Melanie Moll,
Maria Hehle-Fritsch (eds.)

Intercultural Management

Dimensions of the Modern Workplace

Foreword by Ruth Beck

ibidem

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Intercultural Management

Dimensions of the Modern Workplace

"This collection offers valuable insights into the complexities of intercultural management, providing practical examples from various industries that underscore the importance of cultural intelligence in the global workplace. The diverse range of topics explored in these chapters emphasizes the importance of cultural intelligence in fostering leadership, ethical decision-making, and effective global collaboration."

Dr Colleen O'Brien Cherry, Associate Director of Foundation Relations Anthropologist, University of Georgia, Athens, GA

"In today's globally interconnected world, intercultural awareness is more crucial than ever, especially in the workplace. As businesses expand across borders and teams become increasingly diverse, navigating cultural differences becomes key to success. The insights presented in this book offer valuable strategies for improving cooperation and understanding in the workplace—benefiting not only businesses but society at large, especially in a time of global crises and rising nationalism."

Viola Stoehr, co-founder and intercultural trainer, s.cope – team für interkulturelle kompetenz, Stuttgart, Germany

Melanie Moll, Maria Hehle-Fritsch (eds.)

INTERCULTURAL MANAGEMENT

Dimensions of the Modern Workplace

Foreword

When I met with my students to begin working on their thesis, we never anticipated that we would be writing a book!

Interacting with students in the Intercultural Management program at the Europäische Fernhochschule Hamburg began with exploring the many intercultural business experiences around us. These ranged from chain supplies in China to recruiting international workers for local companies. As the students moved into thesis writing, their topics arose from curiosity and the desire to better understand the workplace. Some examples were: How can the work in my organization be improved? How do recent global developments (e.g. pandemics, regional conflicts) affect or change my own working context?

We took those ideas and transformed them into critically relevant research questions. At times, designing the research process was more challenging as we looked at topics which had not been previously studied. Good communication between the student and supervisor was a necessity as we put together a methodology piece by piece. As a lecturer in the program, my anticipation grew until I saw the results in the completed thesis. Relating the findings back into the workplace was, and still is, informative and insightful.

Those of us who lead the Intercultural Management program recognized the importance of sharing the topics and findings to others outside our circle. Our objective in this first volume is to showcase the results of hard work and skill sets that our students display. While most students are non-native English speakers, they succeeded in crafting important, relevant works in English that further our understanding of intercultural interaction in the workplace, wherever that may be.

In short, we began by asking questions, and in the process, we wrote a book!

Congratulations to each student represented here, and to all readers of this volume, enjoy the reading journey.

Ruth Beck, Ph.D.
Lecturer, Intercultural Management (M.A.)
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Introduction

Today, we live in an environment that is made up of multiple cultures. People are consistently influenced by one another, and very few people are members of only a single cultural group. While multiculturalism has been criticized for various political reasons, the fact remains that most geographical regions are made up of mixed groups of people. This includes not only regional ethnicities and nationalities, but also differing age groups, religious groups, gender groups, and so forth. No one has just one identity, for example French, or Indonesian, or South African, or a woman, or a Catholic, and so on. People are made up of multiple, dynamic identities, and these identities themselves are often changing or adapting. It is in this sense that we can say we live in a multicultural world.

Because of this, all our interactions with one another must take multiculturalism into account. Being successful in a global market requires being aware of various preferences. True efficiency in business (or any global interaction) requires an attention to the norms and expectations of others. This, in our view, is the core of what we are presenting in this book. Successful **intercultural management** is the ability to act and interact with others in ways that lead to effective and positive outcomes or achievement of objectives.

While many of us have had at least some intercultural experiences, we may not realize the extent to which people need to understand one another. In other words, we might not be aware of how critical it is that we know what real intercultural competence means. Acting in a global context is much more than simply speaking the target language or even the lingua franca. We need to be aware of how we can best interact with others – through speech, but also through our actions, decisions, and so forth. If you wish to be effective in your own interactions, you will need to be equipped to deal with behavior that does not always match your own

expectations. It is in this sense that we strongly urge global managers to be informed in intercultural matters. Being a successful intercultural manager in a global corporation involves getting along with coworkers of various cultural backgrounds; this sought-after quality helps people avoid serious misunderstandings and the building of invisible barriers. Companies are looking for people who have an understanding and awareness of cultural variables, and who know how to make sense of the world around them.

If you do a simple google search with the term 'intercultural management' you will find definitions which mostly include terms such as awareness, respect, norms, values, and so on. One important aspect of this construct is that it is a skill – this means that it can be learned! Some people might be more natural learners, but all of us can improve our cultural awareness skills. Having a strong ability to interact in a global environment is what is known as intercultural competence.

In this book, we strive to help you understand the wide range of interactions that are tightly tied to intercultural competence. This involves more than just communicating with language. It includes making decisions, displaying attitudes, understanding the many forms of scheduling, dealing with space issues, and the list goes on. Many intercultural management scholars reference the well-known iceberg model which represents both visible and invisible factors that influence behaviors. True intercultural management is aware of constructs *beneath* the surface of the water, in order to best adapt to and act on those elements *above* the surface of the water.

Our book pulls together a range of studies that examine the notion of intercultural management in differing fields. The studies are culled from theses in a master's program at the Europäische Fernhochschule Hamburg. Students in the program investigate various facets of business and the workplace in order to determine how

intercultural factors influence individual behavior, what we can learn from it, and where future research efforts could be invested.

Our objective is to showcase some of the research being done in our program, as well as to assist you, the intercultural manager, be able to recognize patterns and apply your understanding of the data to your own intercultural interactions. In this way, you receive valuable practice in heightening your own awareness of how people make sense of the world around them, whether it is through attitudes towards time, space, gender, hierarchy, or worldviews.

The chapters presented in this book differ widely in what they investigate. From airline booking behavior to bias in recruiting, the chapters offer an insight into important sectors and the challenges they face in a global environment. Furthermore, since the data we include here comes from real-life, business conversations or interactions, the findings should be relevant for many walks of business life. You should be able to recognize some of the examples or issues and compare them to your own experiences.

Chapter 1 deals with client relations and service providers, especially with regard to building an effective service culture in B2B business endeavors. Chapter 2 is a detailed examination of global health issues, specifically the notion of sustainable development when it comes to neglected tropical diseases. Chapter 3 delves into the world of academic research and the issues faced by international researchers when relocating to a foreign environment. Chapter 4 deals with the intricacies of intercultural communication in a virtual setting, especially when dealing with tasks such as negotiation. Chapter 5 examines strategy optimization when it comes to customer booking behavior, specifically using a construct of uncertainty avoidance and regional cultural approaches to time. Chapter 6 covers the idea of cultural diversity in recruiting, and the conscious or unconscious bias faced by applicants based on their ethnicity. And finally, to round things out, Chapter 7 is a thorough treatment of the construction of identity in expats as they struggle

to build their intercultural and communicative competence in a new cultural environment.

In summary, we hope that the contents of this book will provide useful insights to you as you observe and investigate the world in which we live, and how the intersectionality of multiple cultural identities affect both the product and the process of our everyday interactions.

Prof. Dr. Melanie Moll

How Client Culture Affects B2B Service Providers

Dana Bieck

Abstract

This work was inspired through personal experience in the single-client service environment. One major challenge represented in this field of work is that service providers must walk a fine line between representing their employer to the client and their client to their colleagues.

Few studies, however, have been published on the subject of how clients influence service providers. In contrast, several studies have been published on the matter of defining service culture, how best to serve the client and how the attitude of service providers affects customer relations.

Using qualitative and quantitative methods, I compare several organizations and their service departments to identify commonalities in service culture through surveys. Next, I use semi-structured interviews to examine both client and provider attitudes towards service culture. Specific behavioral patterns can be observed in different service teams, depending on the client they serve. Some of these patterns will be demonstrated in this paper to support the hypothesis that clients and their client cultures have a direct effect on B2B service providers.

The aim of this analysis will be to lead to new insights within the scope of service provision. This knowledge can then be applied across the scope of service provision, from employee training to client consultancy.

Introduction

This thesis offers insight into the world of B2B service culture. Many expressions and clichés are associated with service culture, such as "do unto others as you would have them do to you" or "the customer is always right". The background of service culture is presented in this work, and the paper presents the hypothesis that B2B service companies are affected by their clients' cultures and values and that clients affect the way services are rendered.

Furthermore, this work offers insight into corporate culture, describing the various attitudes that are found within the parameters of business practice. Very few studies have been published on the subject of how clients influence service providers. In contrast, several studies have been published on the matter of defining service culture, how best to serve the client and how the attitude of service providers affects customer relations. This work extracts examples from the data collected to demonstrate how B2B companies are influenced by their clients.

Research Questions

There is a trend in business to focus on customer experience (CX), a rising demand for better working conditions, more flexibility and a better working atmosphere, and the employee experience movement (EX). However, while much focus has been how employers affect their employees experience and even more attention has been given to how service providers affect their clients, very little work has gone into showing how clients themselves affect service providers.

The service sector makes up 65.03% of the GDP in 2017 ("Share of economic sectors in the global gross domestic product (GDP) from 2007 to 2017 | Statista", 2020), and has become a crucial sector for corporate growth. Companies are increasingly dependent

on learning about both CX and EX to meet potential expansion goals.

Several studies indicate that the CX und EX are intricately intertwined. Kramer (2018) demonstrates that companies that engage their employees culturally see profit margins that are up to four times higher than those of their competitors. Walton (1993) confirmed this long before the terms CX and EX were trending buzzwords, insisting that taking care of employees leads to employees taking care of customers.

By defining service culture and examining different corporate cultures across different industries, this paper aims to examine the following questions:

- How do corporate service cultures differ from each other?
- How do clients affect their service providers?
- How does this influence the service industry?

This thesis will have laid groundwork to enable companies across the B2B spectrum to understand how their clients influence their culture and service delivery. This knowledge can empower companies to better engage their clients and employees, encouraging stronger relationships and promoting an understanding for a better working atmosphere for service teams.

It is important to evaluate examples of service culture in order to understand what motivates service companies. A brief illustration of the roles of clients and service providers are provided, and the role of corporate cultures are examined. The background is then tied into the qualitative and quantitative data collected in a series of interviews and a survey of service providers. Finally, the paper discusses findings and limitations and concludes this study, suggesting how B2B service providers can utilize this information to their advantage.

Literature Review

Service culture is defined by examining both business examples and academic sources. One point should be addressed when analyzing the definition of service culture; this definition will encompass mostly western examples of service culture and thus may slightly differ from other approaches or understanding of service.

While researching the term "service culture" and its meaning, several different statements surfaced, showing that there is no consensus in defining service culture. Therefore, to provide an appropriate meaning to service culture, several statements are examined for the purposes of this study.

A website offering consulting services with an aim to improve CX provides this definition: "A culture of service is an organizational culture that prioritizes customer service in all goals, decisions, actions, and everyday operations" ("Service Culture", 2015). According to this definition, a service culture sets the needs of the customer at the center of operations and prioritizes them, perhaps above all other organizational needs.

An academic definition comes from Bruce (2020), who suggests that "to create a service culture, organizations must measure customers' satisfaction as a routine way of doing business and make sure that everyone in the organization knows the results" (Para. 2). Again, the focus is on the customer's needs and experience. Bruce argues that a company who wishes to create a service culture must ensure that all employees in the company are aware of the results of customer satisfaction. Communication and information flow appear essential to creating a successful service culture. Bruce states, "In addition, the organization must clarify the standards of customer service that employees are expected to deliver and explain why customer service is vital to the organization's success" (Para. 2). Bruce emphasizes the importance of communication and that certain standards must be set up for employees to follow.

Kayako.com (2020) states that "Your customer service culture is the set of shared beliefs and priorities that are ideally held by everyone in the company." ("Kayako live chat software helpdesk software and customer success solutions", Para. 1). Such a definition emphasizes shared values. Not only should a business focus on customer needs and communicate customer satisfaction rates (or communicate in general) and set standards for employee behavior, it is also important that employees share a set of values for a service culture to exist. This probably isn't surprising for any student of culture, since culture can be defined as a system of shared values and behaviors.

Consolidating these three interpretations, service culture can be defined as **a shared system of values built upon the principle of putting customer needs first.** Within the parameters of this work, this definition will serve as the basis for understanding service culture and should be kept in mind while reading further.

The Client Relationship

Vargo and Lusch (2008) comment on the importance of customer relationships in their essay "Why Service?", which offers several insightful ideas on the subject: *"Service implies doing this with and for someone. It implies relieving and enabling them in the joint process of value creation. Thus, the service perspective compels the firm to consider the relational approach" (p. 10).* The authors stress a mutual participation in the value creation process. The client, in extending their patronage to the company, is therefore creating value for the company. In the modern world, companies do not only vie for financial gain through singular sales, but also for data. This may be in the form of references, reviews or contact information. A happy client is more likely to remain loyal and more willing to share their experiences about a company with others. This means that a customer relationship is a vital asset, and possibly the key to a successful business.

This holds true in the B2B service world as well. Ostrom, Bitner, Brown, & Burkhard (2010) suggest that companies who operate solely in services and do not provide goods tend to form a closer relationship with their customers, which generally leads to higher customer satisfaction and loyalty. Doheny (2020) states that "the more powerful brands connect more on an emotional level with their customers by invoking feelings such as pride and accomplishment, thus challenging the value paradigm in that customers are often seeking more than functional and rational benefits" (Para.3) Thus, the aim of service culture is not only to create customer satisfaction but also to build relationships, adding to the value chain.

Corporate Culture

While service culture relates to how companies deal with customer relations, corporate culture exemplifies the culture employees experience within a company. The literature is filled with discussions on corporate culture, with each corporation seeming to have their own perspective. A simple definition is that corporate culture refers to shared values, attitudes, standards and beliefs which embody members within an organization (Corporate Culture, 2020). This definition does not really differ from a sociological standpoint. However, whereas a student of culture within a broader scope would see culture as an organic, living phenomenon which derives itself from the actions and practices of the people acting within its bounds, some would argue that corporate culture is set up by company leadership, and then carried out within the ranks of a company. It is entirely possible that reality lies between the two definitions and that corporate culture is both organic and directed by leadership.

Reinforcing the idea that leaders set corporate culture norms, a Harvard Business Review article stated "Founders and influential leaders often set new cultures in motion and imprint values and assumptions that persist for decades" (Groysberg, B., Lee, J., Price,

J., & Cheng, J., 2018). Corporate cultures may be seen, instead of a sociological phenomenon built by persons within an organization, as parameters set up to motivate employees or to guide them into behavior favored by the company.

In other words, despite the idea that values are top-down decisions made by employers and imposed upon employees, one may argue that they are also organic and change with time and influence. Individuals within organizations also have great influence in forming the ideals within a company (Deal & Kennedy, 2000). Accordingly, it becomes evident that corporate cultures can be influenced by individuals anywhere in a company.

This work contents that it is also possible for clients to influence their service provider's culture. Dan (2018) suggests not in positing good or bad agencies, but rather an incompetence of clients, which is why the same agency can do well for one client and terribly for another. Dan's statement supports the idea that clients have an effect on the way services are carried out.

Customer Influence on B2B Companies

Sureshchander et al, Hoang, Hill and Lu (2010) suggest that due to the intangible, heterogenous, inseparable and perishable nature of services, the measurement of service quality is more difficult than that of product quality. In the same way, the cultural influence of a client on service providers proves itself intangible and subjective. Some might argue that client relationships and culture are intangible, and therefore lean heavily on intuition for guidance to answers of how this phenomenon works.

As seen from the literature on the client – service culture relationship, the relationship to a client is an asset for a service provider. There is always a balance of power in relationships. It has already been established in the previous analysis that clients are often perceived to be the more powerful party in a business relationship. However, what gives them this power and why would it

have ability to mold the way service teams define service orientation? Following French and Raven's 5 sources of power as laid out in Senior and Swailes (2010), which power may be assigned to the client, and which power the service provider (team) wields will be suggested here.

The first power source, positional (legitimate) power, is difficult to gauge. This sort of power depends on one party's hierarchical position. The client has a perceived power, but is that power legitimate? To answer this question in the B2B context, this work will assume that the client, who controls the revenue within the relationship, holds this power.

Another way this power may be handed to the client is through fear of losing the client (loss aversion). In an article on B2Bs being at risk of losing their clients, Kamins and Vuong (2016) laid out a general distrust of business services providers in clients and suggested that customers care more about services and products than the actual brands of their service providers. This line of thinking supports the idea that the client's wishes and behavior influence the service industry's culture. Client engagement depends on the service provider's ability to induce empathy in the relationship. The service provider will likely have to adapt their behavior or way of communication in order to accommodate the client.

The next two types of power French and Raven outline (in Senior and Swailes, 2010) are expert power and referent power. Expert power refers to power extracted from skills and knowledge and referent power is derived from charisma. These types of power can be associated with the service provider.

Knowledge power for B2B service providers lies in knowing how their products and services are beneficial to the client. In a blog entry about knowledge as a service, Pudnyk (2019) suggests that the need for businesses to access expertise is increasing. Because of this need, services are valuable to clients, making knowledge a strong bargaining chip for service providers. This power is vital for

service providers and the way they use it can have an effect on the business relationship. Hippolyte (2007) underscores this idea by referring to knowledge as a resource held by organizations which can be utilized to create sustained value for themselves. By applying knowledge, service providers may therefore be able to exercise expert power.

In business, charisma may be one of the most underrated powers. The finishing statement in Varghese's (2010) article on the power of charisma is "charisma effectively deployed can have electrifying results". As charisma is a personality trait, it is altogether possible that a client is charismatic as well. The reason that this power is allotted to the service provider is that this is a tool that they will need to wield to be successful, whereas a client is not dependent on influence through likability.

However, it may be that charisma does prove useful for curating a long-term relationship, resulting in a stronger negotiation position for the client, if they choose to use collaborative negotiation tactics.

In the world of B2B services, the next two power sources can be seen as client sources. Reward and coercive power can both be used by clients to convince service providers to comply with their wishes. Reward power uses recompense to convince a party to act a certain way, whereas coercive power uses force. The power of reward is straightforward and needs little clarification. The use of coercion to achieve goals is generally considered illegal in many cultures around the world, so it will not be entertained as a legitimate way for a company to influence their service providers within this paper.

Identity Theory

An important and influential factor in the client-service provider relationship is found within the construct of identity theory (Spears, 2012). Spears notes that group identification is a process of learning the group's position, and suggests that within the scope of

group identities, it is possible that influence on a group can be internal and willing. However, he mentions that when compliance is external and forced then it is not a reflection of social influence but rather power and compliance. Spears then adds that in categorizing themselves with a social group or category, people learn to infer norms and attributes associated with that group or category.

Service providers serving on single client accounts are, in ways, forced to interact and interject themselves into social settings with their clients. In this way, the client is able to dictate norms and the service provider team's identity is not a reflection of natural social influence but rather power and compliance. This is one possible way that the client is able to affect the identity of the service provider and ultimately influence their perception of service culture.

Virtue identity springs from Virtue Ethics (Dutton, J., Roberts, L., & Bednar, J., 2010), which may be identified as an ethical code that emphasizes virtues or moral character (Hursthouse & Pettigrove, 2016). Dutton et al. cite the virtue perspective, suggesting that work related identity is positive when the identity is pervaded by virtuous qualities that meet the criteria for values that are defined as fundamentally good. This is to say that one's identity at work is positive when one carries out tasks that can be associated with "good".

One way of interpreting this is that if a service team feels that what their client is doing can be characterized as "good", then they will identify with their tasks, potentially causing a rise in productivity. However, if they are unable to identify with what they are doing or who they are doing it for, the service team may show less motivation in carrying out services.

Adaptive identity is an identity approach that proposes individuals should systematically change the content of their identity to achieve a better fit with internal or external standards (Dutton et al., 2010). Whereas virtue identity allows people to find identity in

the virtue of what they do, adaptive identity allows people to change their identity to fit the standards of their environment.

In the case of service providers, this may be used to adapt from the ideals of their employer to the expectations of their client. Dutton et. Al. (2010) confirm this idea: "role transitions present professionals with an opportunity to change their identity, and they winnow provisional selves to achieve an appropriate fit with internal (employer) and external (client) perceptions and standards" (p. 8).

In Rothbard's (2020) study conducted with salespersons who represented more than one brand, it was found that workers who reported high levels of identity conflict (between the brands they sold) were less successful in sales. However, workers who found more complementarity between brands had above average sales. Based on these findings, it is reasonable to assume that the same phenomenon could be observed in situations where service providers are caught between their clients and employers. Those who have clients who align with the values of their employers may find performance better than those who cannot find cultural congruency between their employers and clients.

Now that group identity, value identity and adaptive identity have been exemplified, one begins to understand how a client behaves or what a client does can have an effect the EX. Furthermore, from Rothbard's research it is apparent that how a worker identifies with a client has a direct impact on that worker's performance.

The literature gathered in this section, as well as the previous sections offers the reader a basis for understanding how service providers are affected by their clients. The next section will show what approach was taken to examine the dynamics of this hypothesis.

Methodology

For the purposes of this thesis, service culture is defined as a shared system of values built upon the principle of putting customer

needs first. To examine this thoroughly, this work refers to biographies surrounding 3 successful, modern, western business models (specifically, Amazon, Walmart and Zappos). The definition of service culture is considered while analyzing the service philosophies of these organizations. Next, examples of corporate cultures within different industries are demonstrated. Company cultures advertised to potential employees from top brand employers in several different industries are examined. The purpose of this practice is to create a cultural scale on which we can measure different companies and industries.

Interviews were conducted within the scope of this work, the results of which are analyzed here. The names of the interviewees have been changed to protect their identities. The interviews were administered during a two-week time frame, and each interview lasted approximately thirty minutes. The answers to the questions are analyzed for similarities between persons working for each perspective industry. Later, the analysis of the interviews is tied into how service culture and corporate culture relate to employee identity in the B2B service field. The interviews were translated from the German language into English. Here are the specific questions which were discussed in the interviews:

1. Discuss the statement: "I identify with my employer's values and culture" (Yes or no, and why or why not?).
2. Are you proud of the client you serve?
3. Would you say that your empathy for the client sometimes leads to a conflict of interests?
4. Is it your goal to find the best solution for your client? Even to your employer's detriment?
5. Define "Service Orientation" in your own words.

These questions were designed to indirectly ascertain the individual's identity and stance towards their employer and the client. Participants were encouraged to speak candidly. The interviews were not transcribed verbatim. The answers were consolidated after the

interview, and reread to the interviewees, who were given the option to reiterate what they meant before agreeing to the final transcript.

A further source of data referenced is a survey distributed on German professional social media platforms (Linked-in and Xing) This survey was focused on the subject of service provider identity and was open to any service provider in a B2B situation who managed up to and no more than three accounts (including on-site logistics teams, telecommunications providers, inhouse HR services, production lines or any other line of work that serves/delivers to one client).

Results will be presented below. While very little literature has examined the relationship of client culture on the identity and performance of the service provider, several very important observations have been made by business moguls and academics alike. This work therefore takes a holistic approach to examining this phenomenon, extracting information from business blogs, autobiographies and biographies of well-established tycoons, sociological research, as well as psychological identity theory and organizational culture. A concerted effort will be made to draw connections between the different subjects in order to show the seldom explored, other side of the client-service provider relationship.

Analysis

Understanding service culture is relevant to finding out how B2B cultures are influenced by their clients. This understanding allows for recognition of the service provider mindset. Figure 1 illustrates the role of organizations and relationships between service providers and their clients.

Figure 1.1:   Relationship between the Client and Service Provider
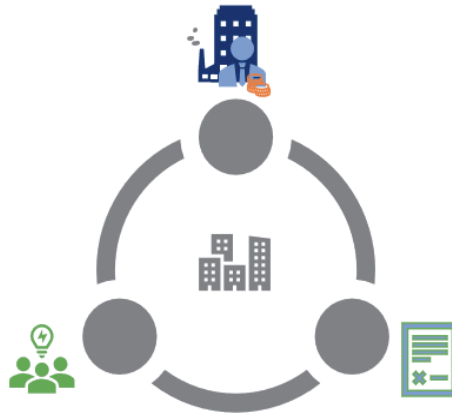
(Author's representation)

At the core of the image above are organizations. These can be any kind of company and may represent a product or service provider. One could view organizations like mini countries, governing their own employees, regulating their own input and output and protecting their own interests while bartering with partners.

Although the relationship is represented by equal input, the client is displayed at the top of the diagram, displaying their position in a relationship. The client is representative of the company holding the financial means in the relationship. The value a client brings is often monetary or at least something of monetary value, like data or referencing.

   Next comes the contract. This is typically agreed on by both parties. A contract is usually a written agreement signed by both parties and generally considered legally binding. However, a contract, in the broader sense, can also represent an oral agreement or even unspoken norms within a national culture, a corporate culture or even within the client/ service relationship itself.

The third constituent in this relationship is the service provider. The service provider generally owns intellectual property or resources that the client cannot provide for themselves. This is the value that a service provider brings to the relationship. However, service