

The Need of Cultural Intelligence in Managers

Problems of
Communication
with Expats



Employees working internationally or working with an international team have dramatically increased in the last decades as a result of globalization and international operations of companies. Although the world seems to be becoming smaller, due to the increased use of the internet to interconnect regions, there is still a clear difference in cultures and, in turn, communication methods.



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When one specifically observes Germans versus Americans in the workplace, many asymmetries can be seen in communication expectations. Misunderstandings can quickly penetrate a functional working relationship when cultural differences are not adequately addressed. Because of this fact, corporations must ensure that managers in particular are culturally aware and strive to reduce potential communication issues by efficiently adapting. To increase the cohesion within an international organization, managers especially need to be aware of these cultural differences and use this knowledge to establish an environment of acceptance. When this is achieved, communication breakdown is reduced, and in turn, a more productive workplace is created. In the past, corporations have promoted entry level employees to manager positions based heavily on their hard skills set. As the world changes and new generations are entering the workforce, it has become apparent that soft skills are equally, if not more, important in promotion decision making.

Which soft skills are critical for managers when working in an international environment? We have focused on one major ability, cultural intelligence (CQ). As with most concepts, CQ can be described on a basic level and also in a context related to the workplace. Fundamentally, it can be described as “a person’s capability to adapt as he or she interacts with others from different cultural regions” (Johnson et al. 2006, 535). CQ consists of three concepts: cognitive, motivational, and behavioral – which can be further divided into specific components. This is illustrated in Figure 1 (p. 33). Each component can be perceived by key phrases.

Being Aware of One’s Self as well as Others

Cognitive notions include being knowledgeable of different cultures. Naturally, one cannot know about all cultures, which leads to motivation. Someone with CQ has the desire to be aware of one’s self, as well as others. Setting a goal of trying to understand and accept different cultures is an essential element. Behaviors and skills are the outward efforts shown when dealing with other cultures (Paiuc 2021). This could include the physical acceptance of another’s culture. For example, participating in the routines and rituals of another culture in a respectful way. In fact, one cannot be culturally intelligent in daily life without possessing all three of these qualities.

While applying these underlying concepts, one can assess CQ in relation to the corporate world. Ang and Van Dyne compiled the conceptual backgrounds of this into a book called “Handbook of Cultural Intelligence: Theory, Measurement, and Applications” and described CQ in the business setting as an individual’s capability to function effectively in situations that are characterized by cultural diversity with relevance not only to individuals but also to organizations (Ang / Van Dyne 2015). Being capable of understanding the foundations of cultural intelligence is critical for someone to apply it in the workplace. Productivity and overall function of a department and business as a whole can be influenced by how members of different cultures are treated. Due to the ever-increasing cooperation between countries and cultures in the world, this concept has become a tremendous asset for an employ-

ee or manager to bear. Being culturally intelligent is something that must be continually addressed, and effort must be given to improve. It is often described as an infinite journey one must take with the increasingly globalizing world (Paiuc 2021).

Communication breakdown is not a soft skill but an event that can occur due to not nurturing soft skills, like CQ. Communication breakdown is a key term also used throughout this article and needs to be explained in the following paragraphs. A simple definition of the term is, “a failure to exchange information, resulting in a lack of communication” (Rodgers 2018, 1). This effect can occur in personal communication and is likewise very typical in the workplace.

In a survey, 86 percent of participants stated that they had experienced communication breakdown at work (Chang 2021). As Chang describes it, communication breakdown can occur because of three factors: missing frameworks, lack of self-awareness, and lack of empathy. Missing frameworks relate to the building blocks used to communicate. When individuals are communicating, it is natural that the styles of communication will differ in some way, and this can often lead to misunderstanding and breakdown when not addressed. Lack of self-awareness chronicles the outward effect someone is showing when trying to communicate. For example, a manager becoming angry with their employee because they are upset about something that is happening in their personal life. When one cannot compartmentalize their emotions and be self-aware, this can also lead to communication issues. Additionally, this framework could relate to verbal and non-verbal reactions



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during the communication process. Finally, lack of empathy can create obstacles in workplace relationships and in turn, communication. Lacking empathy within the work setting means that one cannot relate to the emotions or issues another is having and also not considering the consequences that come with this in relation to work productivity and trust. Creating relationships between managers and employees that champion healthy and thorough communication can create positive effects starting within the immediate team and reaching across the business.

Statistics of German and American Corporations and Workforce

Germany is listed as number four in the world for the number of American expats, making up of 4.6 percent of the total Americans abroad (Dorger 2020). Based on data collected from “Statistisches Bundesamt” (2020), the United States receives about 4 percent of total expats from Germany and is one of the three key countries Germans move to. As cooperation between the United States and Germany continues to grow, it can be assumed these numbers will increase. Outside of that, with the use of the internet, the number of employees having contact with the other respective country will continue to increase because of German companies like Robert Bosch,

BMW, and Siemens who are also all found in the USA. Additionally, American companies that are established in Germany like Amazon and more recently Tesla will also increase the contact between the countries. It is important to note that these examples are just a few of the many companies functioning in the United States and Germany, countless others will add to the impact. These facts and numbers show a significant need of companies employing managers that possess CQ to be able to adapt to cultural differences. Without securing managers with these skills, organizations will likely suffer due to employees showing dissatisfaction. This has been shown to affect work productivity, distrust in managers, and overall success of the company.

German and American Work Culture

Those that do not have experience with both countries immediately point out the obvious communication differences among the two cultures: the languages. Interestingly, German and English are rooted in the same ancestor language, Proto-Germanic. Even though both languages are derived from the same root language, only 26 percent of English vocabulary is Germanic (Enux Education 2022). Admittedly, this of course has an effect on the topic, however issues can still arise when speaking the same language, whether it be German or English.

The second most pointed out difference is that Germans are more direct, and Americans tend to be more passive. When one participates in a cultural training when moving from Germany to the USA or visa-versa, this topic is often at the top of the list. Germans do not mind explaining to someone that there is a problem in a restaurant, on the street, or even at work. Americans tend to passively handle these same situations with a layer of hesitation and often do not directly point out the issue. In many cases, Americans and other cultures view Germans as blunt and negligent of one’s feelings and emotions. Conversely, Germans deem Americans as fake and often naïve because of not being able to handle confrontation or simple criticisms.

When observing this effect in the workplace, the differences sometimes seem even stronger. Patrick Schmidt once gave a speech at a university in Germany describing the communication differences between Germans and Americans and characterized the business side as “The basic objective of German communication is to get at the truth (Wahrheits-suche). Americans, on the other hand, accentuate the personal as well as the business agenda; they unconsciously want to be liked and socially accepted” (Schmidt 2002, 4). An example of this difference can be seen in the workplace when Germans easily and without much thought say “no” to an idea or question without a follow up to make it seem lighter. When Americans encounter this, they consider it rude. On the other side of this, it is harder to express the criticality of a deadline in an American workplace because people are hesitant to present themselves as aggressive. It is often said that Americans are driven more by what others

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think of them, whereas Germans are guided by inner values (Schmidt 2002). Although honesty is valued in both the United States and Germany, it certainly is more vaguely used in the United States. In essence, this forms the hard line between handling situations with a direct or passive attitude.

Formality is also a very impactful communication difference between the two countries discussed. Although the first highlighted example is rooted in the language difference, it would be very important for someone coming to Germany and speaking the language to be aware of it. The German language differentiates “you” into formal and informal meanings (Sie and du). “Sie” is used for someone that is not known on a personal level: a stranger, someone at the grocery store, and even colleagues and managers. Many times, colleagues will work together for decades and continue to address each other with this, although many people view this as old fashioned. In contrast, “du” is used in the informal form and would be assigned to a friend or family member, certain colleagues, and children. Distinguishing between “Sie” and “du” is often based on hierarchy – who is more senior in age or in the workplace. When someone applies the word “du” and does not ask to use it in a new situation, the majority of people would be offended and find it disrespectful. This is why it is very crucial for Americans to notice when working with someone in Germany and speaking the language. Although there cannot be a direct translation into English, it can be assumed that “du” would be used in almost all situations in a workplace in the United States because the formality is grossly reduced when compared to Germany. It should be pointed out that many German firms are

now setting rules to say their company is a “du” company and this shows that this formality is also decreasing in Germany.

Finally, Germans tend to view a “we society”, with more social markets and welfare to care for all individuals. Avoiding uncertainty is also customary for the German people and this can lead to less advancements within the workplace because this can be seen as too high of a risk to take. Coupling this need for group work and risk avoidance, the workplace communication is often very different from what is seen in the United States (Karpuschkin 2015). An American working with Germans may be frustrated by the lack of enthusiasm and visa-versa may be true with Germans seeing Americans as taking too much risk to gain something.

Insight into Differences for Working Professionals

For a practical, current view of these cultural differences, we used expert interviews to understand their insights into these differences between Germans and Americans. Eight professionals working in the USA and Germany were interviewed and recorded using Microsoft Teams. A questionnaire containing 16 questions, broken into five parts was asked to each participant. Transcripts from these interviews were used to analyze and provide data to find recommendations for corporations and managers. Details on the participants can be seen in Figure 2. Only Americans and Germans were interviewed to ensure the focus of the interviews stayed between the two retrospective countries.

After conducting the interviews, analysis provided interesting understandings of what

the current workforce perceives as most important topics and attributes to avoid communication breakdown. Figure 3 (p. 35) shows the most used words from the participants during the interviews.

Communication Perception

Findings for the German and American participants generally aligned when discussing what they found as sufficient communication. The general perception included being clear, honest, open, and also showing the art of listening while communicating. When applying these ideas to the corporate world, it can be deduced that all employees and managers should be skilled in communication. This is the baseline for what prevents communication breakdown from occurring because of the fact that communication is a two-way process. Nonetheless, creating an environment where communication is executed in a healthy way is important for each individual to pursue.

Interesting results that were similar between American and German participants of the study were the explanations of what a person with good communication looked like. For instance, both groups of participants described someone who can manage a conversation well, be aware of how they come across, maintain their emotions, adapt to different perceptions, and also be clear and concise with what they want to communicate. Being aware of these different descriptions is critical for the workplace setting, especially for managers. It was understood that many of the participants believed these skills are not something that could simply be taught which is where the idea of hiring managers who already possess these skills comes into play.

Cognitively, it would be critical for a manager to be aware of the differences of communication methods while also being motivated to want to adapt to the person opposite of them. Behaviorally, a manager could show this competence with adjusting to the communication method of even simply showing an understanding of the differences.

Based on the ideas stated from the participants, many have dealt with managers who were chosen based purely on their technical skills. This certainly seems to be the conventional way that people have been promoted and hired into manager roles in the past, however, based on the findings, it could be time for corporations and organizations to challenge this idea and look for those who can already apply these competences.

A diversion began to be seen when speaking about acting directly or passively when communicating. German interviewees answered immediately with their preference for directness. While the Americans ended their statement by saying that they are partial to directness, many described situations where it would differ depending on who they were dealing with. These answers supported the original question and problem of the article showing the differences of communication methods between Americans and Germans. On the one hand, the end result is the same between the two groups. On the other hand, the process taken to get to the outcome varied and this presented the need for a leader, as well as employees to be culturally intelligent and capable of detecting these differences when in an international setting. Applying the three components of cultural intelligence, one can understand how to deal with an employee who prefers direct or passive communication. Cognitively, it would be critical for a manager to be aware of the differences while also being motivated to want to adapt to the person opposite of them. Behaviorally, a manager could show this competence with adjusting to the communication method of even simply showing an understanding of the differences and

Factors of Cultural Intelligence

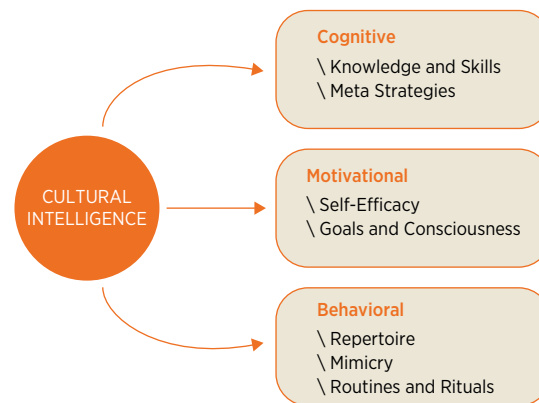


Fig. 1 | Source: Johnson et al. 2006, 536

Participants of Expert Interviews

Participant	Nationality	Gender	Age	Industry	Worked outside of home country?
1	American	♂	35-40	Manufacturing	Yes
2	German	♂	40-45	Manufacturing	Yes
3	German	♀	25-30	Medical Technology	No
4	American	♀	55-60	Financial Services	No
5	American	♂	25-30	Manufacturing	Yes
6	German	♂	30-35	Pharmaceutical	Yes
7	American	♀	20-25	Education	No
8	American	♀	35-40	Medical	Yes

Fig. 2 | Source: own illustration

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continuing to search for a middle ground of communicating. Subsequently, it is potentially meaningful for organizations to consider potentially minor concepts like this when selecting a manager for a position that includes employee management.

Communication at the Workplace

All of the participants stated they found it critically important for their direct manager to be competent communicators because they are the first point of contact for internal corporate communication and also are responsible for the well-being of their employees. Feeling supported, comfortable to share thoughts, and confident that they can handle issues with others were topics expressed from the interviewees.

It seemed more important that managers know the basics of communication and use this in combination with best practices of presenting internal corporate communication. This could produce the best situation for interfacing with their employees. To create an environment of healthy communication between managers and their employees, the managers could perhaps focus on improving their understanding of the four dimensions of communication. Starting with factual information, managers could ensure they are presenting all relevant information to the employees, be it internal communications or feedback for how they can improve their performance. Moving on to self-disclosure and appeal, managers should establish that their intentions are pure and have their employees' well-being in mind, while also clearly stating what the expected outcome of the conversation is.

When asking participants to discuss what they believe was the issue when communication was bad with a manager, some reported cultural differences, while others pointed out emotions ruling the conversation and also a lack of respect. It could be recommended that managers stay in control of their emotions when discussing more intense topics with their employees. Having empathy to understand how they react can affect the employees' perception and feelings could also apply. In relation to this, managers should consider the level of negative emotion appearing in their subordinates and strive to control the situation to reduce this from occurring. When both parties are not under the influence of their emotions, the communication and conversation can be more productive. Additionally, it seems crucial that managers remain clear with their expectations so that miscommunication does not occur and cause issues at a later time.

Communication within Different Cultures

When asking the participants how they handle working with someone outside of their culture, concepts like being open and welcoming, making small talk to build relationships, and staying flexible and understanding were mentioned. These findings highlight the need for managers with CQ. It shows that not only employees but, more critically, managers need to understand different cultures and be able to adjust to those contrasts to prevent communication breakdown. While in this specific case, cultural intelligence does not seem to present a major effect on the outcome of communication between managers and employees, it

could be critical when very various cultures interact and work together. Once more, the concept of general respect was shown through the answers of both groups of participants and could represent the core competence needed in managers, whether they are in an international corporation or not.

For the interviewees that had experience working in the respective different countries (i.e., an American working in Germany and vice versa), contemplation was requested in relation to the adjustments they needed to make to conform to the cultural communication norms in that country. The conversation here turned again to the differences between Americans and Germans and their preference for direct or passive communication. Americans suggested that they needed to become more direct, and Germans stated they needed to be less direct and learn to deal with the constant positive feedback. In cases like this, it would be important for the managers of these employees to think about the cultural differences and try to adjust to the employee to help them understand what is expected and the norms of the workplace.

Recommendations and Conclusion

A strong recommendation to focus on managers with cultural intelligence can be advised for organizations that are international or plan to enter the international market. Remaining open, respectful, and willing to adjust to the counterpart were ideas that were suggested and considered throughout the interviews. This is because, even when cultures are more similar than different, like in the case of the United States and Germany, one must know how

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to communicate effectively with their subordinates. The prevention of communication breakdown should be a strong focus of corporations and the findings show that cultural differences play into this significantly. In addition to this, being culturally intelligent, being able to adjust to different cultures, and also developing skills of intercultural communication are items that could be focused on by organizations and corporations. ●

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Keywords of Expert Interviews

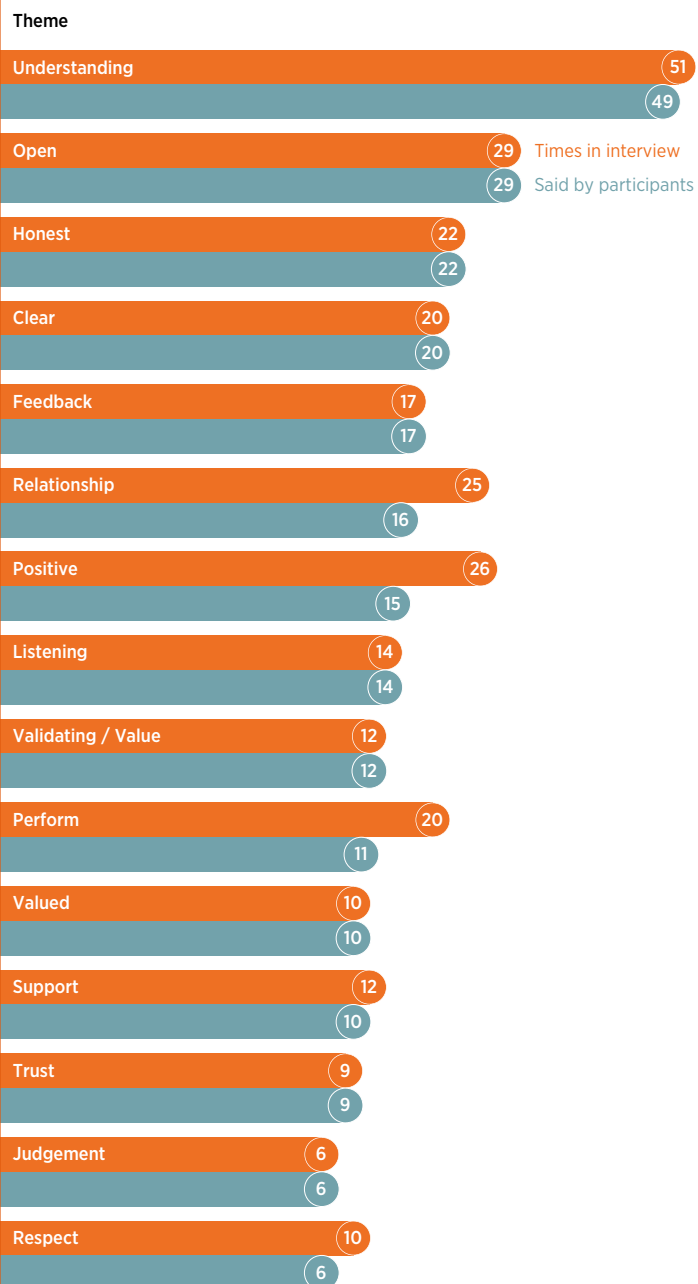


Fig. 3 | Source: own illustration