in this situation to identify and address any issues) Organizations must create an expectation of high standards. It must value personal development and openness and have a relatively egalitarian, non-bureaucratic structure. Finally it must have a well articulated and widely understood mission.

'The basic concept of managing diversity accepts that a workforce consists of a diverse population of people. The diversity consists of visible and non-visible differences which will include factors such as sex, age, background, race, disability, personality and work style. It is founded on the premise that harnessing these differences will create a productive environment in which everyone feels values, where their talents are being fully utilized and in which organizational goals are met.' (Kandola and Fullerton. 1994).

So while training models are very useful pointers, its at the very least naïve and at the worse detrimental to hold on to these models as the sole map or the way forward,



its down to us to create fundamental change by becoming more self aware and responsible in a cross cultural situation. To work well in cross cultural situation is to have a "beginner's mind" every day!

What is important is not what the organizations culture is but whether it is open to progressive diversity management with open communication and whether it has the flexibility to learn and adapt (Henderson, 1994; Hobman, et al., 2004; Kandola and Fullerton, 1994).

## Why you might use a diversity model

According to Rodriguez (2006) the main driver for a strategic approach to diversity management is the need to tap into the creative, cultural and communicative skills of employees in order to improve policies, products and customer experience. This illustrates that the basis for a business case it to improve business performance. Internationally world class companies such as IBM, PepsiCo, HP, KLM, and Volvo all have strategic diversity programmes in place to capture the widest variety of cultural skills. The following is a list of benefits underpinning the above argument:

- Increase creativity and innovation in workforce by bringing difference perspectives and experiences to the organisation
- Business negotiations, marketing, sales and purchasing are all facilitated by through knowledge and understanding of cultural differences
- Higher staff retention of non national employees as they experience greater job satisfaction
- o Increased productivity, lower levels of absenteeism and staff turnover
- Attract more talent as emphasis on individual socialisation in the cultural diversity programmes lead to overall workforce feeling more appreciated and valued. (McMillan-Capehart, 2006)



## Conclusion

- The multicultural organisation is here to stay. It's not about tolerating or eliminating cultural differences but proactively acknowledging them; honestly listening and engaging with other cultures in an open flexible and respectful manner drawing on the humanistic principles of good communication. In this way we create enhanced methods of intercommunication and greater multicultural cohesion.
- Cultural Diversity management requires strong leadership and a coordinated and strategic approach. It cannot rely on adhoc interventions when problems have already occurred. Cultural diversity programmes demand courage in challenging the individual to become aware of his cultural beliefs/prejudices. He is asked to let go and open to new possibilities and perspectives of being and doing for the benefit of all. Humour, creativity and a willingness to be wrong are all necessary ingredients!
- It will take time and effort and a willingness to learn and change both for individuals and the organization
- Culture is a complex and dynamic phenomena that can not be simply reduced to lists of behaviors and while it can be tempting to rely on generalizations, this often leads to misleading stereotyping and frustrating intercultural communication.
- We are asked to *adapt to* but not necessarily *adopt* other cultural points of view; our individuality and sense of uniqueness is not threatened by become cross culturally competent
- No matter what future economic changes take place in Ireland, the impact of our recent experience will persist and cultural diversity will ripple through future generations. As a nation if we learn from others and get it right from the beginning, our organist ions are well placed to become leaders in cultural diversity management thereby enhancing our position in an increasingly multicultural global marketplace.



#### References

1. CSO: Census of Population Data, 2006

2. CSO: Population and Migration Estimates 2003 and 2006

Hofstede, G., (2001), Culture's Consequences, Sage, Thousand Oaks.

Rosinski, P., (2003), *Coaching Across Cultures*, Nicholas Brealey Publishing.

Rosinski, P., www.CoachingAcrossCultures.com

Henderson, G., (1994), **Cultural Diversity in the workplace: Issues and Strategies**, Praeger Westport, CT.

Touraine, A., (2000), **Can we live together? Equality and difference**, Stanford University Press, Stanford.

McMillan-Capehart, A., (2006), Heterogeneity or Homogeneity: Socialization makes the difference in firm performance, Performance Improvement Quarterly, Vol. 19 No.1, 83.

Thomas, D.A., and Ely, R.J., (1996), **Making Differences Matter**, Harvard Business Review, Vol. 74, No. 5, 79-90.

Kandola, R., and Fullerton, J., (1994), **Managing the mosaic: Diversity in Action**, Institute of Personal Development, London.

Hobman, E.V., et Al. (2004), Perceived Dissimilarity and work group involvement : the moderating effects of group openness to diversity, Group and Organization Management, Vol. 29, No. 5,560-588

Rodriguez, R., (2006), Diversity finds its place, HR Magazine vol. 51, No. 8.

Duchas Coaching and Training, Alta Villa, Montenotte, Cork Ireland **Mob:** +353 87 2170366 **Tel:** + 353 21 4898722 **Email:** <u>info@duchascoaching.com</u>