

INTERCULTURAL KNOWLEDGE AND LEADERSHIP SKILLS – A KEY TALENT FOR SME LEADERS SEEKING TO EXPAND THEIR BUSINESS

Jillaine Farrar

Lecturer and Co-Head of the CAS International Leadership at the Lucerne University of Applied Sciences and Arts-Business. She also heads the Exchange Program for the School of Business, acts as board member, mentor, VP of SIETAR Switzerland (Society for Intercultural Education, Training And Research) and VP of the ICP European University Network Association. Her research focuses on the challenges faced by SMEs in their internationalization efforts.



Intercultural effectiveness is increasingly an important part of the tool kit which business people are expected to have. Internationalization is not merely the domain of large companies and universities. It is also of interest to SMEs seeking to expand their businesses. Regardless of the size of the business, a logical consequence of working across borders is that intercultural competence needs to be actively acquired.

My own intercultural learning curve was a rather steep one when I arrived in Switzerland back in 1989. There definitely are cultural and leadership differences, regardless of how many similarities we can find between Canada and Switzerland. If I could turn the clock back and give myself two things prior to departure, it would be intercultural knowledge and international leadership skills. You thought I'd go for money, right?

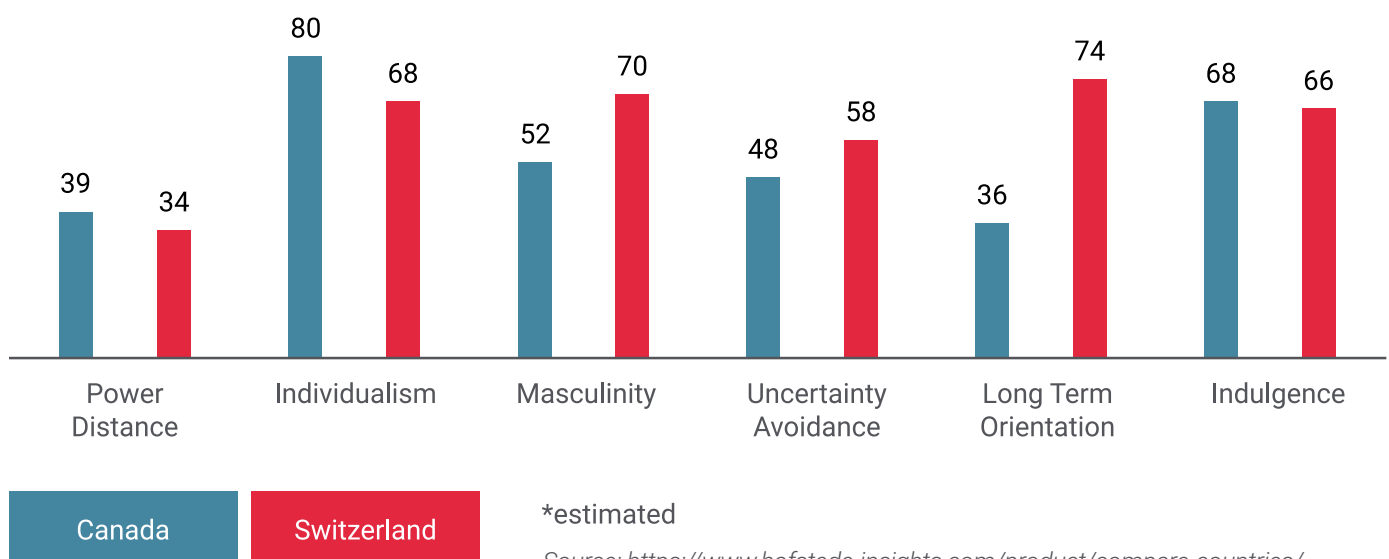
A big part of making progress in the business world is making the best decisions possible with the information available. Add to that intercultural communication together with some or all

of the business partners communicating in a foreign language and the path becomes an interesting journey. When cultures interact, clashes can occur based on value differences. These core values also influence the views held about time orientation as well as about power and status.

A look at Canadian and Swiss Cultures

One practical model that leaders find particularly useful is Hofstede's Insights Tool, available free online <https://www.hofstede-insights.com/product/compare-countries/>. Clearly, we need to be careful not to stereotype, but knowing what the potential areas of conflict could be can help us in our preparation of meetings. Here is an example of the chart that the tool provides for Switzerland and Canada. Each position is explained on the link. You can choose up to four countries per chart.

Regional differences within both countries mean this only provides an overall guide. There are, however, some very in-



interesting insights which can come from analyzing this data. Two values which can be deemed significant for Canada and Switzerland are the Power Distance Index (PDI) and the Long Term Orientation (LTO) scores.

The Power Distance Index

The Power Distance Index (PDI) is defined by Hofstede (see link above) as 'the extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally'. Canada scores 39 on the PDI so it is a society that believes that inequalities amongst people should be minimized. At 34, Switzerland sits even lower in the rankings of PDI, which means that inequalities amongst people should really be minimized as much as possible. This characterizes the German-Swiss style where power is decentralized and managers count on the experience of their team members. Employees actually expect to be consulted. Communication is direct and participative. Interestingly, Hofstede notes a clear difference to the French-Swiss style, which he states scores higher on the PDI (but not as high as France, which scores 68 on the PDI). Individual scores for the French-Swiss cantons are, however, not available in this tool. Those working with leaders from both the French-Swiss part of Switzerland and France will likely have experienced firsthand the differences to the French leadership style. Certainly, this area warrants further research.

Interestingly, Hofstede noted that Quebec had significantly different PDI scores than the rest of Canada. The strong cultural connection to France could explain the scores for Quebec. On the link above, Hofstede provides the following scores for Quebec: PDI 54; IDV 73; MAS 45; UAI 60.

If not addressed, any significant differences could lead to misunderstandings about the roles and expectations of both leaders and employees who come from a different cultural background (even within the same country). Keeping in mind that leaders are also individuals with their own unique characteristics and different past experiences is still essential.

Long Term Orientation

A very key aspect of business planning and decision-making is Long Term Orientation (LTO). Here Canada (with no differentiating scores for Quebec) scores 36 and Switzerland scores 74. Swiss culture is definitely pragmatic about LTO. Hofstede states that 'in societies with a pragmatic orientation, people believe that truth depends very much on situation, context and time'. Canada, with its scores of 36 in this dimension, is considered a 'normative society'. Hofstede explains that this means that in Canada there is a 'strong concern with establishing the

absolute Truth'. Further, 'they exhibit great respect for traditions, a relatively small propensity to save for the future, and a focus on achieving quick results.' Being aware of such a significant difference in scores between the two countries can be beneficial when planning projects across borders.

As you can imagine from the chart above, differences in the perceived gender roles in society (MAS), and time orientation (LTO) were the most noticeable differences I experienced when I arrived in the German Swiss part of Switzerland. Now that I have lived here in Switzerland for more years than I lived in Canada, I expect that I am a mix of both cultures. For the Swiss I sometimes seem more Canadian and for the Canadians I sometimes seem more Swiss. This is something I see also with colleagues who have worked and lived internationally. This is when culture is akin to a detailed quilt, a mosaic or a tapestry.

For those interested in more detailed theory on cultures and leadership, I suggest reading up on the Globe 2020 Study https://globeproject.com/about?page_id=intro#globe2020_intro

Whether we aim to achieve intercultural intelligence or just become better communicators within our own corporate environments, we need to try to put ourselves in other people's shoes. In doing so, we will likely learn more about our own culture. How can we practically do this? In both Canada and Switzerland, one possible way of getting to know the culture as quickly as possible is to volunteer in organisations and associations where locals also volunteer.

At the time of writing this we all have additional challenges at home and work with COVID-19. Fortunately, there is also positive news that is reaching us from around the world in particular concerning solidarity and professionalism.

Jillaine can be reached over LinkedIn (www.linkedin.com/in/jillaine-farrar-897259160) or email: jillaine.farrar@hslu.ch

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