

Human resources: interculturalism as an asset in the global marketplace

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Abstract

Americans are typically described as “monolingual” and provincial in their cultural understanding. This belief is so pervasive that even Americans themselves express agreement with it.

A closer and more empirically-based examination of the culturally diverse American population calls this pervasive perception into question.

The perspective presented in this article points out that America's population and the cultural values and norms held within that population positions the United States as the most culturally diverse nation in the world.

The article points out that the United States is a nation of immigrants and that immigration remains a continuing factor in its development. As a result of continual immigration, a considerable number of citizens grow up and are educated in an environment that engenders sensitivity to cultural variations.

The article focuses on what it labels as “interculturalism:” a term which expresses the experience of the children of immigrants who are bilingual and to a degree bicultural. A significant number of these individuals have been or are being educated in the American university system and should be considered as candidates for managerial positions by corporations operating in the global marketplace. The article also points out that a significant proportion of these potential managers are connected to Asia and to South America, both of which are regions with great economic potential.

Key words: bi-lingual and multi-lingual speakers; cultural diversity; recruitment for global enterprise; US Immigration; interculturalism

Introduction

Human resources is considered a critical competitive advantage in the development and implementation of effective global strategic planning (Porter 1985). Without the presence or availability of people who are capable of implementing strategic plans, the objectives specified in these plans will not be realized.

In discussing the importance of innovation, Tom Peters (1997) pointed out the importance of recruiting and training the people who will manage the enterprise over the long-term. Peters presented a discussion of the importance of diversity in recruiting. The purpose of this article is to advance the concept of diversity as a critical objective for corporations recruiting individuals who will create and manage strategic initiatives in the global marketplace. Toward that end, the article presents data which illustrate demographic trends in the United States. It asserts that, if global enterprises are interested in recruiting potential management personnel who are grounded in multicultural experience and whose backgrounds and educational experiences indicate a potential to make meaningful contributions to the attainment of corporate strategic goals and objectives, these corporations can find such recruits in the institutions of higher education within the United States of America.

The assertion within the article may be considered to be at variance with conventional wisdom. Conventional wisdom, however, is not really wisdom but a collection of myopic, narrow-minded beliefs and biases. Conventional wisdom is easily accessible, frequently myopic and just as frequently incorrect.

For example, it is common for many people to regard Europeans as being more sophisticated, more cosmopolitan and more international in their outlook and lifestyle than are their American counterparts. This judgment has its basis in the observation that a great many Europeans are multilingual. The view is reinforced by the experiences of many American visitors and tourists who, when visiting urban and university locations, find that many of the residents they encounter speak two or more languages.

It is true that most university-educated Europeans are multilingual, and also true that English is most likely their second language. The premier European business schools teach many of their classes in English and frequently assign textbooks written in the English language. For a number of years, DePaul University has conducted Management Training and MBA programs in Poland and in the Czech Republic. At the outset, DePaul's program administrators planned and implemented a well thought out initiative, which aimed to translate business terms from English into the native languages of these countries. Frequently, however, the translators could not identify terms that were agreed upon as connotatively exact translations. Ultimately the program administrators and the faculty members who were assigned to teach in the programs agreed that it would be more efficient to simply retain the English terms and definitions (Chadraba and O'Keefe 2007). It seems to be widely accepted that English is currently the contemporary language of business worldwide. As a result, the ability to speak and to understand English is essentially part of the table stakes when conducting business operations in the global environment.

Beyond Speaking a Language

Simply providing standard definitions of terms, however, does not in and of itself assure mutual communication and understanding (Whorf 1956). The traditional ostensive and literary

approaches to definition are, in a sense, two-dimensional. For example, an ostensive definition defines a thing or a concept by simply pointing to it or, as is common in books for children, showing a pictorial representation. The person teaching simply points to the subject to be identified or to its representation and says, "This is an apple." The literary or dictionary approach defines an apple as "the fleshy and usually rounded and red or yellow edible pome fruit of a tree" (Merriam-Webster 1965). As an example, for a person who has never seen an apple, the ostensive definition may seem preferable and engender at least recognition. But both the ostensive and literary definitions of an apple lack the experiential third dimension, which leads to broader understanding of the complexity of an apple.

Those who are taught to recognize an apple or master the dictionary definition of the term apple would have no idea about the way an apple tastes or feels or smells. Nor would that person have a clue as to the meaning of the old aphorism that "an apple a day keeps the doctor away" and neither would they understand the idea of apple pie, apple pie order, apple juice, apple sauce or being as American as apple pie. Yet, in another context they would have no cultural understanding of the Apple as a corporate logo used by the Beatles and, of course, by Apple Corporation.

Some Experiences in Translation

The students enrolled in DePaul University's Management Training and MBA programs in both Poland and the Czech Republic could, for example, learn the dictionary definition of the concept of *choice*. They responded appropriately when provided with ostensive examples of choice. But having grown up in what for many years had been a planned economy, they did not seem to recognize the ubiquitous variety of choices that individual consumers and industrial buyers, who live and work in a market-driven economy, take for granted. As a result the students, at least initially, had some problems understanding the broader (connotative) dimensions of the concept.

The point of the above example is that the fluency and mastery of another language does not in and of itself assure complete familiarity with the norms and value system of the culture within which the language is certainly an important and defining component.

The Multicultural Environment in the U.S.

In comparison to the European experience, the U.S. educational system is more oriented toward cultural diversity. Because of first-hand life experiences, a large number of American university students and graduates are more familiar and more understanding of the importance of the norms and values, which define other cultures.

At least one out of eight current American residents is foreign born (Camarota 2007). Their children, mentored initially by their parents, begin to accumulate first-hand multicultural experiences in the home, continuing in preschool, and at each level of the American educational system. A great many people have long ago given up on the validity of the poetic metaphor of the United States as a melting pot where immigrants from every country would mold into a homogenous population sharing a defined set of values. The melting pot seems to have cooled off, and its function has yielded to what we subscribe to as *cultural diversity*.

Cultural diversity has become a key objective in the admissions process at almost all colleges and universities within the United States (AAC&U Publications 2008). In addition,

satisfying this objective can also determine the recruiting and hiring of faculty members and staff personnel.

Cultural diversity has a positive impact on the development of attitudes toward different ethnic, cultural and racial groups. Many American educational institutions are diverse along each of these dimensions. Economics and social structure have a role in the level of diversity across all regions and educational institutions and later the attitudinal and behavioral aspects of cultural diversity carry over to the work environment. Compliance with the principles of both ethnic and racial diversity is widespread and generally accepted as the norm within the USA.

The culturally diverse environment prepares American youth to be more comfortable with different cultures, both in school and work environments. These interactions occur both inside and outside of school. Commonly, intense and prolonged interactions center on competitive sports. Children may play sports as members of a diverse team and, accordingly, learn to work together as members of a diverse group. In high school classes and certainly later at the university level, many courses schedule projects that require students to work in teams.

The Multicultural Educational Environment in Europe

In contrast to the situation in the USA, early childhood and school experiences in the European countries are frequently more culturally and ethnically centric and defined within country boundaries. This is still true today, even though the national boundaries dividing the different countries have supposedly blurred. The relative cultural isolation lasts until the young people reach the university level. At that point they are more likely come into contact with other students and with faculty members from other countries and cultures. For many of these students, the perceptions they hold of other ethnic groups and cultures and the beliefs and attitudes resulting from these perceptions will require some level of reexamination. The reexamination broadens their perspective and awareness of diversity that is necessary to compete in the contemporary global business environment.

The idea of encouraging a greater level of cultural diversity in the student body has been adopted by European universities. Over the past decade a consortium of these universities has come together to implement the Bologna Agreement that these institutions had signed in the city of Bologna, Italy in 1999 (European Commission). One of the goals of this agreement is to achieve a greater level of cultural diversity among university students. This consortium of universities will encourage students to rotate among the member schools, spending a single academic year attending classes in one or another of the schools. The agreement has been hailed as a breakthrough, and time will ascertain the range of diversity the participating students will experience and, more importantly, the actions that will result from this experience.

The development and the implementation of the Bologna Agreement strongly suggests that leading university administrators agree on the importance of a multicultural orientation and want to improve the extent of a multicultural orientation received by students attending these universities. The plan and educational objectives of this agreement further indicate that administrators understand that their graduates will have to participate and compete in a multicultural environment. They also understand that their nations' fortunes are inextricably linked to the abilities of university graduates to adjust to the world as it is now.

For all its good intentions, it is possible that the plan may not completely achieve its objectives. The plan seeks to expand the cultural experience of its participants beyond what they might otherwise experience. Yet the plan may not be broad enough to encompass a true global

business perspective. The plan is confined to European universities and does not attempt to bridge the divide between the European Union and the countries located in South America or Asia. These are two geographic regions that everyone agrees are critical to a worldview and, from a business perspective, have significant economic potential.

The Continuity of Immigration in the U.S.

As stated earlier, the U.S. has a more diverse culture than can be found among many of the developed nations. This level of diversity is continually expanded by the arrival of new immigrants who are drawn to the United States because of the opportunities it offers. The relevant observation is that a large percentage of these immigrants emigrate from those regions recognized as having potential for future economic growth.

In the 19th and 20th centuries the largest number of immigrants came to the U.S. from European countries (U.S. Census Bureau, 19th Century U.S. Immigration Statistics). They came in waves and established themselves in urban and rural areas of the country. They formed households, had children and sent these children to American schools. The children learned the English language and the values and mores of American culture in the school system. As they matured, they coupled this learning with the language, values and mores learned from their immigrant parents during their preschool years. Many of these children learned to speak one language at home and English away from home.

Today the number of countries from which immigrants come to the U.S. has expanded but the pattern is as true today as it was then. A study conducted by Noriega and Blair (2008) confirms previous findings reported by Linton (2004) that immigrant families frequently live bifurcated lives. At home and within the boundaries of their communities, the children speak the native language of their parents and older relatives. At school, at work or in the broader community, on the other hand, these same children speak the English language. Noriega & Blair further reported that the bilingual pattern they observed is common enough to be recognized as a category called, “people who speak a language other than English at home.” The most recent estimates set the number of these people at 50 million (2008).

The Expansion of Global Opportunities

From a global economic perspective, the European region is our greatest and most important commercial partner (Office of the United States Trade Representative 2009). The bulk of our foreign two-way trade is with this region. Unfortunately, like the U.S., Europe’s economic growth seems limited as a result of the current static state of the economy. Population growth has also declined, further curbing the economic growth potential (Population Reference Bureau).

The two geographic regions that appear to have a very promising potential for economic growth in the 21st century are Asia and South America. For example, both Argentina (pop. 41 M) and Brazil (pop. 120M) are developing relatively rapidly and in each of these countries there is an expanding middle class. The growth of the middle class is typically considered a leading indicator of increased spending on consumer goods. In Asia, China is experiencing an expansion of its middle class. As a percentage of China’s 1.3 billion residents, the existing middle class may appear relatively small, but China’s emerging middle class portends a potentially very large and very profitable consumer market. It is expected to reach the 700 million mark by 2020 (Hodgson 2007). In preparation China has shifted from manufacturing

largely for export toward manufacturing for domestic consumption. Much the same can be said of India, which has a population of 1.15 B. About 30 percent of the population lives in urban environments and again, all indications point to a strong and growing middle class. Currently, the Indian middle class is estimated to be around 50 million and is expected to grow to approximately 583 million by 2025 (Beinhocker 2007).

As these regions move toward becoming consumer-driven economies, the demand for both domestic and foreign goods will almost certainly expand. Opportunities to profitably satisfy this demand will be explored and eventually realized. And it follows that as more foreign companies find these growth markets attractive we can expect a greater intensity of external competition and, very likely, further growth in domestic production to counter external competition. The formation of joint ventures, strategic alliances and/or wholly-owned subsidiaries will increase and will lead to the need for more middle and upper-level management personnel.

Global companies will have to recruit managers who have an understanding of the local language(s), cultural values and relevant customs of these countries, in addition to an understanding of the theory and applications of management principles. Preferably, these managers will come from the domestic operations of both internal and external competitive companies where they have earned the trust and confidence of upper management. Many European business schools teach Chinese, Spanish and Portuguese as part of their business curricula. However, as we discussed, language skill alone does not assure an intimate knowledge of the cultural values, mores and customs associated with the foreign country where the language is spoken.

A Competitive Advantage

The U.S. has a significant competitive advantage when it comes to university-educated individuals who are familiar with the language and the culture of each of the regions in which economic growth is expected. Table 1 shows that there are a significant number of people who have recently come to the U.S. from South America, India and China. These immigrant families have children who were born in the United States or arrived in the country at an age that enables them to benefit from growing up in a bicultural environment. As discussed earlier in this article, these are the students familiar with the cultures from which their parents emigrated. They are individuals who can be described as interculturated. As an example of the incorporation of interculturated individuals into global organizations, the United States Army has instituted a pilot program that recruits immigrants who “in exchange for military service the foreign recruits –who offer skills it would take years to teach-get an expedited path to citizenship.” “The foreign recruits have included 34 health care professionals and 385 speakers of languages such as Arabic, Polish and Swahili” (Zavis 2009). The article also reports that recruits who speak Chinese, Hindi, Russian and other languages have also been accepted into the program. The article further states that 69 percent of these recruits hold at least a bachelor’s degree.

Insert table 1 here.

The Interculturated Americans

The term *enculturation* means the process by which individuals learn the norms, values and expected behaviors of the society into which they were born. *Acculturation*, on the other hand, means learning the norms, values and expected behaviors of a culture to which an individual has emigrated (Merriam-Webster). Acculturation is what is generally expected of people who have immigrated to our country and expect to remain here and seek citizenship. Their children will be enculturated by learning the language, norms and values of their parents' original culture and, at the same time, acculturated by the American educational system, the media and social interactions with other children. In this article the authors refer to these individuals by introducing the designation "*interculturated*" as a way of differentiating them from people who simply learn a language without understanding the context and nuances of that language in a three dimensional sense referred to earlier in this paper. These "interculturated" individuals have the potential to become truly global managers, working in foreign markets and accepted in a way that expatriates might never be accepted. Figure 1 outlines the factors that interact to produce interculturalization.

Insert figure 1 here.

How and Where Do We Find Such People?

Tom Peters' advises his readers that, in their managerial roles, they must be "connoisseurs of talent" (353) and take an active role in recruiting people whose education and cultural backgrounds fit with the countries where the corporations have invested or plan to invest the resources necessary to gaining a competitive advantage. Writing in *Business Week*, Claudio Fernandez-Araoz (2009) discusses demographic trends that indicate that the number of individuals who are in the traditional age bracket associated with advancement to leadership positions will drop by 30 percent over the next six years. This observation places even more emphasis on the importance of finding and developing managerial talent.

Once again, Table 1 indicates that there are specific regions of the U.S. that have strong and growing immigrant communities. The countries from which these residents have emigrated are the same countries considered to have significant market growth potential within the global supply chain as suppliers or buyers or both for products and services.

Also, as reported in the U.S. census (2003), these immigrant families are sending their children to universities at increasing numbers. Over the last 30 years the percentage of Asian immigrants' children going to college went from less than 1 percent to percent by 2005. In the Hispanic group, the percentage went up from 4 percent in the early 70s to 13percent in 2008.

These are the interculturated individuals who can one day operate efficiently in some of the biggest consumer markets we have ever seen. They are not necessarily perceived as foreigners and in many countries they are welcomed back as returning children of immigrants bringing back new skills. For example, the head of Fiat is an Italian born, Canadian-raised individual who was brought in to turn around the company and change its culture. This has happened in Ireland (O'Halloran 2006), and India (Jha 2009). The same trend is also starting to emerge in China. It can be expected that in the long term this same pattern will apply to opening markets in the Middle East. Perceived by the citizenry as something on the order of dual citizens, these individuals can introduce foreign management practices without being suspected of imposing foreign or, more specifically, American management practices.

Human Resources

Traditionally, when companies first enter foreign markets, they frequently rely on expatriate executives. These individuals know the foreign market, speak the language and typically have spent some time in the country to which they will be transferred. These expatriates are usually long-term employees who have achieved success within the corporation and who embody the corporation's internal culture and so can be trusted to implement the corporation's strategic objectives and pursue its interests abroad. A strong grasp of the corporate culture and dependability are critical when operating globally, since the company must remain unified. Assigning managers who possess the listed qualifications has worked well in the past. It has worked especially well in situations where the corporation is involved in the foreign culture and where the bulk of the corporation's business activities are limited to exporting finished goods. A deeper relationship with the local culture will be important and required when foreign corporations begin supplying products or service to local companies, importing finished goods, buying from local suppliers or engaging in contract manufacturing.

The global business environment has undergone significant changes. Global corporations are making permanent commitments to foreign markets, and in the process, some companies are intentionally losing national identity. These companies have made a conscious decision to develop a local image and over time to be completely integrated into the business environment of the host country to the degree that residents of the host country come to regard the company as local. We see this happening in our own country. For example, many Americans are unaware that CITGO is owned by Venezuela. How many Americans realize that the same German corporation owns Trader Joe's and Aldi, which serve different segments of the U.S. market? In addition, we see that Toyota has become an active participant in NASCAR racing activities to further burnish its "local" image. These are only a few examples of foreign companies perceived as local by many American consumers. Competition in large foreign markets increasingly requires global companies to become immersed in and, eventually, linked to the cultures of the countries in which they operate.

Conclusion

A commonly held image of Americans casts them as people who are monolingual and culturally provincial. While this characterization may be true of some Americans, it overlooks and understates the rich reservoir of multilingual, interculturated Americans who have the potential to represent American corporations in foreign markets. No other developed country can claim such a large pool of potential management talent. If recruited for management positions, the young people we refer to as interculturated will require training and mentoring to acquire the necessary understanding of the specific corporate culture. In addition, even though their experience provides them with a level of cultural familiarity, they will require a period of immersion in the foreign culture.

This training is an investment that, in a relatively short span of time, should yield a significant return. Trainees should be assigned to positions and charged with responsibilities within the foreign operations located in countries related to their ethnic origins. In the longer term, one should expect that they would achieve a level of success beyond that achieved by expatriate managers who come to the same assignments without the advantages of linguistic and

cultural foundations learned early in life. A number of companies have already used this approach when choosing executives for overseas assignments. There are also examples of children of immigrants returning to their ancestral home to start or manage successful businesses (Steven, 2008).

This article does not propose that the influences of having foreign-born parents and maturing in a culturally diverse environment will absolutely assure that an individual will find success as a manager within a global enterprise. These factors are considered as the foundations for success, but it must be recognized that some individuals will fail. There are reported examples of immigrants or their children who have returned to their home country and have failed to manage effectively (Lublin, 1996). Some of these reported failures, however, may not be solely the result of individuals being unprepared or insufficiently motivated to be successful. Many expatriate managers have been victims of a subtle sabotage of their efforts by the native personnel they were assigned to work beside or to supervise. When one examines these instances of failure it is found that often the contributing reasons are ingrained resentment and envy. In developing markets such as China, India and South America, these resentments seem to revolve around the issues of disparity in salaries and benefits between the expatriate and the local managers at the same levels. Since things perceived as “real” are real in their consequences, we can only suggest that foreign managers be informed of these disparities and the reasoning behind them.

Finally, the authors have primarily focused on suggesting that American firms engage in actively recruiting, training and placing interculturated individuals into operations in foreign markets, which fit with their individual experiences and backgrounds. It should be emphasized that this argument applies equally to foreign firms with extensive operations in the United States. American universities and colleges have significant numbers of interculturated students and graduates. A good many of these people have completed undergraduate, graduate or both business programs. A focus on recognizing, recruiting and mentoring such individuals can create a competitive advantage for a corporation that is planning to enter foreign markets or to reinforce or expand its current position in their current foreign operations.

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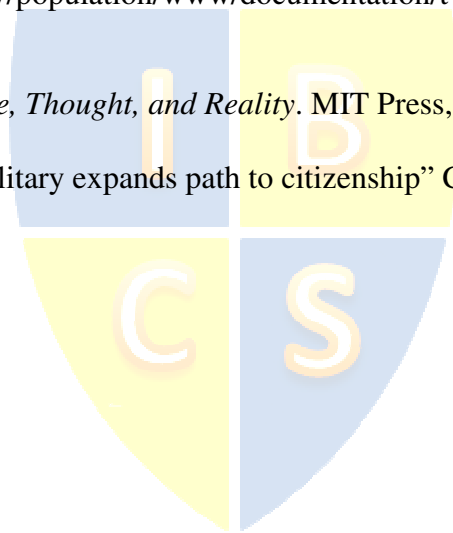


Table 1: Percent of Foreign Born Americans in Selected States				
States	% Asian Population	% Hispanic or Latino Population	% of Foreign Born Persons	% of Language Other Than English Spoken at Home (age 5+)
New York	6.90%	16.40%	20.40%	28.00%
Texas	3.40%	36.00%	13.90%	31.20%
Oregon	3.70%	10.60%	8.50%	12.10%
Washington	6.70%	9.40%	10.40%	14.00%
New Mexico	1.40%	44.40%	8.20%	36.50%
California	12.40%	36.20%	26.20%	39.50%
Arizona	2.50%	29.60%	12.80%	25.90%

*U.S. Census Bureau

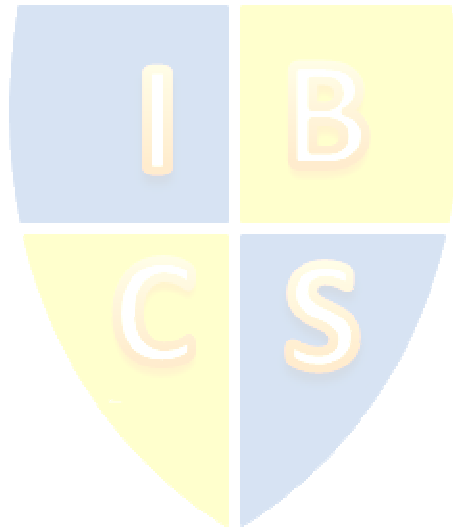


Figure 1: Traditional Expatriates vs. Intercultural Americans

