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The Rise of Culture in International Business

THIS IS THE LAST EDITORIAL I AM WRITING for *AIB Insights*. Starting 2013, Issue 1, Romie Littrell and Daniel Rottig will lead as Editor and Associate Editor, respectively. Hailing from New Zealand and Florida, the team will continue to improve the publication and its usability to the AIB membership and the academic community at large. The AIB Board could not have found a better pool of talent to take *AIB Insights* to the next level and it is my honor to leave the publication in such good hands. *AIB Insights* will remain a publication that provides an outlet for short, interesting, topical, current, and thought provoking articles.

The focus of this issue is on culture in international business. The number of articles focusing on culture and international business has risen in the past decade. A quick search on Google Scholar reveals more than 2.48 million hits on culture and international business within .06 seconds. Among the most cited are Hofstede, Trompenaars, Shenkar, Hall, and other great international business scholars, many of whom are also AIB fellows. The importance and rise of culture as a variable in international business suggest that it is a “star” issue justifying further examination in *AIB Insights*.

The first article, written by Romie Littrell, discusses the Hofstede model. Romie reminds reader of the relevance and context for Hofstede’s work and the immense contribution he has made. Despite these contributions, some authors misappropriate Hofstede’s works and wrongly apply the cultural dimensions, for example, through the levels of analysis. Romie also bring the research up to date for those teaching cross-national cultures and connects it to the works of Minkov and Schwartz, among other scholars.

The second article, co-authored by Mansour Javidan and Jennie Walker, both from Thunderbird School of Global Management, investigates elements of cultural intelligence, global psychological capital for business success. The article first describes the global mindset project, which started at Thunderbird in 2004. The global mindset consists of global psychological, global social capital and global intellectual capital. The authors then proceed with how to develop global psychological capital focusing on objective setting, experiential learning, and measurement.

The third article dovetails with Javidan and Walker’s article by focusing on the experiential component of international business education. Written by 11 authors from the US, Poland, Ecuador, Spain, and United Arab Emirates, the article describes a new and exciting collaborative consultancy project called X-culture. Using state-of-the-art technology, social media, and internet-based collaborative tools, students from different schools and countries are tasked with developing real consultancy projects. Many positive student outcomes are discussed in the article, and the opportunity for other international business faculty to join is presented.

The final article in the issue is written by a practitioner of global marketing communications, Rochelle Newman-Carrasco. The author proposes a hypothetical conversation between three multi-cultural marketing directors who discuss their respective qualifications for the job. The article aptly points out that cultural intelligence can be obtained from different venues and life experiences, and that there is no single perfect profile for the job of multicultural marketing director, with the only commonality, heart.



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Cultural Value Dimension Theories: Hofstede – A Work in Progress

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SAYLES AND STEWART (1995) IDENTIFY a tendency in academia for which they coined the phrase “academic amnesia,” referring to *anterograde amnesia*, the loss or impairment of the ability to form new memories, caused by many academic writers’ near universal reliance on secondary sources. Management theorising needs to be understood in historical context; Hunt and Dodge (2000), in “Leadership déjà vu all over again,” comment that much business literature neglects its historical-contextual antecedents and as a result over-emphasizes contemporary *zeitgeist*, or tenor of the times’ social forces. This neglect impedes research by encouraging academic amnesia and promoting a strong feeling of research déjà vu when encountered by more responsible and thoroughly educated researchers and practitioners. I read a journal article or two or three every day and frequently find these behaviours being demonstrated by authors.

Ignoring or Ignorance of Levels of Analysis

One example of academic anterograde amnesia is the large volume of articles that include a criticism of Hofstede’s theory of cultural value dimensions. I have lived and worked for several years in the US, China, French-speaking Switzerland, Germany, and New Zealand, spent a considerable amount of time in Turkey, and worked in sales and marketing from the US selling to Puerto Rico, the Virgin Islands, Mexico, Saudi Arabia, and several European nations. I find Hofstede’s theoretical dimensions to be evident and useful based upon my own experience. I enjoy reading his work, for as well as being insightful, I find him to be an interesting and entertaining writer, and I have attempted to read everything he has written, no easy task. When I read articles that criticise the theory of cultural value dimensions I nearly always can recall or locate a previous work by Hofstede that has addressed the issue criticised.

As an example I am still seeing publications that criticise the theory as being based on a study of employees of a single multinational corporation. Anyone making this criticism apparently has not read anything original concerning the theory since 1980. Nearly immediately, in *academic time*, Hofstede (2007) relates this event at a conference in India in December 1980, just after the first edition of *Culture’s Consequences* had been published. Hofstede met Michael Harris Bond from the Chinese University of Hong Kong. Bond and a number of his colleagues from the Asia-Pacific region had just finished a comparison of the values of female and male psychology students from each of 10

national or ethnic groups in their region. They had used an adapted version of the Rokeach Value Survey developed by US psychologist Milton Rokeach on the basis of an inventory of values in US society around 1970. When Bond analyzed the RVS data in the same way as Hofstede had analyzed the IBM data, he also found four meaningful dimensions. Across the six countries that were part of both studies, each RVS dimension was significantly correlated with one of the IBM dimensions (Hofstede & Bond, 1984, 1988). The discovery of similar dimensions in completely different material represented strong support for the basic nature of what was found. With another questionnaire, other respondents (students instead of IBM employees), at another point in time (data collected around 1979 instead of 1970), and a restricted group of countries, four similar dimensions emerged. Subsequent work by Bond and the Chinese Cultural Connection (1987) developing the Chinese Values Survey and the Long-term/Short-term (LTO/STO) dimension is well known. LTO/STO was originally named “Confucian Dynamism” but was subsequently identified in non-Confucian heritage societies and officially renamed in Hofstede (1991) and further developed in Minkov and Hofstede (2012).

Subsequent Validating Research

Commemorating the 25th anniversary of the publication of *Culture’s Consequences*, a number of reviews were published, e.g., Rotondo Fernandez, Carlson, Stepina, and Nicholson (1997) and Søndergaard (1994), the most insightful by Søndergaard, both demonstrating significant research validation for the theory. Kirkman, Lowe, and Gibson (2006) reviewed 180 empirical studies that used Hofstede’s dimensions and were published in 40 journals and book series between 1980 and 2002. Reviews by Gelfand, Erez, and Aycan (2007) and Tsui, Nifadkar, and Ou (2007) of research in the cross-cultural organizational behaviour and psychology fields covering the decade prior to their publication have shown that Hofstede-inspired empirical studies increased exponentially during that period. Taras, Kirkman, and Steel (2010) meta-analysed 598 studies and investigated relationships of the four original cultural value dimensions amongst several important organisational outcomes. No surprise to the serious student of cross-cultural management and leadership observing sample variation, Taras et al. found complex relationships amongst dimension scores at the individual level of analysis,

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personality traits, and demographics such as age, gender, education, and vocation type related to job performance, absenteeism, turnover, organizational commitment, identification, citizenship behaviour, team-related attitudes, and feedback seeking. Obviously research has broadened somewhat beyond the original multinational IBM sample.

Another problem, not a criticism of Hofstede, but of researchers, journal editors, and reviewers, I am continually finding is articles reporting studies using the cultural value dimensions to compare those employed in particular industries, which may be an interesting and useful comparison, but there are no published reports of overarching validity or norms. Hofstede (2001: 414–415) discusses the fact that his theory prohibits the use of the VSM dimensions for comparing occupations.

I occasionally find studies using the culture dimensions to compare and describe organisations. Hofstede, Hofstede, Minkov, and Vinken (2008) reiterate from earlier users' manuals the fact that the dimensions measured by the Values Survey Module (VSM) are based on country-level mean scores of country samples. Compared to country-level correlations and analyses, individual-level correlations and analyses, calculated from the response by the individuals within the samples, can be significantly different from one another. Hofstede et al. refer us to Klein, Dansereau, and Hall (1994) for an explanation: "Individual-level correlations produce dimensions of personality; country-level correlations produce dimensions of national culture" (Hofstede et al., 2008: 3; see also Hofstede, 1995).

Hofstede and McCrae (2004) discuss the relationship between personality and culture. Dimensions of national culture are not personality types but estimates of the values prevailing in a national society, which can only be compared with those in another society. Hence, the VSM cannot be scored at the individual level with any degree of reliability and validity.

The VSM cannot be employed to assess organisational culture. For example, the seven dimensions identified in the VSM 08 were found in research across countries. Hofstede, Neuijen, Ohayv, and Sanders (1990) and Hofstede (2001: 391–414) discuss measurement of organizational cultural differences. Hofstede has in many discussions noted that national or societal cultures differ on values; organizational cultures differ primarily on the basis of perceptions of practices. Hofstede et al. (1990) discuss six dimensions of perceived organizational practices. For a recent discussion of organizational culture see Hofstede, Hofstede, and Minkov (2010).

VSM dimension scores can be meaningfully computed and compared for physiological gender (female vs. male), for successive generations (grandparents vs. parents vs. children). They might apply to geographical regions within a country or across countries, but in this case the questionnaire may have to be extended with locally relevant items, e.g., see Hofstede, Garibaldi de Hilal, Malvezzi, Tanure, and Vinken (2010) for comparisons within Brazil.

Studies Using Fewer Than the Full Set of Dimensions

Another significant problem in use of Hofstede's theory is conducting research using selected, isolated value dimensions rather than the full set. Values contribute to action to the extent that they are relevant in the context (hence likely to be activated) and important to the actor, in relation to other values. Responsible and insightful researchers, e.g., Schwartz (1996), emphasise that studies of single cultural value dimensions lead to a fragmented accumulation of bits of often unrelated and misleading information about dimensions that is not conducive to the development or testing of coherent theories. Schwartz identifies three significant problems with such an approach: (1) the reliability of any single variable is quite low when employed to characterise a culture area; random effects can play a significant role in the attempts to identify significant associations with single values; (2) for a multivariate theory, the absence of investigation of the complete set of values is a significant failure of method as values that were not included in a study may be equally or more meaningfully related to the phenomenon investigated than the one studied; (3) most importantly, for decades theorists, e.g., Rokeach (1973), Tetlock (1986), and Schwartz (1992), have demonstrated that single-value approaches ignore the fact that opinions, attitudes, beliefs, and behaviours are not guided by the priority given to a single value, but by tradeoffs amongst competing values that are involved simultaneously in a behaviour or attitude. In fact, values may play little or no role in behaviour except when there is value conflict, when behaviour has consequences relating to more than one value, promotive of some but opposed to others. The conflict activates awareness; in the absence of values conflict they may draw no attention, and instead habitual, scripted responses suffice to impel behaviour.

Theory Development Is a Continual Work in Progress

Theory development is a continuous process, at least until it is disproven or until it develops into a set of laws. Research on the theory directs changes. Hofstede has been open to change and development in his theoretical model since the beginning, e.g., the early collaboration with Bond. Further research, development, and recalculation of this dimension resulted from Minkov's work with the World Values Survey data, discussed in Hofstede et al. (2010: 252–259) and Minkov and Hofstede (2012).

New Dimensions

Michael Minkov (2007, 2011) working under the mentorship of Geert Hofstede, reviewed cross-cultural societal research over the past 40 years, drawing on various disciplines, including genetics and personality theory. Minkov developed three cultural dimensions, primarily using the World Values Survey data; support and justification of the findings consist of voluminous and detailed correlations and comparisons from a considerable array of publically available data. Minkov derives three dichotomous cultural dimensions from the public World Values Survey

(WVS, Inglehart, 1997). From factor analyses of country means of items in the WVS data, Minkov defines three dimensions, two of which are integrated into the theory and described below.

First, Minkov identified *Indulgence vs. Restraint*. Indulgence defines a society that allows relatively free gratification of some desires and feelings, especially those that have to do with leisure, merrymaking with friends, spending, consumption, and sex. Its opposite pole, Restraint, defines a society which restricts such gratification, and where people feel less free and able to enjoy their lives. Indulgence is analogous to Schwartz's (1992) Hedonism; inspection of the Schwartz Value Survey (SVS) items opposite Hedonism in the Multidimensional Scaling Smallest Space Analysis reveals items similar to those defining Restraint. Minkov relates the dimension to Gelfand's "tight vs. loose" (Gelfand, Nishii, & Raver, 2006). Indulgence vs. Restraint has been "officially" added to Hofstede's model (Hofstede, Hofstede & Minkov, 2010: 277–298)

Minkov (2007) also identified the *Monumentalism vs. Flexumility* (a created word, with the dimension name changed to Self Effacement in the VSM 08, but not added to the model in Hofstede et al., 2010) dimension. Monumentalism is related to pride in self, national pride, making parents proud, and believing religion to be important, similar to McClelland's (1961) concept of need for achievement, which is also a theoretical basis of the GLOBE dimensions. The Flexumility pole identifies societies valuing humility, with members seeing themselves as not having a stable, invariant self-concept, and a flexible attitude toward Truth. Minkov reports similarities between this dimension and Hofstede's Masculinity-Femininity role-based dimension. It also resembles Schwartz's (1992) Universalism/Benevolence/Conformity/Tradition vs. Power/Achievement arrays of items in the SVS. Hofstede et al. (2010: 252) see it as having significant overlap with the LTO/STO dimension, and hence have not added it to the model. I see it as adding significant useful information about cultural similarities and differences and use the version of the VSM 08 that includes it in my research projects.

Gert Jan Hofstede (personal communication, 2011) states that the two dimensions reallocate the composition of Hofstede's uncertainty avoidance and short-term/long-term orientation. However, in Littrell (2008) I find that Indulgence-Restraint does not correlate with any other dimensions.

Critical reflection on practice

Had the hundreds of thousands or perhaps millions of student and researcher hours spent on studies employing Hofstede's dimensions included actual and thorough reading of original sources and correct application of testing of theory, the development of useful principles for practitioners doing business across cultures and development of solid bases for future theory development and testing would have been advanced at, I believe, at least double the rate we have seen. It is a failure of ethics and responsibility for academics to continue to indulge in academic anterograde amnesia, perpetuating research déjà vu.

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Developing Global Psychological Capital for Business Success

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CHANCES ARE THAT YOUR INTERNATIONAL business program includes some kind of global experience. Whether it is a study abroad program, an international project team, an international internship, an exchange program, or a business trek abroad, many international business programs are now requiring at least 10 days overseas. In fact, eight of the top 10 ranked international business programs have this requirement (*Financial Times*, 2011). These experiences can be effective vehicles to bring curriculum to life through application and meaningful cross-cultural applications. More importantly, they are helpful training grounds for learners to develop the dispositions required to work effectively with diverse others. Unfortunately, the full potential of these experiences is not always realized (AACSB, 2011). Research at the Najafi Global Mindset Institute at Thunderbird School of Global Management examining how dispositions are best developed for global business substantiates where this disconnect may lie and offers insight into how to meaningfully connect experiences to intended outcomes.

The AACSB International Globalization of Management Education Task Force report (2011) called into question whether experiential learning activities support the achievement of specified learning objectives. One of the main end results of the globalization of the management education process, according to the report, should be “greater competence and confidence of graduates for doing business with a global impact.” Competence and confidence place the focus on the learner. The implication is that the final product of the experience should be of less interest during development activities than the experience of the individual learners. In an international team consulting project, for example, the culminating presentation of the project is only one variable to assess the effectiveness of learning. Other, perhaps more important, variables would include the lived experience of individual team members throughout the project life cycle and their assessments of their competence and confidence with the skills required to produce a successful outcome. This focus on competence and confidence in global experiences boils down to what our research at the Najafi Global Mindset Institute calls Global Psychological Capital. Our research has specifically pinpointed which attributes are essential to Global Psychological Capital and how they are best developed.

The Global Mindset Project

While this article focuses on Global Psychological Capital specifically, first it is helpful to understand its origin. The Global Mindset Project (GMP) started in late 2004 at Thunderbird School of Global Management. Eight professors reviewed the literature on global leadership, cross-cultural leadership, and global mindset, conducted interviews with another 26 Thunderbird professors who are experts in various aspects of global business, and later interviewed 217 global executives in the US, Europe, and Asia. We also convened an invitation-only conference where more than 40 distinguished academic experts known for their scholarly contributions to the global business field from around the world were asked to test, stretch, and refine our thinking.

The above process helped us identify the scope and components of the concept of Global Mindset. We then worked with the Dunnette Group, a renowned instrument design firm, to empirically verify the construct of Global Mindset and to scientifically design an instrument that would measure an individual's profile of Global Mindset: the Global Mindset Inventory (GMI). We used an iterative process involving over 200 MBA students and over 700 managers working for two Fortune 500 corporations in a series of surveys and pilot tests. The process resulted in an empirically verified construct of Global Mindset that consists of three major dimensions: Global Intellectual Capital (IC), Global Psychological Capital (PC), and Global Social Capital (SC). Figure 1 below shows the scientific structure of Global Mindset. For a complete description of Global Mindset and the GMI, visit www.globalmindset.com.

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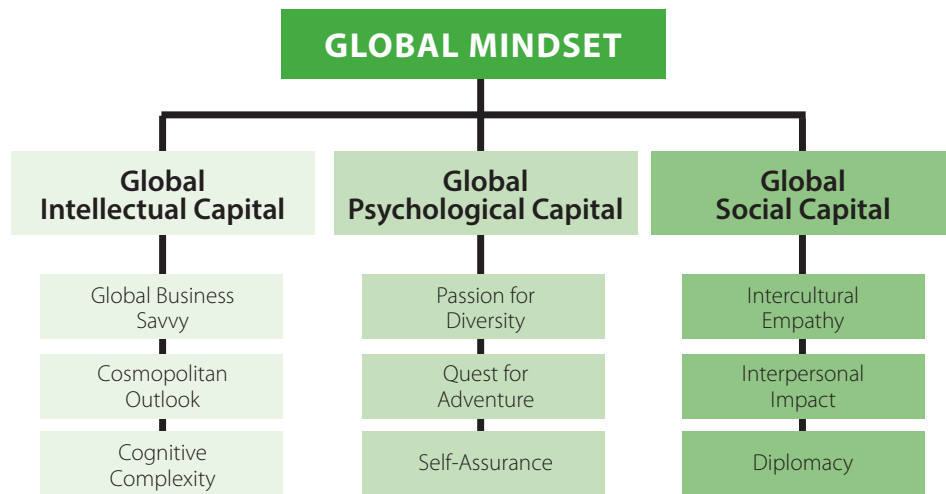


Figure 1: The Structure of Global Mindset

Global Psychological Capital (PC) reflects the affective aspect of Global Mindset. It refers to the psychological attributes that make a leader willing to bring his/her Global Intellectual Capital and Global Social Capital to action. Global Psychological Capital consists of three elements: passion for diversity, quest for adventure, and self-assurance. These three dimensions fuel the leader’s willingness and energy level to engage in the complexity of global interactions. Without a strong global psychological platform the leader’s extensive knowledge of global industry and global environment is less likely to result in successful action. Below is a brief description of the three components:

People with a Passion for Diversity:

- Enjoy exploring other parts of the world
- Enjoy getting to know people from other parts of the world
- Enjoy living in another country

People with a Quest for Adventure demonstrate:

- Interest in dealing with challenging situations
- Willingness to take risk
- Willingness to test one’s abilities
- Enjoyment in dealing with unpredictable situations

People with Self-Assurance are:

- Energetic
- Self-confident
- Comfortable in uncomfortable situations
- Witty in tough situations

Proof that Global Psychological Capital Can Be Developed

While Global Psychological Capital comprises only one-third of the Global Mindset model dimensions, it is by far the most challenging to develop. Our research at the Najafi Global Mindset Institute consistently

shows that cognitive and social attributes are easier to develop than psychological attributes. More than 14,000 managers and graduate business students who have taken the GMI to date prove this with their scores. Why? Looking at the specific attributes, they are largely about dispositions – outlooks, attitudes, motivations, qualities – the less tangible areas to be developed among learners. These are the subject of ever-present debate in the higher education community about whether dispositions can even be developed among adults. Research shows they are largely shaped in childhood and youth (Gupta & Govindarajan, 2002) or rooted in the individual’s psychology and personality (Howard & Howard, 2001). Some would say, for example, that the common 18–24 month MBA format simply cannot produce meaningful change in Global Psychological Capital. We disagree.

Our measurement of Thunderbird MBA students’ Global Mindset scores upon entrance to the program and at graduation shows that they achieve overall gains in all three dimensions, including Global Psychological Capital.

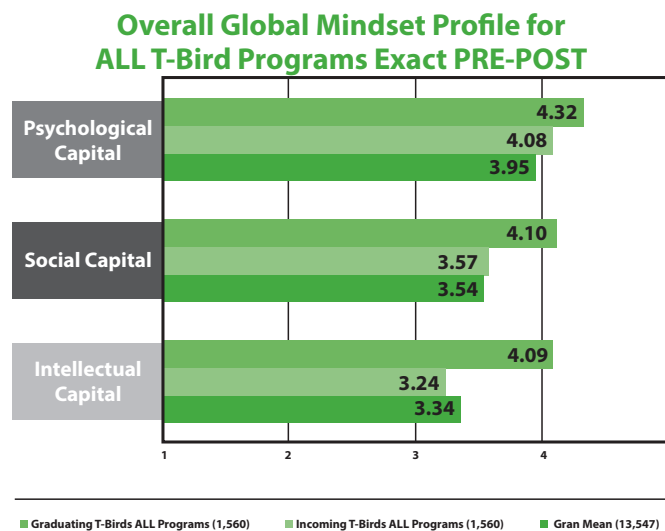


Figure 2: Pre/Post Comparison of Thunderbird MBA Student Global Mindset Scores

The above chart shows the overall score in each category for graduating Thunderbird MBA students (olive bar) compared to the overall score in each category for incoming Thunderbird students (orange bar). The pre/post scores are also compared to the overall score in each category for everyone who has taken the Global Mindset Inventory (black bar). It is clear that these MBA students show the greatest gains in Global Intellectual Capital, followed by Global Social Capital. Global Psychological Capital shows the smallest gain, but it is important to note that the improvement is still statistically significant and managerial relevant.

Measuring and Developing Global Psychological Capital

The fact that Global Psychological Capital can be developed in an international business program like Thunderbird's is great news. While international business programs have their unique features, they are generally aiming at similar targets, making the sharing of best practices (and ideally "next" practices) useful. This may be one reason why AACSB (2011) cited the empirically based construct of Global Mindset and its associated assessment tool, the Global Mindset Inventory (GMI), as a useful foundation for globalization of international business programs. Specifically, the AACSB Task Force (2011) urged "all management educators to lead within their institutions to instill in future managers a global mindset, generate more international research into theory, practice, and teaching of management, and to leverage the global environment to create new value in our society." Global Mindset reflects the dynamic blend of cognitive, social, and psychological attributes needed to navigate the permanent white waters of 21st century business.

Our research shows that instilling a Global Mindset requires equal attention to the curriculum, the experiences, and the way that learners learn to interact with diverse others inside and outside of their programs. We recently conducted in-depth research into precisely how Global Psychological Capital is developed. This involved a two-day brainstorming session with 13 international executive coaches. Their insights produced literally hundreds of practical strategies. What we discovered is that experiential learning was prevalent among learning methods in Global Psychological Capital development but only insofar as it was a mechanism to transport learners into a foreign environment. It was merely the seed. Left on its own, that seed did not always sprout. For example, the "sink or swim" method of experiential learning (i.e., little to no support provided to the learner before, during, or after the experience) was often cited among our experts as common and ineffective. To achieve intended outcomes, learners need regular nurturing through engagement, reflection, introspection, connection, contribution, exploration of values, boundary pushing, and frequent practice of key skills. AACSB was right. Focusing on the competence and confidence of the learner before, during, and after the experience is, indeed, more important to development than focusing on the product produced by the experience. The tenants of experiential learning support this.

Experiential Learning Defined

The notion of experiential learning can be traced back to John Dewey's *Experience and Education* (1938), in which he advocated educational practices that effected democracy, strong social ties, and internal growth. Dewey was not interested in mere reproduction of desired behaviors. Rather, his focus was on how to develop the values, relationships, and self-actualization that sustain desired behaviors over time. In fact, he emphasized that not all experience educates (Fenwick, 2000). David A. Kolb, who popularized experiential learning through his widely used model, would agree. He has said it is experience through reflection on doing and outlined four elements that were required for it to be effective (Kolb & Kolb, 2005):

- Concrete experience
- Observation of and reflection on that experience
- Formation of abstract concepts based upon the reflection
- Testing the new concepts

Note the emphasis here is on reflection.

Experiential learning can take many forms. Among them, the most commonly used in international business programs may be action-learning projects, internships, travel programs and courses, and group projects. In order for any of these activities to be effective, Kolb (2005) says learners must be willing and able to do four things:

- Be actively involved in the experience
- Reflect on the experience
- Use analytical skills to conceptualize the experience
- Use decision making and problem solving skills in order to use the new ideas gained from the experience

The first two have direct implications for design of the experience by the instructor or facilitator. The last two ultimately fall on the learner, yet the instructor plays a central role in preparing the learners by providing useful frameworks and other cognitive tools to be able to achieve these goals. Therefore, much of the success of experiential learning is in the design and facilitation of the experience rather than in the experience itself. These are two inherent limitations of experiential learning. Other limitations include resources like time, money, and ability to follow up.

How to Develop Global Psychological Capital

The ultimate goal in a program to develop Global Psychological Capital is to increase the manager's interest in learning, and curiosity, about people in another part of the world and living and experiencing life outside of one's home base. The program should also increase the individual's willingness to take risks and to push oneself to do new and different things. A successful intervention helps a manager identify what

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questions to ask and how to engage with people who are different from them. Improving the mechanics of experiential learning before, during, and after the target experience will likely positively impact the development of a learner's global Psychological Capital, according to our research. This requires attention to methods, such as the addition of coaching to experiential learning programs.

Coaching can be a catalyst for impacting a learner's dispositions. Coaching uses a process of personal discovery to build the learner's level of self-awareness, and it creates an environment for the learner to analyze, understand, and integrate the new information and experiences. It helps the learner to better observe and relate to the challenges and forces he/she is dealing with. It promotes learning and change through action, practice, monitoring and feedback, and integration (Bacon & Spear, 2003; Handin & Steinwedel, 2006). Depending on the circumstances and resources, learners can be coached in individual sessions, or in groups. Regardless, the end point of coaching in this context is to help identify experiences that would enhance the learner's global Psychological Capital and help him/her reflect on the experiences and their impact.

In order to effect positive change in Global Psychological Capital, designing learning objectives in terms of simply "doing" something or producing something is not sufficient. Having experiences does not equate to experiential learning. This is particularly problematic when experiential learning is reserved as the culminating experience in a program. If experiential learning is indeed a process whereby we must make sense of our learning before we can truly apply it, the implication is that we, as educators, must pay more attention to the process as well as the outcomes.

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Changing the Face of International Business Education: The X-Culture Project

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STUDYING INTERNATIONAL BUSINESS in a classroom is a bit like learning how to swim on a grass field. Even if the instructor provides detailed explanations and uses technologically advanced media, the students will not fully grasp the concept of swimming until they actually jump into the water. Educators recognize that practical experience is needed to master any business subject and, with varying degrees of success, have incorporated a variety of experiential exercises in their business courses. Writing business plans, developing job descriptions and marketing strategies, analyzing business data, designing and tracking performance of investment portfolios, and other activities have helped enhance learning (e.g., Cheney, 2001; Paul & Mukhopadhyay, 2005).

It is more challenging to develop practical assignments for international business courses. The key challenge in international business is collaboration across distances – geographic, cultural, and institutional – which is not easy to model in the classroom. Even if international students comprise a substantial portion of the class, they tend to be acculturated to some degree, speak the local language, and be familiar with the local culture. This removes many of the real-life challenges of cross-border collaboration. Returning to our original analogy, relying on international students in cross-cultural education is akin to learning how to swim in a bathtub, not in a swimming pool.

Modeling a realistic global environment requires a degree of cultural and, most importantly, geographic separation of the project participants. Given the prohibitive cost of experiential learning options involving travel, web-based collaboration looms as the only option for educators seeking to provide a global experience for their students.

Until recently, most schools could not provide the administrative resources and collaboration tools for international interaction experiences. Fortunately, recent developments in communication and virtual collaboration technologies have made it possible, albeit still not easy, to incorporate international collaboration exercises into international business courses – and research into the effectiveness of web-based international collaboration experiences is very encouraging (Alon, 2003; Alon & Cannon, 2000; Clark & Gibb, 2006).

A number of simulations, games, and collaborative projects have been developed to enhance learning in international business. Table 1 provides a comparative analysis of some of the initiatives in this area. This paper provides an overview of the latest addition to the family of experiential learning activities: the X-Culture project.

The X-Culture Project

The X-Culture project is one of the first attempts to enhance learning in international business courses by giving business students an opportunity to experience the challenges and learn best practices of international collaboration by working with their international counterparts. The main idea behind the X-Culture project is simple: students enrolled in international business courses at universities around the world work together in global virtual teams on a project for about two months. While the participants are students, the international collaboration challenges they encounter are similar to those experienced by

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employees of multinational companies, and so facilitate the acquisition of cross-cultural management skills that, as noted by Mintzberg and Gosling (2002), can best be built through experience and experiential exercises.

Communication and coordination among the X-Culture participants is conducted using free online collaboration tools, such as email, Skype, Google+, Facebook, Dropbox, and Doodle – the same ones commonly used by employees of multinational companies. Participation in the project is free, and other requirements are that the project is a good match for the course, the students have access to the Internet, and the instructor is willing to invest the extra time and effort required by a project of this scale. English is the working language, and a basic ability to communicate in English is required. To ensure everyone is sufficiently prepared, students and instructors complete an online training module and take a readiness test before they start working on the project.

“*The X-Culture project was launched in 2010 and has been repeated every semester since then.*”

The X-Culture project was launched in 2010 and has been repeated every semester since then. To recruit participants, the project coordinator sends calls for participants via the Academy of International Business and the International Management Division of the Academy of Management mailing lists several months prior to the start of a new season. This recruitment method has proved very effective, generating dozens of responses from around the world. As Academy of International Business and Academy of Management membership is limited in some countries, additional recruitment of participants is conducted through local academic communities and personal connections in under-represented regions.

To date, over 4,000 students have participated in the X-Culture project. About 450 students from seven countries participated in the first season of X-Culture. The project has grown since then, reaching over 1,650 students from 47 universities at 32 countries on six continents in the first session of 2012. About 30 percent of participants are in MBA and other Master's programs, while the rest are undergraduates, mostly in their third or fourth year.

The Task

Students are randomly assigned to global virtual teams of about seven, typically with each team member being from a different country. The teams develop a business plan for “the next big idea” for a multinational company of the team's choice. The team reports must provide recommendations and a rationale for the location of the business, target mar-

ket and market entry mode, staffing policies, financing options, product/service marketing, and other strategic decisions.

The task was originally designed to match the content of a typical international business course, and the structure of the team reports closely follows that of a typical international business textbook. However, while the team reports must address a set of very specific questions, the wide range of issues covered in the business proposals allows instructors teaching international marketing, cross-cultural management, cross-cultural communication, and general business disciplines to participate in the X-Culture project.

The Challenges

Although international collaboration exercises have the potential to enhance international business curriculum and improve learning, they pose a number of challenges. While feedback from the X-Culture participants has been overwhelmingly positive, challenges are an inherent part of large-scale international collaboration projects. Students, and even instructors, often report being lost, frustrated, and even angry about the difficulties of communicating and coordinating, and finding a common ground with their teammates. Most challenges arise from cultural, language, time zone, and work style differences among the team members, and the limited media richness of online communication tools available to participants.

Schedule Differences

A major challenge is rooted in differing academic calendars across countries, as well as differing structures of the academic year. Ideally, the students would interact for an entire semester, but the differences in academic schedules across the participating universities make this impossible. Depending on the list of participants in a given semester, the active collaboration window normally lasts from seven to nine weeks.

A lesson learned is that the project start and end dates must be identical in all countries, even if it means a shorter collaboration window. Even slight inconsistencies in deadlines lead to conflicts. The problems caused by varying schedules outweigh the benefits of the extra time available for team members to complete the project. As a result, for some schools the project starts several weeks into the semester and lasts until the semester ends, while for others, the project may start early in the semester and be completed several weeks before the semester ends.

To compensate for differences in project start and end dates, instructors where the project starts later into the semester emphasize the pre-project preparation phase, while instructors where the project ends early focus more on post-project presentations and analysis. Fur-

thermore, to accommodate academic calendar inconsistencies in different regions, starting from early 2012 the X-Culture project is split into “early” and “late” tracks. Although this increases the need for administrative resources, it permits better alignment of the project across different academic schedules and therefore allows for participation of universities from countries where the respective term starts unusually early or late.

Student Performance Evaluation

Ideally, all students participating in X-Culture experience should be evaluated based on the same criteria. However, differences in instructors’ teaching styles and school policies leave no choice but to give individual instructors some flexibility with respect to student evaluation. As a result, the weight of the X-Culture project in the total course grade and the relative weight of the different project components in the project grade may vary for different members of a team. Minor differences appear to go largely unnoticed, but larger differences in student evaluation approaches lead to asymmetries in student motivation and commitment, which may increase team conflicts.

Typically, the X-Culture project accounts for 20 to 30 percent of the course grade. Although designed to be primarily an exercise in cross-cultural collaboration rather than a test, rich data are available regarding student performance, including results of the pre-project training test, ability of the students and teams to meet deadlines, multi-dimensional evaluations of team reports, and intermediary and post-project peer evaluations. Additionally, all team reports are checked for plagiarism and the “similarity” statistics are added to the report quality records.

Furthermore, crowdsourcing (i.e., mass-scale collaboration by seeking input from the crowd to complete a task) has been successfully utilized in the X-Culture project, particularly when evaluating team reports. Additionally, all students participating in the project are asked to rate a random sample of 50 business ideas presented by other teams. Although only about 35 percent of the students volunteer, this process resulted in over 50 independent ratings of each business idea. The ability of students to accurately assess novelty and economic feasibility of a business proposal may be limited, but the variety of backgrounds and experiences and the sheer number of the raters provides a valuable additional measure of the business idea and a good estimate of the consumer response.

Enrollment and Participation Challenges

With almost 2,000 students participating in the X-Culture project every given semester, it is inevitable that some students will drop the course, enroll late, or not invest any significant effort into the project. Unfortunately, the problem of absenteeism in the team-based environment is greatly exacerbated as a “missing” student may spoil the experience for the entire team. The problem is not unique to international collabora-

tion exercises and certainly also appears in traditional course projects. This is more challenging in a multi-country context because resolving problems of absenteeism takes significantly longer given multiple degrees of separation between students and instructors in different countries and the communication delays caused by time zone differences. Our experience shows that a screening based on the results of the pre-project training test significantly reduces absenteeism. Also, it helps to make the team sizes larger so that a loss of one or even two students leaves the teams large and diverse enough to complete the project.

In summary, running a multi-country international collaboration exercise project is a complex task. The instructors and students should expect to invest at least twice as much time in a term project that involves international collaboration as they would on a regular term project. However, the added communication and coordination challenges make international collaboration exercises valuable. The difficulties students experience due to differences in cultures and work styles, geographic dispersion, delayed response, limited richness of online communication channels, as well as asymmetries in skills and motivation are a good preview of the challenges in a real global workplace. International collaboration projects present a unique opportunity to learn, in a low-risk academic environment, how to handle the challenges before facing them in the real workplace.

Research

Although the primary purpose of the X-Culture project is to enhance learning in international business courses, large-scale international collaboration exercises provide an excellent research platform. The data collection efforts (approved by the Institutional Review Board) yield unique longitudinal, multi-source, multi-level data. First, the data are collated using online surveys to assess student readiness following the pre-project training. Second, pre- and post-project surveys are used to collect information about student backgrounds and to measure their attitudes and values, skills, expectations, and prior international experiences. Third, two surveys administered during the project together with post-project peer evaluations help monitor participation rate, workload distribution and other team processes. Fourth, electronic submission and survey records provide information about the ability of the students to meet individual and team deadlines. Fifth, multi-dimensional evaluations of team reports by instructors and student peers provide an additional layer of information about team performance and outcomes. Additionally, instructors are surveyed before and after the project and provide information about their background, expectations, and experiences. Finally, country-level indicators from external data sources are used to operationalize geographic, cultural, economic, and political differences represented in a given team.

The data are uniquely suitable for studying processes and performance in global virtual teams. However, it could also be used to explore a wide range of issues beyond teams and virtual collaboration. Furthermore,

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the task can be easily modified to incorporate additional experiments or surveys without compromising the educational utility of the project. It is important, however, to avoid survey overload of the project participants. Our experience shows that data collection works best when the research questions are directly related to course learning objectives so that the surveys incorporated in the project do not compromise the project design, but provide useful information and further enhance student learning.

Student Feedback and Learning Outcomes

Preliminary tests have been conducted to evaluate the effects of the X-Culture project on student satisfaction and learning, and the results are very encouraging. Based on the comments in course evaluations and hundreds of emails received at the end of each season, the feedback from students is very positive. Students find the project to be a “great educational experience,” “eye opener,” a “unique opportunity from both academic and personal perspectives” that allowed them to “learn a lot” and “get better prepared for a career in global business.” At the same time, in every season at least a few students feel that participation in the project is excessively demanding and often frustrating. Some students find it unfair that their project grade depends on the performance of team members dispersed around the world who often do not share the same level of motivation and academic readiness. Also, some students voice concerns about communication problems caused by time zone differences, poor English and technical skills of their international teammates, and coordination challenges. However, after completion of the task, most students recognize that overcoming these challenges is what makes the project a valuable experience. Over 90 percent of the students expressed that the X-Culture project was a valuable addition and recommend keeping it as an integral part of the course.

A comparative analysis of student course evaluations shows a strong positive effect of the use of international collaboration projects on student satisfaction and perception of course effectiveness. Several instructors taught multiple sections of the same international business courses but used the X-Culture project only in some of them. A comparison of course evaluations in the treatment (X-Culture) and control (alternative team based project) course sections shows significantly improved course ratings in the treatment group across every single course evaluation dimension, with the greatest differences observed in dimensions that focused on usefulness and practical utility of the course. The effect was consistently observed for undergraduate, MBA, and Executive MBA students, as well as across different countries.

Also, assessment of pre- and post-project cultural intelligence using the scale developed by Ang and colleagues (2007) shows a significant im-

provement, and the effect is consistent across the student’s academic program levels (undergraduate and Master’s) and countries of study. Furthermore, consistent with the inter-group contact hypothesis (Allport, 1954), the data show a drop in the perceptions of inter-cultural differences and prejudices over the course of the project: having worked with foreign students for two months, students see themselves as less different from one another after completing the project than they believed prior to the project start. Interestingly, the drop in perceived differences is observed for both the cultures that represented on the team and for cultures that were not. Therefore, international experience may not only encourage students to view cultures they interacted with as less different from their own but also may help them see more commonalities among people of different cultures in general. It is precisely this type of cultural learning (i.e., the appreciation of cultural differences) which makes X-Culture different from other successful international learning models, such as GEO (Thavikulwat, 2012), the Global Marketing Management System Online (Janavaras, 2012), or the Global Business Game (Wolfe, 2003).

“The X-Culture project is a work in progress. Ways to further improve and develop the project are discovered every semester.”

Plans for the Future

The X-Culture project is a work in progress. Ways to further improve and develop the project are discovered every semester. Notably, many of the suggestions come from the involved students. Our plans for the immediate future include partnerships with multinational companies. Knowing that the business proposals would be reviewed, and possibly implemented, by the multinational companies would likely make the experience more realistic for the students. In return, companies would gain access to valuable ideas of thousands of business students from around the world, gain access to instructors’ knowledge and consulting expertise, and work closer with local colleges and universities. Rigorous monitoring of student performance over the course of the project makes the X-Culture project a perfect job sample or a term-long job interview. We would not be surprised if partner companies were interested in offering internships or permanent jobs to the members of the best student teams.

Although the X-Culture project was designed to enhance learning in international business courses, large-scale multi-country collaboration projects can be successfully used in other business courses and corporate training. International collaboration exercises have been shown to enhance learning in a wide range of disciplines by extending the physical borders of the classroom (Larruson & Alterman, 2009). Wiki-projects,

as they are often called, not only allow for broader sharing of knowledge and drawing on a larger pool of ideas but also increase students' confidence and ability to be more productive in the ever globalizing world (Ertmer et al., 2011). At this time, the X-Culture project is limited to international business education. However, our team has been approached by instructors teaching industrial organizational psychology, entrepreneurship, marketing, human resources/organizational behavior, and even civil engineering courses. As such, we are considering expanding into other, related and un-related disciplines and are also considering expanding the working language options beyond English.

Finally, with respect to research, in the collaborative sprint of the X-Culture project, we are exploring the possibility of making our database available to all researchers interested in collaborating with our team. Crowdsourcing has been remarkably fruitful in fields ranging from news reporting, to geological exploration and mining, to the highly successful Wikipedia project (Tapscott & Williams, 2008). Our hope is that sharing our data will invite a greater variety of ideas, perspectives, and skills and ultimately lead to a wider dispersion of the unique research findings stemming from the X-Culture project.

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Table 1: Comparison of Experiential Learning Projects and Games Reviewed in AIB Insights

	GMMSO ¹	GEO ²	Globalview ³	Global Business Game ⁴	X-Culture
Setting	Individuals or teams of students from the same class	Teams of students from the same class	Teams of students from the same class	Teams of students from the same class	Global virtual teams
Task	Develop a business plan	Online software simulation of global trade between nations via decisions made by students	Online system with specific steps to complete activities related to analyzing a company and creating an international marketing plan	Web-based business simulation where students market and sell their products in a number of countries.	Develop a business plan for a global company
Tools	Specially developed online collaboration platform	Online simulation	Online system	Online simulation	Publically available on-line collaboration tools such as email, Skype, Dropbox, Google Docs, social media
Duration					7-9 weeks
Cost	\$39.95 per student	Free	Variable Price	Variable Price	Free
Advantages	Guided learning in business plan development Easy progress monitoring and mentoring by instructors	Competitive spirit Simulates trading environment	Focus of the project is for a real business and students are judged by real world constraints via feedback from company as well as graded by instructor.	Integrative: it allow students to manage all areas of an international firm.	Interaction with foreign students
Outcomes	Students learn the steps to creating an international marketing plan.	Students learn the supply and demand issues associated with global trade	Students learn how to analyze information and create a marketing plan using internet based data. WebCT is used to allow communication between teams and instructors	Students learn about functions of an international company ,including manufacturing, marketing, logistics and finance.	Improved course ratings Improved cultural intelligence Reduced perception of inter-group differences and prejudice Networking opportunity

For details see: 1 Janavaras (2012); 2 Thavikulwat (2012); 3 Alon and Cannon (2000); 4 Wolfe (2002).

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Three Multicultural Marketing Directors Walk Into a Bar: And Why It Was No Laughing Matter¹

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THREE MULTICULTURAL MARKETING directors walk into a bar. Sounds like the premise of a decent joke, but it's actually the trigger for a heated discussion about who really has the right to hold the multicultural marketing director title and why. And technically it was only two MMD's. The third was an unemployed senior-level marketer, looking for a multicultural marketing position, and getting nowhere fast.

I won't name names. I will only describe the players. The unemployed marketer, was a self-defined Chicano, a Mexican-American from the mid-West, the child of migrant farm workers and physically similar to Cesar Chavez in skin tone and features. Why is this physical characterization important? Bear with me. It is included with specific intent.

The first of our two MMD's was raised in Mexico City. Although I'm fairly certain he was not born there, he lived in Mexico for decades and was an alum of the prestigious American School. He is likely the son of non-Latino Americans and, therefore, in spite of his years South of the Border, is technically speaking, non-Hispanic white.

The second MMD is African-American. Not Black Hispanic. African-American. However, at an early age, he began speaking Spanish and subsequently pursued job opportunities that would enable him to live in Latin America and leverage his love for the language and the culture. Too look at him and to hear him speak Spanish, one would easily jump to the conclusion that he was a Black Hispanic, possibly of Dominican, Panamanian or Cuban descent, rather than an African-American with no known family or blood ties to Hispanic heritage.

What started as veritable pissing match about who spoke better Spanish, quickly devolved into a heated argument about Corporate America's hiring practices for multicultural marketing directors. The spark was lit by the unemployed marketer who voiced his anger at Corporate America for favoring African-Americans to fill the multicultural marketing slots at their organizations. This was followed by a similar accusation about the hiring of Hispanic MMD's, with the complaint being that when Hispanics were hired in these positions, they were almost always racially white Hispanics or white non-Hispanics with some cultural and linguistic skill-set. Asians were left out of the discussion altogether.

In short, the unemployed marketer was basically telling his colleagues that they fit the racial profiles of Corporate American preference for this position -- a black executive and a white executive. Neither of the two MMD's disputed his assessment. It seemed to be an agreed upon insight. And perhaps I wouldn't be writing this blog if it had been left at that. But the frustrated unemployed marketer went on to suggest that neither of his two colleagues should have agreed to take positions that

required Hispanic marketing involvement and that they were part of the problem. Needless to say, neither MMD took kindly to this shift from being critical of Corporate America to being critical of them as professionals and frankly, simply as people.

Certainly no one person is so diverse in and of themselves that they can represent each one of the cultural segments that their MMD job title might suggest they embrace. With interracial marriages and births on the rise, however, the day will most certainly come when a candidate will have been raised by a Hispanic-Asian mother and a Black-Jewish father, for example, making them one-quarter of each racial or cultural group. Even so, this candidate could still not lay claim to the title of "Perfect Multicultural Marketer 2010." There is, of course, no such thing. Which got me to thinking. What qualities would make for a close-to-perfect multicultural marketing director? Is it one's ethnic or racial background? Is it one's education or extra curricular activities? Is it someone single or married or someone with an urban or suburban lifestyle?

Short of being Pollyanna-ish, I think it starts with something no one can see or read on a resume. I believe it's all about what's in someone's heart.

In my mind the close-to-perfect multicultural marketer might be described as follows:

- A marketer first and foremost, but not just any marketer.
- They can be of any race, religion, gender, sexual orientation or ethnic heritage. That said, however, they need to have immersed themselves personally, professionally and even academically, in the area of cultural insights and the role of culture as relates to marketing and communications.
- While we all use our personal life experiences as a backdrop for our understanding of what goes on around us, a successful multicultural marketer will not rely on personal stories and experiences as the filter through which all consumer behavior is evaluated and even less so for how marketing decisions are made.
- They must know how to engage specialists who do have true depth of knowledge with those consumer segments of most importance to their brand's bottom lines. Once engaged, they must give those specialists the room, respect and resources to do their jobs and bring their specific insights to the table.
- They should, however, never relinquish their responsibilities as multicultural marketers by "trusting" any one specialist blindly simply

because they may be of a certain culture or background. Of course, to some degree, when it comes to cultural understandings, trust becomes a necessity. Encountering cultural norms or nuances that have to be experienced - nuances that simply can't be described in words or explained in dry, rational ways - is part of an MMD's daily reality. However, "blind trust" is a form of abandoning one's professional responsibilities. An MMD should question, probe and do their best to find analogies or other such tools that assist with their understanding of any piece of information or hypothesis they find questionable or do not understand. "Trust me, I'm _____" is simply not enough.

- Finally, a Multicultural Marketing Director should be ready to get vocal or even quit if they don't have the support of the CEO, the CMO and the CFO (and not just when it comes to budgeting for Diversity Days or dinners celebrating "fill-in-the-blank" History month).

Too many multicultural marketing directors that I know are angry and frustrated and are all too clear that the companies that they are working for hired them under false pretenses. (Or perhaps it was just wishful thinking on their part that allowed them to miss all the warning signs.) They are all too clear that they have a title without teeth, and that the kind of impact they want to make only comes with real resources being allocated to prioritized programs that are measurable and for which they want to be and should be held accountable. Truth be told, there is many a multicultural marketing director out there who is tired of hearing about what great "potential" and how much "opportunity" their

departments hold. They would prefer to be a priority. Potential and opportunity get discussed. Priorities get done.

So the next time three multicultural marketing directors walk into a bar, I truly hope it will be to toast their change-agent roles as relates to the transformation of a company's culture, regardless of what their own culture may be. The success stories are out there. The MMD's that have their leadership's ear and their wallet, and for all the right reasons. The MMD's that work on priorities not just projects. Regardless of what you may look like outside and specifically because of everything that is driving you inside, here's to you.

Endnotes

- 1 Reprinted with permission from author; originally published in *Advertising Age* (2010). The Editor wishes to thank Jean Boddewyn for pointing out this article for inclusion in *AIB Insights*.

Rochelle Newman-Carrasco (rnewman-carrasco@waltonisaacson.com) joined Walton/Isaacson to lead the agency's Hispanic-marketing division, in charge with bolstering the agency's Hispanic-marketing practice across all client accounts as well as acquiring new business within the Hispanic category. Ms. Newman-Carrasco founded Enlace Communications, a marketing-communications agency targeting the Hispanic market. She also led efforts on the P&G business as president of Grey Advertising's Hispanic division.

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