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CULTURAL AGILITY



Building a *Pipeline* of
Successful Global Professionals

PAULA CALIGIURI

Praise for *Cultural Agility*

“By any standard, cultural agility—in a mosaic of contexts and roles—is critical to compete and win in global markets. Caligiuri delivers valuable talent-management practices that complete the mosaic and accelerate cultural agility.”

—Wayne F. Cascio, Ph.D., Robert H. Reynolds Distinguished Chair in Global Leadership, University of Colorado—Denver; senior editor, *Journal of World Business*; and author, *Investing in People: Financial Impact of Human Resource Initiatives*

“In the new global economy, organizations win with talent—and global competence and agility are key drivers of workforce success. Based on more than two decades of academic research and consulting experience, Caligiuri provides a practical how-to guide for building a pipeline of culturally agile talent. Executives, business leaders, HR professionals—anyone who needs to build cross-cultural competence in the workforce—will benefit from reading *Cultural Agility*.”

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“Ideal for managers, leaders, and HR professionals who understand the complex challenges of globalization—and know the important role cross-culturally competent professionals can play to help their organizations overcome them.”

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PAULA CALIGIURI

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***With love and appreciation, I dedicate this book to
my parents, John and Angie.***

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PREFACE

If cultural agility could be traded as a commodity, it would be white-hot right now. The current supply of culturally agile professionals is meager compared to the burgeoning organizational demand. In survey after survey, business leaders from CEOs to CHROs express the need to compete aggressively for cross-culturally competent global business professionals.

As a person who has chosen to read this book, you are probably aware of the challenges posed by the global environment. Drawing from your own experiences, you can probably provide some illustrative examples of why a more robust pipeline of culturally agile professionals is needed in your organization. You might tell me about a business unit that has been stalled trying to enter an emerging market, mired in bureaucracy and draining valuable resources. You might cite a costly example of a high-profile global innovation team whose members cannot catch a collaborative stride and are missing critical performance goals. You might share stories of international assignees who were brilliant in their functional roles domestically but unsuccessful when living or working internationally. You might also have a story about a bungled global technological implementation, a misguided attempt at offshoring, or a high-profile foreign acquisition that ultimately fell far below its expected return on investment.

If any of these challenges sound familiar, you are not alone. They are playing in an almost continuous loop in organizations around the world. This book is for managers and leaders who understand all these challenges and know that building a pipeline of culturally agile professionals within their organizations will help address them. The book is also for HR professionals tasked with delivering talent with increased cross-cultural competencies and cultural agility to their organizations, but concerned about their lack of available developmental options. These HR professionals understand that cross-cultural training and international assignments cannot build cross-cultural competencies effectively or efficiently enough to provide a workable solution.

These concerns are justified, because cultural agility is not developed in the way most people believe it is. Employees cannot “take the training course” or “go to the residential program” to gain it. It is just not that simple. At the same time, it really isn’t all that complicated. You can build practices into organizations to increase cultural agility at a much faster rate than you have been doing. By fully understanding how cultural agility is attained, you can identify those who will experience accelerated

development through their work in international and multicultural environments. You can help your organization win the future by effectively building the best possible pipeline of cross-culturally competent and culturally agile professionals. I am certain that we can do much better in fostering cultural agility, because we now have a significant knowledge base on the best practices. We know who will gain cultural agility—and how.

WHY I WROTE *CULTURAL AGILITY*

In a world that is easily interconnected through cyberspace and international airports, it is easy to forget that global success takes more than a passport and a plane ticket. I wrote *Cultural Agility* because in the two decades since the Berlin Wall fell—the symbolic start of the era of globalization—individuals, teams, and companies continue to struggle with the human resource challenges related to globalization. The many technological, communications, and transportation advances have masked the fact that success in global endeavors remains, more often than not, dependent on individual professionals with an ability to operate effectively in intercultural situations. These professionals have cultural agility.

I wrote *Cultural Agility* to share the insights I have gleaned from two decades of research and consulting dedicated to helping students, individuals, companies, teams, and executives become effective in today's complex global environment. Since the late 1980s, I have been studying what it takes to succeed globally—identifying the qualities that characterize those with cross-cultural competence and helping organizations build cultural agility in their respective workforces. The time has come to share what I've learned.

HOW THIS BOOK IS ORGANIZED

Part One, Introduction: The Basics of Cultural Agility, comprises Chapter One (What Is Cultural Agility—and Why Is It So Crucial Today?), which defines cultural agility and underscores the immediate need for organizations to build a pipeline of culturally agile professionals. It outlines several erroneous assumptions that can create barriers to the development of cultural agility in organizations.

In Part Two, Who Is Culturally Agile? Chapters Two and Three examine that question through the lens of the *Cultural Agility Competency Framework*, a model of twelve cross-cultural competencies that sets the foundation for strategic talent management to build a pipeline of culturally agile professionals.

Chapter Two (Three Cross-Cultural Competencies Affecting Culturally Agile Responses) delves deeply into the first three of these competencies, citing supporting research and practical examples to demonstrate their importance. Chapter Three (Nine Cross-Cultural Competencies Affecting Success of Culturally Agile Professionals) discusses the remaining nine competencies of the Cultural Agility

Competency Framework. It presents validity evidence for the competencies and offers illustrations of culturally agile professionals operating with these competencies.

In Part Three, *Attract and Select the Most Culturally Agile Talent*, Chapters Four and Five focus on strategies for staffing the organization with the needed culturally agile professionals.

Chapter Four (*Attracting and Recruiting for Cultural Agility*) describes how organizations can attract the culturally agile professionals they need. Beyond attraction, we also need these professionals to say yes to the job offers we extend. This chapter describes ways to create a compelling employee value proposition for culturally agile professionals. Chapter Five (*Assessing and Selecting for Cultural Agility*) delves into the attributes of those with the greatest propensity to readily develop cultural agility. To assist you in your role as a business leader, HR professional, or team leader, this chapter will offer tools to help you assess and select those who belong in your organization's pipeline of culturally agile professionals.

The chapters of Part Four, *Train and Develop Culturally Agile Talent*, focus on developing a learning system for building cultural agility in the workforce through organizational intervention. Chapters Six, Seven, and Eight describe how organizations can use experiential assignments to develop cultural agility in their workforce.

Chapter Six (*Building the Foundation for Cultural Agility with Cross-Cultural Training*) highlights the most important learning goals for cross-cultural training and the best way to design and deliver these programs. This chapter illustrates ways to increase the value and efficacy of cross-cultural training programs. Chapter Seven (*Crafting Developmental Cross-Cultural Experiences to Increase Cultural Agility*) presents compelling evidence for other developmental interventions that will result in the greatest gains in cultural agility for your employees. This chapter presents the contingencies under which cross-cultural experiences can be developmental. It also provides details about specific interventions that have worked for leading organizations in accelerating the development of cultural agility. Chapter Eight (*Developing Cultural Agility Through International Assignments*) focuses on the most common method for developing cultural agility: international assignments. Although this practice is indeed common, it has proven to be only partially effective. This chapter explains why and offers specific recommendations for designing truly developmental international assignments.

Part Five, *Conclusion: Leadership and Organizational Factors*, comprises Chapter Nine (*Managing and Leading to Build Cultural Agility in the Workforce*), which illustrates how business leaders can motivate and equip their workers to become more culturally agile. Even the best recruitment, selection, training, and development practices will not result in a culturally agile workforce unless the organization's culture and leadership also support this goal. This concluding chapter guides organizational leaders in leading by example and building a corporate culture that embodies cultural agility. It also discusses the integration of the functional areas within HR necessary to implement the practices supporting the development of workforce cultural agility,

namely, global mobility, talent development, and recruiting. The chapter ends by encouraging you, the reader, to turn inward, to develop your own cultural agility as you build your organization's pipeline of culturally agile professionals.

A WORD ABOUT WORDS

In my vocabulary for this book, I opted for common usage over academic parlance. The umbrella terms I've adopted are consistent with the phrases used by the organizations and professionals with whom I've worked. Although I do not expect my use of terms to be controversial, I do believe they deserve some clarification.

I use *global professional* to describe any individual who is working with, for, or alongside those of different nationalities, whether in a domestic or international context. As such, a call center operator who has never left India but serves U.S. clients is as much of a global professional as the CEO of a leading Dutch organization with subsidiaries in forty countries. I use *development* and related terms like *developmental* and *developmental experience* to refer to the building of cross-cultural competencies, whereas in general HR usage these may refer to job competencies of any kind. This book is about creating a pipeline of those who can succeed in cross-cultural contexts; clearly, there is a wide range of situations that might be defined this way. In this book, I am taking the broadest possible view of the term *cross-cultural* to include multicultural, intercultural, or international tasks, jobs, roles, and assignments. These tasks, jobs, roles, and assignments might involve a business trip or a longer relocation to another country, or they might occur domestically, with coworker interactions creating the cross-cultural context. Any experience that involves working with, for, or alongside individuals from different cultures is considered cross-cultural for the purposes of this book.

Considering these examples, you can also see that I am using *organization* broadly to refer to the various firms, businesses, associations, and institutions that employ professionals in cross-cultural contexts. Although most of this book is written with private sector business organizations in mind, its advice applies to a wide range of organizations striving to build cultural agility. Over the past decade, I have worked with organizations ranging from Fortune 100 firms to small entrepreneurial ventures, from the U.S. military and civilian government agencies to nongovernmental humanitarian organizations. These organizations share the desire to build a pipeline of individuals who can be effective in a cross-cultural context.

Without splitting hairs too much on terminology, you get the picture: this book is for all professionals who operate in situations where culture might influence the outcome of their work.

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PART

1

INTRODUCTION: THE BASICS OF CULTURAL AGILITY

For the past two decades, I've worked with leaders from many global organizations who, without hesitation, can easily identify the global stars among their workforce. Equally without hesitation, they lament the need for more such stars. Business leaders are concerned about a shortage of the human talent required to meet the demands of future global business needs, such as expanding through innovations in mature markets, competing in emerging markets, collaborating with cross-border supply chain partners, integrating offshored support systems, and the like. The platform, if you will, is on fire. There is no time to lose.

CHAPTER

1

WHAT IS CULTURAL AGILITY—AND WHY IS IT SO CRUCIAL TODAY?

Within any global organization, it is the people—the human talent—who are actively engaged in assessing global risk, interacting with government regulators, and responding to unexpected shocks to the market, as well as handling mergers and acquisitions and the day-to-day management of global subsidiaries, teams, joint-venture relationships, and the like. The organization’s human talent is building credibility and trust with foreign partners, vendors, clients, contractors, subordinates, and peers. It is through global professionals that the organization builds its knowledge of customs, norms, languages, legal systems, and other cultural capital. Ultimately, the organization depends on its global professionals to make it increasingly more competitive in the global economy.

With that in mind, take a moment to think about the global professionals in your own organization. Even though they are critical to your organization’s global competitive advantage, they might also be at the heart of your business problems. When over one thousand CEOs in more than fifty countries were surveyed, “managing diverse cultures” was one of the top concerns they cited for the future.¹ A significant number of the CEOs in this survey indicated that their organizations’ ability to be effective in this increasingly complex global environment is challenged by cultural barriers, such as cultural issues and conflicts, conflicting regulatory requirements, unexpected

costs, stakeholder opposition, and—most central for this book—inadequate supply of talent to compete. Global business professionals—with responsibilities as diverse as market expansion, product innovation, and postacquisition integration—are technically and functionally gifted, but may lack the cultural agility needed for the task at hand.

Expansion abounds for organizations in every sector as global growth becomes the key to their future success. Across organizations, the time is right for investing in cultural agility. Global business growth is the way to win the future, and this growth

Talent management is one of the most critical vehicles for implementing global business growth strategies for the future.

depends on the strategic management of human talent. A 2011 survey of more than seven hundred CEOs found that talent management is one of the most critical vehicles for implementing global business growth strategies for the future.² Business leaders know that they need to invest in their strategies for managing talent if they are to win in more complex global environments, such as emerging markets.³ There is widespread agreement among CEOs and other senior executives that talent management

is critically important in formulating successful global growth strategies. It is time to deliver the talent management practices to empower your organization to win the future.

CULTURAL AGILITY: A MEGA-COMPETENCY WITH THREE LEVELS

Cultural agility is the mega-competency that enables professionals to perform successfully in cross-cultural situations. All of us possess some level of cultural agility even before working in another culture or with people from different cultures. The idea of cultural agility follows from the common understanding of physical agility. Fitness experts describe agility as the ability to change the position of one's body rapidly and accurately without losing balance. Think about the natural differences among beginners in a yoga class: some are more naturally nimble, coordinated, and athletic. Depending on their natural abilities, these individuals will have different experiences in the class—some will feel exhilarated, some encouraged, and others very discouraged. If they continue with subsequent classes, all will improve their agility over time, though they will develop at different rates. Cultural agility works in the same manner. Professionals will develop their cultural agility differently depending on their international career orientation, personality characteristics, bio-data (including nonwork cross-cultural experiences), language skills, and cross-cultural competencies.

You have probably admired the agility of prima ballerinas, Cirque du Soleil performers, and professional football players making awe-inspiring goals in the final seconds of a game. Watching them in motion, you may be tempted to believe they were born with their godlike bodies and superhuman physical abilities. But you probably also know that years of training and unrelenting hours of practice have blazed clear neural pathways between their minds' commands and their bodies' movements. In truth, both nature

and nurture play a part: these individuals' elite level of physical agility is a combination of natural abilities, motivation to succeed, guided training, coaching, and development over time. Cultural agility, as this book describes, is gained in the same manner—by combining individual skills and abilities, motivation, and experience.

Culturally agile professionals succeed in contexts where the successful outcome of their jobs, roles, positions, or tasks depends on dealing with an unfamiliar set of cultural norms—or multiple sets of them. These professionals might be aid workers operating in rural communities in developing nations, or professional athletes playing for teams located in a different country. They might be research scientists working in colocated multicultural research teams, or international assignees living and working in a different culture. They might be call center operators who are speaking with customers located in another part of the world, or professionals who are selling their products or services to clients from different cultures. Although a myriad of technical skills are necessary and will clearly affect performance, those technical skills are oftentimes not sufficient for success given the cross-cultural context of the role. For global professionals, performance depends on not only the *content* of their jobs but also on their ability to function in the cross-cultural *context* of their jobs. Cultural agility enables technically competent professionals to be successful irrespective of the multicultural or cross-cultural context.

For global professionals, performance depends on not only the content of their jobs but also on their ability to function in the cross-cultural context of their jobs.

Cultural agility is a practice, not an achievement, and building it is a process, not an event. For this reason, development is a concept closely related to cultural agility. The one is a route to the other. By ensuring that the cross-cultural experiences your professionals are exposed to are truly developmental, you can increase the cultural agility in your organization's talent pipeline.

Whatever their job titles or roles, culturally agile professionals are able to accurately read the cross-cultural or multicultural situation; assess the differences in behaviors, attitudes, and values; and respond successfully within the cross-cultural context. Success in a cross-cultural context is the most important indicator of a professional's cultural agility. Culturally agile professionals achieve success in multicultural, international, and cross-cultural situations by leveraging three different cultural responses:

1. Cultural adaptation
2. Cultural minimization
3. Cultural integration

Cultural adaptation is used at those times when adapting one's behavior to the norms of the context is critical. Cultural minimization, in contrast, is used at times when one's own cultural norms need to supersede the cultural expectations of others.

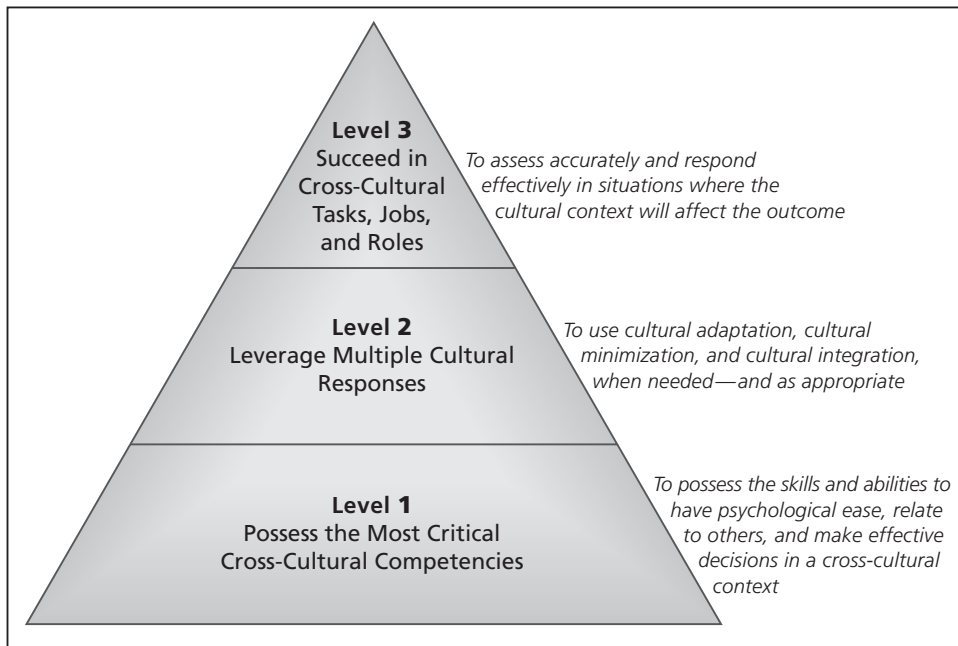
Cultural integration is used when finding a compromise is most important and well worth the effort. Successful culturally agile professionals are adept at toggling among these three responses.

The cross-cultural competencies that culturally agile professionals possess facilitate their effectiveness in three important ways:

1. Global professionals are able to manage their own response set in order to quickly, comfortably, and effectively work in different cultures and with people from different cultures.
2. Global professionals are able to connect with others from different cultures—to communicate appropriately, build trust, and gain the necessary credibility to work effectively in cross-cultural jobs, tasks, and roles.
3. Global professionals are able to make appropriate decisions by accurately reading and responding in the cultural context, while accounting for the business strategy and key elements of the cultural context (such as laws and regulations).

Collectively, cross-cultural competencies constitute the first-level indicator of cultural agility (depicted as the base of the pyramid in Figure 1.1), a foundation on which the higher-level competencies are developed.

FIGURE 1.1. *The Levels of Cultural Agility*



THE NEED FOR SPEED IN BUILDING A PIPELINE OF CULTURALLY AGILE PROFESSIONALS

The demand for culturally agile professionals continues to accelerate in the twenty-first century as many organizations track a substantial increase in the percentage of profits generated outside their home countries. In the United States, despite its large domestic market, emblematic American companies such as Avon, Dow Chemical, and PepsiCo reported that 80 percent, 68 percent, and 45 percent of their revenues, respectively, were generated outside the United States.⁴ This growth in international markets is resulting in an ever-increasing mix of people from different countries and cultures—partners, clients, customers, and colleagues.

A survey of global industry leaders found that expanding global customer reach to new emerging markets and engaging in successful mergers and acquisitions are among organizations' leading global business strategies.⁵

This enthusiastic pursuit of global expansion, though clear and logical on paper, is not without problems and risks. Paul Clark, Ernst & Young's insurance sector leader for Asia-Pacific, aptly noted that when operating across countries, especially in emerging markets, business challenges become "compounded by the problems of working in foreign countries, including customs, culture, language, and different regulatory systems and working practices."⁶ Such problems can also include unexpected changes in foreign government regulations, unstable political or economic conditions, currency fluctuations, insufficient collaborative technology, inadequate managerial control of a joint venture, or a much-needed associate's refusing a critical international assignment because his or her spouse is unwilling to relocate.

Expanding global customer reach to new emerging markets and engaging in successful mergers and acquisitions are among organizations' leading global business strategies.

But despite the challenges, risks, and ambiguities of global growth, its opportunities remain a powerful draw for organizations, which continue to expand their operations internationally at an unprecedented rate. To help navigate around or mitigate these potential challenges and risks, organizations rely on successful global professionals who can operate effectively in cross-cultural and international environments. I've not met a high-level leader in any industry who doesn't see cultural agility as a key factor for future success. On the contrary, I've found unanimous agreement that their organizations' global growing pains would ease if they had access to a robust pipeline of culturally agile professionals. The question is *how* to develop this pipeline—and how to do so *quickly*. In this book, I outline how to implement the most critical talent management practices to attract, recruit, select, train, and develop a culturally agile workforce.