

# Chapter 14

## Management of Intercultural Relations in an Intercultural Organization

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### ABSTRACT

*The chapter aims to reflect on the management of intercultural organizational relations. It explains the transition of homogenous organizations into the culturally heterogeneous organization and compares multiculturalism with cross-culturalism in its ability to harmonize the principles of cultural diversity with universal ethical principles. It explores the process of creation of a third culture to foster understanding and acceptance among diverse teams. It attempts to establish the impact of intercultural interactions/relations on the effectiveness of a diverse team of individuals interacting in concert to achieve common goals. The work also underpins some analysis of the creation, development, and management of organizational intercultural capital. Finally, the emergence of the model of strategic management of an intercultural organization focused on learning and training for proper operationalization and implementation is proposed, and some challenges that could antagonize the teams are looked into and proposals are formulated.*

### INTRODUCTION

In the recent years, economic globalization, increasing complexity in organizations and high levels of uncertainty has contributed to the development and growth of institutions and organizations that are more diverse and multicultural (Cox, 2001, 1993, 1991). While diversity has always been present in organizations, even in those that appear to be homogenous, the level of differences has increased manifold due to the opening up of international borders and the globalization of the entire production and manufacturing process. Thus, these newly evolved international enterprises have to constantly work on improving their

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ability to compete in an extremely challenging environment due to globalization, cultural diversity and shrinking of resources. Strategic Management is the key to ensure accomplishment of tasks as diverse teams are now called to perform in the context of globalization (Gardenswartz & Rowe, 1998). This has opened up discussions around the concepts of multiculturalism, with special emphasis on developing higher levels of sensitivity to cultural diversity amongst individuals in intercultural organizations.

The intercultural organization is located in two-way interactions between the reality of society and organizations. It is in this space that the essence of cultural diversity is rooted. The intercultural organization is a resource of culturally diverse individuals in terms of racial and ethnic heritage, gender and sexual orientation, age, physical ability, professional group, etc. The diversity of cultures can be explained from perspectives such as philosophy, emerging systems of complex interactions between cultures and human habitat and in terms of intercultural contacts. Cultural diversity is viewed as dynamic interactions between people of various ethnic-racial, social, religious and cultural backgrounds that are essential to the promotion of intercultural organizations. Religious expression is an important component of the intercultural organization as more often than not an individual's cultural values and beliefs are linked to their religious beliefs.

## **DEFINING AN INTERCULTURAL ORGANIZATION**

The intercultural organization is defined in this analysis as a set of contacts and interactions that often occur among the various members of an organization having different backgrounds and cultural identities, in terms of language, values, attitudes, thoughts, emotions, actions, etc., and these, in turn, define their ways of being, thinking and acting, and developing an understanding of different lifestyles.

To understand the notion of intercultural organization it is essential to understand the concept of subjective culture rather than objective culture. Subjective culture is understood as the intangible part of the culture, which could include a pattern of beliefs, behaviours and values that are maintained by groups of people interacting. An understanding of this subjective culture allows analyzing the interactions between the cultures and offers an epistemological foundation for the differences existing between the local and international culture that goes beyond the historical, economic and political environment (Bennett, 2001a).

Intercultural interactions in organizations are mutually reciprocal between and within cultures. The prediction of the intensity and meaning of the intercultural relationship of the group itself towards its members has been the subject of various studies (Noesjirwan, 1978; Argyle et al., 1986). A study on Intercultural verbal communication relations (Gudykunst & Toomey, 1988) has developed various styles of direct communication. For foreigners, the development of intercultural relations with indigenous people is a complex task (Simard, 1981). This may suggest how the number of links with subjects of the indigenous culture can be an indicator of intercultural adaptation and of the level of intercultural competencies held by the subject (Kim, 1988).

The concept of intercultural adaptation is linked to the intercultural transition phase. The conceptual study of intercultural adaptation can be divided into two large domains, psychological and socio-cultural. The psychological domain revolves around the psychological transition. This refers to the effective and

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