Developing Inter-cultural Intelligence in Organisations

Practical Solutions for Cultural Diversity and Inclusion
IIANZ
November 2023

THIRD CULTURE
SOLUTIONS

Global Flow of People Movement
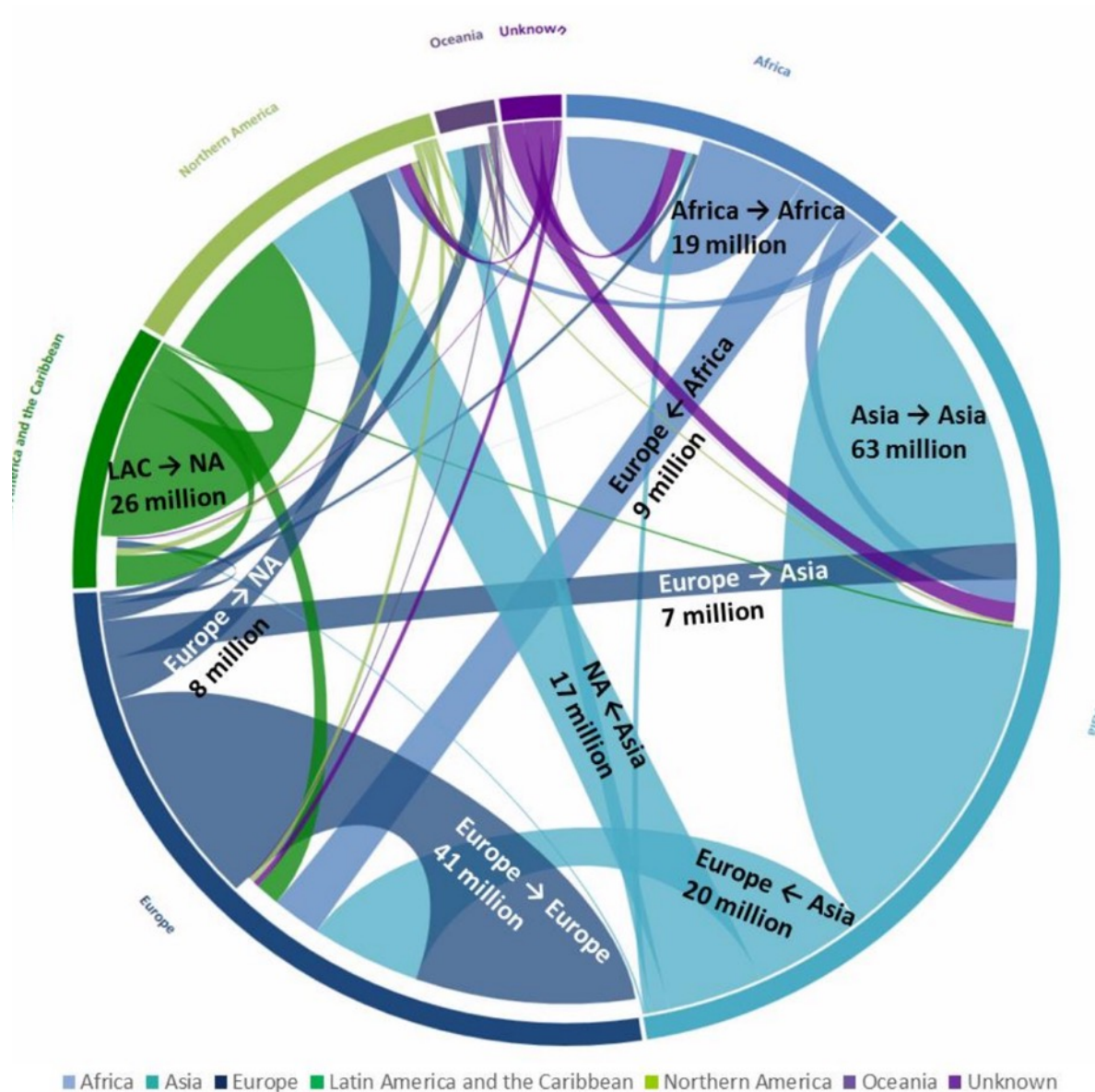
Top-10 Desired Skills in 2020

(the Fourth Industrial Revolution)

Cultural Agility
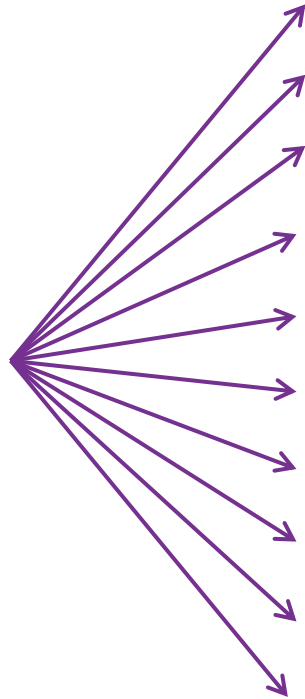
1. Complex Problem Solving
2. Critical Thinking
3. Creativity
4. People Management
5. Coordinating with Others
6. Emotional Intelligence
7. Judgement and Decision Making
8. Service Orientation
9. Negotiation
10. Cognitive Flexibility

Source: Future of Jobs Report, World Economic Forum
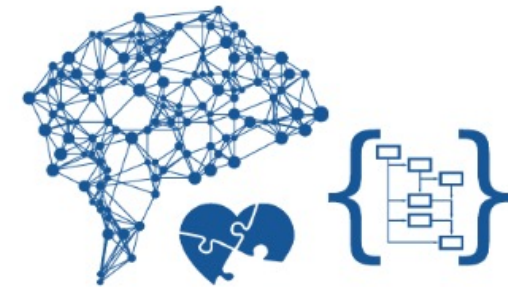
Shift in Skill-Requirements (2016-2030)

SKILLS	Physical and manual	Basic cognitive	Higher cognitive	Social and emotional	Technological
Hours spent, in 2016 Billion	203	115	140	119	73
Change in hours spent by 2030 %	-14	-15	8	24	55
Skills with the biggest shift in demand	▼ General equipment operation and navigation ▼ Inspecting and monitoring	▼ Basic data input and processing ▼ Basic literacy, numeracy, and communication	▲ Creativity ▲ Complex information processing and interpretation	▲ Entrepreneurship and initiative taking ▲ Leadership and managing others	▲ Advanced IT skills and programming ▲ Basic digital skills

WHAT IS CULTURAL INTELLIGENCE? (CQ)
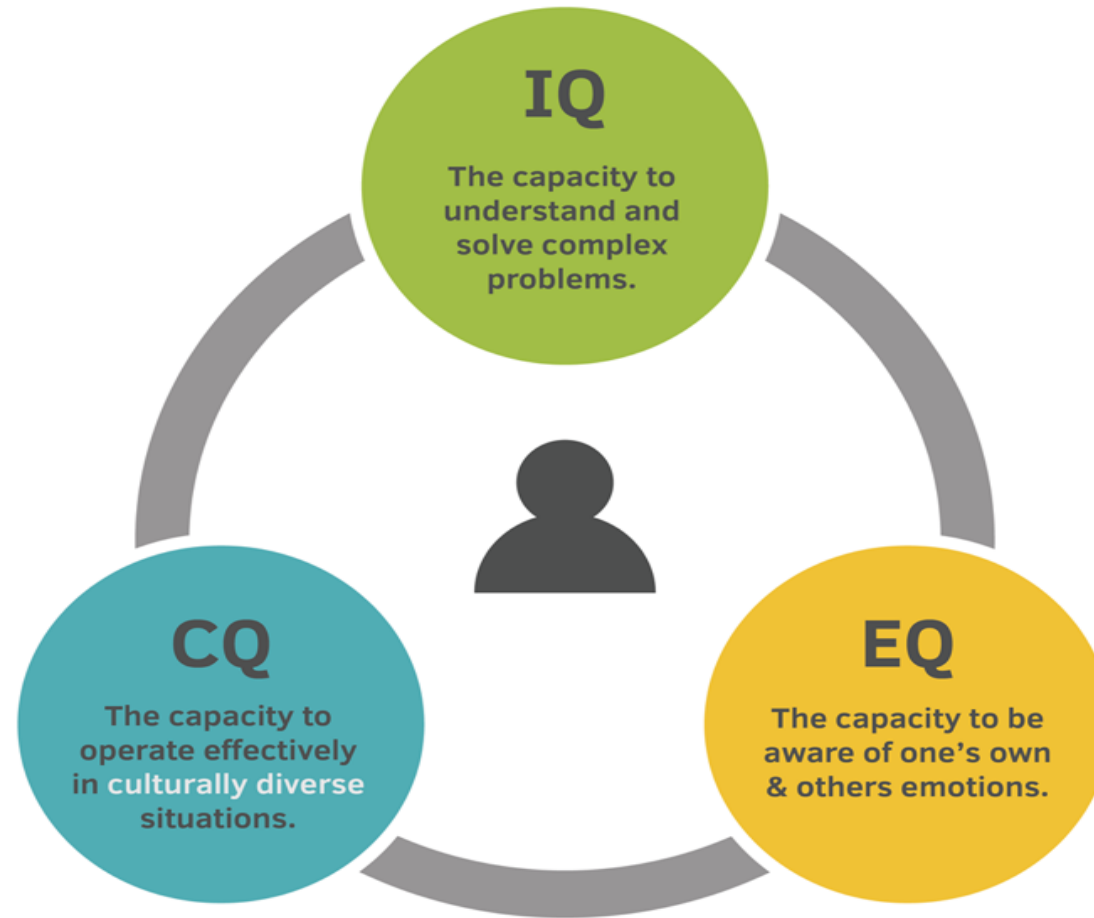
IQ
The capacity to understand and solve complex problems.

EQ
The capacity to be aware of one's own & others emotions.

CQ
The capacity to operate effectively in culturally diverse situations.

Intercultural Intelligence

The ability to create new cultural spaces to facilitate win-win solutions; by anticipating, correctly interpreting, and adjusting to the culturally defined behaviors of others.
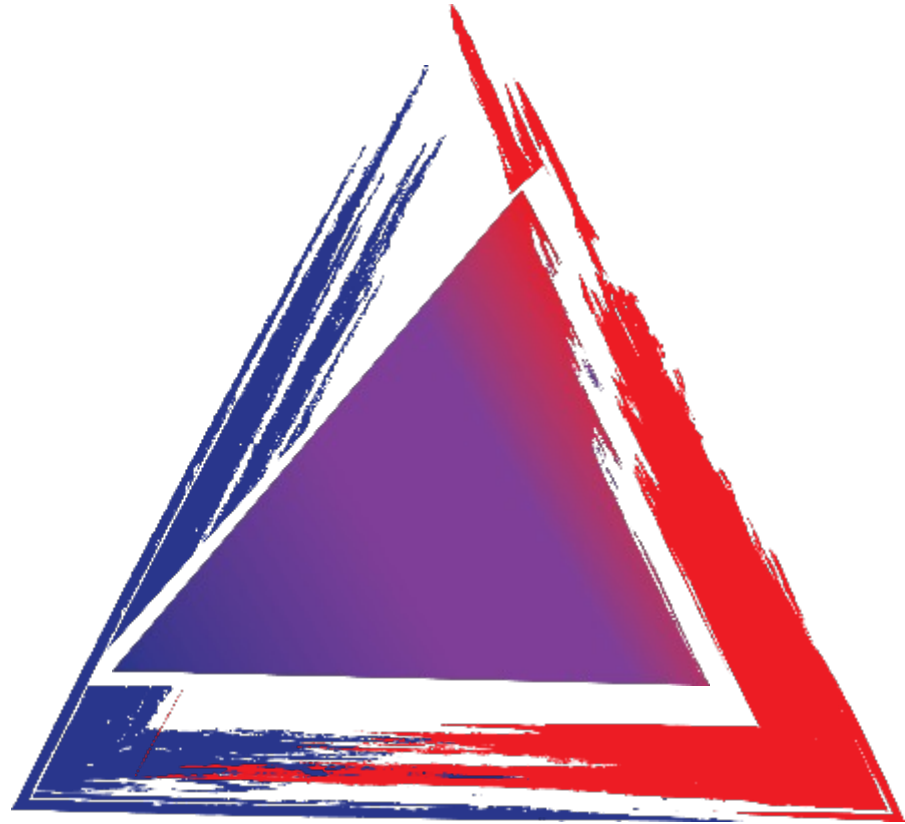
(Inter)cultural Intelligence is the purple space

CREATIVITY & INNOVATION

Distefano's research compared the performance of homogenous and diverse teams
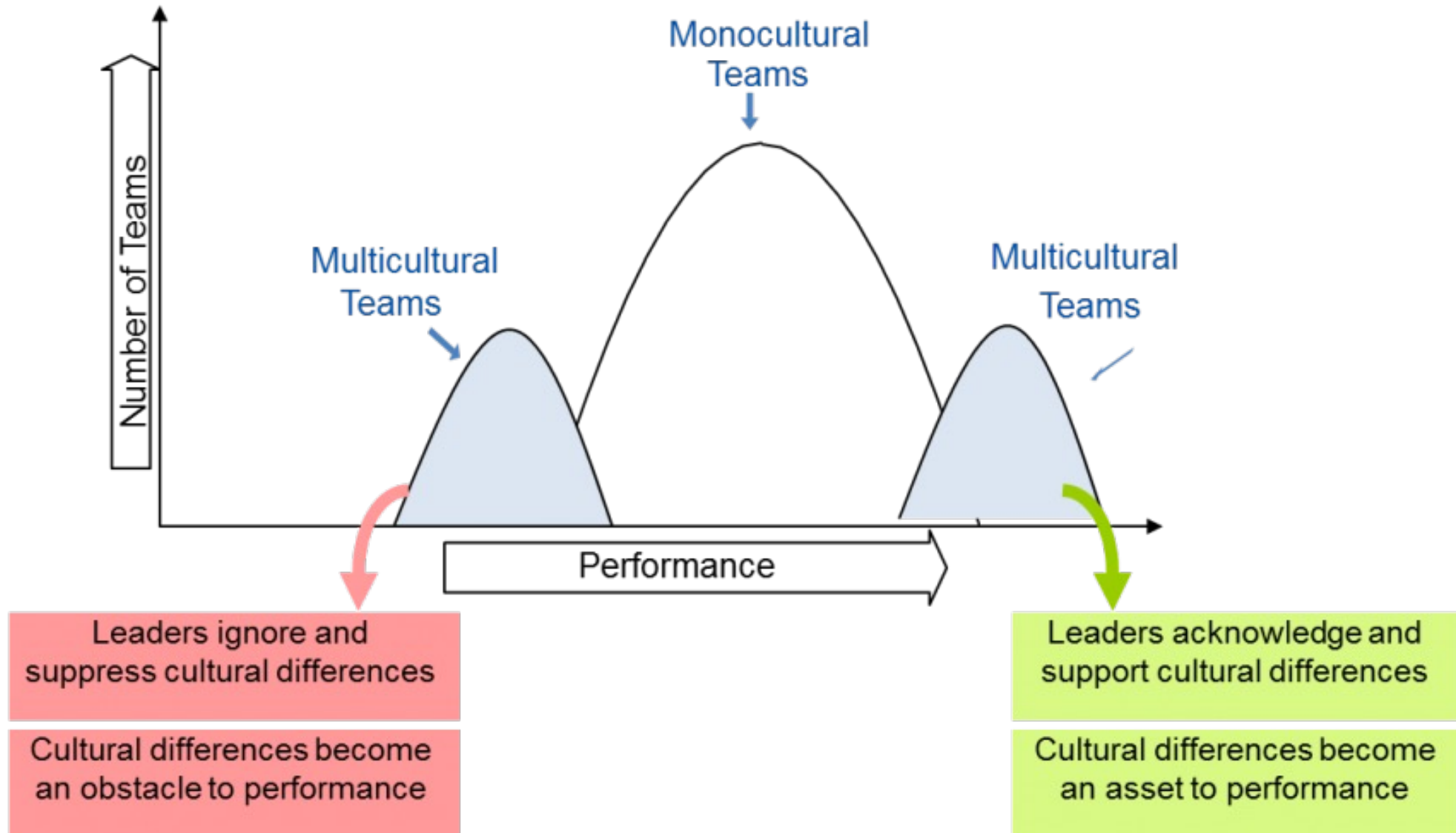
Number of Teams

Monocultural Teams

Multicultural Teams

Multicultural Teams

Performance

Leaders ignore and suppress cultural differences

Cultural differences become an obstacle to performance

Leaders acknowledge and support cultural differences

Cultural differences become an asset to performance

Reference: Distefano, J.J., Creating Value with Diverse Teams in Global Management, Organisational Dynamics, Vol 29, No. 1, pp 45-63, 2000

Fallout from Lack of ICI

25% – 40%

Failure rates for Senior **Expat Assignments**

Cost of failure: $80,000 to $1,300,000

16% of all returnees resign within first 2 years

Fallout from Lack of ICI

30% – 40%

Likelihood of Failure
for Intercultural M&A

USA M&A Investment in Brazil has a failure rate of 90%

- Cost of failure: ?
- Hidden cost of parties walking away from the table.
- Loss of creativity and problem solving

CULTURAL DISSONANCE IN THE WORKPLACE

- Misunderstanding and Confusion

- Frustration

- Disengagement

- Stress and depression

- Conflict

- Health & safety risks

- High turnover rates

- Limited growth

- Lost opportunities

Communication gets tricky…

HSE engineer gave the following
message to his team:

Please paint in big letter the following
on our Diesel tankers:
Diesel Fuel in Arabic
No Smoking in Arabic

Communication gets tricky…

So what
is Cultural Diversity?

THIRD CULTURE
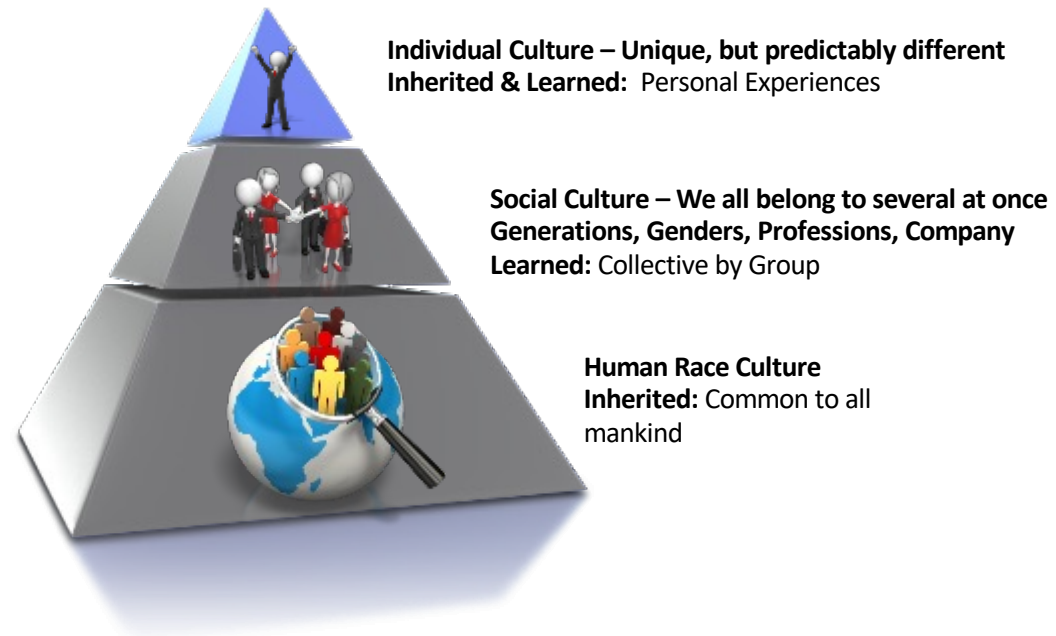SO LT ONS

Culture is …

- How we see and make sense of the world

- Fuzzy

- Attitudes, beliefs, behavioral norms, basic assumptions and values

- Shared by a group of people that influence each other's behavior (learned behaviour)

- Influences how we interpret the meaning of other people's behavior

DIVERSITY is simultaneously the greatest ASSET and CHALLENGE.

Individual Culture – Unique, but predictably different
Inherited & Learned: Personal Experiences

Social Culture – We all belong to several at once
Generations, Genders, Professions, Company
Learned: Collective by Group

Human Race Culture
Inherited: Common to all mankind

Your personality determines how you WANT to behave, culture determines how you SHOULD behave.

Dimensions of Diversity

Primary Dimensions	Secondary Dimensions	Tertiary Dimensions
Race	Religion	Beliefs
Ethnicity	Culture	Assumptions
Gender	Sexual Orientation	Perceptions
Age	Thinking style	Attitudes
Disability	Geographic origin	Feelings
	Family status	Values
	Lifestyle	Group norms
	Economic status	
	Political orientation	
	Work experience	
	Education	
	Language	
	Nationality	
Shape our self-image	Affects our self-esteem And self definition	At the core of our identity

Our Intercultural Journey

Denial:
I don't consider that Cultural differences exist at all.

Defense:
I defend my home culture because I lose my bearings otherwise.

Minimization:
I minimize differences and focus on what brings me similar to others.

Acceptance:
I am aware of diverse cultural perceptions.

Adaptation:
I adapt my reasoning and actions to my new culture.

Integration:
I develop a feeling of membership in my new culture.

Cultural Diversity

- It is dynamic and constantly changing
- It is multi-dimensional and intersectional
- It is complex – with everyone at different stages of developing their intercultural intelligence

Management Challenges

SIMPLE *Following a Recipe*	COMPLICATED *Sending a Rocket to the Moon*	COMPLEX *Raising a Child*	CHAOTIC *"Pinning the Tail On The Donkey"*
The recipe is essential	Rigid protocols or formulas are necessary	Protocols rarely help; launch experiments to see what works	Rigid protocols may be counter-productive or misdirect responses
Recipes are tested to assure easy replication of success	Sending one rocket increases assurance of future success; key elements are identical	Raising one child provides experience but no assurance of future success	Experience may help or hinder finding what works to diagnose & abate the crisis
No particular expertise is required (cooking skill can improve the success rate)	High levels of expertise in a variety of fields are necessary for success	Expertise can contribute but is neither necessary nor sufficient to assure success	Rapid action & improvising skills, plus unleashing a network of local on-the-ground know-how can help
Recipes produce standardized, predictable results every time	Rockets are similar and there is a high degree of outcome predictability	Every child is a unique individual with unpredictable "outcomes"	As unknowables recede, novel patterns may emerge

It is a lifelong journey that involves

Perception Management

Developing inter-cultural intelligence

to see patterns of behaviour and responses in yourself and in others

Practice cultural agility

to find the common ground and purpose

Perception Management

THIRD CULTURE
SOLUTIONS

What changes when you engage with another person as a uniquely wired cultural human being?

What do you see?

What do you see?

DIR

Describe – What you see; objective

Can you 'defend' your statement in court… are you 100 % sure?

Interpret – What you think about what you see; purpose
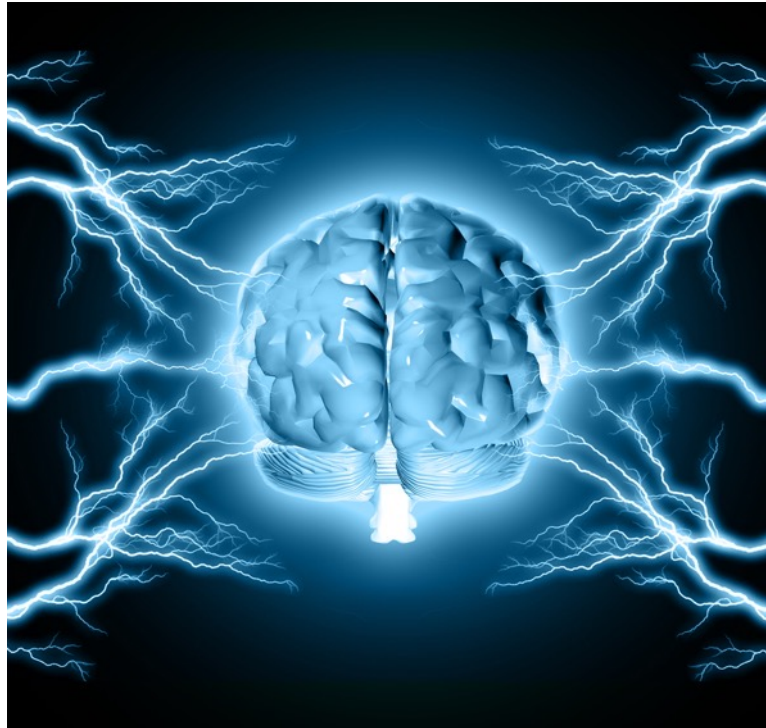
Interpret the WHOLE situation, not just a piece…

Respond – what you feel about; positive and negative value statements

how does the interpretation make you feel, what emotion does it trigger in you

Fast Brain, Slow Brain by Daniel Kauhneman

System 1
- Intuitive and instinct
- Automatic, Unconscious,
- Associative
- 95%

System 2
- Rational Thinking
- Slow, Rational
- Logical
- Indecisive
- 5%

The brain continually reorganizes itself by forming **new neural connections throughout life.**

This phenomenon is known as **neuroplasticity.**

Developing Intercultural Intelligence

Intercultural Intelligence

The ability to create new cultural spaces to facilitate win-win solutions; by anticipating, correctly interpreting, and adjusting to the culturally defined behaviors of others.

4 CQ Capabilities

Your interest, drive and confidence to adapt to multicultural situations.

How motivated am I in culturally diverse settings?

CQ DRIVE

Your understanding how cultures are similar and different.

How do I think/behave in culturally diverse settings?

CQ KNOWLEDGE

CQ ACTION

Your ability to adapt when working interculturally.

How do I behave in culturally diverse settings?

CQ STRATEGY

**Your awareness and ability to plan for multicultural interactions.**

How can I check and plan in culturally diverse settings?

How to develop your CQ...

- Study culture up close, improve your global awareness
- Make new friends, go to the movies, read a novel that teach about diverse cultural values, explore your cultural identity

- Learn a new language

- Seek diverse perspectives – find an intercultural coach/team

Behavior Illumination

Every behaviour we display can be either. . .
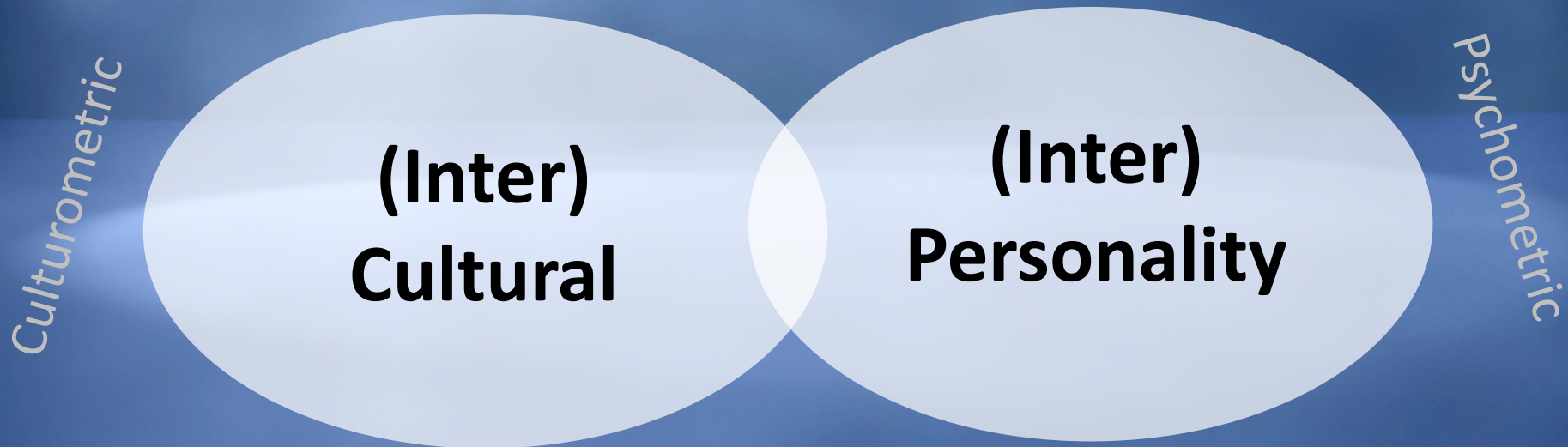
Culturometric

Psychometric

**(Inter)
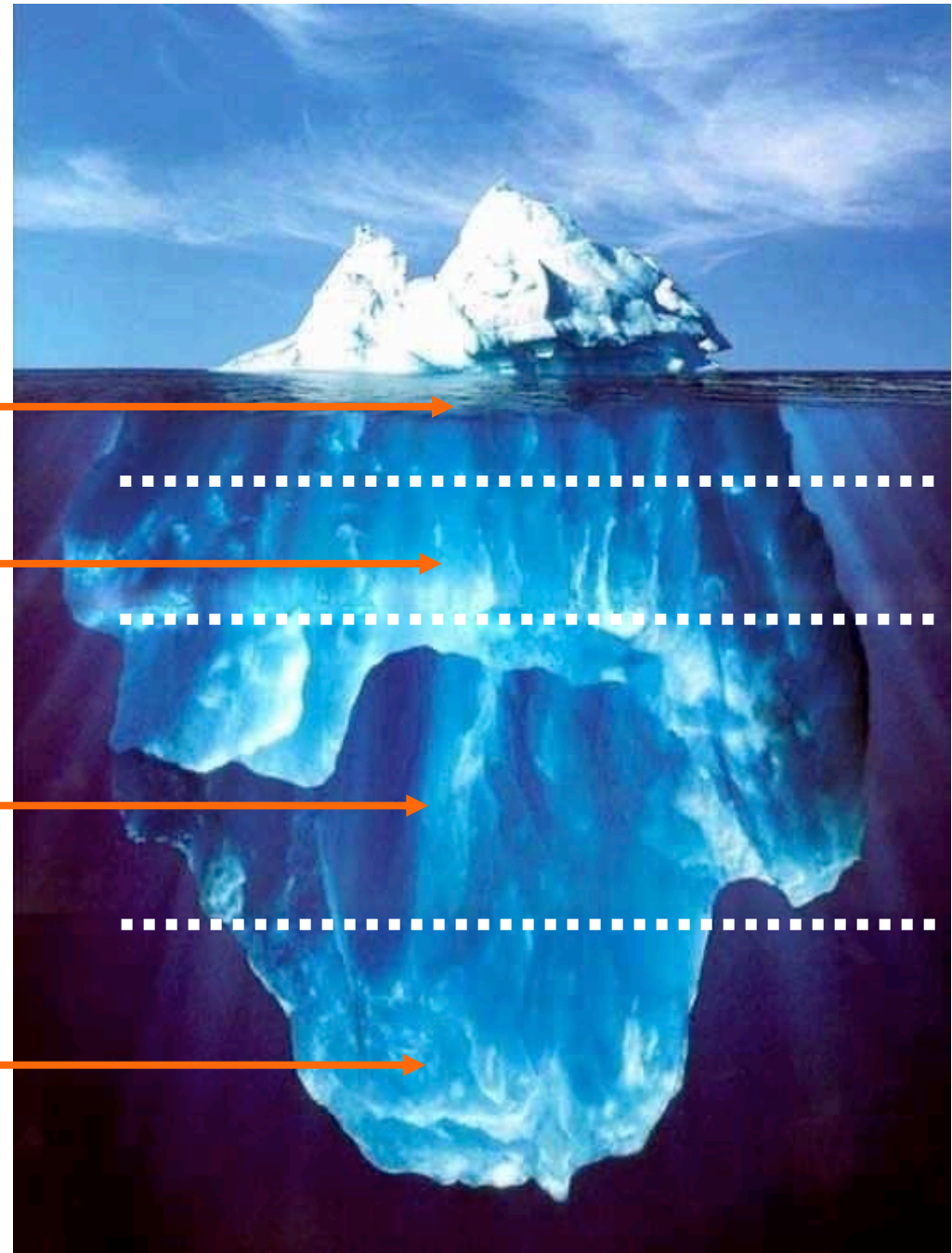Cultural**

**(Inter)
Personality**

Layers of Culture

1) Observable Culture
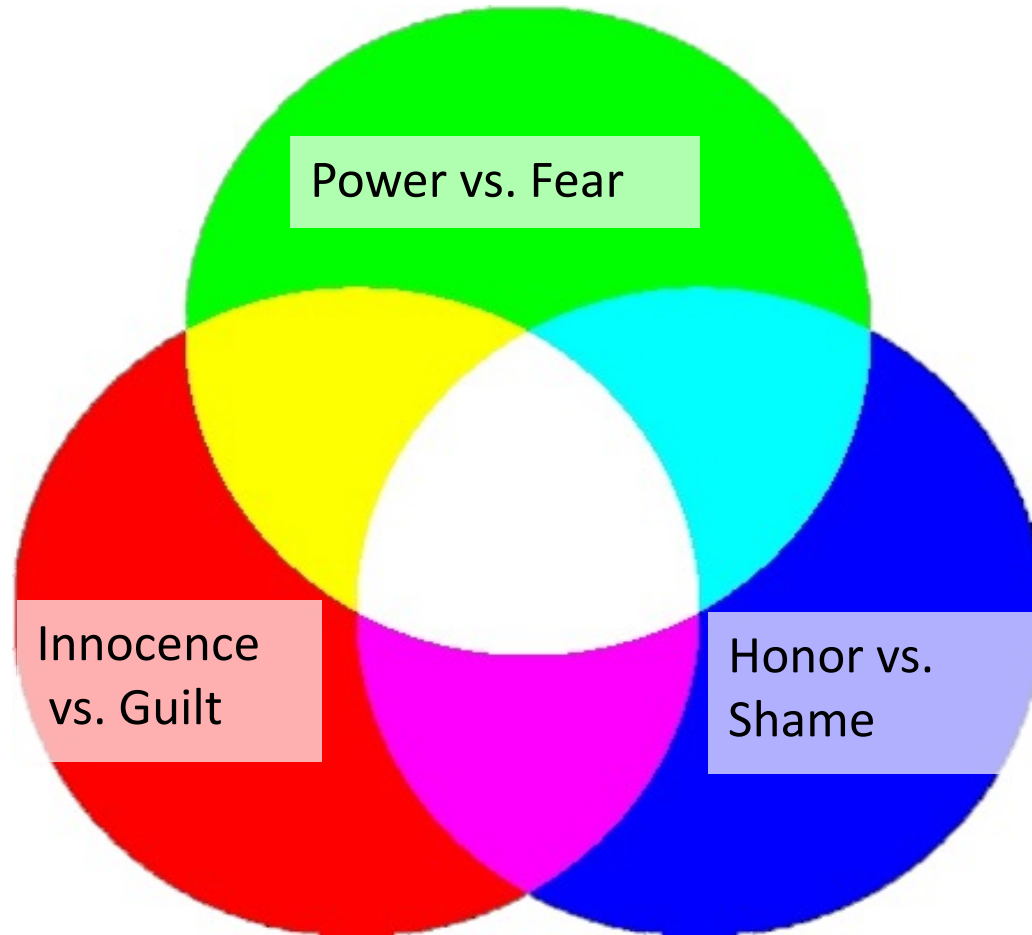
2) Attitude

3) Norms and Values
   My Rules for Success

4) Beliefs
   My Chosen Truths

We do not see things as they are;
we see things as we are

Three Colors of Worldview

Power vs. Fear

Innocence vs. Guilt

Honor vs. Shame

What's Right or Wrong?

What's Honorable and Shameful?

Who's the hierarchy – is power used for good or fear?

- Present in every person
- Distinct groups of people might have common preferences
- Preference does not indicate how competent you are in adapting your behavior
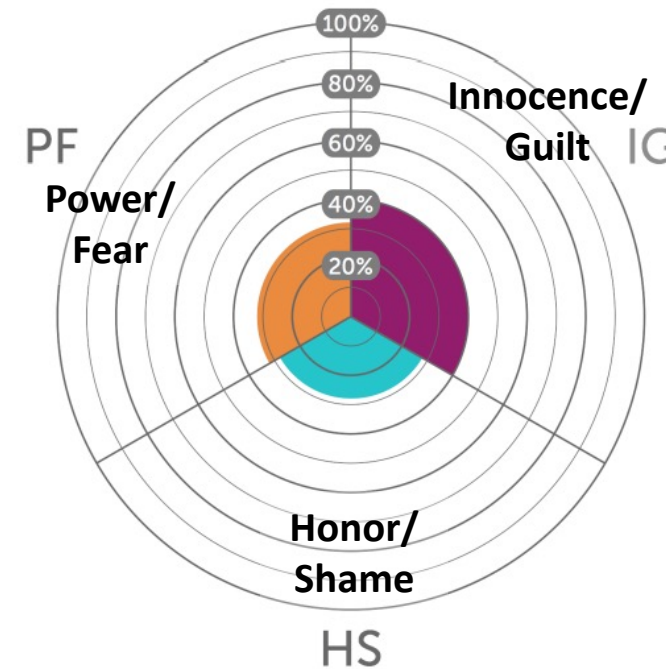- The building blocks, the three reactions to environment

Understanding InterCultural Dynamics

Mini Explanation of "The Three Colors of Worldview"

- It's PERSONAL!

- Every person has a unique cultural wiring; study it, understand it, respect it

- Every person has three cultural drivers.

- Most have one "primary" driver (many global millennials have all three equally distributed)

Doing that which maintains my role and position & control/power, avoid situations where my role is undermined or diminished
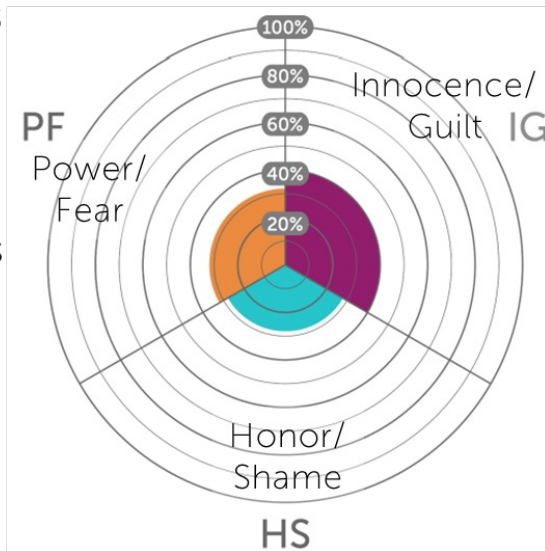
Doing the right thing (even if you or I don't like it) and avoid doing the wrong thing (or you knowing about it...)

PF Power/Fear

Innocence/ Guilt IG

100%
80%
60%
40%
20%

Honor/ Shame

HS

Doing what is honorable or increases your honor and avoiding situations that bring shame

Leveraging the Three Cultural Drivers

Doing that which maintains my role and position & control/power, avoid situations where my role is undermined or diminished

Doing the right thing (even if you or I don't like it) and avoid doing the wrong thing (or you knowing about it...)

PF
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100%
80%
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40%
20%

Honor/Shame

HS

Doing what is honorable or increases your honor and avoiding situations that bring shame

Engage people in such a way that they experience it as:

- Doing right by them
- Honoring them, their team, their family
- Empowering and 'life-giving'
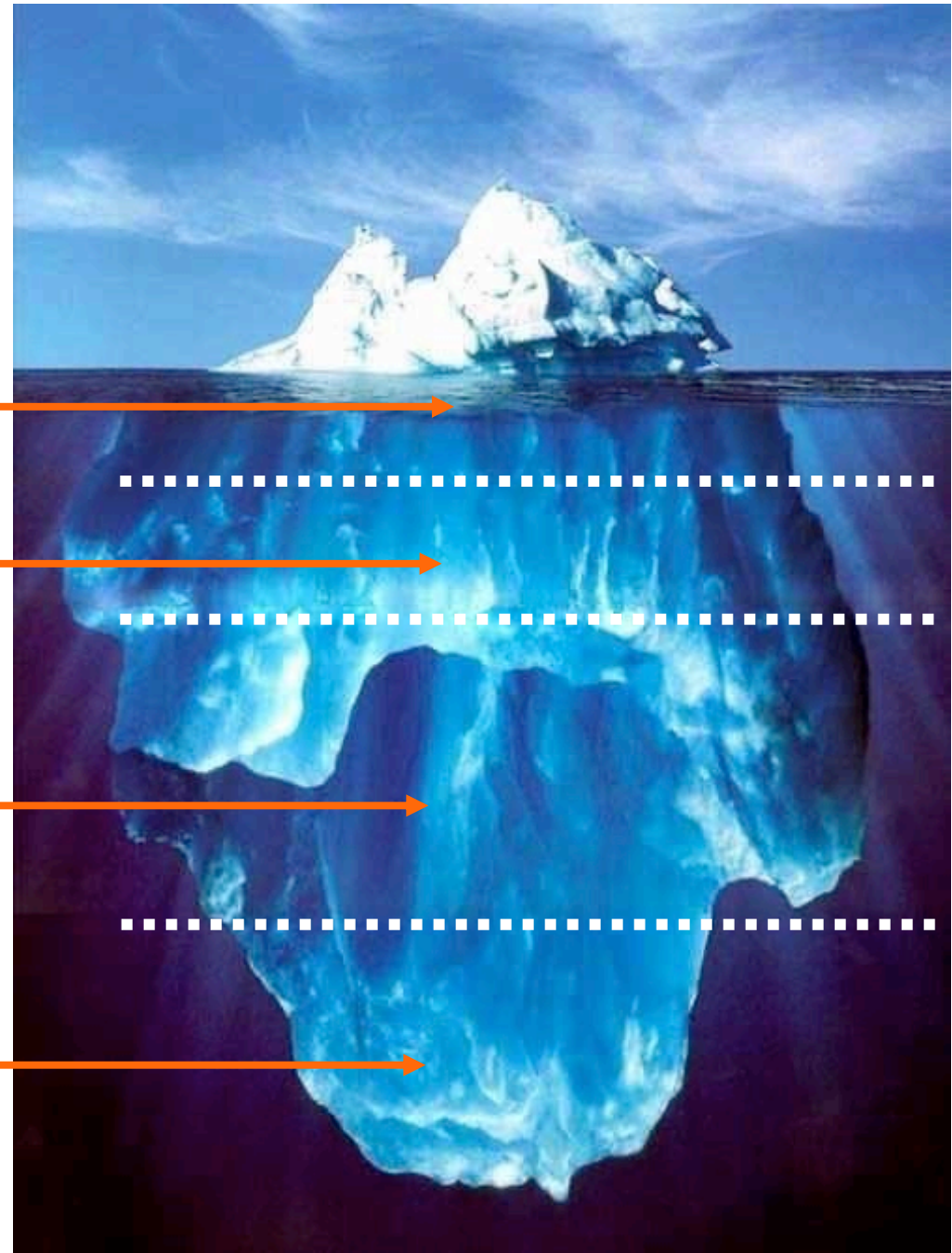
The Three Colors of Worldview Litmus Test

Layers of Culture

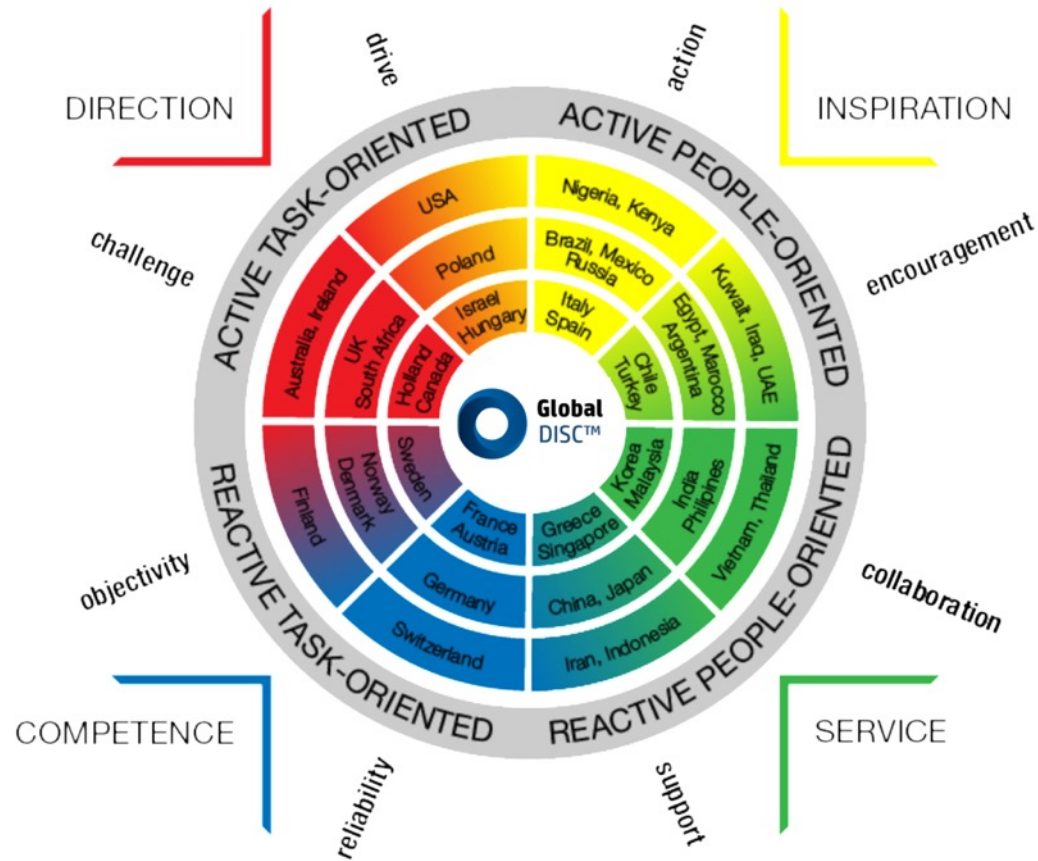

1) Observable Culture

2) Attitude

3) Norms and Values
   My Rules for Success

4) Beliefs
   My Chosen Truths

Global DISC

- Integration of personality type and cultural backgrounds influence what, how and what we do, act, feel and think the way we do

KIWI TO THE CORE – the six values that make us what we are, for better or worse

One should be humble, understated and self-effacing.
Negative: Dispassionate, unintentionally misleading

A pragmatic, grounded people with a commonsense approach to life and deep connection to the land; sporty, outdoor lifestyle.
Negative: Unsophisticated, rough-and-ready

Reserve is not far beneath the informal exterior.
Negative: Conservative, overcautious

Modesty
Proud is something you're supposed to whisper

Earthy
Get stuck in

Restraint
Tall poppies get mowed

Informality
Jack's as good as his master

Fairness
Fair to a fault

Ingenuity
No 8 wire mentality

Kiwis favour minimum protocol; they are egalitarian, unpretentious and easygoing.
Negative: Disrespectful, provincial

Kiwis are highly principled and known for integrity & impartiality.
Negative: Righteous, hyper-democratic

Known for doing a lot with a little; practical, resourceful.
Negative: Unprofessional; "close enough is good enough"

Adapted from Cultural Detective materials

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12 Measurable Dimensions of Culture

Dimensions		
Personal	Growth	Material
Universal	Relationship	Situational
Tradition	Outlook	Innovation
Directed	Destiny	Directive
Informal	Context	Formal
Exclusive	Connecting	Inclusive
Reveal	Expression	Conceal
Relationship	Decision-Making	Rules
People	Planning	Time
Direct	Communication	Indirect
Community	Accountability	Individual
Ascribed	Status	Achieved

The iceberg concept of culture

Primarily in awareness

Fine arts   Literature
Drama   Classical music   Popular music
Folk-dancing   Games   Cooking   Dress

Primarily out of awareness

Notions of modesty   Conception of beauty
Ideals governing child raising   Rules of descent   Cosmology
Relationship to animals   Patterns of superior/subordinate relations
Definition of sin   Courtship practices   Conception of justice   Incentives to work
Notions of leadership   Tempo of work   Patterns of group decision-making
Conception of cleanliness   Attitudes to the dependent   Theory of disease
Approaches to problem solving   Conception of status mobility   Eye behaviour
Roles in relation to status by age, sex, class, occupation, kinship, etc.   Definition of insanity
Nature of frienship   Conception of "self"   Patterns of visual perception   Body language
Facial expressions   Notions about logic and validity   Patterns of handling emotions
Conversational patterns in various social contexts   Conception of past and future   Ordering of time
Preference for competition or co-operation   Social interaction rate   Notions of adolescence
Arrangement of physical space   Etc.

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Developing Cultural Agility

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SO LT ONS

CORE

FLEX

Distinguish in your interactions what are

Absolutes

↕

Convictions

↕

Preferences

(Inter)cultural Intelligence is the purple space

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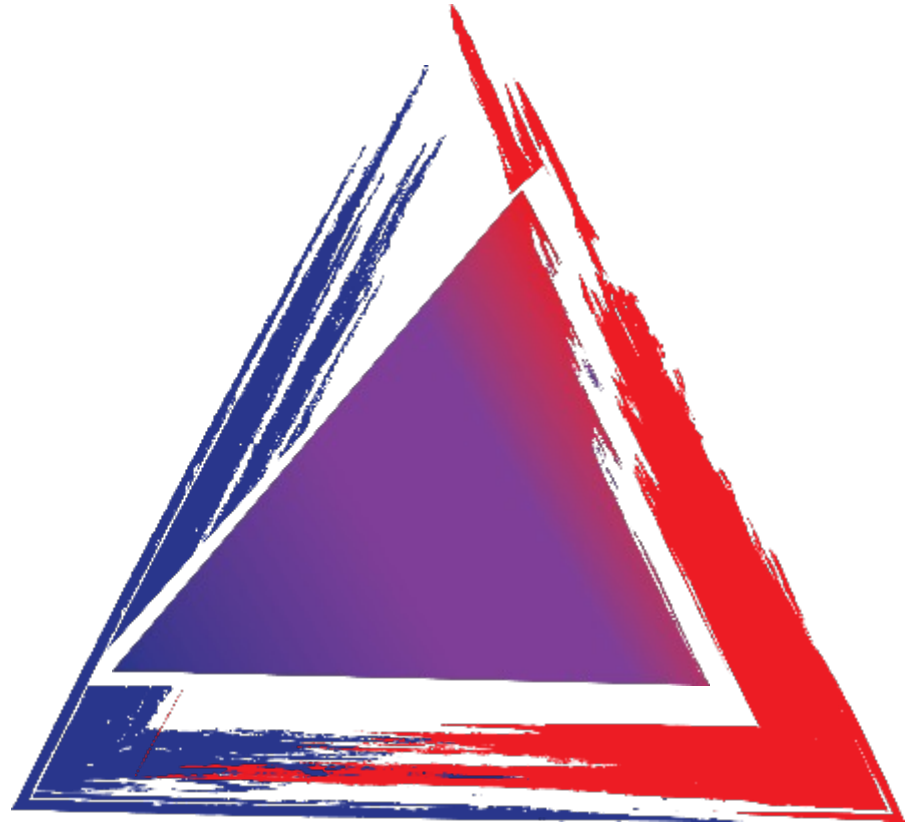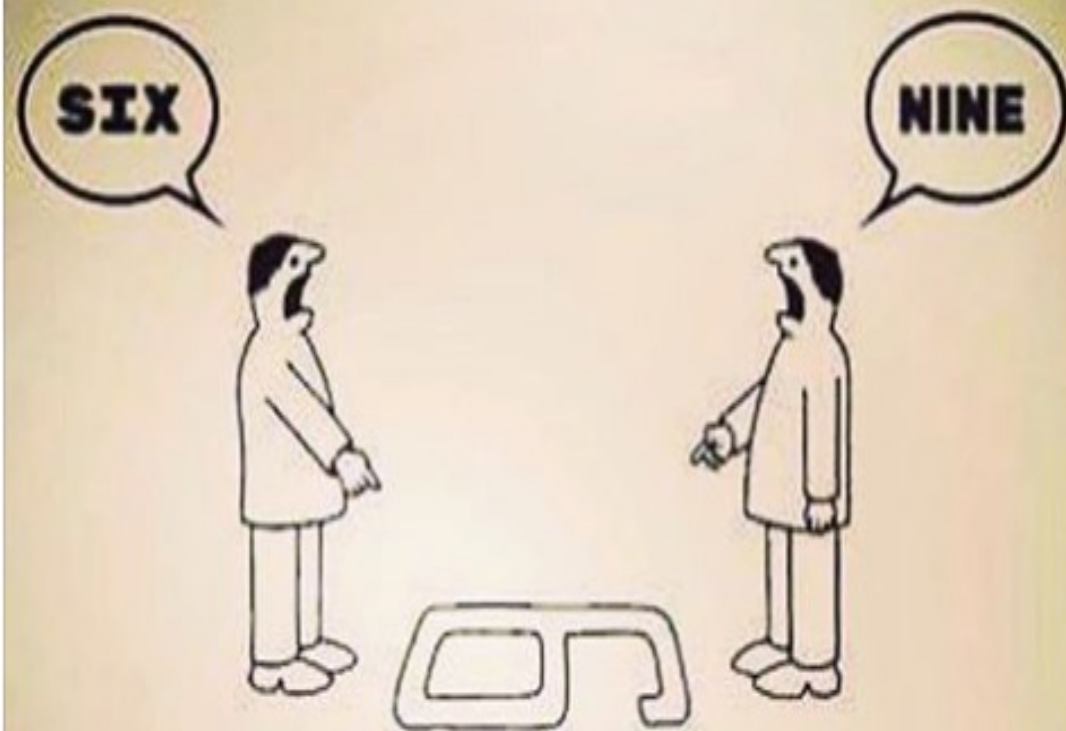
Just because you are right,
does not mean, I am wrong.
You just haven't seen life
from my side.

INTER-CULTURAL CRITICAL INCIDENT ANALYSIS

Choose a recent Inter Cultural situation and consider it when answer the questions in the below survey.

Describe the Situation (when, where, why, who, what)

Document what was going well/wasn't going well and why

If you had to engage in a similar situation again, would you change anything? If yes, elaborate.

Describe the way you engaged in the situation.

Describe the way the other participants responded to the way you engaged.
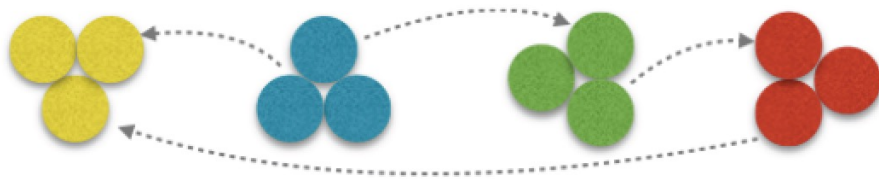
"HOW"
Do we develop intercultural intelligence in our organisations?
Approaches to D & I

THIRD CULTURE
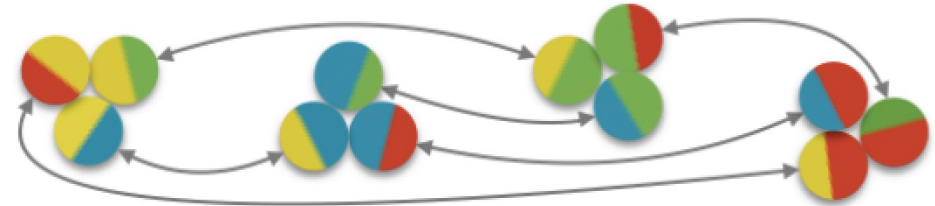SO LT ONS

From Multicultural to Intercultural

Multicultural

Polite social interaction takes place mainly during celebrations focus on food, folk, business and festivities.

Interaction is a superficial exchange between cultural groups, only one culture is driven to learn and understand.
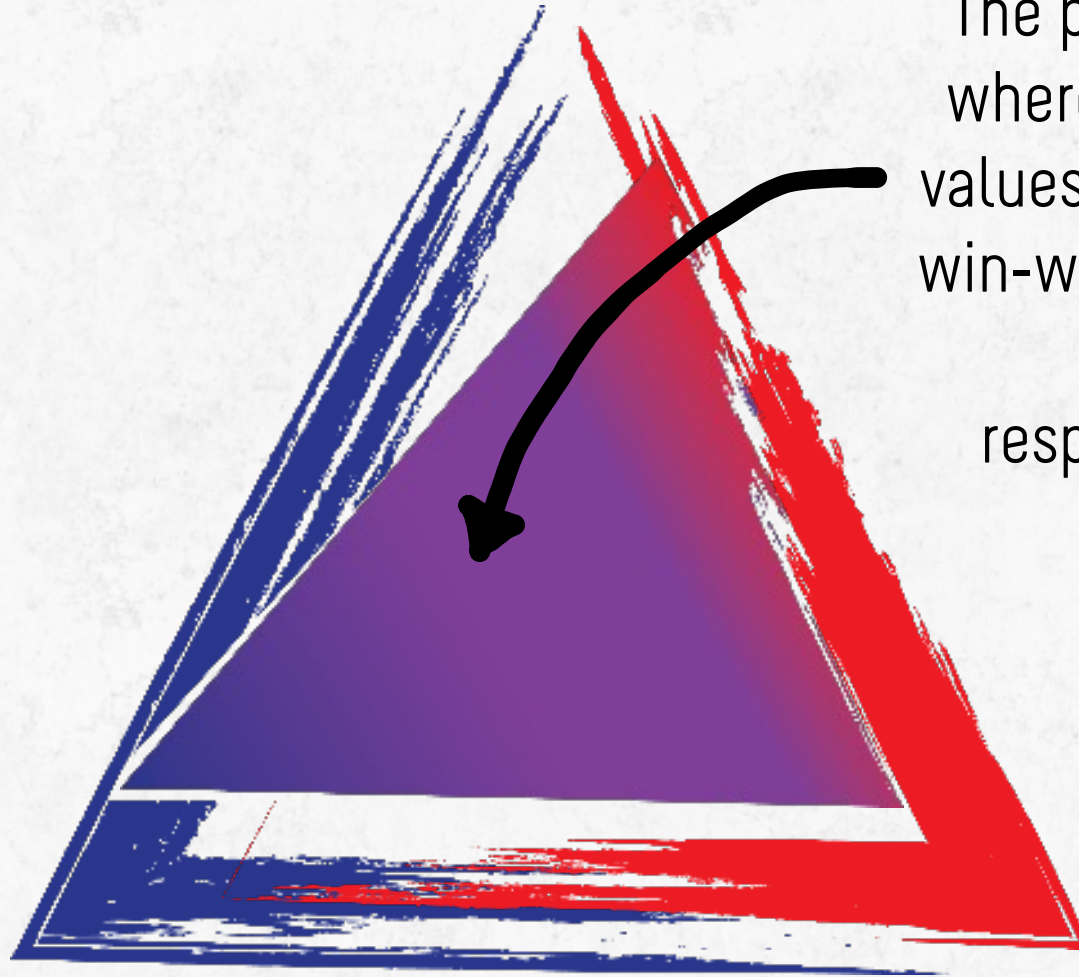
Intercultural

Relations are deeper than multicultural or cross-cultural relations, and no one is usually left unchanged.

People from different cultural groups have a mutual interest to interact with one another, learn and grow together whilst relationships are shaped and moulded from each other's experiences.

Power and systems are addressed

The purple space is the space where diverse worldviews and values come together to create win-win solutions for everyone. It is a place of trust and respect, inclusion and where belonging happens!

Leadership Matters

The Eras of Cultural Diversity in Organisations

Resistance
Rhetoric of Resistance
Diversity view as a threat in a homogenous environment

A New Emerging Era

- Addressing the structural inequality in systems
- Greater polarization

1 HIGHLY ENGAGED

On average less than 15% reach this level

HIGH FLYER

- What can I do for others?
- I inspire others to do their best
- I love it working here
- I'm a high flyer

2 ENGAGED

- I'm a vital part of the business
- I feel important at work
- I'm really busy and very likely I'm highly stressed
- I'm an achiever
- I'll leave if something much better comes along

3 ALMOST ENGAGED

- I know I'm part of something bigger
- I'm almost engaged but there are times when I'm not
- I'm proud to work here but I wouldn't
- necessarily shout it from the rooftops
- I might leave if I'm tempted
- There are no career development prospects here

4 NOT ENGAGED

- I'm interested in overtime
- I have more sick days than I should
- I have poor working conditions
- I don't like my manager or working
- in my team
- I don't like my job much, but I get on with it.
- I read job ads

5 DISENGAGED

- I'm here for the money
- I'm leaving when I can
- I'm not satisfied with the job I do
- My work doesn't excite me
- I'm a clock watcher
- I'm a jobs-worth

Pyramid (top to bottom):
- SELF ACTUALISATION
- IMPORTANCE
- BELONGING
- SECURITY
- SURVIVAL

2 and 3 have a direct impact on engagement and can be moved up by the 4 enablers of engagement

Motivators

De-motivators

Key Focus Areas for Intercultural Team Development

- *Develop Merit Based Trust!*
  Trust only starts flowing through the team if they develop an interculturally validated set of behaviours that will develop trust and know which trust breaking behaviours to avoid.

- *Overcome Communication Challenges!*
  This pillar has two elements: communication processes & systems and communication content. Developing clearly defined communication processes and behaviours enhance team success

- *Align Common Purpose!*
  This pillar quantifies team goals, aligns individual goals, gives clarity on how to celebrate and correct, how change and alignment are handled etc.

- *Develop Relational Capital!*
  Here we answer one key question: "How strong do we want relationships to be on our team and how to we intend to reach this level of strength?"
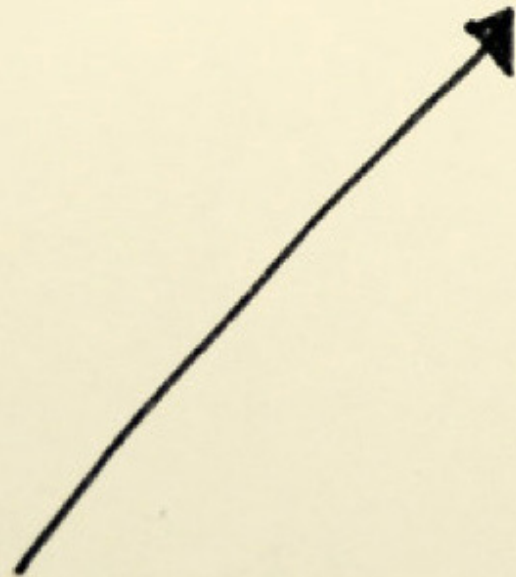
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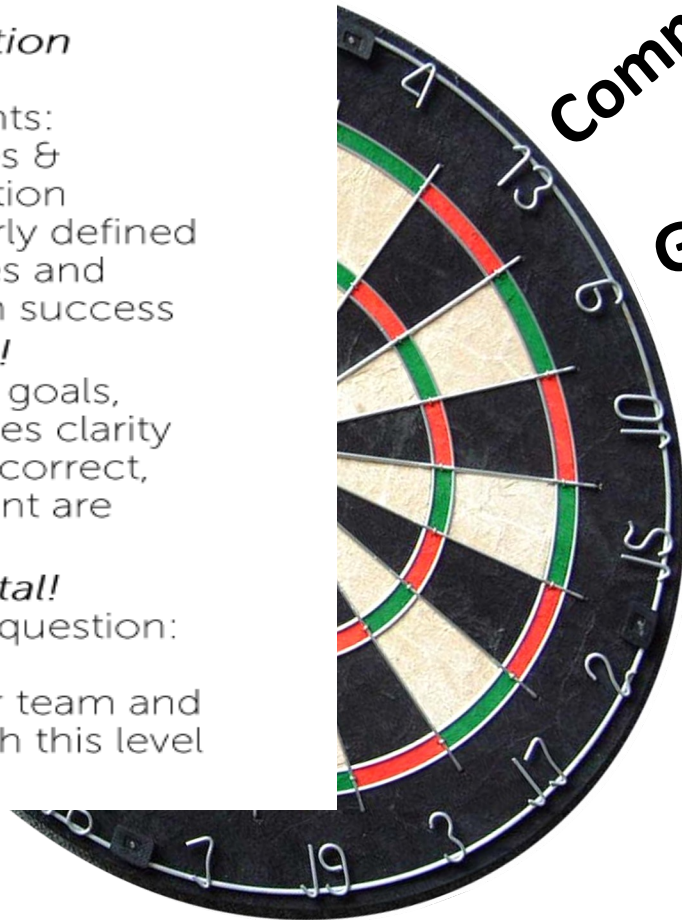
Common Purpose

Great Communication

Relational Strength

Build Trust

It is a journey that involves leadership developing and creating a an enviroment for all to develop

Perception Management
Developing inter-cultural intelligence

to see patterns of behaviour and responses in yourself and in others

Practice cultural agility

to find the common ground and purpose

Cultural intelligence is not about pretending to be someone else, but the more time you spend in an environment, the more it will affect your behaviour and the more you accept it as normal and logical.

For any further questions or help

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