

A model for diversity-led change

The transcultural organization

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Cross-border alliances. Mergers. Acquisitions. Employees that represent or are located in a variety of national cultures. These are typical business conditions in the for-profit and nonprofit world. Global businesses know that continuous change, not stability, is the dominant influence in businesses today.

Working effectively with this change is another matter. How can corporations transform themselves into global organizations able to compete and collaborate in world markets and capitalize on their changing workforce? A transcultural organization model is imperative for culturally diverse and transnational organizations.

The thinking and philosophy that led us to develop the model presented in this article draws from learning organization theory and a modification of Nancy J. Adler's

cultural evolution of corporations. (See figure 1.) We have also used Geerte Hofstede's four dimensions of culture to frame the values of the transcultural organization and compare them graphically to those of two national cultures. Our transcultural model can be used to gauge the scope of the intended cultural change and as a guide for the design of systems and processes to support organizational transformation.

Why a transcultural model?

Successful culturally diverse organizations will be transcultural, which means they will develop a unique culture reflecting the blending of multi-ethnic or multi-national values and styles. The transcultural model is an attempt to describe the organizational culture that complements the borderless business practices of transnational companies.

These companies, in theory, have no corporate headquarters and, through advanced technology, operate effectively anywhere with their global vision and local implementations.

Characteristics of a transcultural organization.

The transcultural organization is value driven. It values learning as much as results and process as much as tasks. It strives to free

itself from formal structures and controls that impede its ability to change rapidly. Instead it shifts substantial power and authority to employees. It invests heavily in its people by providing learning opportunities, facilitating teamwork, and rewarding excellence.

The transcultural organization goes beyond managing diversity, it seeks to maximize its creative potential. It accepts conflict as part of its culture and recognizes that through conflict, new learning and synergy can occur. It ensures an inclusive environment, fostering the kinds of people skills and feedback needed to keep that environment dynamic and fluid.

Cultural dimensions of the transcultural organization.

The Dutch anthropologist Geerte Hofstede researched cultural differences in work-related values and attitudes. Our model is based on his four cultural dimensions: power distance (the extent a culture accepts unequal distribution of power in an organization), uncertainty avoidance (discomfort with uncertainty and ambiguity versus willingness to take risks), individualism versus collectivism, and masculinity (achievement, results, and materialism) versus femininity (relationships, concern for

Figure 1. Adler's evolutionary stages toward a transnational-transcultural organization.



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others, and quality of life).

Our application of Hofstede's dimensions to transcultural organizations suggests the following specific transcultural value orientations:

- ▶ **low power distance** (employees are empowered)
- ▶ **low uncertainty avoidance** (risk, flexibility, conflict, and diversity are highly valued)
- ▶ **midway individualism/collectivism** (equal emphasis on individual and team; both have rights and obligations)
- ▶ **midway masculine/feminine** (equal emphasis on task and relationships).

Figure 2 shows the trans-cultural model diagrammed along Hofstede's cultural dimensions.

This profile of the transcultural model is derived from what we are learning about success in global business. Enormous advances in technology have tipped the scale in favor of organizations that can respond quickly to market and environmental changes. This requires an organization where both power distance and uncertainty avoidance are low.

Taking initiative requires individual action, but the complexity of operating globally demands group cooperation. Hence the equal emphasis on individualism and operating as a group (collectivism). Only diverse teams have the creativity to design the products, services, and networks needed in an interdependent world. But only diverse teams that pay attention to relationships (feminine), as well as results (masculine) will thrive.

U.S. Organizations

Let's look first at an organization with what has been the dominant U.S. business culture (Northern European American male). As figure 2 shows, the U.S. business culture is relatively low on power distance and uncertainty avoidance, very high on individualism, and high on masculine

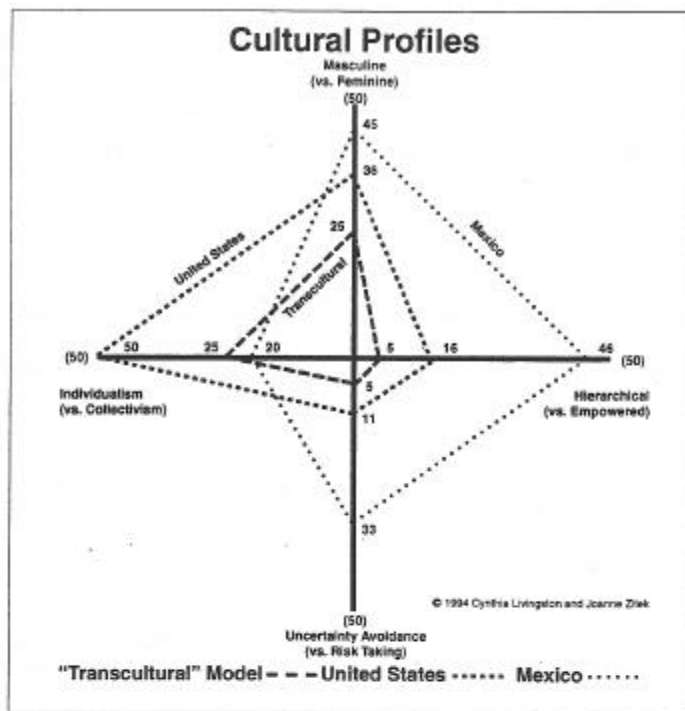


Figure 2. Hofstede's cultural dimensions.

values. Although in reaching towards the transcultural model, this organization would need to modify its behaviors along all four of Hofstede's dimensions, the greatest change and effort would be in balancing individual achievement (individualism and masculinity) with collaborative relationships (collectivism and femininity).

Mexican organizations

Using this model we can predict that the Mexican organization would also need major adjustments in thinking and style. The most significant changes occur as the organization becomes less hierarchical (lower power distance), more risk taking (lower uncertainty avoidance), and more team oriented (feminine).

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Organizations combining U.S. Americans and Mexicans

Both groups would need to adapt their cultural style, but as the diagram suggests, each group would be challenged in different ways. For instance, we can guess that the U.S. Americans would need to attend more to group needs and relationships. Similarly, the Mexicans would have to make more decisions and to tolerate greater ambiguity. Jointly the member employees would negotiate changes for the new transcultural organization. It would become a unique culture, the culmination of "our ways and your ways," greater than the sum of its parts.

A model such as this one can be a tool for planning organizational culture change as well as a tool to measure the dimensions and magnitude of the intended change with various employee constituencies. This model can guide the design of systems and processes to support such an organizational transformation, suggesting culturally specific intervention modules.

By making explicit the desired culture, and acknowledging that everyone will probably be stretched beyond their comfort zone, personal and organizational change becomes "ongoing learning," which is empowering, rather than "overcoming deficiencies," which cripples individual and organizational spirit. ■

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