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Sierk A. Horn

Intercultural Leadership

Humanistic Perspectives

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Preface

Auguste Guiteau, the inspiring character in Disney Pixar's movie Ratatouille, loved cooking. So much so that he believed anyone could do it: 'You must be imaginative, strong-hearted. You must try things that may not work, and you must not let anyone define your limits because of where you come from. Your only limit is your soul. What I say is true – anyone can cook…but only the fearless can be great. What Auguste believes about cooking, I believe about intercultural leadership: everyone already possesses intercultural leadership skills. While not everyone can become an elite polyglot adept at living in many foreign cultures, we all want to share our stories and connect with those around us. Whenever we meet people, we communicate. This book encourages you to build on this innate human skill when dealing with people of different cultural backgrounds.

The movie Ratatouille is about Remy, a rat, and his rags-to-riches journey from being a member of a colony that could not care less about what they eat to becoming a chef of a fine restaurant, much like his human hero Auguste. His passion for cooking and his unwavering belief that humans and rats can work together sets Remy on his path to success. Likewise, great leaders discover, over time, good ways of collaborative working across cultures. It may not really be their original intention. If they could do things in their own ways, they would probably do so. But just as Remy and Linguini, the young heir of Auguste Gusteau, realise that they work better together, intercultural leaders find ways to form relationships and collaborate with people through reflection, through empathy, through dialogue. These humanistic values inform the direction of this book. In Ratatouille, commitment to practice, mutual appreciation and resilience make the two protagonists achieve culinary excellence. These 'ingredients' embody in many ways intercultural leadership journeys:

- In the beginning, Linguini is only a human vehicle for Remy. As a rat, Remy cannot cook or run around in the kitchen alone without being seen. Remember, he is also quite small. So, Remy needs Linguini. The two realise that they have to practise quite a bit. They cannot cooperate quickly right from the start. There are many mistakes, and they break a lot of eggs. But as they practise, they improve over time until they work together in harmony. Good global managers understand that leadership is something interactive. People influence each other's emotions, thoughts, and behaviours. When working together, everybody brings their specific ideas and skills to the table. It is not always easy, but leaders have to find a way to integrate various elements, like pieces of a puzzle. But to achieve the desired results, leaders have to practise working with others to create this kind of smooth unity Remy and Linguini come to acquire.
- The basis of any intercultural leadership journey is mutual appreciation. In the movie, two very different cultures meet – rodents on the one hand and humans

on the other. But Remy and Linguini find ways to build bridges and collaborate. In the kitchen, Remy notices Linguini accidentally knocking down a soup pot. Talentless Linguini adds random ingredients to fix his mishap. Remy is shocked, takes the initiative and fixes the ruined soup. Recognising Remy's skills, Linguini takes the rodent to his apartment. In return for a place to stay and sleep, he asks Remy to help him in the kitchen. This implies an attitude that focuses on genuine appreciation without making assumptions or assertions of (human) superiority. In the same vein, intercultural encounters are somewhat fragile. It does not take much to cause working relationships to crumble. Good leaders usually avoid implying that they know better, or their group is superior to others. It should go without saying that integrating genuine appreciation into one's leadership style makes for a more engaged and motivated work environment. Although such an attitude is highly relevant to practising intercultural leadership, its application is easier said than done because how we see ourselves and others is a relatively enduring evaluation.

- The movie is also an excellent analogy for intercultural resilience. Of course, the mere belief in being able to become a great chef without the ability to recover quickly from difficulties would be futile. So, throughout the movie, Remy has to face and overcome numerous hurdles. When his father, Django, claims 'you can't change nature' and demands a return to the fold, Remy challenges the assumption that humans will always treat their kind, rats, as enemies. He holds that things do not necessarily need to stay as they are: 'Change is nature, Dad. The part that we can influence. And it starts when we decide.' Similarly, intercultural leaders are committed to change. Sure, cultural differences are relatively easy to see as a cause for clashes or even conflicts. And a vast and growing gap between us and others results from that. But intercultural leaders do not take differences in outlook, action, and values for granted. They are willing to work to make their ideas happen. True leaders think about cultural differences in bolder and more productive ways and usually spend considerable time building relationships.

Leadership Across Cultures

Explorations of leadership focus heavily on the attributes of a leader, situation-appropriate decisions, and positional power (Wiswede, 1995). Nevertheless, intercultural situations are significantly more complex: (i) We may think of leadership skills as something that splits people into haves and have-nots. In other words, relatively stable personality traits determine intercultural leadership success. But even if we did not have an upbringing full of intercultural experiences, we can close the gap; (ii) We may frame leadership skills as something fixed and, thus, unchangeable from situation to situation also across cultures. But our experiences with intercultural encounters vary greatly. Contact with different cultures can trigger different responses; (iii) We may consider leadership skills as something dependent on rank. But this differs greatly

from reality in intercultural encounters. Organisations have many pockets of cultural and linguistic skills (Barner-Rasmussen, Ehrnrooth, Koveshnikov, & Mäkelä, 2014). Depending on where we find them, leadership across cultures can be lateral and even bottom-up.

Intercultural differences can either be a source of division or a source of unity. I will try to convince you that looking at emotions, thought processes, and personal growth – a humanistic understanding of intercultural leadership[1] – is a powerful platform for learning and relationship-building opportunities across cultures. This book will make the case that the commitment to practising, mutual appreciation and resilience give intercultural business practitioners significant orientations for moving in international circles. The obvious and simple understanding that we are all human beings moves this basic idea forward. Thousands of experiences and factors outside our control precede every cultural avenue we take. In light of these many variables, it would be rash to assume this book can give a final answer to the question of what makes leadership across cultures successful. Nevertheless, what it can and will do is approach the topic by following three fundamental and complementary assumptions:

1. Intercultural leadership extends beyond individual traits or roles; it is a complex social phenomenon rooted in relationships and our perceptions of ourselves and others. We can only be interculturally competent if others trust us to be interculturally competent (Middleton, 2015).
2. Leadership across cultures emerges from situational needs and demands. Cultural differences can be blatant or subtle. They may be subjectively positive or negative, happen outside or simmer inside us. However, only when we stumble over 'culture bumps' (Archer & Nickson, 2012) – realisations that something is relevant, irritating or potentially embarrassing – do we respond. We do so by influencing situations and creating mutually beneficial environments.
3. Leadership across cultures builds on communicative skills. We can only step up as leaders and control specific actions when we create rapport. This means navigating 'culture bumps' by considering how we use language. Verbal, non-verbal and para-verbal communication helps us facilitate understanding (in us and others), gain support for our initiatives, or achieve our goals in negotiations.

Based on these assumptions, this book does not attempt to explore intercultural leadership solely from situational perspectives. Neither does it assume that leaders possess specific traits allowing them to influence situations or actions across cultures. By implication and contrary to common usage, leadership across cultures has little to do with rank, power, and control. Not all people in executive positions are successful leaders across cultures. Likewise, we all can become skilled intercultural leaders, but this does not qualify us automatically for executive positions. Therefore, approaches in

1 I am using the adjective 'intercultural' throughout this book, when I want to emphasise the idea of collaboration and relationships rather than the comparisons between cultures.

which characteristics of the person and attributes of the situation are simultaneously taken into account deserve our attention (von Rosenstiel, 2000). That is precisely what this book proposes by asking what 'culture bumps' do to us. It understands leadership across cultures as structured and purposeful interaction. Thus, I take a specific look at communication as the most prominent and accessible form of motivation, curiosity, and humility.

A Humanistic Perspective on Leadership Across Cultures

This book is about leadership, specifically leadership across cultures. Its pragmatic approach is based on a humanistic understanding of human interaction. I concur with Jack Ma, founder of Alibaba, who suggests that we need to turn to uniquely human capacities such as learning, caring, and creativity in the face of digital transformation (Ma, 2018; OECD, 2019). I see in people dialogue-oriented and responsible human beings who want to improve themselves. These qualities lead, ideally, to human-centric, appreciative, and respectful approaches to others, including those of different cultural backgrounds. We should take people as they are. Relationship building should never be tied to any prerequisites or presuppositions. By implication, people and their needs and wants in intercultural situations are best understood systemically, that is, within their larger biographical, psychological, and social contexts. The conception of this book lets these basic humanistic premises shine through, in that:

- it aims to connect with readers' experiences and offers freedom and independence within the learning process;
- it values rich relationships between us and others;
- it wants readers to reflect on their own values and develop a sense of responsibility for inclusivity and diversity;
- it wants to encourage readers to take responsibility for their own lifelong learning and development;
- it recognises the importance of engaging, inspiring, and supportive learning features.
- My book explicitly follows in the footsteps of great humanistic thinkers such as Martin Buber, Carl Rogers, and Marshall Rosenberg, whose work we will meet throughout this book, most notably when we explore how their work can inform our understanding and approach to intercultural communication.

To me, the key to intercultural leadership is to find synergies between adaptation on the one hand and self-actualisation on the other. But the art of handling intercultural encounters is not something that comes naturally or can be mastered with ease. A commitment to learning (and letting go of cherished practices) helps us to respond to intercultural challenges with wit, wisdom, and expertise. When we communicate with genuine curiosity and appreciation for people and the world around us, we can better navigate differences. Intercultural leadership can only succeed if we accept complex

and challenging emotions and move forward with engaging experiences. It seems reasonable to suggest that the starting point for making good contact with others is to look inward, not outward.

By putting intercultural encounters squarely into the domain of humanistic ideas, this book invites you to self-reflect and adopt appreciative perspectives in everyday communication. This book's offering is fivefold:

- First, this book will give an overview of behavioural insights into intercultural leadership. It will apply psychology-derived conceptualisations and explain these so that you become immediately familiar with them. Readers can, thus, acquire a rich repertoire of techniques that will help them (i) make sense of their intercultural experiences, (ii) become more flexible when engaging with unfamiliar ways of doing things, and (iii) improve their intercultural leadership skills.
- Second, the psychological explorations of this book provide structure to explain and anticipate not only your own behaviour but that of others, too. Understanding why individuals behave the way they do and the mental processes that influence their actions gives us the tools for reflection and learning about intercultural interactions. As practice is central to acquiring new skills, the book will offer you plenty of opportunities to reflect, explore and apply behavioural insights to your intercultural leadership repertoire.
- Third, human behaviour is incredibly complex, especially real-life behaviour across cultures. Many tiny factors intervene so that (i) no model can accurately mirror it, and (ii) dysfunctionalities may not always have to do with intercultural encounters per se. The theoretical approaches presented in this book provide a much-needed context. They primarily deal with the basics of human behaviour and do not peg, as a matter of principle, the behaviour of leaders at an abstract national level. Instead of isolating cultural variation as an unchanging, universal phenomenon, they offer impulses for more meaningful studies of intercultural behaviour.
- Fourth, leadership is communication (said Winston Churchill). Especially in intercultural situations, we must create rapport, that is, a trusting relationship between us and others based on mutual appreciation and understanding. By integrating the behavioural basics of psychology and communication theory, we expand our discourse on intercultural leadership. At the end of each chapter, I will introduce you to seminal works of humanistic, i.e. appreciative and cooperative communication. You can apply these to intercultural scenarios through exercises, self-reflection, and practical impulses.
- Fifth, this book uses a neo-behavioural approach, that is, the interplay between environmental events and our mental responses to them, as its structural backdrop. Though largely unobservable, internal, mental processes are crucial elements that help to explain behaviour, intercultural and otherwise. Following this psychological research tradition, we do not merely mechanically respond to what is going on around us. Still, several internal forces, such as past experiences (e.g., earlier encounters, foreign language skills) or motivation (e.g., social orientation, perceived

practical value), have input into how we engage with people of different cultural backgrounds. This now observable behaviour, thus, roots in much more than cookie-cutter recipes of cultural differences. An exploration of mental processes offers the opportunity to understand and analyse intercultural leadership.

What this book does not offer, however, is predetermined 'how to …' guidance. Neither does it give any country-specific 'when in x, then do …' advice. Our life histories are full of experiences with intercultural encounters, good or bad. I thus assume that the readers of this book have plenty of ideas of their own. You may have compartmentalised what has worked for you and what has not. Instead of imparting conceived knowledge and ready-made solutions, the book aims to complement and connect with your previous experiences. So, get ready to open your minds and find your own way to arrange or rearrange your encounters and experiences.

A Manual for This Book

A good mix of commitment to practice, mutual appreciation and resilience opens personal and professional doors. In essence, intercultural proficiency inspires trust, facilitates intercultural collaboration and, thus, reinforces managerial efficiency. However, there is a gap between the expectation to simply function in international work settings and the accomplished handling of team members, corresponding with clients, presenting to business partners etc. We not only lose the effortless language use of our mother tongue but cannot easily draw upon the cultural repertoires available to us. When meeting people of different cultural backgrounds at home or abroad, we simply lack these superpowers of cultural sense-making, the ease of giving meaning to what is happening around us, skilful contact, and rapport building. As a consequence, our experiences with ourselves and others are rawer. People's emotional and cognitive demands are usually relatively high as we adapt to intercultural situations. And these can take us in very different directions. Sometimes, these demands are pleasant, exciting, and inspiring. Sometimes, these demands are troublesome, frustrating, and distressing. Because of these ups and downs, we often cannot tactfully deal with situations and people. Furthermore, communicating in a language that is not our own, most notably English, can play further tricks on us. All of a sudden, we might find it difficult, without the agency of our mother tongue, to present ourselves in the best possible light.

Companies are very experienced in dealing with an international workforce (Wagner, 2023). They consistently emphasise the importance of intercultural leadership skills, which, following Weinert (1989), I here define more broadly as the ability of influencing intercultural situations or actions through communication as the key to professional success. But we cannot predict how unfamiliar ways of doing things impact us. When engaging with people of different backgrounds, we rarely are our unfiltered and culturally fixed selves. Under such circumstances, limits to our ability to

interact well with others become, thus, quickly apparent. And the complex interplay of affective, cognitive, behavioural, and linguistic processes is the reason for this.[2] First, our past experiences and our senses connect us to our surroundings. Together, they significantly affect how we experience differences and relate to others. Then, there will always be trade-offs between emotional sensations and our ability to regulate them. Realising differences in feeling, thinking, and doing can challenge taken-for-granted beliefs about how we should go about things. We have to absorb and understand these differences. Such information processing is cognitive in a broader sense. Finally, we respond in one form or another to what is happening around us. Our reactions are based on sometimes short-circuited, sometimes extensive mental processes. Communication is the most obvious aspect of our behaviour and interaction with the social world.

The book is committed to following experiences with unfamiliar others. The structure of the book reflects this ambition. In line with Figure 1, it comes in three parts:

First, I deal with antecedents of intercultural encounters and how they set in motion internal processes (*Sensing Differences*): Global integration has come a long way. In the first part, I will represent my pragmatic point of view on how economic, social, technological, ecological, and cultural shifts abound and, together, have changed almost all aspects of our everyday lives. In it, I will describe how these forces increase the likelihood of us connecting with people worldwide. Then, I will give a past-to-present overview of theoretical and empirical advances in the field of intercultural management. This raises the central question of this book: How can a behaviour-oriented approach contribute towards a better, more realistic, and more pragmatic understanding of intercultural encounters? I will infuse my focus on subjective experiences and personal growth with the neo-behavioural emphasis on the characteristics of the person and attributes of the situation.

Second, by zooming into mental processes, I will offer a fuller understanding of all the complex things inside us (*Giving Meaning to Differences*): The second part of this book deals with social and psychological determinants of intercultural communication. I will initially look at life biographies and their impact on intercultural leadership. Specifically, the influence of reference groups, near and far, and macro-level roots on our behaviour is analysed. Though largely unobservable, these forces offer impulses on how we accommodate cultural differences. I will distinguish between activating and cognitive considerations. Activating processes are fine-sliced into arousal, emotions, and motivations and cognitive processes into attitudes and learning. Together, they lead to distinct intercultural behaviour.

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2 The inspiration for this book came from reading the work of Kroeber-Riel and Weinberg (1996). Its most recent, newly co-authored book has turned into an international standard reference on consumer behvaviour (Kroeber-Riel & Gröppel-Klein, 2019). Through the lens of psychology-derived conceptualisations it explains market behaviour. It distinguishes between activating, cognitive, and social processes. The book you hold in your hands takes this idea forward and applies it to intercultural scenarios.

Third, emotional sensations and cognitive considerations eventually affect how we respond in intercultural encounters (*Dealing with Differences*): The third part turns to our social world and how we interact with our environment. I will encourage you to explore how you deal with cultural differences. A helpful starting point is awareness, both of our own and that of others. Both profoundly affect our willingness to learn and our ability to manage contacts across cultures. Knowing who you are and allowing others to see you translates into three crucial skills of trust as a motor of practising interculturality, which I will present next: (i) Etiquette (the way we show appreciation to us and those around us); (ii) Intuition (a fine grasp of the invisible rules that make up intercultural encounters); and (iii) Authenticity (the ability to act in accord with what we believe, and do so in an unbiased, honest and non-manipulative way). This book closes with insights about how we facework, i.e., how we manage social interaction through communication. Practical advice on communicating effectively in English-dominated professional environments will round off our learning journey.

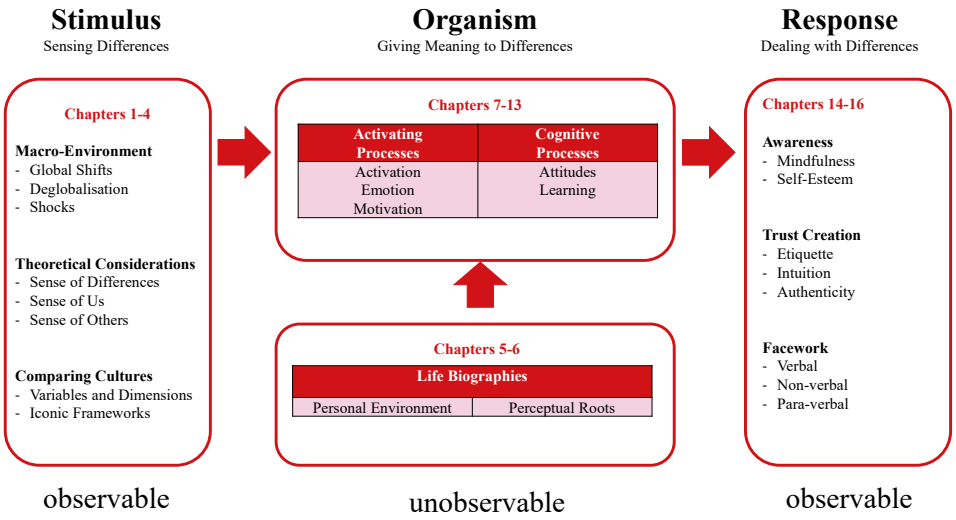

Figure 1: Themes and Structure of the Book

Against this backdrop, the chapters follow a logical order from sensing to giving meaning to and dealing with differences. Remember, however, that this book is about self-exploration and reflection. Like a cookbook, it is not intended to be read from the first to the final page, and when you reach the end, you know how to prepare a meal. You are the expert on your concerns. And, as humanistic thinkers such as Virginia Satir would suggest, you have all the necessary resources for personal growth and self-actualisation within you. Do not let your current assumptions limit your feelings, thinking and behaviour (see Plate, 2021). As you would look for tasty recipes, focus first on those chapters that look most appealing to you. From here, you might

want to open further pages and explore more and more aspects of leadership across cultures. With these introductory thoughts, I invite you on a personal learning journey. I hope this book augments your understanding of past, present and future intercultural encounters.

Features of This Book

In this book, the humanistic-systemic approach is reflected in the way in which the teaching content has been prepared. Exercises encouraging self-reflection, discussion, experiential learning, and project-based approaches are provided throughout.

We will likely encounter challenges when working with people of different cultural backgrounds. These cannot be solved with simple recipes but with critical and reflective attitudes towards what is happening around us. In my view, there are three challenges to teaching intercultural leadership.

1. First, nowadays, students are 'born' global. The speed and reach with which they communicate with their peers across the world is utterly different from that of previous generations. Globalisation has indeed come a long way. Consequently, many of us consider intercultural communication unnecessary or irrelevant, especially in situations where English is spoken by everyone. But the cultural differences are not going to go away. The starting points with which people engage in a supposedly global culture remain the same.
2. Second, teaching intercultural leadership often heavily relies on a range of cultural frameworks. Sadly, they make otherness look deceptively easy to grasp and suggest a certain simplicity in dealing with these differences. In my teaching experience, this, in turn, inspires a rather careless use of patterns of basic assumptions along which cultural differences can be explained and challenges addressed.
3. Thirdly, while many frameworks do a good job of making us aware of cultural differences, with few exceptions, they pay too little attention to how to go about handling them. Many frameworks were developed without practical application in mind (as evidenced by the now famous quarrel between Hofstede, 1996, and Hampden-Turner & Trompenaars, 1997). Furthermore, the frameworks do not adequately address how cultural environments and individual makeups interact. In light of such lack of complexity, serious questions should be asked regarding their suitability for everyday management.

This book tackles these challenges head-on. It shifts the focus to what intercultural contact does to us and, thus, offers a vital role in emotional, cognitive, and linguistic processes for our behaviour in these encounters. Readers will come to understand that intercultural leadership is not merely about categorizing situations based on cultural dimensions but rather acknowledging that it originates from within ourselves. This behavioural perspective opens the door for giving serious thought to our feelings and thinking (which, in turn, affect our behaviour and, by extension, our communication).

This invites you to become more aware of yourself and others. By implication, I see in this book a call to self-reflect and try out heartful, mindful and appreciative communication styles. If you like, you can integrate them into your everyday life, inside or outside your home culture, at work or in your private life, and in formal or informal situations.

The book seeks to capture the excitement of intercultural leadership. Everyone can cultivate skills that enable them to work within culturally diverse environments. Intercultural competence is malleable. We can grow and stretch it. Of course, the question is where best to start. The book may offer a structured way of inviting self-reflection. Still, you can create your own learning journey by selecting any chapter that seems appealing. You can work through the chapters on your own or as a group, for instance, as part of a course on intercultural management. Many exercises are most compelling when done in tandem with partners.

Opening Vignettes: Each chapter starts with a personal short story. This will introduce you to the concepts the book will cover. Critical thinking questions at the end of the opening vignettes invite you to engage with the topic.

Think Abouts: Throughout the book, you will find exercises illustrating the concepts covered. I am sure they will make you curious to learn more about the relevant themes and perhaps even the regional culture in which the story is set.

Explore: Where do you stand on matters raised in this book? Introspection is crucial for personal development and intercultural growth. Each chapter will offer plenty of opportunities to reflect, explore and apply behavioural insights to your intercultural leadership repertoire.

Try Its: To do is better than to know (says the ancient Chinese philosopher Xun Zi). This is why there are many activities interspersed throughout the book. The idea behind the individual and team exercises is to bring the theoretical concepts to life and make them memorable.

Applied Communication Models: Language and communication are dear to me. They flow from all the things that go on inside us. The seminal models at the end of each chapter apply very well to intercultural scenarios. Exercises and immersive tasks help you to try out your new skills.

End-of-Chapter Summaries: For readers pressed for time, I provide an overview of the main learning points at the end of each chapter. These may inspire you to revisit the main text and prepare you to go forward.

Online Resources and Learning and Teaching Materials
An extensive range of online resources and learning and teaching materials accompany the textbook. I hope that these help you to make the most out of the topics covered. You can find them here:
http://www.intercultural-leadership.org

Resources for Students

Interviews: Real-world insights bring the core themes of this book to life. Hearing about professional experiences is a great way to expand your understanding of leadership challenges. Experts bring real-world insights and practical knowledge to the table. Students can benefit from hearing about experiences, challenges, and successes directly from professionals who have hands-on experience in the field. A collection of interviews will be available with utb.de as separate book.

Online Resources for Instructors

Supplements: PowerPoint slide decks provide an active and comprehensive overview of each chapter and its content. Feel free to use them to enhance classroom experiences.

Instructor Notes for Role-Play Exercises: I believe effective teaching involves more than simply presenting information to students; it requires demonstrating concepts through practical examples. Therefore, this book includes role plays to provide hands-on learning experiences.

1 Unfamiliar Worlds and Me

Opening Vignette

Wong Tai Sin Temple, Kowloon, Hongkong
Photo by pespiero on istockphoto

Managers make rational decisions, do they not? Perhaps they may occasionally follow their intuition, but there is no place for superstition or shamanism in the business world. Terry wanted to believe this before he took up his new position in Hong Kong. After all, the Chinese mega-city is an icon of modernity, rationality, and capitalism. Here, he was responsible for the local HR department of a German-based technology group. However, he soon discovered that beliefs in the supernatural world continue to play an important role in our private and professional lives.

When walking the streets of Hong Kong, he discovered that many shop owners use lucky charms in their displays, most notably the famous 'Maneko.' Originally from Japan, the golden cat with the Chinese character for luck on its belly and waving one pawn at you is believed to bring good fortune to its owners. But there were also many traditional shops with auspicious symbols that reminded him of bats. When he asked locals, he found out that the Chinese pronunciation of 'bat' is similar to that of 'fortune,' which explains why shop owners use it as inspiration.

Then, he could not help but notice the many fortune tellers who offered spiritual guidance to Hong Kong residents. You can seek advice from tarot cards, temple talismans, palm reading, fortune sticks, bird hopping, the Chinese zodiac and so forth. Hong Kongese from all walks of life, housewives looking for guidance in their private lives, students hoping for good marks, or indeed managers wondering about the fate of their business decisions make use of fortune tellers. It dawned on Terry that Suan Ming, Chinese for fortune telling, remains firmly rooted in society despite the hyper-modern surroundings.

It is at its most obvious during Chinese New Year celebrations. Then the city sprawls with the colour red, is noisy with firecrackers and bright fireworks. All these customs have to do with 'Nian,' an evil spirit said to terrorise and even kill people. As Nian is afraid of red hues, loud noise and bright light, people better make ample use of these traditions to exorcise such monsters for better luck in the new year. Then there is the craze for auspicious numbers. Vehicle registration plates are on the Lunar New Year auction and can sell for millions of dollars if they carry the right combination of numbers and letters (Mok, 2023). These often involve the numbers '8' (which in sound is similar to 'fortune making'), '9' (with the Chinese character representing longevity) or '2' (as one is better not alone in this world). Airlines flying in and out of Hong Kong tend to use these numbers as their flight number. By contrast, one better steers clear of the number '4' (which is similar in sound to the word 'death'). Many buildings in Hong Kong omit the fourth floor.

Clearly, superstition is a respected part of Hong Kong's culture. Terry found out that it would also spawn workplaces. And why wouldn't it? The future is unknown. And every little thing helps that can give us a little bit of good luck or, at least, divert bad luck. As Hong Kong is so deeply seeped in the belief in fate and magic (and connected with this, symbols to regain control), it was no wonder that his workplace was also full of supernatural signs and rituals. Next to the company entrance was a shrine dedicated to a local tutelar guardian ('Tudigong' or 'God of the Land') who would protect all employees from evil spirits entering the offices. Many of his colleagues would discreetly wear a lucky charm or even be quite open about superstitious practices (e.g., shying away from auspicious numbers) and temple visits. Before renting the office space, the local partner had advised Terry's company to seek advice from a Feng Shui master. This ancient practice of 'wind & water' is about cosmic energy so people can live in balance with their surroundings. A life in flow with the forces of nature is said to boost fortune and health. Luckily, according to the consultant, the office space design followed the Taoist philosophy of harmonising the five elements (earth, metal, water, wood, and fire). Other companies in Hong Kong also adhere to these principles: The British HSBC bank resided in a skyscraper in Hong Kong's city centre and, with a clear view of the harbour, was purpose-built for its business and Feng Shui. But when the Bank of China opened its doors in 1990, it ignored ancient art principles,

as Feng Shui practice was banned in mainland China. Their new skyscraper was said to kill the cosmic energy ('qi') surrounding the HSBC building, potentially affecting its employees and fortunes. Indeed, the banks' share prices plummeted. Whether this was due to the overall economic downturn or, indeed, evil spirits were anyone's guess. HSBC, better be safe than sorry, was advised by a Feng Shui consultant to point two cranes (in the shape of cannons) at the Bank of China building to restore balance. Allegedly, Feng Shui did the trick. HSBC's business performance recovered after following the master's guidance.
Source: Keegan, 2020.

Critical Thinking:

- Do you consider yourself superstitious?
- If there are signs of superstition in your country, what are they? Give examples: Are there, for instance, food or kitchen-related superstitions in your home culture?
- Can you find out where these practices come from?
- In your country, do these superstitions affect the way you work? How so?
- How do religious and business practices intermix in your country?
- What would be your thoughts if your local partner would suggest calling in a shaman to look after the prosperity of your business?

Without a doubt, globalisation is and continues to be one of the most important phenomena of our times. Thomas Friedman, New York Times journalist and best-seller author, notoriously alleged 20 years ago that the world is now flat, blurring centre-periphery relationships between economies and the players within them. Though we must not blow this borderless level-playing field world vision out of proportion, global integration has come a long way: Economic, social, technological, ecological, and cultural shifts abound and, together, have changed almost all aspects of our everyday lives.

Economic Shifts: Corporations are operating increasingly on a global scale, creating networks across borders. In line with these activities, global capital knows no boundaries with almost immediate effects on economies around the world. Then and now, the import and export of goods require and create hubs of power and trade. Such 'favoured terrains of supply and demand' (Braudel, 1983) orchestrate the international flow of goods and services. The booming Eastern Swiss cotton industry of the 18th century (and their global networks in Southeast Asia) benefitted, for instance, from having a significant market in its immediate vicinity: Zurich (Horn, 2021). The logic behind international business, of course, is that long-distance trade can provide significant profits (Holden & Horn, 2016). And outperforming strictly domestic counterparts is usually the result of global market expansion. Urban areas, where goods can be easily bought and sold, often drive these expansion efforts. The homogenisation of institutional framework conditions, especially internal markets,

further propels trade. The emergence of digital currencies will further ease global activities. The likes of cryptocurrencies are no longer bound by any kind of central bank or indeed geography. One major aspect of said flattening world is the corporate push to go global in terms of trade goods and services and foreign direct investment (FDI). With the cross-border expansion not only of operations per so but also of their ownership, companies signal a lasting interest in foreign countries. The anticipated inflow of wealth, technology, and jobs makes such investments quite attractive to many host countries.

Social Shifts: Such 'financescapes' (Appadurai, 1990) are crucial but by no means the only driver of a flattening world. There is now a substantial flow of people across national boundaries, fuelled by growing middle classes, higher travel connectivity and freer trade. Country-to-country moves can occur out of necessity (search for economic and educational gains), leisure (search for experiences and broadening horizons), or private reasons (following loved ones): Today, more people worldwide live outside their birth countries than ever before. According to UN estimates, as of 2020, about 281 million people live in countries other than their home country. This amounts to three times the migration volume of 50 years ago. Tourism, too, is part of this social shift, which brings people from different parts of the world and their way of doing things into contact. Travel has increased sharply in recent decades. A World Tourism statistic suggests an increase by a factor of 60 from the 1950s to today. Naturally, the COVID-19 pandemic greatly impacted global travel, but according to the International Air Transport Association (IATA), overall traveller numbers will rebound to reach 4 billion in 2024.

While we, historically, tend to think of tourism as a prerogative of people from Western countries, more recently, China has advanced to become the world's largest outbound travel market. Higher-income levels and access to online travel information – China is now home to the world's largest online travel portal: Fliggy, a member of the Chinese Alibaba Group – stir the desire to explore places across the globe. For many, global travel is not only a matter of experiencing other cultures but also important for work purposes. Attending trade fairs and meetings or initiating business contacts, for instance, are among the regular activities of employees of corporations, small and large, that increasingly work across boundaries. A serious chunk of global travel is related to work and business trips. Pre-pandemic business tourism spending peaked in 2019, for the time being, with 1,29 trillion US dollars. In a nutshell, living and working in monocultural environments is an exception to the rule for many.

Technological Shifts: Theory predicts foreign trade arises because countries are at different technical developmental stages. However, such time lags and comparative advantages that arise from them melt away in many industries. Today, technology develops at a rapid speed, and it does so without knowing any kind of boundaries. Companies try to enter as many markets as quickly as possible to make fast and full use of their innovative capabilities. Often, products are now made available (almost) simultaneously worldwide. For sure, some industries and technologies are more global

than others, but there are many examples showcasing how goods and services often increase cultural interaction. Technology itself turns into a driver of global integration. Smartphone line-ups, for instance, reflect similar needs, wants, and tastes no matter where their users live. They are, thus, offered simultaneously across boundaries. Technology connects people, too. The success of apps such as TikTok (video sharing) or Facebook (social media platform) provides ample evidence of a genuine global consumer culture in the sense that people from different countries mix with one another and create and share meaning.

Ecological Shifts: Then there are sustainability considerations, which matter to all of us regardless of where we live. What we do to our environment cannot and has never been bound to a specific geographical spot. However, the insight of interconnectedness has changed in recent years. Whatever we do (or do not do) over here might have a disastrous effect in other parts of the world. Droughts or rising water levels already risk the livelihoods of millions of people, with profound impacts on migration movements. Arguably, globalisation has a direct and measurable impact on environmental spheres. Although companies internationalising might raise the living standards of many regions of the world, it might very well lead to a 'race to the bottom' in other respects. In the pursuit of competitive advantages, companies and countries put pressure on working conditions or even environmental care (Meyer & Horn, 2015). Deforestation, pollution, or deprivation are just a few examples of how global corporate expansion results in environmental damage. Amid growing concerns for lowered ecological quality, there is now a call to arms at the supra-national (e.g., UN Sustainable Development Goals, SDG) and regional level (e.g., EU climate policy) to tackle climate change and reduce social inequality. Governments and companies have to mitigate the excesses of globalisation. The only way to achieve this is to commit to global partnership and align efforts across all developed and developing nations.

Cultural Shifts: Finally, there are increasingly global media flows. More than ever, we are consuming largely the same kind of images, narratives, movies and so forth. This, in itself, is not new. For many decades, people across the world have enjoyed Hollywood blockbuster movies that capture and multiply, in one form or another, the American way of life. However, new dissemination channels make exposure to these portraits more frequent and perhaps more typical. Companies such as Netflix, Disney, Sky, and Apple TV, to name just a few global media empires, reach our homes regardless of where we live and offer their services in a similar way. VPNs allow unfiltered access to media content across the world. A further sign of change is shifts in the direction of media flows. The popularity of Korean and German drama series ('Squid Game' or 'Pagan Peak') might usher in alternative ways of thinking about the American way of life, spearheading global cultural flows. Their departure from experiences with how American pop culture does things offers new cultural meaning and semiotic space. Not only that but how we consume media is also changing. The way we produce information is changing, too. Not least because we increasingly augment our reality with a virtual one. Social media, video conferencing, and so forth ease communication

between people living in different parts of the world. In other words, our media world is shrinking literally at our fingertips. Namely, how we think about the world is changing substantially through the increasingly global reach of media and the information flows that come with them.

Of course, globalisation is, as the then German president Rau pointed out in 2002, 'not a natural phenomenon.' It is man-made. Therefore, people can also shape these global forces and steer them in a direction that suits them. What path we take is determined by two opposing forces. One takes care of our need for safety, familiarity, and shelter; the other offers growth, learning and autonomy. One force ties us to cherished practices; the other loosens this frame of reference of how we should do things.

Indeed, few of us are born polyglots. Globalisation does not turn all of us automatically into footloose cosmopolitans. 'Home,' and connected to this, feelings of groundedness and shelter, have mattered and will always matter significantly to many of us. We are primarily concerned with what happens in our closest surroundings. We form friendships mostly where we live. Especially in times of shock and upheaval, the familiar gains in importance. The Brexit referendum or the catchy Make America Great Again (MAGA) campaign slogan attest to people's suspicions of pervasive globalised forces. More recent developments, most notably the return to nation-based and fragmented responses to the COVID-19 pandemic, beg the question of just how global we truly are. But perhaps the biggest evidence of a global world at a tipping point, in which states border up against a free flow of people, technologies, media, or finances, is Russia's military invasion of Ukraine. As a result, not few would argue that the glorious years of hyper-globalisation are over. As geography matters again, we might enter a new era of deglobalisation. The main argument of this is that an interconnected world economy is rapidly falling apart into four individual blocs: the 'West' (with the US as a resurgent economic and cultural pacesetter), the 'East' (an area of influence dominated by China) plus an increasingly emancipating Indian sub-continent and a self-isolating Russia-led sphere. The Ukrainian invasion is a turning point in many respects, but precisely because of this, preparing for effective communication across borders has never been more critical.

So, where do we go from here? The world may not be so flat, after all. Given recent events, it might get hillier again. At the very least, it is uneven, if not crooked. Some people may think globalisation is good. Some think that it is terrible. But the genie is certainly out of the bottle, and globalisation continues to have a massive impact on the corporate world. It is unlikely that we can turn back time, as the lion's share of companies have and will have valid reasons to go international. Technology has also unleashed powerful globalised forces that are here to stay. And the appeal of easy access to media content from around the world is unlikely to go away. The bottom line of all this is that very few of us will live in an entirely local world. New communication technologies and streaming apps (such as Zoom or Teams) easily transcend time and space. They allow time- and borderless interaction with people from distant regions, even at high quality and comfort. And if need be, we can still physically reach any part

of the world within 24 hours. In short, we are in touch with people and places we have never been in contact with.

Nevertheless, recent shocks such as the COVID-19 pandemic and the war in the middle of Europe have caused people to re-examine the generally accepted idea of a flattening world. We have to ask how corporations and the people within them can become more resilient to the magnitude of the challenges that have come with the across-the-board movement of goods, services, people etc. Tensions from how we relate to otherness will not go away. Especially in the world of work, everybody must ask themselves (Friedman, 2006), where do we fit into a world of global competition and opportunities? And how can we collaborate and perhaps compete with others globally? Some people adjust well when exposed to different cultures, while others experience irritation. Diversity of experience, perspective, and insight remain critical to these daring challenges. It seems more than timely to put centre stage the idea that the cultivation of soft skills, especially etiquette, intuition, and authenticity (see Chapter 16), helps to navigate encounters, intercultural or otherwise, and 'get work done.'

1.1 Turning Global Integration into Intercultural Contact

As more and more companies enter overseas markets, the flow of goods, capital, and production across international borders surges. From this arises the need to consider task division and integration: what responsibilities can be shared (specialisation) and what needs coordination (integration of activities). As organisations continue to internationalise, we interact more with people from other cultures (Wagner, 2023). With global integration fundamentally transforming the world of work, at least five different but overlapping paths lead to higher chances of us getting in touch with other people around the globe (Figure 2).

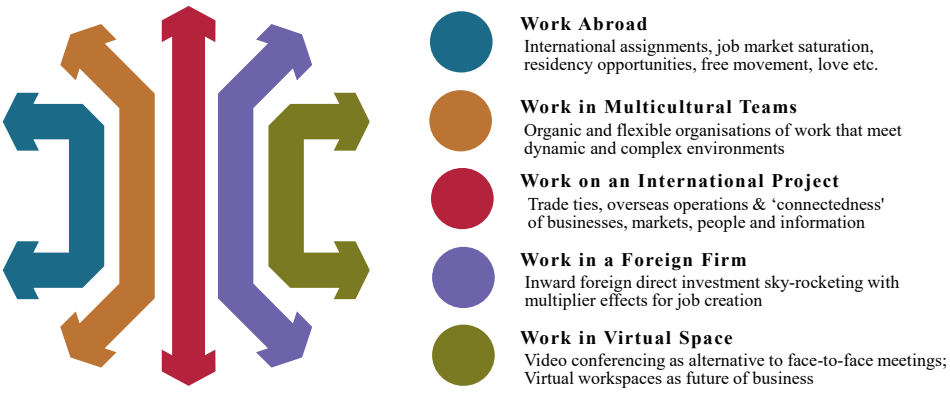

Figure 2: Why Are Intercultural Leadership Skills Important for You?

Work Abroad: You might find yourself working abroad for some time. Working for an internationally operating company means more international exposure. International roles might be short-term (e.g., in the form of project management) or medium- to long-term (e.g., taking on an expatriate position as part of a secondment to a company branch outside your home country). Perhaps your job market at home is saturated, and you find yourself looking for job opportunities in other parts of the world. Here, you might benefit from legal arrangements of common markets. For instance, citizens of EU membership states can move freely within the European Union and work and reside wherever they see fit. Then, it is not uncommon that we want to be with our partner from abroad. That is, we might have fallen in love with somebody from another part of the world. This inspires us to make our partner's country our new home. As a result of that, we look for job opportunities in our new country of residence.

Work in Multicultural Teams: The idea that tasks can best be accomplished in monocultural environments is undoubtedly a thing of the past. Today, companies have to organise work in much more flexible and dynamic ways than ever before. Why? Because complex tasks and environments demand new problem-solving skills. And one way of dealing with these new challenges is multicultural teams. This, quite automatically, makes your work more multilingual. At the very minimum, you would be pushed to use a bridge language (most commonly English). This means that we have to make do with instant translations so that we can make sense of what is said and respond appropriately. In spite of such challenges, multicultural teams have quickly become the workhorse of international business activities. Bringing talents from all parts of the world together means using a greater variety of skill sets, viewpoints or working styles. Next to productivity, performance and creativity gains, such pooling of talents brings about more sensitivity and responsiveness to cultural differences (Cox, 1991; Thomas & Ely, 1996). In domains such as marketing and HR, these are frequently overlooked, especially when there is only input from one culture, one language, and one way of doing things. Clearly, the reasons for forming multicultural teams go beyond beliefs of superior performance. Immigration inevitably results in a society becoming culturally more diverse. Germany, for instance, has, not least because of its geographic location as the centre of the European continent, a long history of labour migration.

According to the Federal Statistical Office of Germany, as of 2020, one in ten people in Germany did not have German citizenship. German society is, of course, even more multicultural and multilingual if one counts all those people who have been naturalised or are offspring of earlier waves of so-called 'Gastarbeiter' generations, i.e. people who have come to Germany as part of a formal guest worker program of the 1960s to the 1970s. These bi- or multicultural individuals (e.g., Turkish-German, Italian German) bring complex skills to the table in their response to workplace issues. The political relevance of much-needed invitation schemes for skilled workers from abroad unfolds with firms in specific regions and sectors trying to fill vacancies. Increasingly, they rely on head-hunters who search and recruit staff internationally. In the same vein, the Australian government has upped its efforts to attract highly

qualified professionals to work and live in Australia. The Global Talent Visa scheme streamlines the application process and targets individuals who bring innovation to high-priority industries. In short, with work teams becoming more culturally and linguistically diverse, globalisation now occurs at home.

Work on an International Project: What organisations do is filled with global challenges. Manufacturing processes are rarely a local effort. Managing the sourcing, assembling, and distribution of products across borders has become crucial for the livelihood of many firms. International trade comes with cross-border logistic, regulatory and payment issues. Decision-making, too, involves international considerations. Executives often need to take a broad view of markets, near and far, and how developments over there might affect one's activities here. Internationality poses additional challenges for organisations. Structures and responsibilities must reflect structure and processes: 'What has to be done?' 'Where should it be done?' and 'Who should be best doing it?' Support functions such as human resource management or accounting are now on an international scale, too. Staff recruiting, selection, and training are crucial elements in HRM. A global perspective is absolutely vital to creating an open-minded business culture. The effective management of a business depends, to a large extent, on how financial reports are structured. Data are usually stored in different formats when operating in multiple countries. This requires internationally operating firms to make sense of local peculiarities and prepare data in a structured approach. It is evident that the scope of management has become rather complex.

Working for a Foreign Firm: You might find yourself working for a foreign firm. We know that inward direct investment has skyrocketed. More and more companies are arriving at our home shores from other parts of the world. Take, for instance, the Rhineland, a German region embracing the land on the banks of the river Rhine. In 2019, more than 15.000 sizeable foreign companies were commercially registered in this region (plus another 45.000 small businesses and start-ups). This accounts for about 11 % of all companies in the Rhineland area (IHK, 2019). So foreign companies are a vital part of local business communities. As one would expect (and the Uppsala Model of Internationalisation suggests), many of those firms come either from nearby (the Netherlands, Belgium, France) or are culturally and emotionally close (UK, USA). But investors from other parts of the world, especially Asia, are discovering the Rhineland region, too. The scale and scope of investment from China and Japan (the world's second and fourth-largest economies in terms of GDP) is enormous. In 2020, there were 88 Chinese investment projects, expanding the already strong position of China in the region with more than 1.500 registered firms in China. Only Dutch firms have a more substantial presence. Such prominence is, obviously, quite in line with China's rise to economic power. Investments from Japanese companies in North Rhine-Westphalia, especially Duesseldorf (nickname: Little Tokyo on the River Rhine), have been traditionally substantial. Around half of all Japanese investments in Germany are in North Rhine-Westphalia. As of 2019, about 450 firms from Japan are commercially registered here. Clearly, foreign firms are an important job engine