

# **Diversity, Intercultural Services, and Globalization**

## **Rethinking Roles, Goals, and Strategic Opportunities**

Cornelius N Grove  
and the members of the GROVEWELL-CFGU Partnership



The GROVEWELL-CFGU Partnership is an alliance between GROVEWELL LLC, a firm delivering strategic consulting and executive coaching worldwide, and the Consortium for Global Understanding, a firm that delivers large-scale diversity & inclusion services worldwide. Contact +1-952-944-4243.

© 2007, GROVEWELL LLC and the Consortium for Global Understanding. All rights reserved.

## **Background Information about this Document**

This document was originally drafted during December 2006 in response to a concern voiced to GROVEWELL LLC by one of its European clients. The client expressed disappointment that diversity practitioners and interculturalists have very little understanding of each other, and that they almost never collaborate to further the objectives of global corporations.

When this document was finished in January 2007 and sent to GROVEWELL's client in Europe, he expressed great admiration for it and suggested that GROVEWELL seek to have it published.

GROVEWELL brought the document to the attention of the **Center for Creative Leadership**. CCL immediately asked to publish it in *Leadership in Action*, its periodical for senior business leaders that appears six times each year.

A portion of this document, revised, was published in CCL's *Leadership in Action* in June 2007 under the title "Gaining a Critical Edge in Mastering Globalization." To read an offprint of this entire article, click [here](#).

For our most recent publication on this general topic, see "Globalizing Diversity: The Two Dilemmas Facing Global Corporations" (2008). To read this entire article, click [here](#).

The four co-authors believe that business leaders who are determined *to more effectively globalize business strategy* will find fresh, thought-provoking ideas in the following pages.

# Diversity, Intercultural Services, and Globalization

## Rethinking Roles, Goals, and Strategic Opportunities

Cornelius N Grove  
and the members of the GROVEWELL-CFGU Partnership<sup>1</sup>

Within corporations and other large organizations, globalization has permanently redirected much of what people do each day. It has also transformed how they *think* about what they *ought* to be doing.

With this in mind, we issue an invitation to all who – like ourselves – are responsible on behalf of globalizing firms for diversity & inclusion initiatives or for intercultural services:

*It's time for us, too, to redirect what we do and to transform how we think.*

There has long existed an arms-length relationship between the professionals who lead diversity & inclusion initiatives, and those who deliver intercultural services. Now, with corporate globalization in full swing, interculturalists and diversity practitioners share opportunities that can best be seized if they join forces and rely on their complementary strengths.

The authors set forth this perspective as professionals with backgrounds as *both* diversity practitioners and interculturalists. We have long recognized that professionals on the one side have had little acquaintance with those on the other side, and we understand why this situation has persisted. We also have insights into two specific opportunities related to globalization that are now opening doors for synergistic collaboration between our two professional groups.

### Overview

This article has four parts. In Part One, we'll review the stories of the two professions, then explore their differences as well as a similarity that has always, if not necessarily obviously, provided them with a foundation for collaboration.

In Part Two, we'll discuss one of the opportunities waiting to be jointly seized by the diversity practitioners and the interculturalists. This is *the globalization of diversity*, i.e., the worldwide dissemination of diversity initiatives and policies. We will see how this opportunity leads to a dilemma for the diversity practitioners. But it's a dilemma that the interculturalists, together with employees and citizens at the local level, can help to resolve in ways that benefit everyone. If this opportunity can be grasped, a corporation will be able to gain not only local market share, but also local admiration and loyalty.

---

<sup>1</sup> The GROVEWELL-CFGU Partnership is an alliance between GROVEWELL LLC, a firm delivering strategic consulting and executive coaching worldwide, and the Consortium for Global Understanding, a firm that delivers large-scale diversity & inclusion services worldwide. **Cornelius N Grove** is the founder and a partner of GROVEWELL LLC. Joining him in developing the concepts in this paper are his business partner, **Willa Zakin Hallowell**, and their senior associate, **Kathy Molloy**; equally contributing is the founder and president of CFGU, **Shannon Murphy Robinson**; the contact number is Ms. Robinson's.

In Part Three, we will discuss a larger opportunity that's waiting to be collaboratively seized by the interculturalists and the diversity practitioners: *The globalization of business strategy*, i.e., the leveraging of different human skills, perspectives, and styles (which we'll refer to using the term "human heterogeneity") in order to increase and maintain global market share. The focus here is on a *competency*-based view of human diversity, and on *systemic* applications.

Finally, in Part Four, we'll summarize our principal points and suggest a few next steps.

## **PART ONE. UNDERSTANDING THE TWO PROFESSIONS**

### **A Brief History of the Intercultural Field**

Now almost 50 years old, the intercultural field is a branch of the behavioral sciences with both academic and consulting wings. The academic wing is research-based and generates hundreds of publications each year as doctoral dissertations, articles in refereed journals, and books from publishers such as Intercultural Press, Yale University Press, Jossey-Bass, McGraw-Hill, and many others. Benefiting from this output is the consulting wing, which delivers strategic consulting, executive coaching, and global leadership services to corporations, non-profit organizations, and government agencies. In spite of this on-going prodigious output, the potential impact of intercultural services is not universally appreciated by business leaders.

The intercultural field arose during the 1950s out of two themes, one broad and public, the other focused and professional. The broad public theme emerged from the terrible, lingering black cloud of World War Two and the Holocaust, and the resulting determination to overcome hate and violence between groups. This theme is well represented by Gordon Allport's widely praised 1954 book, *The Nature of Prejudice*. The focused professional theme sprang from the growing fascination with group-level behavioral differences, first addressed in 1959 by anthropologist Edward T Hall in *The Silent Language*.

Shortly thereafter, a second significant event took place: the founding of the U.S. Peace Corps. During the early 1960s, its volunteers first entered indigenous villages, where most encountered resistance from the people they had expected to help. Many returned home prematurely. The question posed by officials and the humiliated volunteers was, "Could these failures have been prevented?"

Social scientists who studied the Peace Corps's disappointing first outing revealed the root of the problem: differing core values of human groups. As one example, the researchers found that a value such as "progress," which deeply animated the Peace Corps volunteers, was not shared by many on the receiving end of their good works. The Americans had assumed that all poor villagers would intuitively grasp the worth of, say, an efficient irrigation system. Surprisingly, perhaps shockingly, the researchers found that progress is not universally valued! Furthermore, it was discovered that the volunteers' well-intentioned initiatives often unraveled the long-standing social fabric of the villages, with disastrous consequences.

The villagers' smiling non-cooperation had confounded and defeated many of the early Peace Corps volunteers. . .but this ultimately led to the founding of the intercultural field. Interculturalists since then have dedicated their careers to understanding the interplay of

values, mindsets, and behaviors when members of two or more human groups interact and need to build and maintain good relationships in order to accomplish a goal.

Interculturalists address all types of differences: regional, national, professional, and organizational; and within one organization they address differences across work-sites, hierarchical levels, functions, and business units. Equally insightful understanding can be gained about value and behavior differences between the genders, among “racial” and ethnic groups, across generations, and among many other interacting groups such as the differently-abled. Although the intercultural field got its start in the U.S. and remains very much alive there, some of the most respected research findings and practical solutions have been originating elsewhere, especially in Europe.

What do interculturalists actually do? They are researchers and scholars who focus on shared, group-level values, habits of thought, and patterns of behavior, i.e., on “culture,” and on cultural similarities and differences among different groups. They therefore provide a necessary and welcome counterweight to the overwhelming tendency in the West to focus on individual uniqueness. Viewing events through their cultural prism, interculturalists explore what happens when the members of one group interact with members of another. Significantly, their research is *practice-oriented*: it develops mindsets, behaviors, and tools that enable people to succeed more readily when they are collaborating with others who have differing values and behaviors.

Interculturalists *also* are consultants, coaches, and trainers who apply the research together with other types of expertise to empower businesspeople and many others to adapt more effectively as they collaborate with socially and culturally different counterparts. *Interculturalists address performance challenges* to help those who work across boundaries to seize global opportunities and attain strategic objectives.

Many who know of the intercultural field aren’t aware of the richness, depth, and potential impact of 21<sup>st</sup> century intercultural research and services. Consider the GLOBE Project. Conceived in 1991 by Robert J House of the Wharton Business School of the University of Pennsylvania, and led by him, the *Global Leadership and Organizational Behavior Effectiveness* project directly involved 170 country co-investigators based in 62 of the world’s cultures. This team collected data from 17,300 middle managers in 951 business organizations, probing the similarities and differences in leaders’ behaviors that cause them to be perceived as highly effective within their respective societies. Still underway, the GLOBE Project is currently examining the effectiveness of specific leader behaviors (including that of CEOs) on subordinates’ attitudes and performance. GLOBE’s findings can have a substantial impact on the global leadership development efforts of forward-thinking companies. The findings so far are reported in a massive book published by Sage.<sup>2</sup> A much shorter yet comprehensive review of the GLOBE Project’s findings is instantly available at [www.grovetwell.com/GLOBE](http://www.grovetwell.com/GLOBE).

## **A Brief History of Diversity & Inclusion**

The broad amalgam of strategies and activities that we now subsume under the term “diversity & inclusion” arose out of forces and factors that were broadly public, intensely dramatic, and deeply driven by passions and commitments on the part of millions of Americans – including all

---

<sup>2</sup> Robert J House et al., *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies*, Sage Publications, 2004, 818 pages; ISBN 0-7619-2401-9.

the contributors to this article. This story is so widely and well known that it should suffice to touch on a few highlights.

A set of core values – of high principles – was ringingly proclaimed as the United States emerged. A five-word statement in the Declaration of Independence captures those principles: “...All men are created equal...” Was this going to remain ever a lofty ideal? Or would it shape the daily behavior of individual citizens? The answer mattered to more and more Americans. In the mid-19<sup>th</sup> century, an appalling Civil War was fought, in part, to settle this issue.

A century later, many Americans were embarrassed to observe that inequality remained alive throughout their land.<sup>3</sup> So the mid-20<sup>th</sup> century became a time when a determined new attempt was made, by mostly nonviolent means, to settle the issue once and for all. Success was marked by federal legislation such as the 1964 *Civil Rights Act*. During this era, “Equal Employment Opportunity” (EEO) was the rubric that commonly referred to the various parallel efforts that were focusing primarily on employment practices. The aim was to insure that one’s ability to do a job was the key hiring criterion, not the applicant’s visible appearance. But for many practitioners, EEO didn’t make enough of a difference. A revised approach, “Affirmative Action,” began yielding legislation aimed at attaining parity with local workforce demographics. This had to occur by favoring previously disadvantaged groups; resistance was ignited from those who perceived themselves as the newly disadvantaged. These conflicts were (and still are) determined in the courts.

Meanwhile, a new way of thinking was coming to the fore: “diversity.” It builds on the critical foundation laid by EEO and Affirmative Action, then goes beyond the changing of employee numbers to the changing of organizational cultures. Rather than arguing about how to “cut up the pie” (thereby pitting one group against another), diversity strives to recognize the worthwhile qualities in every human being and to create a workplace in which everyone from every group feels respected and valued, and contributes his or her unique talents and perspectives. Increasingly, initiatives and policies to this end within organizations came to be referred to as “diversity & inclusion.”

What do the practitioners of diversity & inclusion actually do? They undertake a wide range of activities – consulting, education and training, organizational design, public advocacy, workplace and community engagement, legal and legislative work, and more – in order to bring about an enduring climate at the national, local, and organizational levels that is hospitable to this ideal: that each individual will feel accepted as well as encouraged to contribute his or her talents. As this ideal came to be realized, another reason for inclusive practices emerged: they are good for a business’s bottom-line! More than anything else, diversity & inclusion practitioners are engaged in the challenging work of transforming organizational cultures.

From now on, diversity & inclusion practitioners will often be termed simply “practitioners.”

Having recalled the origins and missions of these two professions, we’re ready to explore how they are similar and how they’re different. Do they have a sound basis for collaboration? Can their collaboration lead to synergy? If it can, how could the resulting synergy contribute positive benefits to globalizing organizations?

---

<sup>3</sup> This paragraph and the following one have been influenced by pages 400-403, and especially page 404, of Lee Gardenswartz & Anita Rowe, *Managing Diversity: A Complete Desk Reference and Planning Guide*, Business One Irwin and Pfeiffer, 1993; ISBN 1-55623-639-5.

## How the Two Groups Differ

Let's begin with the differences, for these offer a basis for understanding the arms-length relationship that's long existed between practitioners and interculturalists.

**Activism versus Research.** One key difference is that today's practitioners are heirs to a tradition of in-the-streets activism. They're associated with a tumultuous and celebrated period in recent American history, a time during which egalitarian ideals have increasingly triumphed over attitudes and behaviors that are not commensurate with the ideal proclaimed in the Declaration. This is the stuff of headlines and cover stories, the focus of the nightly news, the subject of books and films, the story told in songs, the motivation for countless petitions, protests, and prayers, and the *raison d'être* for a new national holiday. If you're a sentient adult living in the U.S.A., you're aware of all this to some extent.

Interculturalists continue a tradition grounded in research. The Peace Corps's predicament during the early 1960s may have been newsworthy, but it certainly didn't send angry masses to the streets! It sent anthropologists, sociologists, and other cerebral types into the field and to their desks to figure out what had gone wrong. The original researchers and those who followed them have generated many insights and applications for improved performance across cultures, and the consultants have developed ways of making it all accessible to boundary-crossing individuals, teams, and organizations. It's true that one or another outcome of intercultural work is occasionally reported in the press. . .but it's the kind of item that's buried on page 6 or in the science section. Interculturalists are constantly active, but their work cannot be thought of as "activist."

**Political versus Neutral.** Another difference is implied above but needs to be explicitly mentioned. We use the word "activist" because the critical work that these Americans are doing is politicized. They are trying to bring about an ever broader alignment in all Americans' core values and related mindsets and behaviors at the national, state, local, and institutional levels. Their work is political because it promotes a certain set of values and behaviors as Right and Good for everyone. (Our overview of that set of values and behaviors is just ahead.)

Aligned with anthropologists, interculturalists do their best to remain neutral with respect to which set of values and behaviors is more desirable. The term for such deliberate neutrality is *cultural relativism*, the point of view that the desirability of a given behavior is best determined in relation to the core values of the culture in which it originated. Interculturalists see their mission as helping others improve their global competencies, not reorient their moral compass.

**Domestic versus International.** Finally, the most obvious difference – at least until recently – has been that the diversity & inclusion practitioners are involved with a domestic American issue. The contention that all men are created equal appears in a formative American document, and the commitment to insure that this ideal is increasingly played out in daily life has been an internal American struggle.

From their origins in the 1960s, the interculturalists have been internationalists. To this day, the bulk of their work retains a worldwide focus. Most interculturalists came to love diverse national cultures as the children of globe-trotting parents, as exchange students, or as volunteers for the Peace Corps or similar organizations.

## What the Two Groups Share

Interculturalists and practitioners are both professionally concerned with *values*, i.e., with desirable behaviors, mindsets, and states of being. So far, we've portrayed the practitioners as promoting the alignment of all Americans' values along certain lines; we've portrayed the interculturalists as value-neutral. But a closer look reveals a more complex situation. To grasp what the practitioners share with the interculturalists, we need to notice that *the practitioners address values from two perspectives*: values as imperative, and values as relative.

**Values as Imperative.** Diversity & inclusion practitioners in the U.S.A., as well as their fellow countrymen who support their cause, focus their attention on a trio of bedrock American values that both (a) impels their activism and (b) anchors the values and behaviors with which the practitioners are trying to align all Americans. This value-trio comprises...

- **EGALITARIANISM:** People should compete on a “level playing field” as they strive to get ahead; equal opportunity and fairness should prevail in the workplace as in all places.
- **ACHIEVEMENT:** People should obtain opportunities and rewards because of their accomplishments, not because of ascribed traits such as skin color, gender, age, or family background.
- **INDIVIDUALISM:** People should be self-sufficient and self-expressive; business leaders should give each employee the opportunity to use his/her unique talents.

The practitioners and their supporters believe that by promoting egalitarianism, achievement, and individualism across the U.S.A., they are doing what is Right and Good. These are, after all, American values for American people! Practitioners experience this set of values as a motivating moral imperative. Many interculturalists in the U.S. feel similarly, but it's not accurate to claim that *this specific trio of values* is a moral imperative that motivates them professionally.

A second strong motivator for the practitioners is the gathering chorus of research findings<sup>4</sup> that has been revealing that human diversity – more accurately, that *human heterogeneity in working groups* – leads to greater innovation, improved problem-solving, better customer relations, superior decision-making, and other bottom-line benefits for global businesses. In Part Three of this article, this “business case” for diversity will move to center stage.

Practitioners work with values as imperative, *and equally* with values as relative.

**Values as Relative.** As they work to ensure that all Americans benefit from the trio of bedrock values, practitioners have been trying (as we noted earlier) “to create a workplace in which everyone from every group feels respected and valued, and contributes his or her unique talents and perspectives.” To accomplish this, they've encouraged Americans to be open-minded and accepting towards the traditions, perspectives, and values of their fellow employees of every description. In other words, the practitioners have adopted the stance on values known as *cultural relativism*, which we defined as the point of view that the desirability of a given behavior is best determined in relation to the core values of the culture in which it originated.

*Cultural relativism is what's shared by the practitioners and the interculturalists.* Both groups have long worked to bring about inclusion of, open-mindedness and respect towards, and productive interactions with other people of all kinds, and with their varying ways of life.

---

<sup>4</sup> Scientific papers on the benefits of group heterogeneity first appeared in American research journals in the mid-1950s – D. Petz, “Some Social Factors Related to Performance in a Research Organization,” *Administrative Science Quarterly*, Vol. 1, 1956 – and thereafter were published more and more often.



Both the practitioners and the interculturalists have consistently denied that anyone, anywhere, can justifiably claim, “My values and ways of life are the only ones that are right for all other people.” Both groups believe that, from a business perspective as well as a human perspective, it would be neither ethical nor practically advantageous for anyone to make such a claim. Both groups have always committed themselves to acceptance and respect towards all others, i.e., to some form of cultural relativism.

We believe that cultural relativism is deeply grounded in *both* professions, and that this eclipses their comparatively superficial differences. In the best tradition of diversity & inclusion, we maintain that the two professions’ parallel activities can be transformed into synergies, and thus into advantages for these two groups and, more importantly, for globalizing enterprises.

*With all this in mind, we call on the diversity & inclusion practitioners and on the interculturalists to come together, to build mutual understanding, and to join forces to bring about superior advantages for global business entities.*

## **PART TWO. THE GLOBALIZATION OF DIVERSITY**

### **An Important Shared Opportunity: The Globalization of Diversity**

The practitioners and their supporters have adopted as their major new mission the spreading of diversity & inclusion’s benefits to nations and communities around the world, and especially to large corporations and other globe-spanning organizations. We’ll use “the globalization of diversity” to refer to this gathering trend.

We offer three observations about the globalization of diversity.

**Disseminating *Two* Benefits.** As we have noted, there now exist two parallel rationales for diversity. The original, ethical one, which emphasizes demographic inclusion, is grounded in the trio of bedrock American values. The newer one, the “practical benefits of heterogeneous work groups” or, more simply, the “business case,” is grounded in practical advantages. It is significant that some businesses have broadened employee heterogeneity solely for practical reasons, and that other businesses are now talking less often about the ethical rationale, more often about the practical one. Many practitioners are prepared to disseminate *both* rationales.

None of this is a problem for the interculturalists. To the extent that they have identified themselves professionally with a rationale, it’s been the practical one. And as human beings, many interculturalists resonate with the ethical rationale.

**Encountering the Interculturalists’ Expertise.** By expanding outwards from its base into international territory, the work of the practitioners is entering the realm in which the interculturalists have long honed their understanding and expertise. For nearly half a century, interculturalists have generated tools, techniques, and approaches that enable others to adapt and succeed while collaborating with counterparts who have dissimilar mindsets and behaviors. That is exactly the challenge now being encountered by the practitioners of diversity & inclusion.

**Generating a Dilemma.** To the extent that the ethical rationale is the driving principle, the globalization of diversity leads to a dilemma. When practitioners take the ethical rationale out of the United States and into the global arena, they are attempting to export a set of *imperative* values into world regions where egalitarianism, achievement, and individualism are not imperatives and may clash head-on with local values.

It is well known to interculturalists, anthropologists, and sociologists that within some cultures that have been functioning successfully for thousands of years:

- hierarchical relationships are experienced as more useful than egalitarian ones;
- ascription is thought a better way of sorting people out than achievement; and
- group-orientation is embraced while individualism is viewed as inherently selfish.

Here's the dilemma: On the one hand, the practitioners advocate that the greatest Good is for each person to respect the values of others. As professionals and as human beings, they are committed to open-mindedness and the acceptance of differences.

On the other hand, in globalizing diversity, they're ironically *making one exception to their cultural-relativist stance*. For they are saying, "People who respond to human diversity differently from us need to learn to embrace our Made-in-America trio of values: egalitarianism, achievement, and individualism." In other words, "When it comes to responding to human differences, *our values and ways of life are right for you!*"

This is a significant dilemma, for it involves a direct contradiction within the value-stance that's fundamental to diversity & inclusion as it's practiced in the U.S.A.

## **Responding to the Dilemma of the Globalization of Diversity**

Can an ethical and practical response be developed for this dilemma? We think it can. First, the Made-in-America ethical rationale for diversity must be set aside. Second, any expectation for a one-size-fits-all ethical rationale must be set aside and replaced by a new expectation: *An array of alternative rationales will gradually emerge*, with each unique rationale crafted for the national, organizational, and/or community context into which the benefits of diversity are to be introduced.

How can an array of alternative, context-specific rationales be developed most effectively? We advocate the following: Unique, locally appropriate rationales for diversity & inclusion are best developed through collaboration among...

- intercultural authorities,
- diversity & inclusion practitioners, and
- leading local community and organizational culture-bearers.

The *practitioners* bring their passion as well as their long experience in transforming organizational cultures. The *interculturalists* bring their research-honed grasp of differing group-level values and patterns of behavior, and their ways of promoting more effective collaboration among representatives of different groups. The *local culture-bearers* (whom anthropologists call "informants") bring deep and subtly nuanced comprehension of community and organizational core values, social mores, and practical realities. These three, proceeding

gradually, thoughtfully, and with mutual respect, can develop a culturally calibrated rationale for diversity. And this process can gain the admiration of locals for the sponsoring corporation.

To our knowledge, three-way collaborations of this type occur infrequently. But we do know of an instance in which these three perspectives – diversity, intercultural, and local – were represented during a process that resulted in a positive organizational change. Following is what two of us were told during our interview of an American senior manager, a white male, who had been assigned to work in the Japanese joint venture partner of his U.S. corporation.

“I was very disturbed by what I saw happening to highly capable Japanese women,” the manager told us. “Many were highly productive; some even had MBAs. They were answering telephones, serving tea, keyboarding, and filing. They never got promotions or benefited from career development.

“One woman in my department was especially bright and capable. She was 34, single, and very intelligent. I decided to see whether I could get her a promotion.

“I spoke to a Japanese senior executive about this idea. He definitely was not enthusiastic about a promotion for this or any other woman. One night at a late-evening club, he revealed the true reason for this opinion: In Japan, men do not report to women.

“Nevertheless, I met with the managers of the group to which the woman belonged and easily got them to agree that she was the most productive person, male or female, in their group. After several rounds of discussion, they all reached consensus that she should be promoted – but only to assistant manager.

“Upon hearing the news, the woman herself was astounded and embarrassed. She dreaded being singled out as the only woman to be promoted. She begged me not to publicly announce the promotion at the regular Monday staff meeting. I agreed.

“Her promotion was later listed in the staff newsletter, and drew contradictory reactions from the *other* women in the office. Some complained that they had no one to go to bat for them as I had done for the woman who was promoted. But others expressed dread that someone might actually try to develop their careers.”

Although the American manager was neither an interculturalist nor a practitioner, he represents both professions well. From a practitioner’s perspective, he was upset by a perceived wrong and wanted to right it. From an interculturalist’s perspective, he knew not to use his power to simply promote a few high-performing women. *Instead, he entered into a lengthy dialogue with local culture-bearers.*

With his sensory antenna attuned to the nuanced value and behavior patterns of his hosts, *the manager respectfully inserted himself into those patterns* and patiently sought to determine how to bring about change in a locally appropriate way. He asked questions. He engaged colleagues. He set no deadlines. Eventually, real change did occur because of his inquiring, gradualist, sensitive intervention.

And note: The change was not as significant as the practitioner within him hoped. *But in the context of a Japanese organization, the change was very significant!*

As this case illustrates, interculturalists can benefit from the commitment of the practitioners in promoting an ideal with which most interculturalists agree. The practitioners can benefit from the insights and techniques of the interculturalists in diagnosing and adapting to the nuances of

local culture at the national, community, and organizational levels. The third indispensable ingredient is the local community and organizational culture-bearers; they, after all, are the ultimate stakeholders.<sup>5</sup>

## **Gaining Local Admiration and Loyalty as Well as Market Share**

At the beginning of this article, we foresaw gains in “local admiration and loyalty.” Why? Because the approach that we’re recommending is the kind that finds both interculturalists and practitioners’ doing their jobs as did the senior manager in Japan. Rather than arriving at a business facility abroad with ready-made ideas about the effective courses of action, they arrive with an inquiring attitude, with research-based hunches to check out, and with requests for dialogue with local business and civic leaders as well as with executives and employees, in order to explore a range of diversity-related issues. Just as important, they arrive without a rigid timetable for decision-making or action. From such a dialogue can emerge a set of possibilities crafted for *this particular* business and community context.

We believe that gains in local admiration, loyalty, and market share are the likely outcome of this kind of collaborative effort by practitioners and interculturalists.

## **PART THREE: THE GLOBALIZATION OF BUSINESS STRATEGY**

### **A Larger Shared Opportunity: The Globalization of Business Strategy**

Beyond the globalization of diversity lies another, more impactful opportunity that also is waiting to be collaboratively seized by the interculturalists and the diversity practitioners on behalf of global corporations. This is *the globalization of business strategy*, which entails the systemic leveraging of human heterogeneity with its resulting burst of ingenuity in pursuit of greater global revenue. To the extent that any large organization can globalize its strategy in a system-wide manner, it will take strides toward gaining and maintaining increased market share worldwide.

We offer three observations about the globalization of strategy.

**The Limits of Demographic Inclusiveness.** It’s not uncommon these days for major globe-spanning corporations and other large organizations to be overtly concerned about human differences. An examination of their websites and annual reports reveals that, in virtually every case, “diversity” is prominently mentioned. But how? In almost every instance, the focus is on *inclusiveness*. Additional probing usually reveals diversity to mean *demographic* inclusiveness.

Most people think of “inclusiveness” in the terms used by demographers, terms that denote characteristics that are *overtly visible* and therefore readily classifiable: age, gender, “race” and

---

<sup>5</sup> For a well-informed discussion of the difficulties of Europeans in dealing with American diversity & inclusion concepts, initiatives, and trainings, see Michael Stuber, *Rethinking Diversity for Global Scope: A European/EMEA Perspective*, European Diversity Research & Consulting, Winter 2007, pp. 2-3.

ethnicity, able-bodiedness, and so on. Some corporations would do well to increase this kind of inclusiveness, so continued efforts are appropriate.

But we believe that, for many major corporations, the time has come to transcend demographic inclusion. *For in the global arena where major corporations compete, people's visible characteristics are not what is going to make a revenue-relevant difference!* A more strategically sophisticated challenge is now appropriate.

**What Is “Human Heterogeneity”?** In the same way that “inclusiveness” has come to imply a demographic view of human variation, we can use the term “heterogeneity” to suggest a *competency*-based view, one that attends to mindsets, perspectives, skills and talents, values, and other *qualitative* differences among human beings. Research by interculturalists, anthropologists, sociologists, O.D. specialists, and others has shown that, within organizational contexts...

- Human heterogeneity has business-relevant benefits. It leads to greater innovation and to much broader applicability of solutions. Heterogeneous working groups are known to contribute to enhanced unit performance in rapidly-changing, multifaceted markets.
- Human heterogeneity also has dangers. It can engender misunderstandings and mistrust, so it must be skillfully leveraged. Building performance synergies across mindsets in a multicultural, far-flung unit is as complicated as it is urgent.

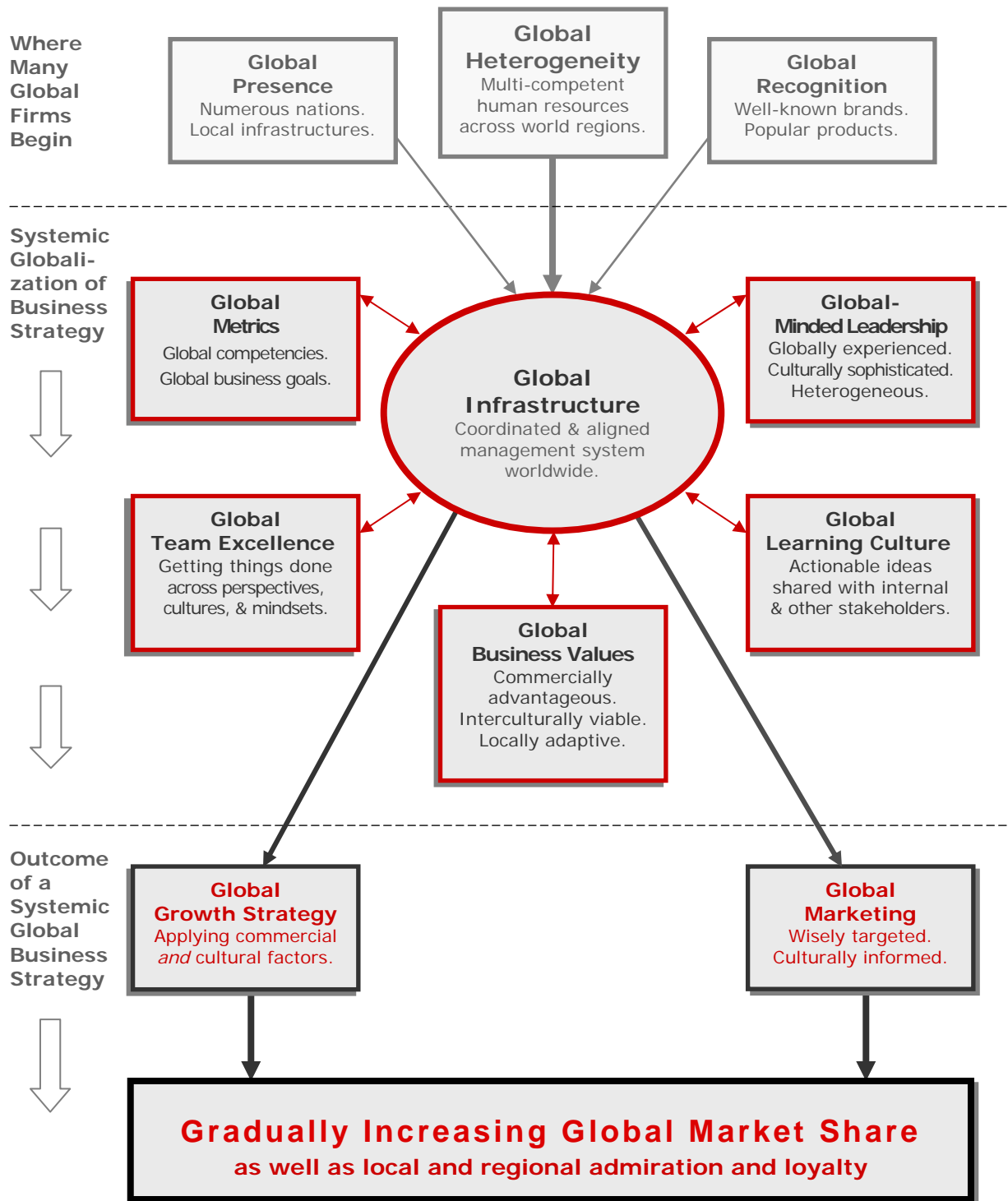
The GROVEWELL-CFGU Partnership believes that the time has come to step beyond inclusiveness in the demographic sense. It's time to extend our vision to the full strategic potential of human heterogeneity while also taking steps to avoid its documented dangers. It's time for practitioners and interculturalists to join forces in this complex effort on behalf of forward-thinking, globalizing organizations.

**From Human Heterogeneity to the Globalization of Strategy.** Practitioners and interculturalists together can help decision-makers think about “diversity” in terms of heterogeneity. For the decision-makers need to be seeking new talent, and especially new leaders, who possess an ever wider array of backgrounds and experiences, aptitudes and capabilities, knowledge specialties and ways of seeing the world. It is *competency-based* dimensions such as these that will lead to the flexibility, vision, and innovation that companies need to excel in this 21<sup>st</sup> century.

As well in this 21<sup>st</sup> century, decision-makers need to make the wisest use of heterogeneous human resources by stepping boldly into *systemic* applications that infuse whole companies, leading to transformations of overall strategy *and* of the system-wide elements that support it. As depicted on the next page, the GROVEWELL-CFGU Partnership recommends attention to:

- GLOBAL BUSINESS VALUES. Creating a set of genuinely global business values is critical to the entire strategy-transformation process. The framework from the GLOBE research is an excellent guide for assessing, interpreting, and realigning culture-based (and often subtle) differences in business practices, perspectives, and expectations worldwide, pointing the way to practical value adjustments.
- GLOBAL-MINDED LEADERSHIP. Sustainable growth in global market share occurs when today's *and tomorrow's* leaders think globally, are competent working across boundaries, and are heterogeneous in both physical and qualitative ways.

# Globalization of Business Strategy



© Copyright 2007, GROVEWELL-CFGU Partnership

- **GLOBAL METRICS.** In order to enhance global performance, it's necessary to integrate globally-focused metrics – measures of competencies and results – into a cohesive performance management model. Interculturalists are aware of the divergencies in how people in various cultures react to, structure, and implement performance systems. There are two components:
  - *Global Competencies:* A genuinely global set of performance competencies can better enable top executives and key managers to meet the ever-more-complex challenges of the expanding worldwide marketplace.
  - *Global Business Goals.* High-performing global companies are known to have an integrated performance focus with only a few *global* strategic initiatives. Supportive individual, team, and business unit goals are then developed locally.
- **GLOBAL TEAM EXCELLENCE.** Global teams (also called “virtual” or “distributed” teams) are the indispensable engine of every large corporation’s worldwide expansion, yet their track record is riddled with accounts of underperformance and even of outright failure. So *proactively* facilitating such teams’ functioning is critical.
- **GLOBAL LEARNING CULTURE.** In a genuinely global learning culture, valuable and actionable ideas are shared; “not invented here” is absent. New product ideas and cross-cultural brand distribution are functions that can benefit from a global learning culture.
- **GLOBAL INFRASTRUCTURE.** Central to any integrated global business strategy are the social environmental features of an organization’s infrastructure. These need to be comprehensively addressed to insure that they are aligned and coordinated worldwide, and that they gradually pervade the entire management system (i.e., become “systemic”). Examples include coherent internal reporting and control systems, boundary-spanning HR policies, operational and financial performance rules, and task forces that operate across internal boundaries in order to address performance issues such as know-how transfer and best practices adoption.

The GROVEWELL-CFGU Partnership believes that opportunities for growing global market share can be seized when corporations *proactively* view diversity in terms of qualitative differences in human competencies, perspectives, and styles worldwide among leaders, employees, suppliers, customers, and other company stakeholders, *differences that can be leveraged for global growth through systemic applications.*

## **PART FOUR: SUMMARY AND SUGGESTIONS**

### **Summary of Our Principal Points**

- Although diversity & inclusion practitioners and interculturalists have substantially different histories, professional activities, and styles, they share a focus on values and a commitment, to some extent, to *cultural relativism* (the view that behavior needs to be assessed in relation to the culture where it originated). We believe that what these two professions share eclipses their more superficial differences.

- Because the practitioners have long been concerned with the value imperative of “...all men are created equal...,” their more recent “diversity” stance in favor of values-as-relative creates a dilemma when they disseminate diversity beyond the U.S. where it originated. For in doing so, they are making one exception to their cultural-relativist stance by advocating to people abroad, “When it comes to responding to human differences, *our values are right for you.*”
- Interculturalists can help resolve that dilemma so long as the Made-in-America ethical rationale for diversity is set aside. An array of alternative rationales needs to gradually emerge, with each new rationale crafted to fit into a unique national, organizational, and/or community context. Locally appropriate rationales are developed through patient collaboration among practitioners, interculturalists, and local stakeholders. The resulting changes probably won’t look dramatic to Americans, but can be highly significant within the context of the local culture.
- “Diversity” usually implies “inclusiveness,” and inclusiveness tends to be thought of in demographic terms – in terms of individuals’ *visible* characteristics – which are not capable of making a revenue-relevant difference. A *competency*-based view of differences has long existed: “human heterogeneity.” Research repeatedly has shown that heterogeneity in working groups leads to greater innovation and to broader applicability of solutions, which *can* make a revenue-relevant difference.
- Beyond the globalization of diversity awaits a more impactful opportunity for interculturalists and practitioners to collaborate on behalf of global corporations. This is the globalization of business strategy, i.e., the systemic leveraging of human heterogeneity in pursuit of global market share. This requires decision-makers to seek heterogeneous new talent. It also requires them to wisely use their heterogeneous talent by embracing *systemic* applications that gradually infuse whole organizations, leading to transformations of strategy *and* of system-wide supports such as global business values, global-minded leadership, global metrics, global team excellence, global learning culture, and global infrastructure.

Enabling these visions to become realities at leading corporations is an attainable challenge *if* diversity & inclusion practitioners and interculturalists work together.

	<b>DOMESTIC DIVERSITY</b>	<b>GLOBAL DIVERSITY</b>
<b>Means</b>	Focus on demographic inclusiveness Change people-related behaviors Transform hiring and promotion practices	Focus on competency-based heterogeneity Change business-related behaviors Transform infrastructures and systems
<b>Ends</b>	Demographic inclusion in the workplace Fairness, equal opportunity in promotions Employees of all types are accepted, valued Broader appeal to customers at home	Adaptability across borders and cultures High performance with international partners Employees at all levels are globally-minded Broader appeal to customers worldwide



## Our Suggestions for Next Steps

- Any organization that is engaging in, or beginning, a process of disseminating the principles and practices of diversity to its employees in other nations and cultures (i.e., “the globalization of diversity”) should pause in order to take stock of how it is pursuing this goal and the extent to which local stakeholders are insuring that their local culture’s core values are impacting objectives, policies, and processes.
- Any organization that is determined to globalize in an effective, revenue-relevant, and sustainable way would do well to seek applications of the basic principles and processes of “the globalization of business strategy” as we have overviewed them herein. Most important is the use of heterogeneous human resources through *systemic* applications that infuse whole organizations, leading to transformations of overall global strategy *and* of critical of system-wide supports for that strategy.
- Many large corporations have an office or department of diversity where one or more diversity & inclusion practitioners are employed on a full-time basis. Very few organizations employ interculturalists. We suggest that in-house diversity practitioners invite interculturalists to visit in order to discuss the ideas set forth in this paper and, if it’s then thought appropriate, to jointly develop a set of recommendations *for that specific corporation* to consider with respect to the globalization of diversity and the globalization of business strategy.
- Most interculturalists are well aware of the mission of the diversity & inclusion practitioners; most feel sympathetic. But our observation is that few interculturalists have experience with, or knowledge of, the practitioners’ competency base. We also observe that few practitioners are informed about the mission and competencies of the interculturalists. If the collaborative opportunities envisioned in the paper are to be actualized, then clearly this lack of cross-professional understanding must end. We suggest:
  - Practitioners can learn a great deal from the literature of the intercultural field, much of which is not highly technical but rather written with the practical needs of potential users in mind. A practitioner can get an excellent start at the website of Intercultural Press, [www.interculturalpress.com](http://www.interculturalpress.com), where we suggest a search using the word “basic.”
  - Interculturalists can learn much from the literature of the diversity field, most of which is addressed to people in organizations and communities who are trying to get things done in a practical way. A good first step for an interculturalist is to acquire one or two of the books listed on a page of the NASA website: [http://diversity.gsfc.nasa.gov/resources\\_books.cfm](http://diversity.gsfc.nasa.gov/resources_books.cfm).
  - Through local interest groups and national and international professional associations, the practitioners and the interculturalists can organize formal and informal get-togethers and sharing sessions in order to begin enhancing their mutual understanding. We know of instances in which this has been done; *both* sides recognized how much they didn’t know and were grateful for the opportunity to begin building mutual understanding.