Refreshing the Cultural Paradigm

Sharing Stories,
Theories and Next Practices
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Editor’s Foreword

The 20th SIETAR Europa Congress “Refreshing the Cultural Paradigm – Sharing Stories, Theories and Next Practices” was held in Valencia in May 2015 in cooperation with the University of Valencia.

This publication includes the congress papers and posters of the academic track. Over 330 delegates attended the congress and many countries represented, with people coming from all parts of Europe, North America, South America, Asia and Australia. There were more than 90 presentations, workshops, panel discussions and artistic contributions in the practitioner program during the three-day congress. Furthermore, the congress programme was complemented by the traditional SIETAR Europa Film & Media Festival. It was the first time that a SIETAR Europa Congress included a track focusing on academic research development in the intercultural field.

The submission format for the academic track was an extended abstract submission. We received over 40 submissions, which followed a double-blind review process. 15 reviewers from over 10 countries were selected and assigned submissions according to their field of expertise to guarantee the quality of the presentations in Valencia.

Each section in this congress publication is devoted to one congress session of the academic track, namely: Organisational Context, Expatriation/Working Abroad, Cross-Cultural Competence, Education, Migration/Stereotypes and the Poster Session. The papers appear in the session order of the congress programme.

The academic committee was comprised of three committee members and 15 reviewers. When the decisions of the first two reviewers were not along the same line, agreement was reached by appointing a third person who contrasted all reviewers’ evaluations. Furthermore, the reviewers indicated whether the submission should be considered for the best paper award. The best paper award committee was comprised of three internationally well-known professors: Prof. Marie-Therese Claes/Louvain School of Management (Belgium), Dr. Daniel Dauber, University of Warwick (UK) and Prof. Fidel Leon Darder/University of Valencia (Spain).

We want to thank our wonderful reviewers, who are all named at the end of this publication, for their great support and work.

And now — enjoy the excellent variety of articles to refresh the cultural paradigm!
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Intercultural Competency and the Global CEO

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Abstract

Although there is growing recognition that Chief Executive Officers need international experience, little is known about which intercultural competencies are needed at the top. Most of the research in the field has been focused either further down the management chain, on expatriate managers, or outside the business world, on international students. Accessing CEOs and other business elites is considerably more challenging, which may explain the dearth of academic research at the top level of business.

This research aimed to fill that gap by exploring the strategic-level intercultural challenges faced by companies doing business internationally and by identifying the intercultural competencies needed by CEOs. The study included in-depth interviews with 28 global CEOs spanning 12 countries. The study found that intercultural competencies of CEOs have a potential impact in several key areas and identified five intercultural competencies that are important at the CEO level.

1. Introduction

In the increasingly global world of business, more and more companies of every size are doing business beyond their domestic borders. Unlike in the 20th Century, when international business was the realm of the mega-corporation and companies tended to progress slowly through identifiable stages of domestic to international to multinational to transnational (Adler & Bartholomew, 1992), today many companies are global from start-up (Gabrielsson & Manek Kirpalani, 2004; Kudina, Yip & Barkema, 2008), and a large percentage of companies operating outside their domestic markets are small and medium enterprises (Kalinic & Forza, 2012).

For smaller companies, the percentage of company resources focused on international markets means the stakes are higher. Even for the large, well-established multinationals, increased globalization and worldwide competition have added pressure to be as successful outside their domestic markets as they are at home. But companies both large and small still often encounter cultural barriers that result in lost contracts, failed joint ventures, disappointing performance, regulatory and legal difficulties, and other challenges.

Although there is a great deal of discussion in the literature regarding intercultural competence and its importance in business, most of the research focus has been at the tactical level, related to mid-level management, and particularly to expatriate adjustment. However, research in the field of international management indicates that companies are increasingly looking for international experience (which may be viewed as a proxy for intercultural competence) in Chief Executive Officer (CEO) candidates (Magnusson & Boggs, 2006), and that international experience of the CEO and top management team members has a positive impact on financial performance (Magnusson & Boggs, 2006; Daily, Certo & Dalton, 2000; Carpenter, Sanders & Gregerson, 2000, 2001).

Definitions of intercultural competence, and the available tools to measure intercultural competencies, have not focused specifically on the kind of competencies needed at the highest level in the company, which may be different to those needed lower in the organization.

Potentially applicable theoretical frameworks and research span multiple disciplines, including intercultural communication, international business leadership, management, psychology, organizational development and cross-cultural management. However, few studies in any of these fields actually examine the top level of management, leaving a gap in understanding which intercultural competencies are needed at the strategic level, where decision-making that determines the company’s success or failure in non-domestic markets takes place. Little is known about CEOs’ own perceptions regarding cultural challenges in their day-to-day jobs or about their own capabilities in dealing with them.

2. Research Aims

The purpose of this study, which builds upon findings of an earlier pilot study (Gibson, 2011), was to gain insights into the strategic-level intercultural challenges faced by companies doing business internationally, and identify the competencies needed by Chief Executive Officers, in order to help companies to overcome cultural barriers to achieve their strategic objectives.

The primary research questions for the study included:
3. Literature Review

This section reviews literature concerning several key areas of importance to this study, including the changing world of global business, theories and research in the field of intercultural competence, and research related to the intercultural competencies needed by CEOs.

3.1. Changing World of Global Business

Historically, only a small percentage of companies transacted business outside their domestic markets. Those that did tended to be very large organizations, major players already well-established and successful in their domestic markets. They progressed slowly through four identifiable phases in their international development, from domestic to international to multinational and finally transnational (Adler & Bartholomew, 1992).

In the past two decades, a new pattern has emerged, with more and more companies “Born Global,” moving rapidly from start-up to fully international (Kudina et al, 2008; Gabrielsson & Manek Kirpalani, 2004). Although the definition of the Born Global company varies somewhat, for the purposes of this study the term refers to companies which began operating outside their domestic market within three years of start-up. Today, more and more companies of every size and in virtually every country are now selling their products and services in multiple foreign markets, managing remote teams, forming strategic alliances, and outsourcing key operations, such as customer service and manufacturing, to partners around the world.

The needs and challenges of Born Globals are likely very different to the traditional 20th Century MNC (multinational corporations), and they may lack the resources to be able to afford making serious mistakes in foreign markets (Gabrielsson & Manek Kirpalani, 2004), making the stakes much higher. Even when things go relatively well, moving into new markets may place more strain on smaller companies than on larger ones that expanded far more gradually. Studying SMEs (small and medium enterprises), Kalinic and Forza (2012) found that establishing a production unit abroad resulted in consequences that lasted up to three years, with a need for continuous adaptations to stabilize the new situation, causing a period of stress for the company.

Indeed, some believe that the 20th Century model of gradual internationalization is no longer viable – regardless of size or age of the company -- due to shorter product life cycles and the emergence of global demand (Hashai & Almor, 2004). So as the 21st Century progresses, the needs of traditional MNCs may indeed shift to become more similar to those of Born Globals.

Already there is greater recognition that CEOs need more international experience than they have in the past. The Wall Street Journal reports that company boards are increasingly seeking CEO candidates with experience managing workforces in foreign countries (Light, 2011) in an attempt to acquire intercultural competency at the top.

A 2011 research report published by global consulting firm Booz & Company reports a steep rise in the percentage of CEOs hired from outside firms, which the authors attribute to, among other factors, the desire for global experience at the top (Favaro, Karlsson & Nelison, 2012).

A number of studies have concluded that CEO and top management team international experience has an impact on firm success in international spheres (Sambharya, 1996; Daily et al, 2000; Carpenter & Fredrickson, 2001; Reuber & Fischer, 1997; all cited in Magnusson & Boggs, 2006; and Hutzschenreuter & Horstkotte, 2012). Magnusson and Boggs (2006) concluded that international experience has become a crucial prerequisite to ascension to the CEO position, trumping education and functional expertise as the most important differentiator in CEO selection decisions.

However, the use of time spent abroad as a proxy for competence may indeed be misleading, as numerous studies with expatriates and sojourners have found that other traits, skills and variables affect the success of cross-cultural adjustment (Church, 1982; Caligiuri et al, 2000). Bennett (2007) contends that “cross-cultural contact alone is often useless for development of intercultural competence and it may even be destructive under certain circumstances” (p.1). It is therefore necessary to look beyond the broad concept of “international experience” and examine the more specific intercultural competencies needed at the CEO level.

3.2. Culture and Intercultural Competence

Before examining intercultural competence, it is necessary to briefly discuss the underlying concept of culture. Many scholars have attempted to define and simplify the complex concept of culture, without reaching agreement. For the purposes of this study, the author adopts Spencer-Oatey’s (2008) definition:
"Culture is a fuzzy set of basic assumptions and values, orientations to life, beliefs, policies, procedures and behavioural conventions that are shared by a group of people, and that influence (but do not determine) each member's behaviour and his/her interpretations of the 'meanings' of other people's behaviour" (p.3).

Of note in the definition is the term "shared by a group of people," because although culture is often assumed to be associated with nationality, individuals are influenced by the cultures of any number of other groups to which they belong. This layering of cultures, which may include regional, religious, gender, generational, and organizational, as well as others, means that taxonomic approaches (i.e., Hofstede, Schwartz, Hall, Trompenaars and Hampden-Turner) based on national geographic boundaries are likely inadequate for understanding cultural differences at the individual level (Spencer-Oatey & Franklin, 2009, p.46).

The study of intercultural competence spans a number of disciplines, including applied linguistics, communication, psychology, organizational behaviour, language, and international business and management. It is also referred to by a variety of other terms, among them: ‘intercultural communication competence’, ‘cross-cultural communication competence’, ‘multicultural competence’, and ‘intercultural interaction competence’. The field encompasses a wide range of theoretical approaches, many of which overlap. Terminology and definitions vary, with similar terms often having quite dissimilar meanings, making comparisons difficult. Much of the research is context-specific (for example, studies of sojourners, college students or expatriate managers).

Various scholars have attempted to bring order to the chaos by categorizing, comparing or finding consensus (Berardo, 2005; Spencer-Oatey & Franklin, 2009; Deardorff, 2004). There are some consistencies across many of the frameworks, in that they recognize that intercultural competence is multi-faceted, including affective (attitudes), behavioural (skills) and cognitive (knowledge or awareness) components (Spencer-Oatey & Franklin, 2009). But because what is perceived as competent varies by context, it is unlikely that any particular skill or ability makes one “universally competent” (Spitzberg & Changnon, 2009).

Indeed, it would be ludicrous to assume that the competencies needed by a CEO, whose global context includes managing a culturally diverse executive team, developing global business strategies and negotiating foreign joint ventures, would be the same as those needed by a university student studying abroad or an expatriate manager overseeing a call centre in Manila. Yet there seems to be an absence of research to determine applicability of the existing intercultural competency frameworks to the context of CEOs.

Nevertheless, a review of some of the leading frameworks may inform this study’s exploration. Bennett’s (2004) framework, known as the Developmental Model of Intercultural Sensitivity (DMIS), defines intercultural competence according to a continuum of ethnocentrism to ethnonrelativism. He defines ethnocentrism as an unconscious state of viewing one’s own culture as central to reality, and ethnonrelativism as a conscious recognition and acceptance of cultural differences in behaviour, values and thought as equally valid. Bennett’s framework breaks this continuum into six stages: Denial, Defence, Minimization, Acceptance, Adaptation and Integration, and posits that individuals progress through the stages unidirectionally and each stage represents a worldview. He contends that three conditions contribute to intercultural competence: 1) an intercultural mindset, 2) an intercultural skill set, and 3) intercultural sensitivity.

In developing a measurement instrument based on the DMIS framework, Hammer, Bennett and Wiseman (2003) defined intercultural competence as the ability to think and act in interculturally appropriate ways, and intercultural sensitivity as the ability to discriminate and experience relevant cultural differences. They argued that “greater intercultural sensitivity is associated with greater potential for exercising intercultural competence.”

The anxiety/uncertainty management (AUM) theory developed by Gudykunst (1998) focuses on the thoughts and feelings of the communicator and their ability to manage those thoughts and feelings in order to communicate effectively. According to AUM theory, both anxiety and uncertainty are higher when communicating interculturally than intraculturally (strangers versus those similar to us), and also higher in initial interactions than in subsequent ones. Uncertainty is defined as a cognitive phenomenon, and anxiety is its emotional equivalent (Gudykunst, 1998). Gudykunst argues that managing anxiety and uncertainty requires mindfulness, being consciously aware of what is happening. He also points out that gaining intercultural competence is dependent on being, or becoming, “uncertainty oriented”, able to be open to new ideas and information, and question one’s own beliefs. The skills, therefore, that Gudykunst asserts are required for intercultural communication competence are: mindfulness, tolerance for ambiguity, empathy, behavioural flexibility, and ability to manage uncertainty and anxiety.

A more recent theoretical framework to emerge is that of “cultural intelligence” (or CQ) (Earley & Ang, 2003), closely related to intelligence (measured by the widely known IQ test) and emotional intelligence (EQ). Cultural intelligence is defined as “the capability to be effective across cultural settings” (Ng & Earley, 2006). Earley and Ang (2003) identified three dimensions of cultural intelligence: cognitive/metacognitive (self-awareness and knowledge, and the ability to think about the thinking process and modify thinking); motivation (willingness, perseverance, goal-setting, pushing through the confusion); and behaviour (the ability to adjust or adapt verbal and non-verbal behaviours suitable to the cultural environment).

Further refining the definition, Earley and Mosakowski (2004) characterize cultural intelligence as a “seemingly natural ability” to interpret unfamiliar and ambiguous actions, gestures and speech patterns, and to adjust one’s own responses appropriately to them. Cultural intelligence relies heavily on the ability to utilize
multiple senses, suspend judgement and seek understanding. Earley and Mosakowski contend that although some aspects of CQ are innate, it is possible to develop CQ to an acceptable level in most people.

Defining cultural intelligence as “being skilful at recognizing behaviours that are influenced by culture,” Brislin (2006) points out that although CQ includes aspects of emotional and social intelligence, those abilities may not translate into another culture. Similar to Gudykunst’s theory, he argues that the two most important skills for CQ are “confusion acceptance” and “suspending judgement”:

“Another important consideration is that not knowing (confusion acceptance) is uncomfortable and might be particularly uncomfortable for people who are accustomed to being highly effective in their own cultural setting (i.e. people who normally have high emotional and social intelligence skills). In fact, confusion acceptance, along with Triandis’s suspended judgement, might be two of the more important skills differentiating cultural intelligence from other forms of social intelligence.” (Brislin, Worthley & MacNab, 2006, p.49).

Moving beyond the general concepts of intercultural competence, many studies have attempted to identify the specific competencies that are necessary. Unsurprisingly, with no single overarching theoretical framework (Ang, Van Dyne & Tan, 2011), there is little consensus among scholars at this level either. Spitzberg (1997, cited in Berardo, 2005) compiled a 52-item list of empirically derived intercultural competencies, many of which are highly context-specific (i.e. Japanese expatriate managers, American Peace Corps volunteers). There are, however, some competencies that seem to consistently appear across most studies (i.e. awareness, openness, adaptability, flexibility), although terminology and definitions vary significantly, again depending on the context. There is, therefore, some danger in applying not only context-specific, but also context-neutral constructs more broadly without ensuring that definitions are comparable.

Kuhlman and Stahl (1998, translated in Spencer-Oatey & Franklin, 2009) identified six characteristics of the successful expatriate manager: tolerance for ambiguity - the tendency to feel comfortable in uncertain, ambiguous and complex situations; behavioural flexibility – the ability to adjust very quickly to changed situations; goal orientation - the ability to strive towards the achievement of goals which have been set even in difficult circumstances; sociability - the tendency actively to establish social contacts and to maintain existing relationships; empathy - the ability to recognize the needs and intentions of interactants and to react to them in a situationally appropriate fashion; polycentrism (non-judgementalness) - free of prejudice concerning other opinions, attitudes and behavioural patterns, in particular those typical of other cultures; and meta-communicative competence - the ability to intervene and control in difficult communication situations and to repair disturbances in the communication.

Working from a business perspective, Gundling (2003) identifies eight “core values, characteristics or abilities” necessary for global leaders: trust, respect, listening, observation, empathy, flexibility, informed judgement and persistence; as well as 12 “global people skills”: establishing credibility, giving and receiving feedback, obtaining information, evaluating people, building global teamwork, training and development, selling, negotiating, strategic planning, transferring knowledge, innovating and managing change.

Spencer-Oatey and Franklin (2009), coming from an applied linguistics perspective, apply the concepts of politeness theory to intercultural encounters, and propose six “rapport management competencies”: contextual awareness, interpersonal attentiveness, social information gathering, social attuning, emotion regulation, and stylistic flexibility. Their context-neutral approach stresses the dynamic nature of intercultural interactions.

Coming from the field of psychology, Molinsky (2007, 2012, 2013) introduced the concept of “cultural code-switching”, arguing that knowledge and motivation alone are not enough; that what is required is the capacity to act, the ability to mould and shape one’s behaviour in foreign cultural settings, to be simultaneously effective and appropriate in that setting without losing one’s sense of self in the process. His research (Molinsky, 2007) found that psychological challenges, including identity conflict, often arise when someone tries to translate cultural knowledge into action.

Although there are a number of common threads running through the intercultural competence frameworks examined here, the key difference is the context to which they are applied. What constitutes intercultural competence depends on what is required to be “successful” in a given context, on the role-specific challenges most commonly encountered. For a university student studying in a foreign country, success may be defined as integrating into the host culture. Thus, many of the studies based on students include emotional stability as a required competency (Van Oudenhoven & Vander Zee, 2002). For an expatriate manager on a three-year assignment, success may be based on completing the full term of the assignment. Therefore, studies based on this context have defined success largely as expatriate adjustment (Pack, Kittler & Wright, 2008). The assumption that any of these frameworks may be applied to another context without additional testing or adaptation is questionable. Further, attempts to create consensus across the field to develop a universally applicable framework of intercultural competencies without regard to context are misguided.

### 3.3. Research Specific to Intercultural Competency at the Executive Level

Whilst an expatriate employee or manager living and working in a foreign country may need a high level of culture-specific knowledge about one or more countries, at the CEO level, where interactions may span dozens of different cultures within a brief period of time, clearly the knowledge and skills required are different.
However, little research in the field of intercultural communication has focused directly on the most senior management level. So although numerous studies have examined intercultural communication competency in students and expatriate managers, none of the available research within the intercultural communication field seems specifically targeted to the most senior level of business, either in the identification of competencies needed or the research samples tested. However, we may gain some insights from research in related fields of leadership, organizational development, management and psychology.

A great deal of research has focused on the concept of “global leadership”, though the term is broadly applied from the manager level upward (Mendenhall et al, 2012), not at the very top of the organization. Mendenhall and Osland (2002, cited in Mendenhall, 2006) reviewed the literature and compiled a list of 53 competencies associated with the construct of global leadership, which they grouped into six categories: “Relationship (competencies related to developing and maintaining interpersonal relationships in global/cross-cultural contexts), Traits (core personality or habitual behavioural tendencies), Business Expertise (expertise in global business knowledge), Organizing Expertise (skills relating to organizing and structuring human and administrative processes in global contexts), Cognitive (core internal information processing tendencies and world-view), and Vision (the ability to discern where an organization should go and the capability to rally subordinates to strive to achieve the vision)” (p.423-424).

Rosen, Digh, Singer and Phillips (2000) conducted face-to-face interviews with 75 CEOs and surveyed 1000 more in a study of leadership competencies, and identified four “global literacies” needed for success: personal literacy – understanding and valuing yourself; social literacy – engaging and challenging people; business literacy – focusing and mobilizing your business; and cultural literacy – valuing and leveraging cultural difference. Rosen’s concept of cultural literacy is very similar to cultural intelligence (Earley & Ang, 2003) and Bennett’s (2004) concept of ethnorelativism, involving both awareness of one’s own culture and understanding and openness to other cultures.

Although Adler’s (1992) focus was somewhat lower on the management ladder, many of the skills and competencies she identifies as being important for transnational managers seem likely to apply to CEOs: global perspective, local responsiveness, synergistic learning, transition and adaptation, cross-cultural interaction, collaboration and foreign experience. Adler’s research also identified a number of mental gaps that could impact decision-making at the strategic level and prevent success.

Though also not examining CEOs, but rather mid-level managers, Caligiuri’s (2006) use of a worker-oriented job analytic approach looked at individual aptitudes (i.e. knowledge, skills, abilities and other personality characteristics) and their impact on the development of interculturally competent managers. Pointing out that much of the research focus on global leaders has been limited to expatriate management assignments, her research expanded the scope to look at those managers located domestically but with global job responsibilities. In earlier work (Caligiuri, 2004, cited in Caligiuri, 2006), she developed a list of 10 activities found to be common – and unique to – managers working in this type of global leadership position. Although not specific to CEOs, this task-centred approach may be usefully adapted in identifying the intercultural communication competencies most likely to be needed at the CEO level.

A pilot study for the current research (Gibson, 2011), based on in-depth interviews with four CEOs, identified five intercultural competencies needed at the CEO level, including:

- Cultural Self-Awareness, defined as an awareness of one’s own cultural influences, tendencies and biases, and awareness of how one’s own culture may be perceived by members of a different culture. This definition includes aspects of both cognitive and metacognitive knowledge identified under a variety of terms in numerous studies across disciplines, including Early and Ang (2003), Bennett (2004), Adler & Bartholomew (1992), Rosen et al (2000), Cant (2004) and Gudykunst (1998).

- Cultural Sensory Perception, defined as the ability to recognize when cultural differences are in play, utilizing a range of senses to spot verbal and non-verbal cues. Although this competency is frequently referred to as “intercultural sensitivity” in the literature, that term is also frequently misinterpreted as something akin to political correctness. The new term incorporates Hammer, Bennett and Wiseman’s (2003) definition of intercultural sensitivity as the ability to discriminate and experience relevant cultural differences, Brislin’s (2006) definition of cultural intelligence as being skilful at recognizing behaviours that are influenced by culture, and Earley and Mosakowski’s (2004) reference to a seemingly natural ability to accurately interpret culturally unfamiliar cues.

- Open-mindedness, defined as the ability to suspend judgement based on one’s own cultural biases and accept that other ways of thinking and behaving may be just as valid. This term encompasses traits identified on the ethnorelative end of Bennett’s (2004) DMIS scale, Kuhlman and Stahl’s (1998, cited in Spencer-Oatey & Franklin, 2009) polycentrism, and Gudykunst’s (1998) concept of being uncertainty-oriented.

- Global Perspective, defined as viewing the business from a transnational perspective, rather than as domestic first, rest-of-world second, identified by Adler & Bartholomew (1992) as a key competency for transnational managers.
Adaptability, defined as “the ability to change one’s behaviour, communication style or business strategy as needed to fit the circumstances.” This competence, sometimes referred to as “flexibility”, is identified throughout the literature and included in almost every list of intercultural competencies. However, unlike in studies of students and expatriates, where adaptation is viewed from the perspective of fitting in to a new culture, the intercultural competency needed by CEOs does not appear to be about assimilating or integrating, but having the mental flexibility to adapt one’s approach as needed across many cultures. It therefore incorporates metacognitive skills and motivation (Earley & Ang, 2003) and psychological flexibility (Molinsky, 2007).

4. Methodology

4.1. Research Philosophy and Approach

The research philosophy underpinning this study includes an ontological position of subjectivism, "the view that social phenomena are created from the perceptions and consequent actions of social actors" and an epistemological position of interpretivism, based on a belief that human interaction is complex and understanding it includes the interpretation of both the actors and the researcher (Saunders, Lewis & Thornhill, 2009, p.109). As Charmaz (2006) puts it, this approach “explicitly assumes that any theoretical rendering offers an interpretive portrayal of the studied world, not an exact picture of it” (p.11).

Utilizing an emergent, qualitative, inductive approach, the study included in-depth interviews with a heterogeneous sample of 28 CEOs. Data analysis methodology combined a constructivist grounded theory approach (Charmaz, 2006) with computer-aided qualitative data analysis software (CAQDAS).

In extensively researched fields, much of the research conducted is driven by theory, designed to prove, disprove or expand upon existing theory. Research questions are formed to fit theoretical frameworks, and research design is theory-driven (Dick, 2001). Because almost all the previous research in this field has been focused on competencies needed by students and mid-level managers, which may or may not apply to CEOs, a deductive approach based on previous theories might run the risk of missing key differences or making incorrect assumptions. It would therefore seem much more appropriate to take a bottom-up approach first, allowing theories to emerge from the data (Glaser & Strauss, 1967; Charmaz, 2006).

4.2. Data Collection

The data collection method employed was semi-structured interviews, as it is well-suited for an inductive, data-driven, emergent approach. The nature of the research subjects also drove the choice of methods. Yeung (1995) claims that interviews are one of the most preferred methods of gaining access to international business, and that the method contributes to validity (in that it deals directly with decision-makers and collects rich data) and reliability (because it is replicable in practice). Although written questionnaires may be effective in gathering data further down the organization, senior managers are more likely to agree to be interviewed than to complete a questionnaire (Saunders et al, 2003). Semi-structured and unstructured interviews are especially useful in exploring a general area in order to gain new insights and define further research questions (Saunders et al, 2003). For this reason, it is particularly appropriate for use in research utilizing an emergent design.

The format and style of the interview was shaped by the pilot study, utilizing techniques that seemed to yield the best results. Based on this, a list of previously effective questions and follow-up prompts was compiled and reviewed in preparing for the interviews. The interviews focused on collecting stories of incidents from the subjects’ own experiences of interacting cross-culturally in both their personal and business experiences, including past and present.

4.3. Research Sample

Due to the exploratory nature of this research, as well as the challenges regarding researching CEOs and other corporate elites (Welch et al, 2002; Yeung, 1995), a non-probability sampling, utilizing a combination of purposive, self-selection and convenience sampling techniques would be the most appropriate to answer the research questions (Saunders et al, 2003). Non-probability sampling means that the sample selection is not statistically representative of the entire population of global CEOs and findings may not be generalised as such. However, for exploratory research with an in-depth focus, purposive sampling using a heterogeneous sampling strategy can be particularly effective (Saunders et al, 2003). A heterogeneous sample in this case would include as much variety as possible within the limitations of the sample size and other restraints. So in recruiting participants, efforts were made to ensure a diverse mix. This required that recruitment be done in phases, so that additional participants could be targeted as needed.
Participants were all Chief Executive Officers (or equivalent title) of businesses operating in a global context, doing business in multiple foreign markets, or with employees working in markets outside the company’s home country (ranging from operations in a handful of countries to more than 100). Companies represented range in size from fewer than ten employees to more than 200,000. The sample included diversity of age (ranging from 34 to 65 years old), gender (24 males, 4 females), location of headquarters (spanning 12 different countries), company age (from 1 to 140 years), national cultures of the CEOs (12 cultures of origin, several dual nationalities), native language (8 native languages, half English), and number of years in current role (from 1 to 22 years).

Limitations of the sample, which may impact the generalizability of the findings, include participant bias, in that those CEOs who agreed to be interviewed (self-selection) may not share characteristics or attitudes of the wider population. However, as Bryman explains, the issue of whether the subjects studied are ‘typical’ is not the critical issue. “What is important is whether the experiences… are typical of the broad class of phenomena…to which the theory refers. Subsequent research would then focus on the validity of the proposition in other milieux.” (Bryman, 1988, cited in Silverman, 1993, p160.)

Additionally, the sample was limited to English-speaking participants, so the views of non-English-speaking CEOs may not be represented, and it is possible that the same interview conducted in a participant’s native language would yield different results.

4.4. Data Analysis

Following many of the processes of grounded theory (for coding, categorizing, analysing, memo-writing and allowing theory to emerge from the data), this project also utilized computer-aided qualitative data analysis software (CAQDAS) as a tool for supporting the process of qualitative data analysis. The software programme selected was ATLAS.ti, and the processes employed followed a model proposed by Friese (2012). Friese’s processes, though adaptable to a number of different types of analysis, are based on the same principles that underpin grounded theory.

4.4.1. Transcription

The 28 CEO interviews generated approximately 24 total hours of digital audio recordings, which were transcribed verbatim, resulting in more than 250,000 words of textual data available for analysis. Both the digital recordings and the transcripts were imported into ATLAS.ti. This made it possible to synchronise recordings to transcripts, making it possible to review them together, and to go back and listen to particular passages at any time to clarify meaning or tone.

4.4.2. Coding

The process of coding was an interactive one, requiring many readings of the transcripts, viewing each one separately as well as comparing and contrasting it with the others. In the first round of coding, the emphasis was on allowing interesting things to emerge from the data without trying to organize or force things into neat categories, but holding the research questions in the back of the mind as a guide. It was a process of immersion in the data, a careful line-by-line reading and re-reading of each transcript, highlighting words, phrases or long passages and giving each a simple label or code name. Although this first round might normally begin without any preconceived codes already identified (referred to in grounded theory as open coding), in this case the pilot study findings provided some of the first round codes. However, a deliberate effort was made not to simply examine the data for further proof of those findings but to explore all possibilities. Some code names were derived from the actual words in the text (i.e. “listening” and “frustration”); some were based on what the researcher interpreted from the narrative (i.e. “early experience as cultural outsider”). When something similar to a previously coded passage was found in another place, the previous code was applied, but there was little focus on making sure codes did not overlap in this stage. At the end of the first full round of coding, more than 80 new codes had been created. On average, the first round of coding took approximately three hours of coding time per one-hour interview.

4.4.3. Sorting, Comparing & Contrasting

Once the first round had been completed, the long list of codes provided the next area of focus. Because each coded quotation had been “attached” to the code, the code list within ATLAS.ti showed the number of quotations attached to each code listed (referred to within the software as “groundedness”). A review showed codes with only one or two links, allowing a quick evaluation of whether or not to discard the code. Likewise, scanning the list revealed overlapping codes which could be combined. Further review suggested the possibility of codes that could logically be grouped together into code families. In this way, the code list began to take on a structure
based on conceptual linkages. Codes were renamed and grouped into families within ATLAS.ti, including families for Business Impact, Competencies, Development, Response-to-Failure Patterns, each of which correspond to the research questions as well as others. Some codes from the first round that did not seem to fit into a family were left to stand alone at that point, in case later analysis might reveal linkages.

While the organization and emerging structure are useful at this stage, to rigidly force the data into categories would be the opposite of the intended emergent approach. It is therefore critical that the researcher remain open throughout this process to seeing things not looked for. Glaser and Strauss (1967) described this openness as “sensitivity to all possible theoretical relevances”.

Once this stage was complete, another round of review and coding was necessary in order to ensure that the now somewhat more complete code list was applied to the all the data.

4.4.4. Querying and Analysing

Returning to the research questions, analytic memos were created within ATLAS.ti’s memo tool for each question and thought was given to sub-questions that might be used to answer the primary questions. This function then made it possible to document each step of the process and link queries, findings and thoughts to each memo so that they could be re-examined at any time. This is useful not only for the researcher but also for providing an audit trail, contributing to the reliability of the study. The use of analytic memos to elaborate categories and explore relationships between categories is a key component of grounded theory (Charmaz, 2006).

With a research question memo open, thought would be given to the question and what type of query might help to answer the question. The types of query used could range from a simple request for all instances of a single code, to more complex queries. Each query was documented in the memo and notes added regarding findings and thoughts. In some cases the initial query sparked others, and additional memos were created. In all memos, the actual query used was cut-and-pasted from the query tool. This level of documentation makes it possible to follow the analytic trail and to re-run queries at a later time, especially if the codes are further refined at a later date.

When running queries, ATLAS.ti does not merely count the number of instances that match the query, but makes it possible to quickly view each coded instance in context. This allows the researcher to remain very close to the full narratives. This process was repeated for each research question and sub-question, often generating additional sub-questions and more queries as possible patterns and associations were spotted, until it was felt that saturation had been reached.

5. Empirical Findings

5.1. Areas of Business Impact

Research Question 1 focused on whether, in the CEOs’ own view, the intercultural competence of the CEO has an impact on their success in achieving business objectives. The interview data was analysed to examine where, if at all, culture comes into play at the CEO level. To do this, the transcripts were reviewed and coded for areas of business impact. Although the pilot study (Gibson, 2011) had previously revealed five areas of business impact, a number of new areas of impact emerged from the data, and one of the original five was determined to be redundant.

In total, the data yielded 203 coded quotations across 11 identified areas of impact. The findings clearly indicated that cultural challenges impact the CEOs in the study and that the CEOs’ intercultural competencies do have an impact on their ability to achieve their objectives in a number of areas, including: Managing, Conflict/Negotiating, Decision-making, Hiring, Ethical Issues, Internal Challenges, Government/Regulatory/Legal Issues, Change, Mergers and Acquisitions, New Markets, and Partners/Vendors.

5.2. Intercultural Competencies Needed

Research Question 2 dealt with which intercultural competencies are most important for CEOs of global companies, which are most likely to contribute to success or failure. In total, the data revealed 351 instances of competencies evident or lacking across all 28 interviews. The findings confirmed the findings of the pilot study, which identified five intercultural competencies consistently needed by the CEOs in the study, including: Adaptability, Cultural Self-Awareness, Cultural Sensory Perception, Global Perspective and Open-mindedness.

Analysis also found associations between specific competencies and the identified areas of business impact, providing possible insights into which competencies may be most critical, depending on the current strategies, challenges and stage of business of the company. This was done utilizing the capabilities of Atlas.ti to look for instances where different codes occur together or adjacently. A co-occurrence query of the data revealed 89 instances where data coded with one or more of the Business Impact areas co-occurred with one or more
competencies. This indicates that in those areas which CEOs perceive that culture has an impact on accomplishing their objectives, intercultural competences are needed.

Further analysis revealed that some competencies may be more important to specific areas. For example, the code for the business impact area of Conflict/negotiation co-occurred frequently with codes for Cultural Sensory Perception and Adaptability, and to a lesser extent with Cultural Self-Awareness and Open-mindedness. This makes it possible to theorize that these competencies may be essential or useful in that business impact area. Likewise, Open-mindedness appears to be most called upon in the areas of Managing and dealing with Ethical Issues.

5.3. Response-to-Failure

The Response-to-Failure (RTF) patterns that emerged in the pilot study (Gibson, 2011) were evident in the data. In addition to the four previously identified patterns (RTF-Adapt, RTF-Continue, RTF-Abandon/Try New, and RTF-Avoid), one additional pattern emerged (RTF-Wait), which may be a subset of RTF-Adapt. A total of 98 quotations were coded as RTF patterns. Further analysis provided insights into which competencies (or the lack thereof) are associated with each pattern, which may provide a key to providing individualized assessment and development tailored to the specific needs of the company and the CEO.

6. Discussion and Conclusions

As exploratory research, this study’s contributions are primarily centred on providing the basis for building or adapting theories and recommending areas for further research. By identifying areas of business where CEOs perceive that culture impacts their work and by identifying specific competencies needed at the CEO level, this study has pointed to a need to expand existing knowledge to meet the changing needs of global businesses. The study provides a basis upon which established assessment instruments could be adapted to the needs of CEOs and other top management team members.

The study has provided a clear indication that CEOs working in a global business environment do perceive that cultural challenges impact their success in a number of strategic areas and that specific intercultural competencies are needed. This has implications not only for current CEOs, but also for boards of directors and others involved in CEO selection and succession planning and for HR and communication professionals responsible for executive development. There are implications for the field of intercultural training and development, pointing to a need for different kinds of programmes tailored to CEOs.

Further research is needed to validate, test and expand upon the findings of this study. A larger-scale study conducted by or in collaboration with an organization with existing access to a large number of CEOs worldwide could overcome many of the limitations of this exploratory study by increasing the sample size and combining both qualitative and quantitative methods. Specifically, further research with a statistically representative sample is needed to determine if there are additional areas of business impact and which areas are most critical to both the CEO’s and the company’s success in global markets. Research that focused on producing more critical incidents could provide more insight into the patterns identified in the Response-to-Failure framework, particularly with regard to the learning processes that lead to adaptability.

7. References


Culture and managers’ response to foreign subsidiary initiatives’ resistance

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Abstract

Foreign subsidiaries have become contributor units to the global competitive advantage of multinational corporations. Subsidiary initiative has emerged as the entrepreneurial tool driving to competence creation. Our study analyses the impact of subsidiary managers’ values, procedural justice and subsidiary autonomy on the choice of alternative strategies for overcoming corporate resistance to subsidiary initiative. Our results show that undertaking the initiative in a “clandestine” way is positively influenced by achievement and need for power values, as expected. Self-direction, instead, had a negative relationship, showing the importance of differentiating among the different values traditionally associated to individualism. Universalism did not show significant relationship to clandestine initiatives. Procedural justice perception reduced the willingness to undertake initiatives behind headquarters’ back. Autonomy, contrary to expected legitimates initiative what drives subsidiaries to undertake initiatives in an open way, not resulting in a willingness to promote secret actions.

Introduction

Competitive advantages in multinational corporations are not exclusively created at the headquarters in their home countries. Modern multinationals work as networks in which knowledge may be created and transferred from multiple locations. Foreign subsidiaries may play relevant roles in the development of such knowledge (Andersson, 2003). Contributions of foreign subsidiaries to the corporate knowledge base depend on the strategic orientation of the company and the status of the subsidiary within the corporate network. Subsidiary initiative has proved to act as a key driver for subsidiary development and consequently as a source of knowledge creation within the multinational corporation (Hedlund, 1986; Bartlett and Ghoshal, 1989; Nell, Andersson and Schleglemich 2010).

Subsidiary initiatives are entrepreneurial activities carried out by peripheral units that in most cases need either approval or recognition from the headquarters (Birkinshaw, 1999). Recognition is anything but automatic as subsidiary initiative uses to face resistance. Corporate resistance not only comes from the headquarters but often even from sister units that behave as a “corporate immune system” (Birkinshaw and Ridderstråle, 1999). This corporate immune system (CIS) tries to prevent from opportunistic behaviours or unviable projects but it may also hinder the emergence of initiatives that could result in bases of competitive advantage for the multinational. Corporate resistance triggers different strategies from subsidiary managers. Subsidiary responses range from withdrawing the initiative to pursuing it in a clandestine way.

As an entrepreneurial activity personal and professional background of the managers promoting it are key factors in explaining initiative success. Subsidiary initiative has received increasing attention in the area of international business.

Studies encompass three different stages of the initiative process; antecedents, implementation and outcomes (Strutzenberger and Ambos, 2014). Structural relationships in which the subsidiary is involved within the MNC have been pointed out as antecedents of subsidiary initiative as well as personality traits of subsidiary managers and subsidiary top management composition. Despite the literature on entrepreneurship has mainly focused on the personality traits of the entrepreneur, studies on subsidiary initiative have paid less attention to them.

Regarding the initiative implementation research has focused on the explanation of how successful initiatives are undertaken (Williams, 2009). However, even if the “corporate immune system” has been described its internal mechanisms remain mainly unexplored. The pioneer contribution by Birkinshaw and Ridderstråle (1999)
described a series of alternative strategies that subsidiary managers may adopt as a response to the resistance faced from the CIS. Our research aims to explore the link between initiative antecedents and the subsidiary responses for circumventing and fighting the resistance. Structural characteristics such as procedural justice and subsidiary autonomy as well as the personal values of subsidiary managers are studied as antecedents of the initiative. Subsidiary initiative has often been regarded from the headquarters as a tool used by local managers acting as “empire builders” that may lead to subversive behaviours. However, as far as we know, no studies have explained mechanisms of this clandestine behaviour at subsidiary level. Thus, among the different alternatives for fighting the CIS our work focuses on those strategies trying to avoid confrontation to the CIS by hiding the initiative until it has proven to be successful.

Entrepreneurial behaviour has been shown to be associated with the occurrence of certain cultural values such as the need for power, achievement and self-direction (Lee and Peterson, 2000). Resistance from the CIS may temper managers’ ambitions to promote local initiatives. In some cases, complying with the established rules and the hierarchical structure of the company will be a priority while in other cases, determination by subsidiary managers will drive to break or circumvent the resistance by pushing forward the initiative while keeping it unnoticed to the headquarters. Our paper focuses on these “clandestine” initiatives. They require higher determination from their promoters, so we propose that higher levels of need for power, achievement and self-direction will be positively related to the preference of subsidiary managers for these strategies. Conversely, universalism places high value on and confidence in rules what is expected to prevent subsidiary managers from pursuing clandestine initiatives.

Procedural justice is related to the perceptions by managers that the decision processes they are involved in are conducted in a fair way. If subsidiary managers consider their initiatives have been assessed in a fair and transparent way they are expected to show a lower tendency to pursue their initiatives against the corporate decisions.

Autonomy has been considered to influence positively entrepreneurial behaviour in foreign subsidiaries. Given that undertaking initiatives hidden from the headquarters require capacity for allocating resources we consider autonomy will be related to the tendency to follow clandestine initiatives.

Achievement, power, self-direction and subsidiary initiative

Subsidiary initiatives are included in the area of disperse corporate entrepreneurship. As entrepreneurial activities they are influenced by culture and personal characteristics of entrepreneurs (Stevenson and Jarillo, 1990). Subsidiary initiative results in a variety of outcomes, including the development of subsidiary specific advantages, increased performance, subsidiary role change, etc. (Strutzenberger and Ambos (2014). These changes occur at corporate, subsidiary but also at managers’ individual level. Being the increase of subsidiary power and influence within the corporate network one of the consequences of initiatives (Ambos et al., 2010) one can expect that they also increase power and influence of managers involved in.

In the structure of human values achievement and need for power make part of the self-enhancement dimension. Self-enhancement emphasizes the pursuit of one’s own relative success, dominance over others and control over many rewarding resources (Schwartz, 1994; Schwartz and Bilsky, 1987). In this sense, individuals are motivated to achieve high status and prestige, tend to be independent, encourage free choice and individual performance. Promoting initiatives is regarded as a way to demonstrate success and individual competence (Morris et al. 1994) as well as to increase managers’ power and influence. The more achievement and power values dominate a culture, the greater the value given to outcomes typifying personal goals and the less the concern given to the means of achieving these outcomes (Cullen et al., 2004). Managers with high achievement and power values are expected be more prone to seek for any means to face the corporate immune system resistance. These means may include avoiding all parts of corporate immune system in the early stages of initiative process and using proven acceptance to their initiatives instead of unveiling their plans to the corporation from the beginning (Birkinshaw and Ridderstråle, 1999).

Independent thought and action, as well as the need for control, are distinctive characteristics of individuals with high self-direction values (Schwartz, 1994) Self-direction, besides to achievement and need for power has been included within the individualism dimension (Ralston et al., 2014). Self-directed managers value creativity, freedom and opportunities for self-enhancement that could report them intrinsic rewards (Van Dijk and Kluger, 2004). They value uncertainty and challenges as a source of opportunity instead of threat. They are more flexible and willing to take risks, are reluctant to comply with social restraints and show higher willingness to break the rules (Verma, 1985). Therefore they may regard the corporate immune system as a barrier that has to be overcome.

Given the personal characteristics of managers scoring high values in need for power, achievement and self-direction we formulate the following:
Hypothesis 1: The need for power, achievement and self-direction will be positively related to the likelihood to undertake clandestine initiatives.

**Universalism and subsidiary initiative**

Self-trascendence (universalism and benevolence) emphasizes serving the interests of others: understanding, appreciating and tolerating all people regardless their rank or status (Schwartz, 1994). Individuals who attribute high importance to self-trascendence values are motivated to seek social justice and equality for all people and to be helpful, loyal and honest in everyday interactions (Roccas et al., 2010). According to Trompenaars and Hampden-Turner (1996) individuals in universalist societies place a high importance to laws, rules, values and obligations. Procedures and processes are clear actions generally respect established rules.

Motivational goals associated to universalism include understanding, appreciation, tolerance and protection of the welfare of all people and nature (Schwartz, 1994). Universalism opposes to achievement and the need for power for which we have postulated a positive relationship with clandestine initiative. Both of the latter emphasize pursuit of self-interest whereas the former involve concern for the welfare and interest of others (Schwartz, Sagiv and Boehnske, 2000). So, we may expect that managers showing high universalistic values will be more reluctant to undertake any activity that can be interpreted as opportunistic at headquarters eyes.

Subsidiary initiatives pursue increasing the competitive asset base of multinational corporations. However, interests and perceptions of headquarters and subsidiaries are frequently not aligned with one another (Ghoshal and Nohria, 1989). What subsidiary managers understand as entrepreneurial endeavour, headquarters perceives as opportunism. Undertaking subsidiary initiatives may thus be perceived as a potential source of conflict.

Subsidiaries may keep their initiatives secret as a way of avoiding resistance as well as immediate conflict. In doing so they are also assuming greater potential future conflict in case their actions will be unveiled before the potential benefits appear. When undertaking clandestine initiatives managers may believe that presenting in future the expected positive outcomes of the initiative while unveiling their actions will compensate the fact that they had been developing it behind headquarters’ back. In doing so managers assume that success neutralizes or negative reactions from the headquarters and sister units.

Even if in the increasingly complex multinationals competitive advantage may be built from disperse contributions, headquarters still preserve its role as coordinator and the legitimacy to implement norms (Ciabuschi et al., 2012). Subsidiary managers with high universalism levels are expected to respect such legitimacy and therefore avoid any action that could be interpreted by headquarters as a violation of rules. As clandestine initiative may be considered a breach of established rules, we propose:

Hypothesis 2: Universalism will be negatively related to the likelihood to undertake clandestine initiatives.

**Procedural justice**

Complexity and subsidiary role heterogeneity within MNCs set the organizational conditions in which discrepancies may arise. Corporate decisions may result in differentiation, ambiguity and inconsistencies (Vora et al., 2007). Submitting initiatives for corporate approval processes may drive to discrepancies with headquarters’ decisions. These discrepancies may have an impact on the perceptions about justice thus provoking negative reactions (Mudambi and Pedersen, 2007).

Procedural justice is defined as the extent to which the dynamics of a multinational corporation’s strategy-making process are judged to be fair by the top managers of its subsidiaries (Kim and Mauhorgne, 1993). Reactions of subsidiary managers to the decisions regarding their initiatives will be positive or negative depending on the individuals’ perception of procedural fairness. Managers welcome the organizations in which organizational processes are conducted fairly. Conversely, the perception that procedures have not been fair drive to negative reactions (Lind and Tyler, 1988), especially when the individuals perceive that their welfare is reduced or threatened. In this sense, fairness of processes becomes more important in developments with negative outcome than when results are positive (Colquitt et al. 2006). Individuals tend to be pleased about positive results regardless how these were achieved. However, people are more concerned about the way the process worked when they obtain undesired results. People accept rejection or negative responses to their proposals when they consider that the process followed in their evaluation has been fair (Luo, 2005).

Studies in multinational corporations have found that procedural justice implemented in the process of global strategy formulation increases trust, commitment and satisfaction with the results obtained at the subsidiary
managers’ eyes (Kim and Mauborgne, 1991) contrariwise, low levels of procedural justice result in distrust, suspicion and even hostility (Taggart, 1997).

The initiative process makes part of the political game within multinational corporations. While subsidiary managers try to attract support for their initiatives other actors may try to hinder them at all costs (Dörrenbächer and Geppert, 2009; Gammelgaard, (2009). Rejection combined with low levels of procedural justice are expected to drive to frustration and annoyance which in turn may trigger low level of commitment and disloyal behaviours. On the other hand, subsidiary managers considering that the initiative’s evaluation process is fair are expected to avoid any action misaligned with the established procedures. Therefore:

Hypothesis 3: The perception of procedural justice will be negatively related to the likelihood to undertake clandestine initiatives.

Autonomy

Autonomy is related to the division of power in making decisions between an organization and its subunits (Garnier, 1982). It is understood as the power subsidiaries have to make decisions without the interference of the headquarters. Autonomy level of subsidiary is a critical parameter to determine its position within the corporate network (Birkinshaw and Morrison, 1995; Taggart, 1997). Autonomy influences the quality of headquarters-subsidiary relationships, is linked to the ability in managing resources, the degree of intra and inter-organizational integration and the innovative activity of the subsidiary.

Autonomy has been considered both an antecedent and an outcome of subsidiary initiative (Paterson and Brock, 2002; Bouquet and Birkinshaw, 2008; Ambos et al., 2010; 2011). Autonomy appears as a necessary instrument to absorb knowledge from the host country environment (Achcaoucaou et al., 2014). This knowledge can alternatively be used to develop local responsiveness (Luo, 2001) or to contribute to the MNC’s overall capabilities (Andersson, 2003). However, headquarters’ managers use to regard with suspicion any action potentially driving to foreign subsidiary autonomy increase. Autonomy seeking is seen as an attempt to manipulate the rules to justify self-serving actions (Paterson and Brock, 2002; Taplin, 2006).

Reaction to the corporate immune system is expected to be strongly influenced by the subsidiary degree of autonomy. Subsidiaries with enough decision-making capacity, having the necessary resources and flexibility to develop alternative strategies will have less interest in using the corporate network to defend their projects. Alternatively, they may use their resources and external networks as a way to develop the initiatives and gain legitimacy for their projects. Therefore:

Hypothesis 4: Subsidiary autonomy will be positively related to the likelihood to undertake clandestine initiatives.

Methods
Questionnaire and data

This research employs the survey approach to collect data related to the subsidiary’s clandestine and revealed initiatives and their antecedents. The questionnaire was carefully developed on the basis of previous research. In this sense, existing validated measures were used to support content validity. Sources of possible bias were also avoided in the development of survey instrument by scattering the construct questions throughout the questionnaire, reversing and varying the scale endpoints of the variables and keeping the respondents unaware of the relationships under investigation (Podsakoff et al., 2003). The draft questionnaire was pre-tested through interviews with a mix of experienced managers and academics. After feedback and minor modification to wording, the questionnaire was administered in face to face interviews at subsidiary site.

The entire population of subsidiaries with majority foreign ownership located in Costa Rica was targeted for this study. The sample frame was constructed assembling data provided by the Costa Rican Investment Promotion Agency, the Association of Free Trade Zone Companies of Costa Rica, and the American Chamber. In addition, it was triangulated with other sources (including industry publications, company reports, newspaper articles, etc.). A census of 252 units with at least 51% foreign ownership was identified.

The data were collected between 2012 and 2014. During this period all subsidiaries were contacted and 113 subsidiaries accepted to participate. This made it possible to interview 207 subsidiary top managers (mainly CEOs, Managing Directors and Executive directors). After cleaning the data following the manual for a proper use of the Schwartz Value Survey (see Schwartz, 2009), the number of usable responses was reduced to 201. Cleaning the data also diminishes the number of participant subsidiaries to 108. This procedure yields an effective response rate of 42.9%, which is well above the normal range for surveys of MNC subsidiaries (Harzing, 1997) with high-level executives as respondents (Harzing & Noorderhaven, 2006).

While such high response rate diminishes the probability of non-response bias (Weiss and Heide, 1993), single respondent for both the dependent and independent variables enlarges the risk of common method bias (Podsakoff & Organ, 1986). As a post hoc statistical procedure to control for common method variance, we performed the Harman's single-factor test. The unrotated factor analysis -applying principal component extraction- revealed seven factors with eigenvalues above 1.0, the first of which accounting for 22% of the variance. This result confirms that common method bias is not a serious concern for this study.

The final sample is varied in terms of nationalities, industry, size, age and internationalization of the foreign subsidiaries, which also minimizes the number of sources of extraneous variance and systematic bias. A total of 19 different parent company nationalities are represented: 61.8% are of North American origin, 20.6% European, 11.7% Latin American, and 5.9% Asian. Moreover, manufacturing and service industries are represented at 43.8% and 56.2% respectively. Within the sample, subsidiary size ranges from 3 to 4,500 employees with an average of 407.48, and subsidiary age goes from 4 to 115 years with an average of 19. The degree of internationalization is also varied: 37 subsidiaries do not have foreign sales at all, while 19 subsidiaries target more than the 90% of their sales to foreign markets (the average is 35.7%).

Data analysis technique

A partial least square (PLS) approach to structural equation modeling (Chin, 1998; Wold, 1982) was used to test the hypotheses, specifically we used SmartPLS 2.0 software (Ringle, Wende, & Will, 2005). For our analysis this technique is preferable for the following reasons. First, structural equation modelling particularly fits this study since many if not most of the key concepts are not directly observable. This allows us to cope simultaneously with the issues of construct measurement and the structural relationships among the constructs (Barroso, Cepeda, & Roldán, 2010). Second, regression based approach of PLS has proved very useful in conditions of high complexity but low theoretical information (Chin et al., 2003) such as the one reported in this research. The study of clandestine behaviour at subsidiary level is still at an early stage of development and some of the relationships analysed herein have not been hypothesized before. Third, mathematical algorithm underlying PLS also makes it suitable for this research, since it does not require restrictive assumptions of data normality (Fornell & Larcker, 1981) or known distribution (Falk & Miller, 1992), and sample size (Chin & Newsted, 1999; Reinartz, Haenlein, & Henseler, 2009) prevalent to other methods. Specifically, this research is constrained by the size of the target populations (the census of industrial foreign owned firms in Costa Rica only amounts 252 units) and non-normal distribution (as showed by Shapiro-Wilk statistic and normal probability plots of most of our variables). Consequently, we herein employed PLS because of its overall suitability to our modelling requirements.

Measures
Subsidiary managers’ cultural background was captured using Schwartz Values Survey (1992, 1994) of 45 value items. These 45 value items represent the 10 motivationally distinct values that are theoretically derived from universal requirements of human life. In particular, the values to which this research is concerned are power, achievement, self-direction and universalism. Accordingly, the scales, with the value items in parentheses, are power (social power, authority, wealth, preserving my public image), achievement (success, capability, ambition, influential), self-direction (creativity, freedom, curiosity, independence, choosing one’s own goals) and universalism (broadmindedness, beauty of nature and arts, social justice, a world at peace, equality, wisdom, unity with nature, environmental protection). The participants were asked to rate the importance of these values by using a 9-point rating scale (anchored as -1=’opposed to my principles’; 0=’not important’; 3=’important’; and 7=’of supreme importance’). All in all, 6 items exhibited very weak loadings on its respective constructs in the PLS analysis, so they were eventually dropped (see Table 1).

Subsidiary perception on procedural justice was measured using the scale developed by Kim & Mauborgne (1991, 1993). Specifically this scale comprises five items to which managers indicated agreement on a 5-point Likert (anchored as 1=’strongly disagree’; 5=’strongly agree’). The items, with the definition in parentheses, are bilateral communication (the extent to which bilateral communication exists between managers of head offices and subsidiary units), consistency (the extent to which head offices do not discriminate but apply consistent decision-making procedures across subsidiaries), provided an account (the extent to which subsidiary units are provided a full account for the final strategic decisions of the head office), familiarity (the degree to which head office managers involved in strategic decision-making are well informed and familiar with the local situations of subsidiary units) and ability to refute (the extent to which subsidiary units can challenge and refute the strategic views of head office managers). The latter items was dropped in the course of the PLS analysis because they loaded very weakly on the construct.

Subsidiary autonomy was measured by combining scales previously used in the literature (Taggart 1997, Birkinshaw 1995a,b; Birkinshaw and Morrison, 1995, Ghoshal et al. 1994). Thus, respondents were requested to indicate whether the decision-making lies at the headquarters or at the subsidiary level for seven strategic decision fields, i.e. improvement or development of new products; major improvements to manufacturing processes; research and development activities; innovation activities; setting up objectives and goals; supplier selection; and organizational changes. The following decision levels were used: 1=’the subsidiary decides alone’; 2=’the subsidiary decides after considering parent company suggestions’; 3=’the parent company decides after considering subsidiary inputs’; and 4=’the parent company decides alone’ (Birkinshaw et al., 1998, Ghoshal et al. 1994). Item deletion was used to arrive at the final operationalization of four items (see Table 1).

Subsidiary clandestine / revealed initiatives were essentially based on questions originally developed by Birkinshaw and Ridderstråle (1999). These set of measures represent six alternative ways to pursue initiatives as a response to the resistance faced from the CIS. Depending on its hidden nature, the initiative is classed as clandestine or revealed to the headquarters. Revealed initiatives comprise (1) withdrawing the initiative to avoid conflict with competing divisions; (2) persistent selling of initiative to parent office; and (3) using of personal relationships with corporate managers to circumvent and/or fight major areas of resistance. Clandestine initiatives encompass (1) implementing the initiative in its early stages and subsequently demonstrate its feasibility to parent office; (2) early generation of external market acceptance to fight resistance from parent office and rival units; and (3) implementing the initiative and presenting it as a fait accompli to parent office and sister subsidiaries. Respondents were asked to rate the extent to which they would follow these alternative ways to pursue initiatives on a 5 point Likert scale (from 1=’strongly disagree’ to 5=’strongly agree’). The first item of each construct was dropped during the PLS analysis.

Results

The PLS estimates are reported in two stages following the recommendations of Chin (2010). The first stage comprises the assessment of the psychometric properties of the measurement model. The second stage provides evidence supporting the structural model as exemplified by the construct relationships. Bootstrap procedure was used to assess the significance of the parameter estimates as has the advantage of being completely distribution free (Chin, 2010). Accordingly, the number of bootstrap samples was set equal to 5000, with each bootstrap sample containing 201 observations as the original sample.

Measurement model

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1 The original Schwartz Values Survey (Schwartz, 1992, 1996) includes 57 items and 10 value scales. Schwartz (1992) suggested that to enable cross-cultural comparisons, only those 45 items that show intercultural stability are to be included in the 10 scales.
In the research model, all variables correspond to first-order reflective factors with multi-item scales. Thus, psychometric properties of the measurement model were assessed in terms of the reliability and validity of the item measures (Hair, Sarstedt, Ringle, & Mena, 2012).

As it is shown in Table 1, the measurement model is valid in terms of individual item reliability, construct reliability, convergent validity, and discriminant validity. It is also acceptable for discriminant validity (see Table 2). Standardized factor loadings indicate that all individual reliability of the items, except for items Auto1, Auto2, Auto3 from the autonomy scale, Uni4 and Uni5 from the universality scale, and Self1 and Self3 from the self-direction scale, are above the threshold of 0.707 recommended by Carmines and Zeller, 1979. However, they were retained in the model for two reasons. First, they are over the minimum acceptable value of 0.55 suggested by Falk & Miller (1992) for initial stages of research development (Chin, 1998). Second, these factor loadings proved to be different from zero as they are significant at the 0.01 level (based on a Student t(4999) distribution, two-tailed test). Thus, removing these items would eliminate valid information, even though relatively small with respect to the rest of the items (Chin, 1998). Internal consistency reliability was examined through composite reliability (Werts, Linn, & Jöreskog, 1974). All the latent variables exceeded the benchmark of 0.7 for exploratory research suggested by Nunnally (1978). Convergent validity was assessed using the average variance extracted (AVE), which is recommended to be greater than 0.5 (Fornell and Larcker, 1981). All the constructs have an AVE value above this minimum, except for the autonomy construct which is very close to this value (0.4202, see Table 3). Finally, discriminant validity is assessed following Fornell and Larcker’s (1981) approach. Table 2 shows how the AVE is higher than the variance shared between the construct and other constructs in the model (i.e. squared correlation between two constructs). Taken together, these results provide sufficient confidence that the measurement model used is reliable and valid.

Table 1. Validation of the measurement model. Reliability and convergent validity

<table>
<thead>
<tr>
<th>ITEM RELIABILITY</th>
<th>SIGNIFICANCE (bootstrapping)</th>
<th>COMPOSITE RELIABILITY</th>
<th>CONVERGENT VALIDITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Label</td>
<td>Loading</td>
<td>Standard Error</td>
<td>T Statistics</td>
</tr>
<tr>
<td>Universalism</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A world at peace</td>
<td>Uni2</td>
<td>0.7481</td>
<td>0.0789</td>
</tr>
<tr>
<td>Unity with nature</td>
<td>Uni3</td>
<td>0.7750</td>
<td>0.0711</td>
</tr>
<tr>
<td>Wisdom</td>
<td>Uni4</td>
<td>0.6125</td>
<td>0.0962</td>
</tr>
<tr>
<td>A world of beauty</td>
<td>Uni5</td>
<td>0.6169</td>
<td>0.0998</td>
</tr>
<tr>
<td>Social justice</td>
<td>Uni6</td>
<td>0.6800</td>
<td>0.0891</td>
</tr>
<tr>
<td>Protecting the environment</td>
<td>Uni8</td>
<td>0.8077</td>
<td>0.0704</td>
</tr>
<tr>
<td>Achievement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Influential</td>
<td>Achi2</td>
<td>0.9116</td>
<td>0.0623</td>
</tr>
<tr>
<td>Capable</td>
<td>Achi3</td>
<td>0.7570</td>
<td>0.1220</td>
</tr>
<tr>
<td>Successful</td>
<td>Achi4</td>
<td>0.7030</td>
<td>0.1255</td>
</tr>
<tr>
<td>Need for power</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social power</td>
<td>Power2</td>
<td>0.8550</td>
<td>0.1012</td>
</tr>
<tr>
<td>Authority</td>
<td>Power3</td>
<td>0.8207</td>
<td>0.1238</td>
</tr>
<tr>
<td>Self-direction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freedom</td>
<td>Self1</td>
<td>0.5953</td>
<td>0.2110</td>
</tr>
<tr>
<td>Creativity</td>
<td>Self2</td>
<td>0.8190</td>
<td>0.1585</td>
</tr>
<tr>
<td>Choosing own goals</td>
<td>Self4</td>
<td>0.6460</td>
<td>0.1766</td>
</tr>
<tr>
<td>Curious</td>
<td>Self5</td>
<td>0.7952</td>
<td>0.1550</td>
</tr>
<tr>
<td>Procedural justice</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bilateral communication</td>
<td>Proc1</td>
<td>0.8576</td>
<td>0.0388</td>
</tr>
<tr>
<td>Consistency</td>
<td>Proc2</td>
<td>0.8294</td>
<td>0.0474</td>
</tr>
<tr>
<td>Provided an account</td>
<td>Proc3</td>
<td>0.8063</td>
<td>0.0570</td>
</tr>
<tr>
<td>Familiarity</td>
<td>Proc4</td>
<td>0.7267</td>
<td>0.0676</td>
</tr>
<tr>
<td>Autonomy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improvement or development of new products</td>
<td>Auto1</td>
<td>0.5924</td>
<td>0.2018</td>
</tr>
<tr>
<td>Major improvements to processes</td>
<td>Auto2</td>
<td>0.5778</td>
<td>0.1932</td>
</tr>
<tr>
<td>Innovation activities</td>
<td>Auto4</td>
<td>0.5618</td>
<td>0.1855</td>
</tr>
<tr>
<td>Set up objectives and goals</td>
<td>Auto5</td>
<td>0.8249</td>
<td>0.1447</td>
</tr>
<tr>
<td>Revealed initiative</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Persistent selling</td>
<td>Init2</td>
<td>0.9035</td>
<td>0.0732</td>
</tr>
<tr>
<td>Personal networking</td>
<td>Init3</td>
<td>0.7910</td>
<td>0.0888</td>
</tr>
</tbody>
</table>
Clandestine initiative 0.8727 0.7744
Market acceptance Init6 0.8468 0.0431 19.6520**
Fait accompli Init5 0.9120 0.0349 26.1088**

Note: AVE=Average Variance Extracted; **p < 0.01; *p < 0.05 (based on a Student t(4999) distribution, two-tailed test).

Table 2. Validation of the measurement model. Discriminant Validity

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Achievement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Autonomy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Clandestine</td>
<td>0.6328</td>
<td>0.4202</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Procedural</td>
<td>0.0389</td>
<td>0.0169</td>
<td>0.7744</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Revealed</td>
<td>0.0787</td>
<td>0.0161</td>
<td>0.0227</td>
<td>0.6504</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Self-direction</td>
<td>0.0336</td>
<td>0.0462</td>
<td>0.0699</td>
<td>0.0634</td>
<td>0.7210</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Universalism</td>
<td>0.4706</td>
<td>0.0518</td>
<td>0.0032</td>
<td>0.0854</td>
<td>0.0267</td>
<td>0.5187</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Need for power</td>
<td>0.3148</td>
<td>0.0311</td>
<td>0.0286</td>
<td>0.0218</td>
<td>0.0381</td>
<td>0.3721</td>
<td>0.5051</td>
<td>0.7023</td>
</tr>
</tbody>
</table>

Note: Diagonal represents the average variance extracted; while below the diagonal the shared variance (squared correlations) are represented.

Structural Model

The amount of variance explained of the endogenous variables brings support to the appropriate predictive power of the theoretical model. As it is shown in Table 3, which summarizes the results, the R-square values of the clandestine and revealed initiatives are higher than the 10 per cent optimal minimum according to Falk and Miller (1992). Also, the Stone-Geisser $Q^2$ statistic (Geisser, 1974; Stone, 1974) is higher than zero for the two initiatives, suggesting that the model has predictive relevance.

The statistical significance of the path coefficients was determined by means of bootstrap procedure (5000 resamples) to generate standard errors and t-statistics (Chin, 1998). As can be observed in Table 3, most of the hypothesized relationships for clandestine initiatives are significant (at least at p < 0.05), while the relationships for revealed initiatives are not. Interestingly, need for power, achievement and self-direction, have significant effect on clandestine initiatives (at p < 0.05) but no significant effect on revealed initiatives. While this supports the notion that managers’ cultural values affect organisational initiative, it calls for breaking down the initiative and distinguishing its clandestine or revealed nature for a better analysis. In this sense, hypothesis 1 (proposing a positive effect of need for power, achievement and self-direction on initiatives) is partially supported in respect of clandestine initiatives and not supported for revealed initiatives. However, contradicting hypothesis 2, the relationship between universalism and either clandestine initiatives or revealed initiatives were not significant. In contrast, there is strong support for hypothesis 3, which predicts a negative effect of subsidiary’s perception of procedural justice on clandestine initiatives and a positive effect on revealed initiatives (significant at the p < 0.01). Finally, hypothesis 4, which predicts subsidiary autonomy positively related to the likelihood to undertake both initiatives, is strongly supported for revealed initiatives (at p < 0.01), but no significant effect was found on clandestine initiatives. A possible explanation is that autonomy is often granted by corporate headquarters, thus, an acknowledged autonomous subsidiary does not need to undertake clandestine initiatives. All in all, results indicate that the influence of the variables introduced in the model varies depending on the type of initiative scrutinized, i.e. clandestine or revealed initiatives.

Table 3. Structural model assessment

<table>
<thead>
<tr>
<th>PATHS</th>
<th>Coefficient</th>
<th>Standard Deviation</th>
<th>R²</th>
<th>Q²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effects on clandestine</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Achievement</td>
<td>0.0237</td>
<td>2.5659**</td>
<td>0.0924</td>
<td></td>
</tr>
<tr>
<td>Need for power</td>
<td>0.1688</td>
<td>2.3977*</td>
<td>0.0704</td>
<td></td>
</tr>
<tr>
<td>Self-direction</td>
<td>-0.1888</td>
<td>2.1418*</td>
<td>0.0881</td>
<td></td>
</tr>
<tr>
<td>Universalism</td>
<td>0.1452</td>
<td>1.9140</td>
<td>0.0759</td>
<td></td>
</tr>
<tr>
<td>Procedural justice</td>
<td>-0.2252</td>
<td>2.8715**</td>
<td>0.0784</td>
<td></td>
</tr>
<tr>
<td>Autonomy</td>
<td>0.1044</td>
<td>1.5820</td>
<td>0.0660</td>
<td></td>
</tr>
<tr>
<td>Effects on revealed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Achievement</td>
<td>0.0891</td>
<td>1.1723</td>
<td>0.0760</td>
<td></td>
</tr>
<tr>
<td>Need for power</td>
<td>-0.1361</td>
<td>1.8575</td>
<td>0.0733</td>
<td></td>
</tr>
<tr>
<td>Self-direction</td>
<td>-0.0547</td>
<td>0.8169</td>
<td>0.0670</td>
<td></td>
</tr>
<tr>
<td>Universalism</td>
<td>0.1311</td>
<td>1.6803</td>
<td>0.0780</td>
<td></td>
</tr>
</tbody>
</table>
Autonomy thus legitimates subsidiary initiative. It seems that autonomy legitimates subsidiary initiative so they do not feel constrained by corporate rules. Autonomy thus legitimates subsidiary initiative behind headquarters' back. It seems that autonomy legitimates subsidiary initiative so they do not feel constrained by corporate rules. Autonomy thus legitimates subsidiary initiative.

Discussion

Our results outline the importance of combining corporate structural factors with managers’ perceptions and their own values in explaining their responses to the corporate immune system resistance. The positive relationship between the need for power and achievement with clandestine initiative is in line with the literature on entrepreneurship that sees it as a way of achieving their own personal goals, even when it involves paying less attention to the means employed in the process.

All the values included in hypothesis 1, however, do not show a positive impact on clandestine initiatives. The significant negative relationship between self-direction and clandestine initiative drives us to think about the very nature of the subsidiary initiative. Self-direction values are associated to independent though and action (Schwartz, 1994). Our argumentation interpreted independent as related to subsidiary interest in contrast to follow corporate guidelines. However, self-direction in this case seems to be more related to think independently from any other individual. Subsidiary initiative definition refers to it as corporate entrepreneurship, therefore being a collective endeavour. Our results suggest that highly self-direction oriented individuals have no significant relationship to undertaking revealed initiatives what can be related to the fact that they don't like to be involved in collective actions. The negative relationship with the clandestine initiative may show the reluctance to participate in actions against what could be considered “good corporate citizen” behaviour thus damaging their career prospects.

Universalism has a positive, even if not significant, effect on clandestine initiative instead of the expected negative relationship. This may be justified by the idea that the perception gap between subsidiary’s and headquarters’ managers prevails over the possibility of considering clandestine initiatives as a source of conflicts. Managers with universalistic values are not primarily considering initiatives as sources of conflict, but they see keeping them secret of little relevance compared to the benefits they may bring to the company. The positioning of universalism within the structure of human values may support this argument. According to Schwartz (1994) values form a continuum of related motivations, so adjacent value types may share motivational emphases. Universalism shares with self-direction the reliance upon one’s own judgement. This reliance is consistent with the idea that there is uncertainty about how the headquarters interpret the subsidiary activities as to judge them as being consistent with or inconsistent with the overall strategy of the firm (Vahlne, Schweizer and Johanson, 2012). Given the idea that subsidiary initiative results in developments that may benefit not only the interests of the subsidiary or the individuals involved in it but also of the whole multinational we could understand that managers with high universalistic values do not refuse to undertake clandestine initiatives if they think they are in the interest of the company. This could explain why results do not confirm what we proposed in hypothesis 2.

Our results show that individuals guided by opposed values may undertake similar actions. Managers with high self-enhancement (power and achievement) values may regard clandestine initiatives as a way of increasing subsidiary power (Ambos et al., 2010) and consequently their own power within the corporate network. Conversely individuals with high self-transcendence (universalism) values may carry on with initiatives even if the headquarters does not bless them when they regard them as a way of contributing to the interest of the whole corporation.

Procedural justice has proved to have a strong impact on the reactions of subsidiary managers to corporate decisions affecting their activities. As expected, managers’ perceptions about fairness in the process opposing the initiative by corporate agents prevent subsidiary directors from undertaking secret initiatives. This suggest that transparency and fairness in the strategy-making processes may be used as a tool to disincentive undesired behaviours.

Not blessed initiatives have been considered a way of enhancing subsidiary autonomy. Managers involved in them have frequently been considered mavericks or empire builders trying to defend their own interests. Their actions are regarded with suspicion as they can be misaligned with corporate purposes. Consequently, headquarters and sister units try to prevent from them by activating the corporate immune system. Our results do not support hypothesis 4 proposing that autonomy has a positive impact on clandestine initiative. Instead, its relationship to the revealed initiative is positive and significant. These results suggest that managers in subsidiaries with enough decision-making capacity do not need to get involved in finding support for the initiative behind headquarters’ back. It seems that autonomy legitimates subsidiary initiative so they do not feel constrained by corporate rules. Autonomy thus legitimates subsidiary initiative.
Understanding subsidiary managers reaction to corporate decisions requires a multifaceted approach. Our study has found that besides to structural variables such as autonomy and managers perceptions about procedural justice, the personal values and culture of subsidiary managers have a strong influence on the strategies they chose to develop develop their initiatives. So far, the literature refers to the subsidiary as the actor who undertakes the initiative, or to the subsidiary managers as a team, never to the subsidiary CEO or to any single individual. Our work shows that individual and collective goals at subsidiary are not always necessarily coincident.

References


Culture and HRM in the Middle East: Building a theoretical foundation

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Abstract

Global competition leads to globalised business and thus begs the question of how HR can best support business in the face of global integration and coordination while maintaining local flexibility. The paper reviews the impact of culture on HRM and the on-going discussion of convergence and divergence. How HRM is developed in developing countries is examined using the framework developed by Budhwar and associates for studying cross-national HRM, with particular emphasis on the factors which influence HRM in the MENA region. Factors include national culture, the role of Islam and management as well as the impact of the rapidly changing demographic and socio-economic environments. As HRM continues to be developed in the MENA region, the literature and findings in this paper suggest there is a growing need to examine each country individually and take into account of its cultural and institutional contexts.

Keywords: global business, (international) human resource management, convergence – divergence, Middle East

1. Introduction

As economic activity becomes more global, organisations and countries increase cross border connections. The linkages between countries are primarily influenced by international trade and foreign direct investment, while scale and complexity of operations have risen significantly. In particular international mergers and acquisitions can be seen as the main reason for the increase in international investment flows. The most important drivers of globalisation are Multinational Corporations (MNCs) (OECD, 2010). Furthermore, greater mobility in the global labour market in general, as well as globalisation and the internationalisation of businesses, have caused more and more organisations to be confronted with the challenge of managing an increasingly diverse workforce (Andreassi, et. al, 2014; Banutu-Gomez, 2002; Budhwar and Debrah, 2001a; Hofstede, 2009; Kundu and Malhan, 2009; Michailova, et. al, 2009; Ruona and Gibson, 2004).

There is growing recognition in the literature that the success or failure of international joint ventures, mergers and acquisitions, depends on the way in which human resource issues are managed (Evans et al., 2002; Gooderham, et al., 2004). The MNC can be seen as the vehicle by which dominant HR policies and practices are transported across national boundaries (Morley and Collings, 2004). Global competition leads to globalised business and thus begs the question of how Human Resources (HR) can best support business in the face of global integration and coordination, while maintaining local flexibility. This implies that the role of HR in global business ventures is crucial when it comes to implementing organisational strategies with sensitivity to cultural influences (Pucik, 1996). Rosenzweig and Nohria (1994) describe this as the pressure for international consistency or the pressure for local isomorphism. They suggest the degree of resemblance to local practices is significantly influenced by how foreign-based multinational corporations were founded, the presence of expatriates and the extent of communication with the parent company.

A number of researchers have identified that among the challenges and contradictions MNCs face, there is the need to be simultaneously local and global in scope, being centralised and decentralised (Bures and Vloeberghs, 2001; Caldas et al., 2011; Doz and Prahalad, 1986; Evans et al. 2002), and maintaining a dynamic balance between implementing global standard practices and localisation if they are to become transnational (Bartlett and Ghoshal 1998). Global business and in particular international human resource management (IHRM) becomes even more complex when MNCs are operating in countries with different ethical standards of (business) practice, where issues like corruption, discrimination or unsafe working conditions are a daily occurrence (Chitakornkijsil, 2010). As mentioned before, the global standardisation of HR might lead to serious challenges;
however there are arguments which provide us with positive aspects as well. For example, Caldas et al. (2011) assume, that the greater the development gap between host country and country of origin, the greater the chance that the standardisation processes of global HR practices may bring progress, instead of just discomfort and the replacement of proper local standards.

Many scholars attempted to study the dilemma of IHRM (the so-called dual/countering logic) in order to understand how MNCs should simultaneously adopt both global integration and local adaptation (Caldas et al., 2011; Rosenzweig and Nohria, 1994; Namazie, 2007), however there is still no clear answer. Namazie (2007) studied different factors affecting the transferability of HR policies and practices in IJVs in Iran concluding that the majority of MNCs professed to use a polycentric approach to HRM in subsidiaries and IJVs, but in reality this was different. The research showed no apparent trend for the transfer of individual HR policies and practices. It could not be said that one practice was more local or one more standard, a finding that supported the existing literature, which states that each practice needs to be examined individually (Lu and Bjorkman, 1997; Myloni, et al., 2004; Schuler, et al., 1993; Taylor, et al. 1996). The study showed that IJVs made their choices about MNC standard or local policies and practices according to the influence of the environments.

A closer look at the European Union shows us that, although a single European market brought different contexts closer together and thus facilitated the dissemination of best practices in management, many differences of regulatory frameworks in the different countries still remain - which makes local adaptations indispensable (Frimousse et al., 2012; Michailova et al., 2009). In recent years, the body of research on the impact of home and host country effects on HRM practices of subsidiaries of multinationals (MNCs) has grown. MNCs have to decide how to manage their HRM policies and practices in host countries—whether these should be standardised to MNC global integration or localised to practices in the host country or whether a combination that blends both standardisation with local responsiveness should be adopted (Chang, et al, 2013; Doz, Bartlett and Prahalad, 1981; Hannon, Huang and Jaw, 1995; Lu and Bjorkman, 1997; Prahalad and Doz, 1987; Schuler, Dowling and De Cieri, 1993; Taylor, Beechler and Napier, 1996). These strategies are also referred to as ethnocentric, polycentric and geocentric, respectively (Perlmutter, 1969). The cultural and institutional frameworks of host countries are especially important when considering transitional, emerging and developing markets (Myloni et al., 2004; Aycan, 2005). Geppert et al. (2003) found that truly global firms not only acknowledge the need for adaptation of policies in different subsidiary operations, they plan for it. Even though the literature emphasises some country of origin variations in HRM, it also shows the significance of adapting practice to account for local institutional constraints—the “think global, act local” philosophy. Hence, we conclude that the need for local adaptations and interpretations of HRM can be stipulated as great (Sparrow and Hilltop, 1994; Brewster et al., 2010).

2. Method

The purpose of our literature review was to provide a comprehensive overview and comparison of research undertaken on comparative HRM, cultural implications on HRM and studies on the development of HRM particularly in the MENA region with the aim to examine theoretical developments, identify themes and trends and analyse the selected approaches. The review includes over 60 theoretical and empirical papers, primarily using peer-reviewed papers, articles of handbooks, dissertations and conference papers. It is noteworthy that the literature review has not been organised in a chronological order, rather the focus has been on comparing existing major research strands in cross-cultural HRM research with a particular emphasis on papers in the MENA region. Part of our literature review findings show that the body of research on comparative HRM in developing countries and the MENA region is significantly under researched compared to that of the European or CEE context.

3. Impact of culture on HRM

One of the first definitions of culture is provided by Kluckhohn (1951, p. 86): “Culture consists in patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artefacts; the essential core of culture consists of traditional (i.e., historically derived and selected) ideas and especially their attached values.” The definition from House et al. (2004) is consistent with the previous one; they define culture as “shared motives, values, beliefs, identities, and interpretations or meanings of significant events that result from common experiences of members of collectives that are transmitted across generations”. An overview of the “culture theory jungle” is, among others, provided by Nardon and Steers (2009) who discuss the (at least) six models of national cultures that continue to be widely cited and used in literature and include the following scholars: Kluckhohn and Strodtbeck, Hofstede, Hall, Trompenaars, Schwartz and House et al.

The notion of HRM was initially influenced by a management philosophy and thinking which stemmed from the United States of America (Clark and Pugh, 2000; Common, 2011; Michailova et al., 2009). The question whether the US-HRM Model fits other national cultures and institutional contexts in particular (Gooderham et
al., 2004), is still under discussion. The increasing global activity in business was followed by many publications in the field of international comparative human resource management aimed at answering these questions (Lazarova et al., 2008). Different cultural assumptions regarding, for example, organisations as systems of tasks versus relationships, the role of the individual and the collective and the importance of being versus doing (achievement versus ascription) show HRM practices to be culture-bound (Schneider and Barsoux, 1997). Research shows that MNCs at least partly adapt their HRM policies and practices to the host country in which they operate (Beechler and Yang, 1994; Myloni et al. 2004; Schuler and Rogovsky, 1998; Tayeb, 1998). Indeed, subsidiaries that have been managed in line with national country expectations, have been found to perform better than subsidiaries managed otherwise (Newman and Nollen, 1996).

Clearly, it is not sufficient to limit the challenges of HRM to cultural differences as some have suggested, however, Laurent (1986) is undoubtedly right in saying that HRM practices, more than any other management issues, are likely to be most sensitive to cultural diversity as they are designed by the bearers of one culture to handle other culture bearers. This is supported by other research conducted by Rosenzweig and Nohria (1994) who suggest that a considerable need for adaptation is found for HR (results are limited to MNC affiliates in the US, though), while other functions such as marketing, financial control and manufacturing showed a lesser degree of local adaptation.

There is an on-going discussion regarding convergence (trend towards uniform or standardised HRM practices) or divergence (trend towards more distinct or localized HRM practices). Although this issue has been researched thoroughly by numerous scholars, it still seems to be endless and rather too complex to be able to draw a conclusion (Clark and Pugh, 2000). On the convergence debate, Mayrhofer et al. (2004) propose that one should distinguish between three different forms of convergence: directional convergence, final convergence and majority convergence. They refer to directional convergence when the development tendency between different countries – regardless of the starting level – goes in the same direction, while final convergence refers to the development of a certain management tool in different countries which points towards a common end point. Majority convergence happens if organisations in a country become more homogeneous or heterogeneous in the use of a certain management concept or tool and thus contributes to the understanding within country comparisons. Their cross-national data of 13 countries indicate positive signs of convergence on questions like the comparative decrease of the HR department's size, the increases in training and development and the growing provision of information about strategy and finance (directional convergence). From the final convergence point of view, no empirical support was found, when analyzing for example the role distribution between line management and HRM specialists, the relative size of the HRM department, and HRM practices. Divergence scholars such as Morley et al. (2006) describe a huge growth of HR approaches at enterprise level that do not show similarities to any single model of HR types; they take this development as a sign of no convergence, as described by Gooderham (2004). Chang et al. (2007) attribute this to HRM practices being in “a constant state of flux between global integration and local adaptation during the transfer process”.

Khan (2011) concludes that a “middle of the path” approach should be adopted, especially since socio-contextual factors play a very important role in Middle Eastern Gulf Cooperation Council (GCC) countries in general. Dickmann (2003) attributes long-term success to the distribution of power, frequent communication, openness and trust within cross-border operations as important success factors in the balance of responsiveness and efficiency. The need for a deeper understanding of this matter is highly relevant for researchers and practitioners of MNCs, as a conclusion, or approach to a conclusion, would help to understand the transferability of HRM practices within MNCs (Nikandrou et al., 2005).

3.1 Factors affecting the development of HRM in developing countries

Just as the size of the organisation and the sector(s) in which the organisation operates have a considerable impact on how organisations manage their people, so does the fact of operating internationally (Schuler and Tarique, 2007). Many authors state that national culture; external factors such as socio-political, economic, the role of the state, education, and religion all affect the competitive advantage of nations and influence the development and establishment of the HR base in countries (Rosenzweig and Nohria, 1994). In particular this means that the host country with its cultural value system has a significant influence on HRM. Budhwar and associates developed a framework for studying cross-national HRM (Budhwar and Debrah, 2001a, 2001b; Budhwar and Sparrow, 2002). They propose four factors to be taken into consideration within the context of developing countries, namely national culture, institutions, dynamic business environment and industrial sector (outer context). What they describe as inner context refers to contingent variables such as life-cycle stages, level of technology, and presence of unions, HR strategies and different stakeholders’ interests. They argue that because HRM is in its infancy in many developing countries, only the impact of national factors can be further addressed. Tayeb (2001) in agreement with Budhwar and associates (Budhwar and Debrah, 2001a; Budhwar and Sparrow, 2002), adds that national culture, external factors such as socio-political, economic, the role of the state, education, and religion all affect the competitive advantage of nations and influence the development and establishment of the HR base of countries.
Table 1 summarises the factors known to influence the development of HRM (Budhwar and Debrah, 2001; Budhwar and Sparrow, 1998, 2002; Tayeb, 2001).

### Table 1: Factors which influence the development of HRM

<table>
<thead>
<tr>
<th>Factors</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Culture Factors</td>
<td>National culture factors recognise the management style, the meaning of work and values, the attitudes and manners of the workforce, and the assumptions that shape managers’ perceptions and insights. Hofstede’s (1980) national culture dimensions: are power distance, uncertainty avoidance, individualism versus collectivism, femininity versus masculinity and time orientation.</td>
</tr>
<tr>
<td>National Institutions and the</td>
<td>National institutions and the role of the state include national labour laws, politics, educational and vocational establishments, trade unions, government institutions, professional bodies, and labour markets.</td>
</tr>
<tr>
<td>role of the State</td>
<td></td>
</tr>
<tr>
<td>Industrial Sector</td>
<td>The industrial sector concerns strategies, business logic and goals, regulations and standards, developments in business operations, and labour or skill requirements.</td>
</tr>
<tr>
<td>Dynamic Business Environment</td>
<td>The dynamic business environment relates to sub-components such as competition, business alliances, the changing composition of the workforce, restructuring, focus on the customer, technological change and the effects of the globalisation of business.</td>
</tr>
<tr>
<td>Religion</td>
<td>Religion also plays a significant role in portraying the national culture of nations and in influencing the cultural characteristics of their people and institutions. Islam has always encouraged its believers to engage in commerce and private enterprise. Among the values espoused by Islam are individual responsibility within a framework of cooperation with others, fatalism but also a recognition of personal choice, work ethic, patience, self-discipline and abstinence, resolve, sincerity, truthfulness and trust. Countries such as Indonesia and Malaysia may be the first Muslim countries to achieve industrialisation based on these beliefs and values without relying on oil and underground resources.</td>
</tr>
</tbody>
</table>


### 3.2 The Middle East and North African context

Although the countries in the Middle East and North African (MENA) region share important similarities, there are also many differences between them, not only in terms of religion, language and ethnicity, but also political, legal, economic development and governmental structures. The MENA is a wide region encompassing some 20 countries based on the World Bank’s definition of the MENA. There is no standard definition of the Middle East.

The term was used by the British in the late 19th century to refer to the Persian Gulf region. The boundaries are defined by geography rather than religion, ethnicity, or other socioeconomic characteristics. The demographic trends in the region, especially the rapidly growing youth population, put pressure on the region to adapt to social change and economic challenges. It is a region of great political and economic significance and also of great concern. Two-thirds of the world’s known petroleum reserves come from this region, additionally it has the world’s second fastest growing population, preceded only by sub Saharan Africa. The population size quadrupled in the last half of the 20th century, in 2007 it stood at about 430 million and by 2050 it is estimated to surpass 700 million (Roudi-Fahimi and Kent, 2007). While Arabic is the predominant language, three of the region’s largest countries—Iran, Turkey and Israel, are not Arabic-speaking and furthermore, Arabic is spoken through different dialects throughout the region (Roudi-Fahimi and Kent, 2007). Islam is the religious faith of over 1.5 billion people worldwide and it is the world's fastest growing faith. Three of the world’s major religions originated in the region—Judaism, Christianity, and Islam. The word Islam means to submit to the will of God in word and deeds (Abuznaid, 2006). It is more than just a belief, it is a complete way of life and embraces all
social and economic activities (Ali, 2008). Politically, the countries in the region have different governmental systems; ranging from republics (Turkey, Egypt) to constitutional monarchies (Kuwait, Morocco) (Kabasakal and Bodur, 2002). The laws governing the countries range from civil code to strict Islamic jurisprudence, Sharia law. Many countries have a combination of the two. The MENA is not only a large and rapidly growing market, but it is strategically located at the crossroads between Asia, Europe and Africa. A prevalent question for foreign MNCs operating in this region is the political and market stability.

### 3.3 A review of factors which effect HRM in the MENA

The above-mentioned scholars have remarked that socio-contextual factors play a very important role in the transferability of HRM. Although the countries of the MENA region are similar in some ways, they are also very different. However, for the purpose of this paper, the major similarities will be discussed in the section below. This section addresses the different factors which effect HRM and includes national culture, the role of Islam, management and institutional factors.

#### National Culture

Several studies on national culture and value orientations focus on the Arab Middle East and in some cases make distinctions for individual countries in the region. Hofstede (1980) included Egypt, Iraq, Kuwait, Lebanon, Libya, Saudi Arabia, and the United Arab Emirates in his Arab cluster. Hofstede’s ground breaking survey was conducted twice, once around 1968 and once around 1972, producing a total of more than 116,000 questionnaires in 66 countries, including Iran, Turkey and Israel. These countries were not included in what he terms the Arab cluster (Hofstede 1980, 1984).

In turn, the GLOBE study (2004) was conducted in the mid-1990s. From the MENA region, Egypt, Iran, Israel, Kuwait, Morocco, Qatar and Turkey were included in the 62 societies. Turkey, Qatar, Morocco, Egypt and Kuwait were placed in the Middle Eastern cluster. For lack of inclusion of all MENA countries, many researchers use the GLOBE study’s Middle Eastern cluster and Hofstede’s Arab cluster to generalise the general behaviours and observable trends in the greater MENA region. Although other scholars have also contributed to national culture and values orientations, for the purpose of this chapter, the authors use Hofstede and GLOBE study.

Hofstede (1991) studied the national culture of seven Arab countries and referred to them as the “Arab Group”. He characterised Arab countries as having a large power distance, relatively high uncertainty avoidance, higher collectivism than individualism, and a slightly more feminine than masculine preference. Uncertainty avoidance is the only dimension in which religion plays an important role (Obeidat et al. 2012). Countries with high power distance tend to be more collectivist. Loyalty of employees is to individuals, tribes and networks and not to the organisation itself. This manifests itself where people rather than the actual needs of the organisation take precedence (Al-Rasheed, 2001; Obeidat et al. 2012). Hofstede (2001) also noted the positive relationship between power distance and paternalism. The Arab cluster showed more preference towards the feminine continuum which focuses on relationships and working conditions or a “work to live” culture (Hofstede, 2001). In these cultures, practices that damage relationships and working conditions are avoided and attempts to differentiate one employee from another, tie compensation to performance, or give negative feedback are regarded as potentially threatening to workplace harmony (Sale, 2004). Some management scholars believe that the feminine culture may affect managerial attitudes and behaviours about performance appraisal, compensation, and labour relations (Tayfur, 2013).

Additionally, results of the Middle Eastern cluster in the GLOBE study (2004) of 62 societies include countries which predominantly accept and practice Islam. This cluster showed a high score on in-group collectivism and lower score on future orientation, gender egalitarianism and uncertainty avoidance (House et al., 2004). This represents societies that are fatalistic, believe in the will of Allah and that the family forms the basis for insurance against future contingencies and looks toward male members of society for primary protection and support (House, et. al., 2004, p. 200). Findings from the GLOBE study reflect the importance of family and the network of interdependent relationships, which can reduce the importance of performance and future orientation in these societies (Kabasakal and Bodur, 2002).

It is noteworthy, that Hofstede’s dimensions show the Arab cluster to be low on uncertainty avoidance and the GLOBE study shows the Middle Eastern cluster to be high on uncertainty avoidance. Venaik and Bruwer (2010) show these contradictory explanations are due to the fact that the models are measuring different components of the UA construct. Both Hofstede and GLOBE use the term “uncertainty avoidance” but it appears to reflect different and perhaps contradictory characteristics of national culture (Venaik and Bruwer, 2008). A further critique and discussion of the UA dimension is beyond the scope of this paper, however, for the purpose of this paper, the authors will continue to use the UA dimensions as stipulated by Hofstede and GLOBE and interpret the implications on international business and management for the MENA regions.
Islam and Management in the MENA

Even though over 80 percent of people worldwide report that religion plays a significant role in their daily lives (Sedikides, 2010), research on the relationship between management and religion has only recently been examined. However, in what has recently been referred to as a religious re-awakening, religion has come to the forefront of management and organisational research (Mellahi and Budhwar, 2010). Since 2007 a growing body of research has examined HRM, management and Islam. Islam is the religious faith of over 1.5 billion people worldwide and it is the world's fastest growing faith. Islam and its different sects promote a set of moral values and behaviours in society (Kabasakal and Bodur, 2002). In addition, Islam places great emphasis on work ethics, management and leadership. The Holy Quran speaks about justice and honesty in trade, fairness in employment relationships, encourages new skills to be learnt, co-operation in work, consultation in decision making and to do work that benefits the individual and the community (Branine and Pollard, 2010; Abuznaid, 2006). Due to the strong influence that Islam has on day-to-day lives, it is expected to also have a strong influence on how human resources are managed in organisations, work-related values, the expectations of employees as well as the behaviour and approach of management (Aycan et al., 2007; Leat and El-Kot, 2007).

Scholars outline different Islamic principles of Islam and their implications on HRM and management (Branine and Pollard, 2010; Mellahi and Budhwar, 2010):
1. Being mindful of Almighty God (Taqwa) enables one to behave in a just and steadfast manner.
2. Kindness (Ehsan) in terms of doing good deeds and forgiveness. Managers with a high level of Ehsan promote the training and development of their employees and encourage employment involvement and participation in decision-making.
3. Justice (Adl). Justice leads to equality and enables a sense of humility. In organisations where justice prevails this translates to employees being treated and rewarded equally and fairly and that laws and regulations, policies and procedures are followed and implemented.
4. Trust (Al-Amanah). The concept of trust is a core value governing social relationships, as every person is held accountable for his/her doings in the community.
5. Truthfulness (Al-Sedq). The concept of Sedq (or Sedak) implies doing and saying what is right to the best of one’s knowledge. It is forbidden in Islam to lie or to cheat under any circumstances. Honesty and trustworthiness are central to effective management.
6. Self-improvement (Etqan), which provides the basis for one's striving for self-betterment in order to do better work. In HRM this would translate to do better, work harder and improve the quality of their products and services through the learning of new knowledge and skills.
7. Consultation (Shura). It is required to seek advice and to consult others before making decisions. Consultation is one of the main leadership values in Islam.

Islam may influence workplace behaviour with values such as respect for age and seniority, loyalty, obedience towards leaders and looking to seniors for direction, consultative decision making, trustfulness both between superiors and subordinates (Namazie and Tayeb, 2006). Leat and El-Kot (2007) add that Islamic work ethic is consistent with Hofstede’s (1980) findings of low individualism, emphasising relationships and cooperation; the desire to avoid uncertainty, which can be seen through hard work, living by the rules and consultation as a means of avoiding mistakes.

The main sects in Islam are Sunni and Shiite. Differences are observed between the sects in practices and cultural beliefs. Although interpretations of Islam differ from one sect or country to another, overall, Islam promotes collectivism and power distance by emphasizing religious brotherhood and accepting those in leadership positions of authority (Kabasakal and Bodur, 2002). Interestingly, there are observable differences between the Sunni and Shiite doctrines, whereby Sunni stresses collectivism and unchanging rules whereas Shi'ism allows for individual freedom and openness to change (Kabasakal and Bodur, 2002). These differences in doctrines, practices and beliefs could have implications on management and HR practices, allowing more creativity, acceptance and openness to change in Shiite communities and societies compared to those of Sunnis.

Fatalism is seen not only as a characteristic of Islam but also of developing countries (Kanungo and Jaeger, 1990). This assumes that the future is best left to Allah and that as long as you live by religious rules all will be well. This translates to a low performance orientation, where employees feel they are not in control of their actions and future development, and could cause low productivity and lack of accountability.

Islam emphasises the role of the family as well as the patriarchal relationship, expecting family members to respect and obey the leader of the family or society. Whether cultural or Islamic, patriarchy is deeply rooted in the MENA region. As Tayeb (1997) points out, it is very difficult to disentangle the effects of Islam on HRM from the other deeply embedded social, economic and political factors which make up the character of a society. It is noteworthy that Islam takes on local features in the countries where it is practised and therefore there are clear variations among each country in its interpretation of Islamic values (Tayeb, 1997). For example, Saudi Arabia and Turkey are both Islamic nations, but the way in which their societies are organised and the kind of attitudes and behaviours which are expected of their people is extremely different.

Aycan et al. (2000) demonstrate paternalism in Turkish organisations and show how supervisors take on a parental role by providing support and care. Subordinates in turn, take on a child’s role and show loyalty, deference, and compliance towards the parent. Lattifi (1997) found that Iranian employees consider their
Managers as sympathetic brothers and sisters or compassionate fathers and mothers who were seen to be involved in their employees’ private lives and family matters. In a study on IJVs in Iran, Namazie (2007) found the selection of the Managing Director, followed by ownership structure of the JV, management style of the local partner and national culture were seen as crucial factors in the transferability of HR policies and practices to the IJVs, stressing the importance of paternalism in the Iranian context.

However, there appears to be a mismatch between these Islamic core values and what is practised in the workplace (Abuznaid, 2006; Ali, 2010; Branine and Pollard, 2010; Mellahi and Budhwar, 2010), partly due to management in the MENA region being influenced not only by Islam but also traditional and non-Islamic norms and values. A clear example is seen in the importance paid to in-group collectivism where loyalty to family and personal relationships take precedence over organisational needs. This translates to nepotism in recruitment and compensation which is not compatible with Islamic values of justice, equity and fairness. In this regard, it is important to examine and understand management processes and the cultural context of individual countries and to differentiate between them (Branine and Pollard, 2010).

Kanungo and Jaeger (1990) point out, that in response to the unpredictable nature of the environment in developing countries, organisations adopt coping strategies such as lack of long-term planning, lack of a long-term vision and goal, lack of time management, moderate risk taking and lack of trust in the system with a concomitant lack of trust in people and staff: both managers and workers. Although each country must be considered in its own right, studies of management in the MENA region show the significance of cultural and political influences on managerial behaviour and have recognised the importance of Islam, tribalism, state control and Western influence (Ali, 1990; 1998; Dadfar, 1993; Weir, 1998, 2001; Budhwar and Mellahi, 2006; Namazie and Tayeb, 2006). Studies have generally agreed that most Arab managers are authoritarian in dealing with their subordinates (Branine and Pollard, 2010). Decision making is greatly influenced by status, hierarchy and level of seniority (Al-Faleh, 1987). Namazie and Tayeb (2006) remarked that after the 1979 Islamic revolution in Iran, the need for a loyal workforce was greater than a skilled workforce and the value of merits was placed, therefore, not on actions and competencies but on loyalties and relationships. In a region with high political and social unrest, it is common to see swift changes in power, therefore it is important to maintain good relationships both within your independent networks and with people with influence. Whether “wasta”, “piston” or “partybazi”, emphasising power, collectivism and the importance of relationships, “how much you know” is not as important as “who you are and who you know”.

As discussed above, the type of management practiced in Arab countries has little to do with the cultural values and norms of Islam. Ali (1998) contends that the problem in Arab countries is due to the complex interaction between dominant social values, technology and the level of development achieved, such as too much centralisation and bureaucracy, poor communication, lack of management skills, unrealistic performance measures (such as the importance of personal factors over the needs of the organisation) (Ali, 1998; Weir, 2000; Assad, 2002).

Allinson and Hayes (2000) argue that the state of economic development of the country is also a significant contextual issue. In this respect, Rahwar and Al-Buraey (1992) claim that Western organisational theory sits uneasily in Arab cultures because of its concentration on individualistic and performance-related and economic measure-based approaches, they suggest, for example, that many important individual spiritual needs are ignored in Western management thought. Western theories of work motivation and work values may also be inappropriate for Islamic countries.

It seems, therefore, that there is ample evidence from the above-mentioned studies of a gap between what is practised in the MENA countries and what is really needed. It appears from the above discussion that there is a clear difference between theory and practice, and between what is expected, according to the Islamic principles explained above, and what is actually practised (Branine and Pollard, 2010). This creates the discrepancy between global integration and local responsiveness (Mellahi and Budhwar, 2010) and emphasises that each context needs to be studied individually. It is noteworthy that the MENA societies are in transition and work-related changes may result, albeit very slowly. The issues for HRM lie in designing work practices that provide adequate motivation and appropriate sets of guidelines which incorporate local value systems and yet meet the needs of the enterprise in a globally competitive environment.

4. Conclusions and further research

In the last years the amount of literature and studies on HRM in the Middle East has increased significantly. The discussion about convergence and divergence of HRM is still ongoing. Many scholars have studied the development of HRM – mostly in a comparative manner; the convergence or divergence patterns of HRM in Europe and CEE, as well as in other parts of the world have increasingly been subject to scrutiny. However, it seems that it is not yet the moment to draw a final conclusion, not even in regions such as the European Union, where countries are highly connected to each other; or CEE countries, which share the same path of transformation to a market oriented system. When it comes to business strategy though, the general notion can be described as “away” from ethnocentric approaches and emphasising polycentric approaches in global business.
Still, there are several directions the development of future research could take. Additional research might determine whether power relations between MNC and subsidiary (Ferner et al., 2011), particularly in the MENA region influence HRM. On the one hand, the young population is in need of economic development, but at a sustainable pace, one which needs to be aligned with the cultural norms and values of each society. On the other hand, in order to understand the role and impact of MNC and transferability of HR practices each practice and country must be studied individually. As mentioned in the previous sections, although the MENA region shares many commonalities, there are also huge differences. But differences are not only found between two countries they may even appear within a single country. Azolukwam and Perkins (2009, p. 78) point out that parts of the population are socialised to western norms, and other parts are not, in particular suggesting that between perceptions of senior managers and “average” employees, enormous differences might exist. Furthermore, as mentioned in the section above, it is important to bear in mind that not only Islamic core values, but also traditional and non-Islamic values and norms do influence management in the MENA region. A tentative conclusion from this literature review might be, that, as suggested by several authors, the presence of MNCs in developing countries has a large impact on the development of HRM, such as is the case in the MENA region. Ali (1998) points out that MNCs should be culturally aware and identify the areas that might cause friction and misunderstanding (e.g. religious or political issues), have the appropriate intercultural and interpersonal skills necessary to modify their behaviours to appreciate Arab and Middle Eastern values, such as respect for elderly, religion and the importance of relationships. In conclusion, the overall impression is that HRM in the MENA region appears to be taking on a more strategic approach, by implementing HRM practices in a systematic way in order to contribute to business success (directional convergence). The role of HRM is also highly influenced by the status of HRM within organisations in a country. While in many developing countries HRM is still not one of the core functions within an organisation, in the MENA region, the socio-economic environments appear to be one of the factors pushing for HRM to develop more rapidly. In particular a high (sometimes foreign) competition might stimulate the focus organisations put on their human resources and consequently their HRM practices. The findings from our literature review reinforce the view that as HRM continues to be developed in the MENA region, there is a growing need to examine each country individually and take into account its cultural and institutional contexts.

6. Bibliography


DOES BOARD GENDER DIVERSITY IMPACT ON DIVIDEND POLICY?

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Abstract

In this paper we analyse the impact of gender diversity on Board of Directors (hereinafter BD) on dividend policy. We hypothesize that the percentage of women directors, the percentage of independent, institutional and executive female directors, and the percentage of shares held by women directors on BDs have an impact on the dividend policy of Spanish firms. Our results show that the percentage of female directors and shares held by female directors are positively associated with dividend payout, while the percentage of institutional women directors has a negative impact. The results confirm that gender diversity has influence on dividend payout, so the existing legislation should encourage more participation by women in governing bodies. Our evidence supports the Act for Effective Equality between Women and Men, which establishes that listing companies have to achieve a quota of 40% of women in decision-making bodies by 2015.

1. Introduction

Recent research (Byoun et al., 2013; Jensen, 1986; Van Pelt, 2013) has considered that the payment of dividends is one of the most important mechanisms to reduce or mitigate agency cost. However, academic literature on dividend policy has paid little attention to other features, including gender diversity. Thus, the aim of this study is to contribute to the growing literature on the role of women in corporate governance and, more concretely, to analyse whether gender diversity on BDs has an effect on the dividend policy of the companies.

This study contributes to the literature by showing that gender diversity on BDs influences the dividend policy of firms. Our evidence supports the Spanish Law (Act 3/2007 of 22 March, for Effective Equality between Women and Men), which is based on the premise that corporate boards’ female quota should be 40%. The Spanish legislator allows listing companies to achieve this gender quota by 2015, so the current legislation should encourage more participation by women in governing bodies. However, the progress made is still too slow to meet the government’s 2015 target, and for this reason we recommend that stronger government sanctions, combined with more effective equality plans within companies, are required for the quota to be met. Secondly, our study provides evidence that gender diversity on BDs can alleviate the agency problem of free cash flow by monitoring and resolving the manager–shareholder conflict in an effective way; this is particularly true in the Spanish context, where two important agency problems are currently weak, namely shareholder rights and low management ownership. Thirdly, our findings suggest that a diverse board yields benefits to shareholders through its effect on dividend policy, and further contributes to the literature on the factors that influence dividend payout policy. This may be useful for current and potential shareholders of listing firms to know more deeply the dividends policies of the companies in which they invest. Finally, Spain is a good context
in which to examine the effect of gender diversity on BDs on dividend policies, since most of the studies about dividend policy refer to non-European countries.

The structure of this paper is as follows. After this introduction, the second section focuses on the theoretical background. The third section describes the institutional background, while in the fourth section we review the previous literature and develop the hypotheses. The fifth section describes the sample, methodology and variables used in the study; the sixth section shows the obtained results. In the final section, we discuss our conclusions; explain the limitations inherent to this study and the future lines of research.

2. Theoretical background

According to agency theory, the separation between the ownership and control of the firm generates information asymmetries between the parties, because the owners of a firm have delegated to managers to act on their behalf. This informational disadvantage between both parties includes information about the firm's prospects, earnings and risk aversion, among others. Jensen and Meckling (1976) explained that information asymmetry between managers and shareholders might lead to agency costs. This gives rise to a conflict of interest between ownership (principal) and the control of the firm (agent), and therefore becomes an agency problem, which makes investors pessimistic about future cash flows being absorbed (Krafft et al., 2013). Managers take daily decisions about the firm's earnings, although they do not always adopt dividend policies which benefit the shareholders’ interests. From time to time, they may choose a dividend policy that maximizes their own private benefits. In the same vein, Jensen (1986) showed that the distribution of dividends reduces free cash flow at managers’ disposal, prevents unprofitable projects and alleviates agency costs. Hwang et al. (2013) demonstrated that dividend payments reduced the amount of free cash flow, thus reducing minority shareholder rights. Given that it has an effect on both of their interests, dividend policy is the most important economic and financial policy for managers and investors. Furthermore, it affects the value and financial and economic capacity of the firm. Dividend payouts reduce the total amount of retained profit and reduce financing with private capital. For this reason, dividend policy depends on companies’ profit distribution priorities and investment financing decisions. The payment of dividends, managerial equity ownership and debt financing are considered effective mechanisms in mitigating agency conflicts of interest within the firm (Rozef, 1982). In a similar manner, Sedzro (2010) examined repurchases and regular and special dividends, and concluded that firms with agency problems increased their regular dividends.

Agency theory also suggests that women on corporate boards might make stronger existing control mechanisms over managers and executives since female directors on BDs increase board independence and are inclined to ask many questions. Gender heterogeneity among board members improves mutual monitoring and it serves as a “watchdog for shareholder” (Kandel and Lazear, 1992). Thus, women directors on BDs have the potential to help align the incentives of shareholders and managers though their impact on the pay-out policy, since they may have high cash flows, and to reduce free cash flow problems they may pay high dividends to their shareholders. Moreover, boards with a high proportion of female directors may reduce impediments for dividend pay-out. These views are supported by authors such as Knyazeva et al. (2009), who demonstrated that heterogeneous boards were associated with lower cash holdings and higher dividends.

3. Institutional Setting

The Spanish corporate governance system is characterized by the presence of few large shareholders or independence on their boards, under-developed capital markets, no active market control, high ownership concentration and a one-tier board system (all directors, executives and non-executives form one board). In this sense, De Miguel et al. (2004) showed that ownership concentration is higher in Spain than in countries such as the US, the UK, Japan and Germany. In these countries, important institutions, such as the government and large banks, have become controlling shareholders. As in other continental European corporate governance systems, most of these institutions attain an important position on boards as they represent the interests of large shareholders and institutional investors (Kirchmaier and Grant, 2005). Most of these institutional investors are banks, investment funds and insurance companies. Institutional investors directly influence the management’s activities through their ownership, and indirectly by trading their shares (see Montalban and Sakiçi, 2013). In this vein, Delgado-García et al. (2010) documented that ownership concentration in the hands of the largest shareholder erodes the corporate reputation of Spanish firms. Continental European countries’ financial systems contrast with Anglo-American ones because the latter do not consider institutional investors as significant members of the board. Spain has undergone significant legal and institutional changes in order to increase the transparency of the stock markets and to protect minority shareholders. One of the consequences has been the issue of several codes of Corporate Governance: Olivence in 1998, Aldama in 2003, and finally, the Conthe Code in 2006 which are characterized by a “comply or explain” principle in the enforcement of corporate governance regulations. On the other hand, it is worth noting that the continuous political and socio-economic
changes in Spain in recent years have increased gender diversity on boards of directors. This increase was enhanced by the CUBG (2006), whose recommendations are intended to support female presence on decision-making bodies, including ACs, and by the implementation of Act 3/2007 of 22 March, in 2007, for Effective Equality between Women and Men (LOIMH, 2007), which frames the regulation of the appointment of men and women on boards of directors in an equitable way. In fact, the LOIMH (2007) forces Spanish boards of listed companies to reach a gender quota of 40% by 2015 (a detailed analysis of gender quotas for BDs in several countries can be found in Terjesen et al., 2014). According to González-Menéndez and Martínez-González (2012), after the recommendations of the CUBG (2006) and the debate of the Draft Equality Law (later Act 3/2007 of 22 March, LOIMH), most of the improvements in women’s representation on boards occurred between 2005 and 2006.

4. Literature review and Hypothesis development

4.1. Hypothesis

Percentage of female directors on Boards of Directors

Gender diversity on BDs can help to mitigate agency problems by monitoring and resolving conflicts of interests between managers and shareholders (Jurkus et al., 2011). Authors such as Byoun et al. (2013), among others, argue that gender diversity on BDs could decrease the conflicts between the principal and the agent. Previous evidence focuses on the analysis between women on BDs and dividend payout. In this sense, Knyazeva et al. (2009) and Wellalage et al. (2012) found that board heterogeneity is associated with higher dividends. Byoun et al. (2013) consider 2,234 firms of Investor Responsibility Research Center (IRRC) database, and showed that firms with more gender diverse BDs are more likely to pay larger dividends than firms without diversity on their BD when firms perform large free cash flows and cause agency problems. In particular, firms with gender diversity on their BD are associated with a roughly 15% higher probability of paying dividends than firms without gender diversity. Van Pelt (2013) analysed a total number of 1,350 firm-year observations, and considered that gender diversity on BDs increased payout dividends. In sum, the previous literature seems to support the hypothesis that women's presence on BDs has positive impacts on dividend payout. Therefore, we predict that the percentage of female on BDs may have a positive effect on dividend payout. Ye et al. (2010) provide evidence that companies with a higher proportion of women directors perform better than those without gender diversity, and this could increase the dividend payout. Hence, we posit the following hypothesis:

Hypothesis 1: The percentage of female directors on the Board of Directors is positively associated with the dividend policy

Percentage of female independent directors on Boards of Directors

Previous studies have examined the relationship between the presence of independent directors on BDs and dividend payout. Sharma (2011) examined 944 firms of S&P 1500, and evidenced that greater independent director representation on the BD has a positive and significant influence on the propensity to pay dividends. Furthermore, Wellalage et al. (2012) documented a positive relationship between the proportion of independent directors and the payment of high dividends; while Byoun et al. (2013) reported that the existence of more independent board members tends to pay higher dividends. O’Connor (2013) analysed 220 companies from 21 countries, and demonstrated that dividend payout increased in firms where board independence was higher. Contrary to this evidence, other studies (e.g. Ruiz et al., 2008; Al-Najjar and Hussainey, 2009) showed that there was a negative relationship between independent directors and dividend payout. Previous evidence does not directly address the relationship between independent women on BDs and dividend policy. Notwithstanding, we predict a positive association between the proportion of independent female directors and dividend payout, as this would allow them to possess more comprehensive control over members of the board, which could also reduce conflicts of interests between directors and shareholders (Jurkus et al., 2011). Hence, we posit our second hypothesis in the following manner:

Hypothesis 2: The percentage of female independent directors on the Board of Directors is positively associated with the dividend policy

Percentage of female institutional directors on Boards of Directors

Previous works have examined the relationship between institutional investors and dividend payout. Faccio and Lasfer (2000) analysed the monitoring role of pension funds in 289 firms in 1996, and found that firms with high levels of pension fund ownership were less likely to be efficient or to pay higher dividends than their industry counterparts. Khan (2006) examined the UK Stock Exchange, and showed a positive relationship between the level of insurance company shareholding and dividends payout, while a negative relationship was found for shareholding by individual investors. Al-Kuwari (2012) observed 37 non-financial firms listed on the
Kuwait Stock Exchange in an emerging market between 1999 and 2003, and found that the government ownership increased the probability of paying dividends, consequently resulting in reduced agency problems. Similar evidence was reported by He et al. (2012). A large number of previous studies provide evidence that institutional ownership contributes to increased dividend payout (e.g. Hovakimian and Li, 2010; Van Pelt, 2013). Nevertheless, Amidu and Abor (2006), among others, found that institutional ownership was negatively associated with dividend payout. These studies do not directly examine the relationship between female institutional directors and dividend payout. In addition, previous evidence regarding the relationship between institutional directors and dividend payout is inconclusive. For this reason, we predict that the percentage of female institutional directors can either positively or negatively affect the dividend payout. Hence, we posit the following hypothesis:

**Hypothesis 3:** The percentage of female institutional directors on the Board of Directors is positively and negatively associated with the dividend policy

### Percentage of female Executive Directors on Boards of Directors

According to Jensen (1986), CEO duality on BDs increased the concentration of power in one person, leading to opportunistic behaviour that was contrary to the interests of shareholders. Zhang (2008) compared the cash dividend policy of Chinese firms listed in Hong Kong and those on the Mainland, and showed that Mainland-listed firms with combined CEO and chairman titles on their BD tended to pay lower cash dividends; however, there was no such evidence about Hong Kong-listed firms. Deshmukh et al. (2010) used panel data from large US companies over the period 1980–1994, and documented that firms managed by overconfident CEOs had lower levels of dividend payout. In this sense, Wellalage et al. (2012) analysed the Shenzhen Stock Exchange, and showed that CEO duality on boards resulted in higher dividends. Meanwhile, Van Pelt (2013) found a negative association between the percentage of inside directors on BDs and dividend payout. However, Mansourinia et al. (2013) examined a sample of companies listed on the Tehran Stock Exchange during the period 2006–2010, and found that there was not a significant relationship between CEO duality and dividend policy. Other studies concluded that CEO duality was positively associated with dividend payout (Wellalage et al., 2012). Abor and Fiador (2013) observed a sample of listed firms on the Johannesburg Stock Exchange, the Nigerian Stock Exchange, the Nairobi Stock Exchange and the Ghana Stock Exchange during the period 1997–2006, and showed that Nigerian firms which separated the roles of CEO and chairman on the corporate board had higher dividend payouts. Previous literature focuses on the impact that executive directors on BDs have on dividend payout; however, the effect that female executives on BDs have on dividend policy has not been previously analysed. Despite this, we predict that the presence of female executive directors on BDs is negatively associated with dividend payout, since a lower payout of dividends will allow firms to reduce agency costs. Thus, we posit the following hypothesis:

**Hypothesis 4:** The percentage of female executive directors on the Board of Directors is negatively associated with the dividend policy

### Percentage of shares held by female directors on Boards of Directors

Agency theory argues that when shareholders have greater rights (voting power), they can use this power to influence dividend policy. A strong legal system helps to protect minority shareholders from majority shareholders’ opportunistic behaviour, such as wealth expropriation and excessive compensation. Wellalage et al. (2012) evidenced that countries with weak legal protection for minority shareholders paid lower dividends. Most of previous studies analyse the relationship between shareholders’ rights – by means of voting – and dividend payout. Jiraporn and Ning (2006) examined 3,732 firm-year observations, and evidenced that firms where shareholder rights were weak paid out higher dividends. Adjaooud and Ben-Amar (2010) observed 714 firm-year observations, and evidenced that when shareholder rights were strong, the dividend payout increased, as shareholders could use their powers to pressure managers to pay higher dividends. Hwang et al. (2013) studied a sample of Korean companies during the period 2003–2010, and evidenced that firms with weaker shareholder rights paid lower dividends. Other studies (Pérez-González, 2003; Ramli, 2011) evidenced that the largest shareholder often increased dividend payout. Previous evidence about the impact of shares held by directors (shareholde rs vote rights) on dividend policy does not deal with the relationship between shares held by female directors and dividend policy. Regardless, we predict that the shares held by female directors on BDs may have a positive effect on dividend payout, since shareholders could use their power by means of their voting rights to pressure managers to pay higher dividends (Adjaooud and Ben-Amar, 2010), and therefore female directors could increase their personal benefits. Hence, we posit the following hypothesis:

**Hypothesis 5:** The percentage of shares held by female directors on the Board of Directors is positively associated with the dividend policy
5. Empirical design

5.1. Sample

The sample is drawn from the population of Spanish non-financial firms listed on the Spanish Stock Exchange during 2004–2012. We exclude financial companies both because they are under special scrutiny by financial authorities that constrain the role of their board of directors, and due to their special accounting practices. Spanish data is obtained from the “Sistema de Análisis de Balances Ibéricos” (SABI) database, from the annual corporate governance reports that all listed companies have been required to publish since 2003 and from the companies’ Web pages. We build an unbalanced panel of 910 firm-year observations from 174 firms. Our sample roughly accounts for more than 95% of the capitalization of Spanish non-financial firms. The panel is unbalanced because some firms became public during this time period, while other firms delisted as a consequence of mergers and acquisitions. Nevertheless, the estimations based on unbalanced panels are as reliable as those based on balanced panels (Arellano, 2003).

5.2. Variables

The dependent variable (DPY) is calculated in three ways: (1) as a dummy variable that takes the value of 1 if the company pays dividends, and 0 otherwise (Byoun et al., 2013); (2) as cash dividends on common stock divided by the market value of common stock of firms listed on the Madrid Stock Exchange (Sharma, 2011); (3) as the logarithm of the total amount of dividend paid per share in the accounting year (Ahmed et al., 2009).

As independent variables, we define \( \text{PERWDBD} \) as the ratio between the total number of women on the BD and the total members of the BD. We also define \( \text{PERIWDBD} \) as the ratio between the total number of independent female directors on the BD and the total number of directors on the BD. Moreover, we define \( \text{PERINSWDBD} \) as the ratio between the total number of institutional women directors on the BD and the total number of directors on the BD. Moreover, we define \( \text{PEREWDBD} \) as the ratio between the total executive women directors on the BD and the total number of directors on the BD. Finally, the variable \( \text{OWNWOMBD} \) as the proportion of shares held by women directors.

We control for a number of factors supported by previous evidence that can potentially affect dividend payout. \( \text{OWNCON} \) measures ownership concentration and is calculated as the percentage of shares held by shareholders holding at least 10% of the firm’s stock (Sedzro, 2010). Rozeff (1982), among others, showed a negative relationship between the ownership concentration and dividend payout. Another control variable used is investment opportunities; in line with Ruiz et al. (2008), and we define it as \( \text{IO} \), which is calculated as the rate of assets growth. Authors such as Sharma (2011) and O’Connor (2013) demonstrated a negative relationship between growth opportunities and dividend payout. The ownership of managers is also considered as control variable; it is defined as \( \text{OWNMANG} \) and calculated as the percentage of stocks owned by directors. Previous studies (Rozeff, 1982; Azzam, 2010) reported a negative relationship between the percentage of shares held by managers and dividend policy. \( \text{LEV} \) is calculated as the ratio of book value of debt over total assets, and represents the leverage level of the firm. Previous literature (e.g. Sharma, 2011, Byoun et al., 2013) has shown that high financial leverage was negatively related to dividend payout. We also control for profitability, which is defined as \( \text{ROA} \), and calculated as the ratio of earnings before interest and taxation (EBIT) over book assets (O’Connor, 2013). Sharma (2011) and O’Connor (2013) demonstrated that firms with a high return on assets ratio had a greater potential to pay dividends. \( \text{ROE} \) represents the profitability of stockholders’ investments and, in line with Diez et al. (2001), is calculated as the net income divided by stockholders’ equity. Previous evidence documented that there was a negative relationship between returns on equity and the dividend payout (e.g. Diez et al., 2001). Previous literature shows a positive association between firm size and the dividend payout (e.g. Byoun et al., 2013; O’Connor, 2013). Thus, we define firm size as \( \text{FIRMSIZE} \); it is calculated as the natural logarithm of total assets of the firm. Finally, various studies (e.g. Byoun et al., 2013; Mansourinia et al., 2013) reported that board size had a positive impact on pay dividends. We therefore define board size as \( \text{BDSIZE} \) and calculate it as the total number of directors serving on the board (Byoun et al., 2013). The variables used in the model and the expected signs of each are shown in table 1. Insert Table 1 about here.

6. Results

6.1. Descriptive Statistics

Table 2 presents the mean value, the standard error and the 25th, 50th and 75th percentiles of all the variables. As can be seen, 56% of the Spanish firms decide to pay dividends. In addition, the average ratio between cash dividends on common stock and the market value of common stock of firms is 38’579, with firms paying 5’777€
on average (logarithm of total amount of dividends paid per share in the accounting year). Furthermore, the statistics reveal that 7.8% of BD’s members are women, being 2.9% female independent directors, 3.8% female institutional directors, 0.8% are female executive directors and the ownership of the firms held by women on BDs is 2.40. Insert Table 2 about here.

Table 3 presents the mean differences of the independent variables of Model 1, where the dependent variable DPY1 is a dummy variable which takes the value 1 if the company pays dividends, and 0 otherwise. Two groups have been made up in order to analyse mean differences among independent variables in relation to whether the company pays dividends or not. These findings show that there is a positive association between the percentage of independent women directors and the dividend payout. Insert Table 3 about here.

In Table 4 we provide the mean differences for the independent variables of Model 2, where the dependent variable DPY2 represents the dividend payment in relation to the capitalization. This analysis reveals that the percentage of independent female directors is positively associated with the ratio between cash dividends paid per share and firm capitalization. Insert Table 4 about here.

Table 5 shows the mean difference for the independent variables of Model 3, where the dependent variable DPY3 represents the dividend payment per share in the accounting year. The analysis of the results reveals that a higher percentage of independent female directors on BDs makes them more likely to pay dividends, while the percentage of institutional female directors on BDs means they are less likely to pay dividends. Insert Table 5 about here.

6.2. Regression Results

In Table 6 we present the results for the Spearman correlation matrix in order to test for multicollinearity. The correlation between most of the pairs is not significant and is low (generally below 0.5). Further, none of the correlation coefficients are high enough (>0.80) to cause multicollinearity problems (see Archambeault and DeZoort, 2001). According to these results, we can conclude that these models do not have significant multicollinearity problems. In any case, we also calculate the vector inflation factor (VIF) to corroborate that our results are not biased because of the multicollinearity. Insert Table 6 about here.

In Table 7 we show the results of the regression for women directors on BDs. As can be observed, we have built three models. The statistic tests show that the three models are statistically significant at 1%. In Model 1, we can accept the first hypothesis since the percentage of women directors on BDs increases the probability of dividend payout. Authors such as Knyazeva et al. (2009), Byoun et al. (2013) and Van Pelt (2013) also provide evidence of the positive relationship between the percentage of women on BDs and dividend payout. Moreover, the third hypothesis can also be accepted. Therefore, we can conclude that the percentage of institutional women directors on BDs negatively influence decisions regarding paying dividends. Similar evidence was reported by Amidu and Abor (2006) and Azzam (2010), among others. In addition to this, the results reveal that we cannot accept the second, fourth and fifth hypotheses, and therefore we cannot provide evidence that the percentage of independent and executive women directors and the percentage of shares held by female directors on BDs have an impact on dividend payout. In this sense, Abdelsalam et al. (2008) and Mansourinia et al. (2013), among others, documented that no significant association was found between independent directors and dividend payout. Concerning the non-relationship between executive directors and the decision of paying dividends, Abor and Fiador (2013) and Mansourinia et al. (2013) provide similar findings, while Al-Kuwari (2012) also evidenced that large shareholders did not affect dividend payout decisions, which is in line with our findings.

In Model 2, where the dependent variable is the ratio between cash dividends on common stock and the market value of firms’ common stock. These findings suggest that the first and fifth hypotheses can be accepted, and we can conclude that the percentage of women directors and the percentage of shares held by women on BDs increase the ratio between cash dividends and capitalization. Moreover, we can accept the third hypothesis because of this result implies that as the percentage of institutional female directors increases, it is more likely that the ratio between cash dividends and capitalization will decrease.

In Model 3, where the dependent variable is the logarithm of the total amount of dividends paid per share in the accounting year, the results reveal that we can accept the first and fifth hypothesis, and can therefore reach the conclusion that the dividend payment will increase when the percentage of women directors and the percentage of shares held by women directors on BDs also increases. In addition, we can accept the third hypothesis due to the percentage of female institutional directors on BDs will reduce the probability of paying dividends. Similar evidence was provided by Amidu and Abor (2006). Insert Table 7 about here.

7. Conclusions

Our study provides insight into the relationship between gender diversity on BDs and dividend policies of firms listed on the Madrid Stock Exchange. Our results demonstrate that the percentage of female directors on BDs positively influences dividend policy examined in the three models, this finding is supported by Ye et al.
Moreover, the percentage of institutional female directors on BDs negatively impacts on dividend policy analysed in the three models due to institutional female directors on BDs prefer to pay lower dividends, thereby retaining and investing more of their earnings, resulting in agency costs being lower. These results support the relevant role of institutional directors on boards and the lack of influence of independent directors in European countries, as suggested in the literature (e.g. García-Osma and Gill de Albornoz, 2007; García-Meca and Sánchez-Ballesta, 2009). The percentage of independent female directors on BDs has no impact on the dividend policy analysed in the three models. The lack of significance of independent female directors on BDs may be related to the measure of independence, particularly in communitarian studies, where there are many concerns that board members are not independent of those who nominate them. Other explanations could be the substitution effect between independent female and institutional female directors, or as Abdelasam et al. (2008) and Mansourinia et al. (2013) reported, because the presence of independent female directors on BDs cannot influence the dividend policy decisions of executive directors and managers. The percentage of executive female directors on boards has no effect on the dividend payout. This result suggests that executive women directors have more firm-specific information, and that rather than paying dividends, prefer instead to have higher control of cash to invest in their firm’s projects, leading to higher returns. This argument is supported by Jensen (1986) and Crifo and Forget (2013), who argue that managers in firms with excess cash flows have an incentive to waste organizational resources on personal ends, rather than pay out the excess cash to shareholders through dividends. The percentage of shares held by female directors on BDs has no effect on the decision of paying dividends or not, but it raises the ratio between cash dividends and capitalization and the amount of dividends paid by share in the accounting year. The results suggest that shareholders whose rights are stronger can use their power to pressure managers to pay higher dividends (Adjouad and Ben-Amar, 2010).

The limitations of this study are as follows. Firstly, it is possible that there are unknown factors that could impact our dependent variables. While we have controlled for as many factors as possible based on theory and prior research, empirical and theoretical limitations prevent us from knowing whether all of the important influences have been controlled for and addressed. Finally, the study is based on the Madrid Stock Exchange for the period 2004–2012, so the results obtained should not to be extrapolated to other countries or periods. This study could give rise to future lines of research. Firstly, it would add value to analyse the impact of gender diversity on BDs on the shares repurchased. Secondly, it would be interesting to examine the relationship between gender diversity on BDs and dividends tax advantages.

7. References


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### Table 1. Variable Definition

<table>
<thead>
<tr>
<th>Variables</th>
<th>Description</th>
<th>Expected Sign</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERWDBD</td>
<td>Total number of women in BD/Total members of BD</td>
<td>+</td>
</tr>
<tr>
<td>PERIWDBD</td>
<td>Total number of independent women in BD/Total number of members of BD</td>
<td>+</td>
</tr>
<tr>
<td>PERINSWDBD</td>
<td>Total number of institutional women in BD/Total number of members of BD</td>
<td>+/-</td>
</tr>
<tr>
<td>PEREWDBD</td>
<td>Total number of insider women in BD/Total number of members of BD</td>
<td>-</td>
</tr>
<tr>
<td>OWWOMBD</td>
<td>Percentage of shares held by women directors on BD</td>
<td>+</td>
</tr>
<tr>
<td>OWNCON</td>
<td>Percentage of shares held by shareholders holding at least 10% of the firm’s stock</td>
<td>-</td>
</tr>
<tr>
<td>IO</td>
<td>Rate of assets growth</td>
<td>-</td>
</tr>
<tr>
<td>OWNMANG</td>
<td>Percentage of stocks owned by directors</td>
<td>-</td>
</tr>
<tr>
<td>LEV</td>
<td>Ratio of book value of debt over total assets</td>
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<tr>
<td>ROA</td>
<td>Ratio of earnings before interest and taxation (EBIT)/Total book assets</td>
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</tr>
<tr>
<td>ROE</td>
<td>Ratio of net income/stockholder’s equity</td>
<td>-</td>
</tr>
<tr>
<td>FIRM SIZE</td>
<td>Total assets (log)</td>
<td>+</td>
</tr>
<tr>
<td>BDSIZE</td>
<td>Total number of directors serving on board</td>
<td>+</td>
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---

### Table 2. Main Descriptive Statistics

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Perc. 25</th>
<th>Perc. 50</th>
<th>Perc. 75</th>
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<td>DPY2</td>
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<td>38,579</td>
<td>221,611</td>
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<td>7,139</td>
<td>26,328</td>
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<td>910</td>
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<td>5,408</td>
<td>0,000</td>
<td>7,653</td>
<td>10,831</td>
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<td>910</td>
<td>7,800</td>
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<td>0,000</td>
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<td>0,000</td>
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<td>0,071</td>
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<td>PEREWDBD</td>
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<td>0,000</td>
<td>0,000</td>
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<td>OWWOMBD</td>
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<td>2,400</td>
<td>9,339</td>
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<td>0,000</td>
<td>0,007</td>
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<td>OWNCON</td>
<td>910</td>
<td>54,20</td>
<td>40,751</td>
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<td>IO</td>
<td>910</td>
<td>20,90</td>
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<td>OWNMANG</td>
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<td>26,664</td>
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<td>ROA</td>
<td>910</td>
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<td>2,112</td>
<td>-0,009</td>
<td>0,032</td>
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### Table 3. Means Comparison Test. Model 1

<table>
<thead>
<tr>
<th>Variables</th>
<th>DPY1 (=1) (N=513) Mean</th>
<th>DPY1 (=0) (N=397) Mean</th>
<th>Mean Difference</th>
<th>Univariate Test (p. value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERWDBD</td>
<td>0.078</td>
<td>0.077</td>
<td>0.001</td>
<td>0.246 (0.806)</td>
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<tr>
<td>PERIWDBD</td>
<td>0.034</td>
<td>0.022</td>
<td>0.012</td>
<td>3.119*** (0.002)</td>
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<td>PERINSWDBD</td>
<td>0.037</td>
<td>0.04</td>
<td>-0.003</td>
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<td>0.009</td>
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<td>OWNWOMBD</td>
<td>2.76</td>
<td>2.047</td>
<td>0.713</td>
<td>1.143 (0.253)</td>
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### Table 4. Means Comparison Test. Model 2

<table>
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<tr>
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<th>DPY2 (&gt;7,14) (N=455) Mean</th>
<th>DPY2(&lt;7,14) (N=455) Mean</th>
<th>Mean Difference</th>
<th>Univariate Test (p. value)</th>
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<tbody>
<tr>
<td>PERWDBD</td>
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<td>0.022</td>
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<td>PERINSWDBD</td>
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<td>-0.976 (0.330)</td>
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<td>1.639 (0.102)</td>
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</table>

### Table 5. Means Comparison Test. Model 3

<table>
<thead>
<tr>
<th>Variables</th>
<th>DPY3 (&gt;7,65) (N=455) Mean</th>
<th>DPY3 (&lt;7,65) (N=455) Mean</th>
<th>Mean Difference</th>
<th>Univariate Test (p. value)</th>
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</thead>
<tbody>
<tr>
<td>PERWDBD</td>
<td>0.077</td>
<td>0.079</td>
<td>-0.002</td>
<td>-0.290 (0.772)</td>
</tr>
<tr>
<td>PERIWDBD</td>
<td>0.036</td>
<td>0.021</td>
<td>0.015</td>
<td>4.014*** (0.000)</td>
</tr>
<tr>
<td>PERINSWDBD</td>
<td>0.033</td>
<td>0.044</td>
<td>-0.011</td>
<td>-2.379** (0.018)</td>
</tr>
<tr>
<td>PEREWDBD</td>
<td>0.006</td>
<td>0.009</td>
<td>-0.003</td>
<td>-1.385 (0.166)</td>
</tr>
<tr>
<td>OWNWOMBD</td>
<td>2.668</td>
<td>2.23</td>
<td>0.438</td>
<td>0.709 (0.479)</td>
</tr>
</tbody>
</table>

### Table 6. Correlation Matrix

<table>
<thead>
<tr>
<th></th>
<th>DPY1</th>
<th>DPY2</th>
<th>DPY3</th>
<th>PERWDBD</th>
<th>PERIWDBD</th>
<th>PERINSWDBD</th>
<th>PEREWDBD</th>
<th>OWNWOMBD</th>
<th>OWNCON</th>
<th>IO</th>
<th>OWNMAN</th>
<th>LEV</th>
<th>ROA</th>
<th>ROE</th>
<th>FIRMSIZE</th>
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<tr>
<td>DPY1</td>
<td></td>
<td>0.794***</td>
<td></td>
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</tr>
<tr>
<td>DPY2</td>
<td>0.782***</td>
<td></td>
<td>0.709***</td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>DPY3</td>
<td>0.991***</td>
<td>0.140***</td>
<td>0.173***</td>
<td>0.442***</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>PERWDBD</td>
<td>-0.001</td>
<td>0.034</td>
<td>0.021</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>PERIWDBD</td>
<td>0.091***</td>
<td>-0.038</td>
<td>0.173***</td>
<td>0.442***</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>PERINSWDBD</td>
<td>-0.002</td>
<td>-0.031</td>
<td>0.563***</td>
<td>-0.060*</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>PEREWDBD</td>
<td>0.033</td>
<td>-0.033</td>
<td>0.288***</td>
<td>-0.117***</td>
<td>0.058*</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>OWNWOMBD</td>
<td>0.062*</td>
<td>0.061*</td>
<td>0.032</td>
<td>0.644***</td>
<td>0.113***</td>
<td>0.525***</td>
<td>0.289***</td>
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<tr>
<td>OWNCON</td>
<td>-0.064*</td>
<td>-0.036</td>
<td>-0.023</td>
<td>0.069**</td>
<td>-0.095***</td>
<td>0.104***</td>
<td>0.170***</td>
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<td>IO</td>
<td>0.218***</td>
<td>0.155***</td>
<td>0.176***</td>
<td>-0.061*</td>
<td>0.005</td>
<td>0.003</td>
<td>-0.049</td>
<td>0.002</td>
<td>0.003</td>
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</tr>
<tr>
<td>OWNMAN</td>
<td>-0.168***</td>
<td>-0.192***</td>
<td>-0.269***</td>
<td>0.170***</td>
<td>-0.209***</td>
<td>0.248***</td>
<td>0.211***</td>
<td>0.307***</td>
<td>0.270***</td>
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<tr>
<td>LEV</td>
<td>0.568***</td>
<td>0.566***</td>
<td>0.523***</td>
<td>-0.052</td>
<td>0.109***</td>
<td>-0.066***</td>
<td>-0.041</td>
<td>-0.002</td>
<td>-0.067***</td>
<td>0.261***</td>
<td>-0.167***</td>
<td>-0.236***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROA</td>
<td>0.551***</td>
<td>0.566***</td>
<td>0.531***</td>
<td>-0.025</td>
<td>0.089***</td>
<td>-0.027</td>
<td>0.003</td>
<td>0.042</td>
<td>0.006</td>
<td>0.235***</td>
<td>-0.084**</td>
<td>0.059*</td>
<td>0.759***</td>
<td></td>
<td></td>
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<tr>
<td>ROE</td>
<td>0.329***</td>
<td>0.403***</td>
<td>0.528***</td>
<td>0.033</td>
<td>0.186***</td>
<td>0.013</td>
<td>-0.081**</td>
<td>0.037</td>
<td>0.109***</td>
<td>0.161***</td>
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<td>0.296***</td>
<td>0.092***</td>
<td>0.229***</td>
<td></td>
</tr>
<tr>
<td>FIRMSIZE</td>
<td>0.298***</td>
<td>0.341***</td>
<td>0.402***</td>
<td>-0.037</td>
<td>0.119***</td>
<td>0.046</td>
<td>-0.16***</td>
<td>-0.011</td>
<td>-0.078**</td>
<td>0.126***</td>
<td>-0.178***</td>
<td>0.082**</td>
<td>0.108***</td>
<td>0.169***</td>
<td>0.614***</td>
</tr>
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</table>

### Table 7. Results of the Regression for Women Directors on Board of Directors

<table>
<thead>
<tr>
<th>Variables</th>
<th>Expected Sign</th>
<th>Model 1 DPY1 Estimated</th>
<th>Model 2 DPY2 Estimated</th>
<th>Model 3 DPY3 Estimated</th>
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<tbody>
<tr>
<td>ROE</td>
<td>0.551***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FIRMSIZE</td>
<td>-0.168***</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>BDSIZE</td>
<td>0.298***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variable</td>
<td>Coefficient (p-value)</td>
<td>Coefficient (p-value)</td>
<td>Coefficient (p-value)</td>
<td></td>
</tr>
<tr>
<td>---------------</td>
<td>-----------------------</td>
<td>-----------------------</td>
<td>-----------------------</td>
<td></td>
</tr>
<tr>
<td>PERWDBD</td>
<td>+</td>
<td>4.809*** (0.004)</td>
<td>6.788*** (0.008)</td>
<td>0.017** (0.023)</td>
</tr>
<tr>
<td>PERIWDBD</td>
<td>+</td>
<td>0.642 (0.748)</td>
<td>190.990 (0.282)</td>
<td>0.040 (0.303)</td>
</tr>
<tr>
<td>PERINSWDBD</td>
<td>+/-</td>
<td>-1.224** (0.048)</td>
<td>-7.589* (0.090)</td>
<td>-0.102** (0.022)</td>
</tr>
<tr>
<td>PEREWDBD</td>
<td>-</td>
<td>-1.324 (0.644)</td>
<td>-25.609 (0.923)</td>
<td>-0.034 (0.310)</td>
</tr>
<tr>
<td>OWNWOMBD</td>
<td>+</td>
<td>0.009 (0.392)</td>
<td>0.051** (0.020)</td>
<td>0.061* (0.083)</td>
</tr>
<tr>
<td>OWNCON</td>
<td>-</td>
<td>-0.003 (0.198)</td>
<td>0.360* (0.073)</td>
<td>0.001 (0.982)</td>
</tr>
<tr>
<td>IO</td>
<td>-</td>
<td>-0.289** (0.017)</td>
<td>-2.247 (0.696)</td>
<td>-0.109*** (0.000)</td>
</tr>
<tr>
<td>OWNMANG</td>
<td>-</td>
<td>-0.003 (0.400)</td>
<td>-0.330 (0.298)</td>
<td>-0.118*** (0.000)</td>
</tr>
<tr>
<td>LEV</td>
<td>-</td>
<td>-1.901*** (0.000)</td>
<td>1.907 (0.811)</td>
<td>0.072* (0.053)</td>
</tr>
<tr>
<td>ROA</td>
<td>+</td>
<td>0.894 (0.198)</td>
<td>2.126 (0.640)</td>
<td>0.066* (0.074)</td>
</tr>
<tr>
<td>ROE</td>
<td>-</td>
<td>1.219*** (0.000)</td>
<td>1.175 (0.240)</td>
<td>0.092*** (0.001)</td>
</tr>
<tr>
<td>FIRMSIZE</td>
<td>+</td>
<td>0.495*** (0.000)</td>
<td>-8.680 (0.100)</td>
<td>0.379*** (0.000)</td>
</tr>
<tr>
<td>BDSIZE</td>
<td>+</td>
<td>0.073** (0.017)</td>
<td>13.911*** (0.000)</td>
<td>0.099*** (0.007)</td>
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</table>

**Firm Fix Effects**

<table>
<thead>
<tr>
<th>Test Statistic</th>
<th>Included</th>
<th>Included</th>
<th>Included</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test Statistic</td>
<td>313625***</td>
<td>2296***</td>
<td>19354***</td>
</tr>
<tr>
<td>Pseudo R2</td>
<td>39.10%</td>
<td>2.91%</td>
<td>29.80%</td>
</tr>
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</table>
The aim of this paper is to explain why Spanish companies are so active in Global Compact (GC) initiative, while their external environment is worse than other European countries. From 2010 onwards, Spain ranks first in business participants in GC initiative, ahead of European countries with higher levels of transparency and higher quality of governance. Economic perspective explains partially the companies’ adhesion to the GC initiative. We propose two theoretical approaches to explain the companies’ behaviour regarding to the CSR activities: Institutional and Social Identity Theories. This is the first study that analyses the relationship between the GC evolution in a country and its external uncertainty (measured by Worldwide Governance Indicators and Corruption Perception Index). Moreover it contributes to the CSR field by providing two theoretical approaches that offer complementary explanation and advance our knowledge about the GC motivations.

Keywords: Global Compact, Institutional Theory, Social Identity Theory, External Uncertainty, CSR

1. Introduction

The economic crisis in Spain is being followed by a strong social movement where demonstrations are the most visible consequence. According to CIS\(^1\) (2014), unemployment, corruption and politicians are perceived as the main problems for the country. In fact, in the European context the Spanish level of international transparency and quality of governance is rather low. However, in the last years, the number of Global Compact (GC) Spanish participants has radically increased, even under an environmental situation of crisis, financial losses and closures. From 2010, Spain ranks first in number of business participants of the top twenty countries Global Compact signatories, ahead of European countries with higher levels of international transparency. In 2013, the number of Spanish business participants was 4,252 of which 314 were large companies and 903 were SMEs (UNCG, 2013). These data suggest that a discrepancy exists between Spanish managers’ behaviour in Corporate Social Responsibility (CSR) and the perceived state of transparency and quality of governance in the country. How can we explain this discrepancy? What explanation can be given for Spanish firms and managers being so active in signing up for the GC comparing with other European countries?

It is difficult to understand the active engagement of Spanish organizations in GC if we only adopt an economic perspective (Campbell, 2007). The economic conditions in Spain can make difficult for firms to behave in socially responsible ways, because they cannot turn a healthy profit in the short term and their financial performance does not allow them to invest in such practices. We argue that the perceived environmental uncertainty –manifested in an increasing perceived corruption and in a stagnation of the low quality of government in Spain- is critical for understanding the Spanish firms’ behaviour. We point out two theoretical approaches that relate external uncertainty and behaviour of firms and managers: Institutional Theory (IT) and Social Identity Theory (SIT).

Institutional Theory allows us to understand organizations’ behaviour in order to maintain their external legitimacy, specifically under conditions of external uncertainty. Such uncertainty increases under e.g political and economic instability, corruption, or market volatility. In Spain, the GC initiative is being led by Fundación Rafael del Pino, one of the most relevant Spanish foundations with important external relationships. Hence, it has effects on two domains of the

\(^1\)Centro de Investigaciones Sociológicas (Center for Sociological Research) is an independent administrative body, with its own legal status and funding, dependent on the Ministerio de la Presidencia, whose purpose is to conduct scientific studies of Spanish society.
institutional environment: the cognitive and the normative domains. The fact that well-reputed firms and organizations agree on GC, raises the status of this initiative and increases its degree of societal support. It elucidates the mechanisms behind such societal support and extension of the initiative among firms. Both normative and mimetic isomorphism effects (DiMaggio and Powell, 1983) allow clarification of why organizations develop homogeneous patterns and follow model practices in order to reduce external uncertainty—or improve their knowledge about the environment-and, therefore, behave in such a way that increases their legitimacy.

SIT and Self-Categorization Theory (Ashforth and Mael, 1989; Hogg and Terry, 2000) suggest that people classify themselves into social categories on the basis of various factors. Those categories are useful for identifying members of the group and then excluding the ones that are not members. At organizational level, these theoretical approaches have been used to explain why corporate social performance is positively related to firms’ reputation and to their attractiveness as employers (Aguilera et al., 2007; Turban and Greening, 1997).

To the best of our knowledge, this is the first study that analyses the relationship between the GC evolution in a country and its external uncertainty, specifically related to the firm’s and managers’ perception of transparency and quality of government. Recent literature has analysed the main reasons underlying the firms’ GC engagement (Arevalo et al., 2013) and the driving forces for CSR in general (Aguilera et al., 2007). Nevertheless, such studies neglect the relationship between the country’s environment regarding corruption and governance and managers behaviours. In this sense, analysing the theories that underlie these motivations would help clarify this phenomenon. Our study contributes to the field in three ways: first, by analysing firm and manager behaviour from the most-participatory country in the UN Global Compact; second, by employing a multi-level which might be of value to other IB and CSR scholars, and third, by providing two theoretical views that offer complementary explanation and advance our knowledge about the motivation behind firm and manager behaviour.

The paper is structured as follows. In the next section, we develop the theoretical background: it includes a brief introduction to the GC initiative; an explanation of the theoretical approaches proposed (IT and SIT) and the indicators used to explain the Spanish external uncertainty (worldwide governance indicator and corruption perception index). Finally, the discussion and conclusions are presented answering the research questions proposed in this paper.

2. Theoretical background

2.1. The Global Compact Initiative

In 1999, the former Secretary-General Kofi Annan introduced in a speech to a meeting of CEO’s the proposal that business and the United Nations (UN) should initiate together a “global compact of shared values and principles, to give a human face to the global market” (Gonzalez-Perez, M.A., 2013). His message caused a great impact on the audience and the following year, the small Global Compact initiative was born – with 44 signatories, coming from companies, influential civil society, labour and employer organizations (UNG, 2010).

In 2014, the UN Global Compact (UNGC) was the world’s largest corporate citizenship and sustainability initiative with over 12.000 signatories, including more than 8.000 businesses from over 147 countries around the world, that are committed to implementing the GC principles into business practices and taking actions to advance UN goals (UNGC, 2010; 2014b).

The GC is a voluntary initiative where the public accountability, transparency and enlightened self-interest of participants are basic and necessary (Arevalo et al., 2013). The GC initiative is supported by the CEO’s of the signatory organizations and prescribes a set of 10 principles focused in different areas -human rights, labour, the environment and anti-corruption- that should be accepted and taken into account in the actions carried out by the signatories.

However, given that the initiative is a voluntary one, it is not without controversy. The participants, especially business participants, do not always take the GC principles into account when implementing their actions, and therefore they can deviate from philanthropic discourse. This risk -called “bluewashing”- together with the use of the relationship with the UN by participants to positively influence their image without concern for improving their CSR strategies, are its main disadvantages (Arevalo and Aravind, 2010).

In 2012, SMEs became the largest group of participants in GC (36%). Business participants (SMEs and large companies) accounted for 66% of the total participants while Non-Business represented 34% (UNGC, 2012).

The participation in the GC initiative is by far greatest in Europe, comprising close to 48% of all signatories (UNGC, 2012).

The GC Local Networks (GCLN) are clusters of participants who group themselves to work within a particular geographic area. Their role is to facilitate the progress of companies (both local firms and subsidiaries of foreign corporations) engaged in the GC with respect to the implementation of the ten principles, while also creating

Of the total 3,262 large companies engaged in the GC, 49% were from Europe, 25% were the Americas, 20% were from Asia/Oceania, and 6% were from Africa/ Middle East & North Africa.

There are three GCLN categories (formal, established and emerging networks). The differences between them are the type of requirements accomplished by their members. While the formal local networks involve those organizations that meet all governance and accountability requirements laid out in the Memorandum of Understanding (MoU), the emerging network gather those institutions that are in early stages of implementation of GC requirements. Nowadays, there are 100 GCLN around the world (62 formal, 10 established and 28 emerging networks).
opportunities for multi-stakeholder engagement and collective action. Furthermore, networks deepen the learning experience of all participants through their own activities and events and promote action in support of broader UN goals (UNGC, 2014b).

In Spain, the GC initiative was launched in 2002. At that time, thanks to the Fundación Rafael del Pino, 135 entities endorsed this initiative. In 2003 a Coordination Committee was created –with CSR Manager of Inditex as president- to encourage learning and dialogue amongst institutions, companies and their stakeholders.

The Spanish Local Network was launched in 2004, making it the tenth European GCLN. Following this, other 14 European GCLN were created. Since then, the number of participants and members in the GC in Spain has not ceased to increase, as can be seen in Figure 1 and Figure 2 respectively.

The number of GC Spanish signatories went from 369 in 2005 to 2,452 in 2013. We emphasize the experienced growth in 2009 with 923 participants, an increase of 42% from 2008. Similarly, in 2011, the Spanish GC signatories increased 40.7% over the previous year. In the same way the membership of GC Spanish network has evolved. The number of members in 2005 was 132, achieving 350 in 2013. The most significant growth in membership occurred in 2006 (35.6%) and in 2013 (36.7%).

Following the global trend, in Spain SMEs –including micro-companies- are the largest group of GC participants, increasing 37% in 2012, and 26% in 2013. In 2013, SMEs accounted for 71% of total participants. Combined, SMEs and large companies accounted for 84% of total participants. This is a first difference compared to Europe’s average.
As a result of this evolution Spain, from 2010 onwards, has the greatest number of business participants, ranking in first position. The Figure 3 shows that Spain ranks first in the top 20 countries with Local Network by number of business participants in 2012. Of the top 20 Local Network represented, eight are from Europe, seven from the Americas and five from Asia/Oceania.

This study focuses on the European context. We have taken into account the position of the European countries involved in the GC in the ranking, namely, Spain, France, Italy, Germany, United Kingdom and Nordic Network (Iceland, Denmark, Finland, Sweden and Norway).

The Local Network of these countries has been in the top 20 by number of business participants from 2007. France has held the top position from 2007 to 2010. In 2007, Italy was in seventh place but from 2008 began to fall, reaching the 16th position in 2012. However, UK, Germany and Nordic Countries remained in the top 10.

Why are Spanish firms the most active in adopting the Global Compact initiative? Why is there a different behaviour compared to other countries?

2.2. Institutional theory and Social identity theory

Several studies have identified some external and internal factors acting as the firm’s drivers of CSR (Aguilera et al., 2007; Arevalo et al., 2013; Campbell, 2007; Husted and Allen, 2006). The role of institutions in shaping the behaviour of firms has been well established by different authors (Hotho and Pedersen, 2012; Kostova, 1997; DiMaggio and Powell, 1991; Scott, 1995).

A country’s institutional environment is the set of political, economic, social and legal conventions that establish the basis for the organizations’ functioning. In this sense, “institutions are taken for granted ways of acting, which derive from shared regulative, cognitive and normative frames” (Morgan and Kristensen, 2006: 1470). Therefore, institutions influence organizations by different processes. According Scott (1995) there are three main domains by which institutions exert their influence: the regulative, the normative, and the cognitive systems. Following this line of reasoning, Kostova (1997: 180) defines the three dimensions that configure a country’s institutional profile. The “regulative” dimension refers to the “existing laws and rules in a particular national environment that promote certain types of behaviours and restrict others”. The “cognitive” dimension is formed by the “cognitive programs that affect the way people notice, categorize and interpret stimuli from the environment”. Finally, the “normative” dimension consists of “social norms, values, beliefs and assumptions that are socially shared and carried out by individuals”.

Even in the absence of regulative pressures, institutions can have a strong effect on organizations’ behaviour through the normative and the cognitive-system domain (Kostova and Zaheer, 1999; Scott, 1995). On the one side, the normative components of institutions define what is right and appropriate and what is wrong for a society’s members. On the other side, the cognitive programs and shared values foster imitation patterns of those activities that have strong acceptance and cultural support in a specific society. This mechanism explains why organizations can become homogeneous by developing organizational isomorphism. Following this perspective, institutions shape the organizations’ behaviour by guiding and encouraging certain types of structures and practices. Organizations will follow these institutionalized practices because it is internally rewarding and increases their external legitimacy (Kostova and Roth, 2002; Kostova and Zaheer, 1999; Scott, 1995).

Isomorphism can take different forms (DiMaggio and Powell, 1983). While we cannot claim that the GC initiative exerts a coercive isomorphism because of its voluntary character, we defend that its growth in Spain is due to normative and mimetic isomorphism. Mimetic isomorphism occurs when organizations respond to uncertainty and ambiguity by imitating other organizations that become the model. In this sense, modelling is a response to uncertainty (DiMaggio and Powell, 1983). Normative isomorphism occurs when organizations adopt patterns that are considered appropriate in their environment (DiMaggio and Powell, 1983). The legitimacy of these patterns has been established previously by the members of the collective and by imitating them the organization gains external legitimacy. The GC initiative is a powerful institutional pressure that increases mimetic and normative isomorphism. Firstly, by becoming a model for organizations, this initiative is a convenient source of practices that allows reducing uncertainty and ambiguity by mimetic behaviour. Therefore, the GC can affect the cognitive domain of the organizations under conditions of uncertainty. Secondly, the extent to which the initiative GC receives value from the organizations’ collectives is a source of normative isomorphism because it increases its legitimacy.

Social Identity Theory: This theory explains the self-categorization processes of individuals and groups dynamics (Ashforth and Mael, 1989; Tajfel, 1982). It introduces the concept of social identity or an individual’s awareness of belongingness to certain groups, whose characteristics are different from those that identify other groups. The social categorization of self and others into an in-group and an out-group is very useful for understanding the individuals’ behaviour, because it accentuates the perceived similarity of the individual to the relevant in-group prototype (Hogg
Hogg and Terry (2000) posit that social identity processes are guided by the need to reduce subjective uncertainty about one’s perceptions, attitudes and feelings. Self-categorization as in-group reduces uncertainty by assimilating the individual to a prototype. Such prototype is both descriptive and normative because it implies the accomplishment of stereotypes and establishes how the individual should feel and behave. So, self-categorization can be a process for resolving uncertainty. Therefore, under circumstances of external uncertainty and ambiguity, where criticism about old management practices is rising and new demands for more transparent organizations are appearing, managers can feel compelled to be part of the group that has socially desirable characteristics.

There are several factors that increase the identification’s willingness (Ashford and Mael, 1989). The first one is the “distinctiveness” of the group’s values, or extent to which these values are specific to the group and different from others. The second one is the “prestige” of the group (Ashford and Mael, 1989) that can increase its popularity and extend the group’s identification. This effect is due to the fact that social-identification affects self-esteem and the desire for positive prototyping will drive individuals to be part of the group. The third element that is associated with identification is the “salience” of the out-group (Ashford and Mael, 1989). When awareness of the out-group traits and behaviours is high, the characteristics of the in-group become more salient, affecting the individuals’ identification. SIT contributes to explaining why Spanish managers are so active in their commitment to the GC because it focuses on the individual and how he or she behaves in order to improve his or her self-perception. This theory clarifies that under external uncertainty conditions managers can feel compelled to join the group. In the following sections we will illustrate how these two theoretical approaches allow understanding why GC initiative has become ingrained in Spain under conditions of crisis and external uncertainty.

2.3. Spanish environment: external uncertainty

Since 2008, Spain has been affected by a deep economic crisis. In the last years, this country has seen a sharp fall in GDP due to a combination of overvalued exports, the EU recession, austerity policies, the collapse in the property market and the banking crisis. Consequently, the unemployment rate has increased substantially. This has resulted in log-term unemployment that has hit middle and upper-middle class employees. This economic crisis has led to a social crisis: in 2011 the May 15 Movement exploded onto the streets; in 2012 there was a large demonstration for independence in Catalonia; many cases of corruption have come to light in different areas and levels. During this time, the economic and social crisis has turned into a political crisis. Discontent with the political system has reached levels never before seen since democracy returned in 1978, having a clear effect on the last elections in May 2014, where both big parties had not been able to obtain half of the votes and small parties obtained greater representation. According to a recent study by the CIS (2014), the problems that Spaniards are most concerned about are unemployment, corruption and the economic situation.

Obviously companies, especially SMEs, have suffered the effects of the crisis. The lack of credit and financing facilities, delays in payments and the tax burden have slowed their growth and have even led to the closure of many companies. So the priorities of the firms have changed with liquidity being one of the most important aspects to survive (Mirás et al., 2013). The economic crisis has dramatically altered the context of companies and in consequence of the CSR efforts, being one of the most important challenges (EABIS, 2009). In this sense, it might be expected that given the restrictions businesses will reduce their participation in socially responsible initiatives. Notwithstanding, some studies suggest that, contrary to expected, in crisis periods the constraint of resources of the companies do not affect the efforts of GC participants (Arevolo and Aravind, 2010). In the Spanish case, as noted above, the number of GC participants has increased considerably instead of being negatively affected.

As we have pointed out before, the external uncertainty refers to the lack of knowledge that managers have about the formal and informal institutional environment of a country and has been pointed out as a source of transaction costs and it is related to corruption, among other factors (Demirbag et al., 2007).

In order to compare the external uncertainty of Spain with other European countries we use the Worldwide Governance Indicators (WGI) that have been used as a proxy measure (Dikova and Van Witteloostuijn, 2007; Slangen and Van Tulder, 2009; Thomas, 2006). Additionally, we also include the analysis of the corruption in these countries. Corruption increases the perceived external uncertainty and firms’ transaction costs by making unclear the rules of the game (Demirbag et al., 2007; Habib and Zurawicki, 2002). To measure this phenomenon the most well-known corruption indicator is the Corruption Perception Index (CPI), published every year by Transparency International (Berg, 2001; Teixeira and Grande, 2012). Although the WGI includes corruption among its indicators, we use this as a global measure of external uncertainty and CPI as a specific measure of corruption.

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4 We refer to Spanish macro environment, that is, the environment that a Spanish firm faces when attempting to increase its legitimacy. We thank to one of the reviewers for calling our attention on this point.
Worldwide Governance Indicators. Governance is the way in which authority in a country is exercised in the management of public goods and services, including the process of selection, monitoring and replacement of governments, their capacity of government and the respect of citizens (Kaufmann, Kraay and Zoido-Lobatón, 1999). The WGI are a research dataset summarizing the views on the quality of governance. These data are gathered from a number of survey institutes, think tanks, non-governmental organizations, international organizations, and private sector firms (Kaufmann and Kraay, 2008; Kaufmann, Kraay and Mastruzzi, 2010). The WGI, developed by the World Bank consist of six aggregate measures of governance covering more than 200 countries. The six dimensions of governance quality are: voice and accountability, political stability and absence of violence/terrorism, government effectiveness, regulatory quality, rule of law, and control of corruption (Kaufmann, et al. 2010). Measures are reported in the standard normal units of the governance indicator, ranging from around -2.5 (weak) to 2.5 (strong) governance performance.

Table 1: Governance quality between Spain and de rest of top European countries with Local Networks by number of business participants

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SPAIN</td>
<td>0,85</td>
<td>0,86</td>
<td>0,86</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FRANCE</td>
<td>1,24</td>
<td>1,26</td>
<td>1,18</td>
<td>0,39</td>
<td>0,41</td>
<td>0,32</td>
</tr>
<tr>
<td>ITALY</td>
<td>0,57</td>
<td>0,52</td>
<td>0,48</td>
<td>-0,28</td>
<td>-0,33</td>
<td>-0,38</td>
</tr>
<tr>
<td>GERMANY</td>
<td>1,51</td>
<td>1,43</td>
<td>1,45</td>
<td>0,65</td>
<td>0,57</td>
<td>0,59</td>
</tr>
<tr>
<td>UNITED KINGDOM</td>
<td>1,47</td>
<td>1,39</td>
<td>1,37</td>
<td>0,61</td>
<td>0,53</td>
<td>0,51</td>
</tr>
<tr>
<td>DENMARK</td>
<td>1,91</td>
<td>1,82</td>
<td>1,77</td>
<td>1,05</td>
<td>0,96</td>
<td>0,91</td>
</tr>
<tr>
<td>FINLAND</td>
<td>1,81</td>
<td>1,87</td>
<td>1,87</td>
<td>0,96</td>
<td>1,01</td>
<td>1,00</td>
</tr>
<tr>
<td>SWEDEN</td>
<td>1,75</td>
<td>1,77</td>
<td>1,82</td>
<td>0,90</td>
<td>0,91</td>
<td>0,96</td>
</tr>
<tr>
<td>NORWAY</td>
<td>1,66</td>
<td>1,72</td>
<td>1,78</td>
<td>0,80</td>
<td>0,87</td>
<td>0,92</td>
</tr>
<tr>
<td>ICELAND</td>
<td>1,73</td>
<td>1,43</td>
<td>1,46</td>
<td>0,87</td>
<td>0,58</td>
<td>0,60</td>
</tr>
</tbody>
</table>


To measure quality of governance, we averaged the scores of the six WGI for several years collected by the World Bank into a composite measure of the overall quality of a country’s governance (Dikova and Van Witteloostuijn, 2007; Håkanson and Ambos, 2010; Slangen and van Tulder, 2009). We include 2007 (before crisis), 2010 and 2012 (during crisis)

Regarding the European countries considered -ranked in the top 20 GC participants-, we can appreciate some countries with quite low scores (see Table 1). It is the case of Spain (below 1) and Italy (near 0.5). France, Germany and the United Kingdom have scores between 1.1 and 1.5 but all the scores have reduced during crisis. It should be noted that countries of Nordic Network have the highest scores of quality of governance, and these have improved in the last years, except in the cases of Iceland and Denmark.

To compare Spain with the other countries we have calculated relative governance quality as the difference in WGI scores between other European countries and Spain in the three years analysed (Håkanson and Ambos, 2010). Therefore, a positive value indicates that Spain has a less transparent governance system than the compared country. As showed in Table 1, in the three years all the values are positive with the exception of Italy. This means that Spain has a system of government less developed than the other countries, except for Italy that is worse. The difference is higher regarding France, Germany and the United Kingdom, although their governance quality has been reduced in 2012. The biggest difference is found with the countries of the Nordic Network, which means that these countries have a more developed governance system than Spain has. However, it should be noted that the Iceland case differs from the other Nordic countries. The relative governance quality in Iceland as regards Spain has been reduced substantially from 2007 to 2012.

It should point out that, despite the fact that most countries have reduced their quality of governance during the crisis, in Spain the situation has not changed whilst in Finland, Sweden and Norway they have improved their governance quality. This means that in the last countries external uncertainty has decreased while in the rest it has increased. In the case of Spain, even though this indicator does not show significant changes, we should note that it is rather low and has maintained stagnant in its low score, indicating that there is not a perception of efforts for improving even that the Spanish population is claiming for that.

International Transparency: Corruption Perception Index. The CPI scores and ranks countries based on how corrupt a country’s public sector is perceived to be. It is a composite index, a combination of surveys and assessments of corruption that is collected by a variety of reputable institutions and calculated on a yearly basis. Launched in 1995, the CPI is the most widely used indicator of corruption worldwide (Transparency International, 2014).

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The CPI draws on data sources from independent institutions specialising in governance and business climate analysis. The CPI scores before 2012 are not comparable over time, because of the update in the methodology this year. As part of the update to the methodology used to calculate the CPI in 2012, Transparency International (TI) established the new scale of 0-100, where 0 means that a country is perceived as highly corrupt and 100 means that a country is perceived as uncorrupted. However, in this study we want to compare the Spanish CPI with the other European countries in specific years and not over time.

Table 2: Corruption Perception Index in the top European countries with Local Networks by number of business participants

<table>
<thead>
<tr>
<th>Country</th>
<th>2007</th>
<th>2010</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPAIN</td>
<td>6.7</td>
<td>6.1</td>
<td>65</td>
</tr>
<tr>
<td>FRANCE</td>
<td>7.3</td>
<td>6.8</td>
<td>71</td>
</tr>
<tr>
<td>ITALY</td>
<td>5.2</td>
<td>3.9</td>
<td>42</td>
</tr>
<tr>
<td>GERMANY</td>
<td>7.8</td>
<td>7.9</td>
<td>79</td>
</tr>
<tr>
<td>UNITED KINGDOM</td>
<td>8.4</td>
<td>7.6</td>
<td>74</td>
</tr>
<tr>
<td>DENMARK</td>
<td>9.4</td>
<td>9.3</td>
<td>90</td>
</tr>
<tr>
<td>FINLAND</td>
<td>9.4</td>
<td>9.2</td>
<td>90</td>
</tr>
<tr>
<td>SWEDEN</td>
<td>9.3</td>
<td>9.2</td>
<td>88</td>
</tr>
<tr>
<td>NORWAY</td>
<td>8.7</td>
<td>8.6</td>
<td>87</td>
</tr>
<tr>
<td>ICELAND</td>
<td>9.2</td>
<td>8.5</td>
<td>82</td>
</tr>
</tbody>
</table>


As observed in Table 2 CPI values for Spain are the lowest among the analysed countries for the three years considered, except in the case of Italy. The public sector in the Nordic countries is perceived as less corrupt with values close to 10 in 2007 and 2010, and close to 100 in 2012. Spain, France, Italy, the UK and Iceland have reduced their CPI value in 2010 compared to 2007, meaning that increases the perception of corruption in these countries. According to Transparency International, in 2013 Spain was one of the biggest CPI decliners along with Syria, Libya, Yemen or Iceland.

3. Discussion and conclusions

It is difficult to understand the active engagement of Spanish organizations in GC if we only adopt an economic perspective (Campbell, 2007). The economic conditions in Spain can make difficult for firms to behave in socially responsible ways, because they cannot turn a healthy profit in the short term and their financial performance does not allow them to invest in such practices. We argue that the perceived environmental uncertainty –manifested in an increasing perceived corruption and in a stagnation of the low quality of government in Spain- is critical for understanding the Spanish firms’ behaviour. We point out two theoretical approaches that relate external uncertainty and firms and managers’ behaviour.

Taking an institutional point of view we argue that the Spanish GC Local Network has become a model that has exerted influence in the normative system by clarifying the appropriate patterns of behaviour and reducing the uncertainty. This is due to the fact that, in Spain, this initiative has been led by a very influential firms’ network that gathers successful and well-recognised firms. Analysing the Global 2000 List (Forbes, 2014), there are 27 Spanish firms between the world’s biggest companies. In the case of Spain, 24 of the 27 firms included in the ranking, are participants in the Global Compact initiative and most of them are leaders in the adhesion to this. The pioneer was Inditex, leading company in textile and apparel sector, signing the GC a year later that this was launched. As we can see in Table 3, the initiative, carry out by Inditex, was followed by top companies in the sector like Cortefiel, Adolfo Domínguez or Mango. The behaviour in other sectors has been similar. The pioneers in banks and financial services sector were BBVA and Santander, the two main Spanish banks, followed by Banco Sabadell, CaixaBank or Bankinter. Concerning Infrastructures, Construction, and Services Group sector, FCC, Abertis, OHL, and Sacyr followed to the leaders Ferrovial and ACS. The initiative has also affected the cognitive system domain by fostering the imitation patterns. The fact that such large companies well positioned both nationally and internationally, are among the signatories has exerted a mimetic pressure over small firms that try to reduce the external uncertainty by following successful paths.

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6 The methodology of each data source is reviewed in detail to ensure that the sources used meet Transparency International’s quality standards. For more information about CPI sources: http://www.transparency.org/files/content/pressrelease/2013_CPISourceDescription_EN.pdf


8 Values for years prior to 2012 are placed on a scale of 0-10.
The Social Identity Theory complements this institutional approach by explaining why individuals are willing to identify themselves with referent groups and assimilating themselves to an ideal prototype. First of all, the distinctiveness of the group characteristics is claimed to be a factor that increases such willingness. If the group has distinctive values, as it is the case of GC initiative, by being part of this group –e.g. by committing their organizations with the GC initiative- managers gain the benefit of prototyping and depersonalization. At the same time, being part of the group allows to differentiate them from out-group members, e.g. those that have not signed any socially responsible initiative. The “distinctiveness” of the group’s values provides a unique identity for its members. This is very important in current Spanish environment, where firms are more and more criticized and corruption is one of the main problems for society. The second element that increases such willingness is the “prestige” of the group. The fact that the GC initiative has been launched by United Nations and it is coordinated in Spain by well reputed institutions and leader firms has, with no doubt, increased the prestige and legitimacy of the in-group and explains why the initiative has gained momentum and escalated in this way. Finally, the third element, the salience of the out-group characteristics is very clear in Spain. As the Spanish crisis has been characterized by a raising perception of widespread corruption among firms and institutions and damaged social and labour conditions, the opposite values –those defended by GC initiative- have been more salient and desirable.

In the European context, Italy has a similar uncertain environment. However, as we have seen above its evolution has been very different from Spain. In 2007, Italy ranked in the top 10 GC participants. Nevertheless, from 2008 this country has lost positions in the ranking because of the decrease of the signatories. The behaviour of Italian participants can also be explained by the theories proposed. Italian Local Network has not been led by a particular reputed institution. Its launch was supported mainly by the government, but during the last years the Italian government has not participated by Italian government, has been involved in several corruption cases from 2005 (e.g. the scandal with Eni). So this is not exactly a business model to be followed by other companies in order to reduce external legitimacy risk, nonetheless Italian firms are stuck. Further studies should analyse in deep the Italian case to find more evidence between companies GC behaviour and Institutional Theory and Social-Identity Theory.

Consequently, to explain the companies’ adhesion to the GC initiative the economic perspective can be necessary but not sufficient. In a recession situation and lack of resources, it can be expected that firms withdraw CSR initiatives. Nonetheless, as we can see in the European countries, there are some examples (e.g. Spain and Iceland) where economic situation does not seem to hinder this kind of initiatives. In this paper we emphasize the importance of a social perspective to explain the companies’ behaviour regarding to the CSR activities. In so doing we contribute to a better understanding of the GC initiative and a to a deeper theoretical foundation of managers and firms’ behaviour in

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**Table 3: Leading participants of the GC initiative and followers in Spain**

<table>
<thead>
<tr>
<th>Leaders companies</th>
<th>GC participant since</th>
<th>Sector*</th>
<th>Followers companies**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inditex</td>
<td>19/09/2001</td>
<td>Textile and Apparel</td>
<td>Cortefiel</td>
</tr>
<tr>
<td>BBVA Santander</td>
<td>24/06/2002 03/08/2002</td>
<td>Banks and Financial Services</td>
<td>Banco Sabadell</td>
</tr>
<tr>
<td>Ferrovial ACS</td>
<td>03/07/2002 30/09/2002</td>
<td>Infrastructures, Construction and Service Group</td>
<td>FCC Abertis</td>
</tr>
<tr>
<td>Repsol</td>
<td>01/11/2002</td>
<td>Oil and Gas Producers</td>
<td>Cepsa Union Fenosa Gas</td>
</tr>
<tr>
<td>Telefónica</td>
<td>24/04/2002</td>
<td>Telecommunications</td>
<td>Telefónica Euskaltel</td>
</tr>
</tbody>
</table>

*Adapted from the GC classification.
** The participation of these companies is later in time than leaders companies.

Source: Ranking “Global 2000” (Forbes,2014) and UNGC (2014b)
CSR. In this sense, we complement other studies that have relied on Institutional Theory for analysing why firms behave in a socially responsible way. But, more important, we provide a new glance to the field by relying on Social Identity Theory that has not been previously applied to this regard.

However, our study is not without limitations. In this paper we compare the case of Spanish GC participants with other European countries with cultural differences. But we do not consider the influence of country’s cultural features in the behaviour regarding to CSR initiatives. So, future research should consider the impact of cultural differences in these kinds of initiatives. On the other hand, we have used the number of GC participants in absolute data. To improve the evidence of the results future studies should consider the GC participants with respect to the total number of companies in each country.

Derived from the development of this paper arise some theoretical questions. The first one relates external uncertainty with not being part of the group. In this sense, a high external uncertainty will lead a higher salience of non-members or non-signatories of the GC initiative. On the other hand, under conditions of external uncertainty, the prestige of the GC members and/or the distinctiveness of the GC values, will led a higher effect of the GC over the cognitive and normative domain. Consequently, external legitimacy of firms will increase.

In a similar way, other empirical research would be desirable in order to analyse the impact of the adhesion to the GC on the reputation or prestige of the companies. Likewise, it would be very interesting to know the reasons that lead SMEs to embrace UN Global Compact initiative more than large companies. Finally, future research about CSR activities carried out by Spanish participants in GC initiative will be welcome.

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Fear of working abroad or lack of competences?

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Abstract

Graduate students today often cross borders to study and/or work abroad. However, how well prepared are university students to study or work abroad? This question raises the topic of which competences undergraduate students need to achieve to have a successful study or work experience abroad. Therefore, the purpose of the present research is to examine the relationship between final-year undergraduate students’ competences and their attitude toward and intention to work abroad. To carry out the study, a questionnaire was administered to a sample of 102 final-year university students. General results show that students who have previously lived abroad (e.g., mobility scholarship) are more competent in other languages, independent, self-confident, flexible and open-minded, and have more cultural empathy, competences that contribute to a greater willingness to work abroad.

Keywords: mobility, work abroad, interpersonal competences, intercultural competences

Introduction

Particularly in Southern Europe, the economic crisis has had an important impact on graduate students and their future professional development. For instance, the Spanish unemployment rate has increased, and 24.5% of the population is currently unemployed (European Commission, 2014). Therefore, graduate students look for new hope and future jobs in other European countries.

Spain reported the highest number of emigrants in 2012 (446,600), followed by the United Kingdom (321,200), France (288,300) and Poland (275,600). A total of 14 of the EU-27 Member States reported more immigration than emigration in 2012. However, in Bulgaria, the Czech Republic, Ireland, Greece, Spain, Cyprus, Poland, Portugal, Romania and the three Baltic Member States, emigrants outnumbered immigrants, as they did in Croatia (Eurostat, 2014). Based on these changes, Spain is the country in the European Union from which more people have emigrated every year since 2009. This may be one of the reasons that “mobility” is one of the options in the unemployment situation faced by today’s society.

In this situation of unemployment among young professionals and their emigration to foreign countries, many countries that are experiencing an economic boom solicit qualified Spanish personnel. For example, Germany, England or Sweden are countries that need professionals in many areas and, therefore, broaden their search to other European countries.

Therefore, the purpose of this study is to find out what competences facilitate the mobility of university students who are in the final year of their studies, with regard to their professional possibilities in other European countries. The study will look for differences in different aspects that can be essential in acquiring competences of personal and intercultural development that can facilitate the mobility process: the linguistic competences acquired (number of languages learned) and the willingness to engage in mobility. Other variables to be analysed are whether there are differences between people who have had
experiences living in foreign countries and those who have not in the competences of personal and intercultural development, linguistic skills, and the attitude toward mobility. Finally, these competences will be related to the willingness to move abroad.

The competences of personal and intercultural development are the key point in this study, and they represent the attitudes students should have acquired throughout their academic and professional training, in order to become effective in their work. However, the competences have the objective of preparing not only professionals, but also people, as it is important for good professionals to be efficacious in their work and also get along with their co-workers and create a good work environment. When speaking about an experience abroad, it is clear that a series of competences are necessary, but there is also an inevitable question: Are there specific personal and intercultural development competences that facilitate mobility? Next, we try to analyse these concepts, carrying out a review of which competences are more important for mobility.

Theoretical base

According to the European Commission (2010), key competences for lifelong learning consist of a combination of knowledge, skills and attitudes that are appropriate to the context and necessary for personal fulfilment and development, social inclusion, active citizenship and employment. Based on the European policy framework, of the eight key competences, three are relevant to the present study: communication in foreign languages, social and civic competences, and a sense of initiative and entrepreneurship. These competences are expected to be fundamental for adaptation to other cultures.

The concept of “mobility” is difficult to define because, depending on the context in which it is used, it can refer to many different aspects. In the present study, the concept of mobility is related to “going abroad” and the need for a job. Tuirán (2009) indicates that professionals’ mobility does not signify a negative change, but rather a positive change toward an openness to diversity and globalization. Therefore, mobility is understood as the opportunity to know and discover places, cultures and people. It offers a different perspective of life and can help the people to reach new goals and broaden their horizons, from both a personal and professional point of view.

It is not possible to name all the lessons and experiences acquired when people go through this mobility process, but we can highlight the importance of the overall experience itself, not in terms of where one wants to go, but in what is learned along the way. As Vercauteren, Crabbé and Müller (2010) state, the importance should be given to “the space of the journey/what occurs on the journey itself” (p. 175).

Universities offer students a new vision of mobility through study scholarships or internships that provide them with: a destination country in the European Union or another continent where they can carry out their studies or internships, and “financial aid” to live on during this time period. Creating these types of opportunities allows students to make contact with other cultures and languages. All of this, along with their own experiences, produces new competences and reinforces others, helping the students’ future. If the entire historical trajectory and the importance of mobility are taken into account, it is true that mobility, in spite of its many positive connotations, can be difficult in the beginning, as starting an experience of this type requires a series of competences.

Mobility implies that the person who performs it acquires certain behaviours or thoughts in the host culture. According to Berry (1997, 2005), this entire acculturation process passes through an adaptation, in every dimension, including the economic, work, social and personal dimensions. In order to carry out this adaptation, various competences are required, which are: the willingness to adapt to the new culture, which involves leaving behind prejudices and discrimination; being participative in the society one finds oneself in; and being flexible enough to adapt to new cultural situations (Berry, 1997). This suggests that without having the basic competences, mobility can be problematic, as certain attitudes are necessary for acculturation and adaptation in the new destination.

In line with Ward and Kennedy (2001), adaptation to other cultures may be meaningfully divided into two domains: 1) a Psychological domain (emotional/affective) and 2) a Sociocultural (behavioural) domain, related to the ability to “fit in”, acquire culturally appropriate skills, and negotiate interactive aspects of the host environment.
Spitzberg and Changnon (2009) indicate that in this acculturation process, the attitudes, skills, knowledge and intercultural competences can be grouped in a pyramid, where attitudes like respect, openness, curiosity and discovery are found at the lowest level, with the skills leading to knowledge, and reaching the intercultural competences. Although the attitudes are at the bottom of the pyramid, they have been shown to be a crucial element for the advancement of rest of the dimensions, until reaching the intercultural competences, leading to the conclusion that all the phases of the pyramid are related (Branco, 2011).

As various studies have shown, the mobility process depends on people’s competences, regardless of the importance of the destination and the reason for the mobility, whether to study or work. People’s acquisition of the personal and intercultural development competences in acculturation and adaptation is fundamental to mobility. It is not only necessary to have them, but also to know what they are. The competences can form part of a person’s weaknesses or strengths, but it is necessary to know about them in order to control them, especially in situations that can occur during the mobility period. This period can be disrupted, as the person has to face a diverse reality. By reinforcing the strengths, it is possible to control and reduce the weaknesses, which will help people to make the most of the competences.

With all of this in mind, some competences are necessary for mobility, not only in a personal way, but also in the professional setting, and so it is necessary to have training to acquire all the possible competences. The question is whether the educational system includes and gives the necessary importance to the competences in its curriculum, so that they can be acquired efficaciously and young people can see themselves as capable when faced with the change in mentality, language and culture involved in mobility to other countries.

Previous research has shown that students who go abroad develop intercultural competences and manage intercultural situations more effectively than others (Van Oudenhoven, 2003; Van der Zee, et al. 2013) they learn language skills, and they have better cultural adaptation (Behrnd and Porzelt, 2012; Carmona, et al., 2013). However, fewer studies (Doyle et al., 2009) have examined the relationship between undergraduate students’ competences and a positive attitude and the intention to work abroad. Currently, many graduate students are leaving their own countries to search for job opportunities in other European countries. However, students need preparation and training in specific competencies (curricular and transversal, personal and intercultural) to cope with situations in the new cultural context.

Regarding cultural competence, although there is a wide variety of definitions, Deardorff (2006, pp. 247-248), in an attempt to find a consensus among international experts’ definitions, concluded that intercultural competence is “the ability to communicate effectively and appropriately in intercultural situations based on one’s intercultural knowledge, skills, and attitudes”.

With regard to communication, training in linguistic competences can produce a much more fluid and prepared movement of students to other countries. In spite of this, not only should importance be given to languages, but also to knowing how to get along with the host population and people from other European countries by being open to other languages. Thus, to foment the mobility attitude, it is not enough to just learn languages, but it is also necessary to have a series of personal and social competences in order to adequately adapt to people with different mentalities and ways of life. The personal and intercultural development competences are characteristics that people acquire throughout the life cycle, and that give them the ability to adapt and relate to their environment. All of them affect their choices, actions, friendships and, in sum, their lives.

When talking about the necessary competences for mobility, a series of conditions are taken into account so that the individual can see him/herself as capable of making the decision. The person must have a preference for the destination place and, if possible, a link to a friend or family member in the place where the mobility will occur (Ramos, 2011). Other basic competences are also necessary, not only to make the mobility decision, but also to become adequately established in the new country and culture. These competences help individuals to be capable of relating to the people and environment in which they find themselves without difficulties, adapting to each situation according to what it requires, and producing an interchange of customs and knowledge. Through this process of adaptation and learning in the new culture, people can develop the necessary competences, making them feel adaptable to new situations with greater ease. These situations produce an improvement in quality of life at a personal and professional level. As Garcia (2010) indicates in his “Study on assertiveness and social skills in Social
Education students”, a person’s well-being is more related to his/her competences in establishing personal or interpersonal relationships than to his/her intelligence and capacity for learning and memorization.

It is important for people to acquire and develop certain competences during their lives for their enrichment as people and professionals, but this study focuses specifically on the competences related to mobility. Making the decision to go to another country for professional reasons shows that one has a series of competences such as initiative or entrepreneurship. During the process of adapting to the change in the host country, the individual faces certain inequalities, the language, relationships and the culture, which produce a feeling of loss, doubt and uncertainty because the situation is unfamiliar.

Thus, this study considers that the necessary competences for mobility are the following: the competences of personal and intercultural development (Initiative, Entrepreneurship, Autonomy, Self-confidence, Adversity, Flexibility, Open-mindedness, Cultural empathy and Independence) and the linguistic competences. All of them are necessary in the mobility process, as they not only facilitate adaptation in the destination, but also in the country of origin when making the decision “to be mobile”.

One of the main competences required to begin the mobility process is initiative. As Gómez and Palacios (2010) state, initiative is one of the basic competences in the curriculum of the Spanish educational system. Young people must be aware that it is a very important facet, and that it is necessary to react quickly and efficaciously as a way of showing initiative and creativity. In mobility, having initiative is the first step in gathering the bravery, ideas and opportunities offered and undertaking a better future at a personal and professional level. However, in order to act on this initiative, it is necessary to acquire another competence, entrepreneurship. Even if one has the initiative to do things and take risks, mobility will not be achieved without being entrepreneurial. This competence has been closely related to the economy and enterprises, but being entrepreneurial is much than that. According to Roberts and Woods (2005): “The entrepreneur is, then, someone who discovers, evaluates and exploits profitable opportunities, taking into account the risks, being aware of the opportunities and the need for innovation” (p. 46). It is an important competence for young people at a time when opportunities are quite limited, and it is essential in helping their ideas to be valued and transformed into possible solutions. The entrepreneur does not wait until new opportunities arise, but he/she creates them instead.

Although independence is not achieved quickly, mobility implies a rapid advance toward it, as it not only means beginning to take care of oneself. As there is no “a priori” support in the destination, the person also has to be independent and begin to manage all the facets of his/her life. However, it is difficult for the aforementioned competences to function if the individual does not acquire the “autonomy” that also includes the idea of “independence”, in order to be able to choose ideas independently, regardless of the opinion of others (Benedicto and Morán, 2003).

The idea of making decisions without any external approval poses dilemmas. As Muscolo and Bertan (2006) indicate, to state that there is autonomy and independence, individuals must know themselves and be sure about who they are, producing philosophical dilemmas about what being is and how it is conceived. Thus, autonomous people have the capacity to quickly make decisions on their own, following their own ideals and way of life.

Mobility facilitates the learning process as an individual. The person discovers how he/she reacts in various situations where there is no support, leading to greater self-knowledge and finding out who he/she is. Thus, the person is capable of making decisions and being responsible for the consequences. Individuals who know themselves must also feel confident and sure about what they do, in order to defend it in any situation.

As Fernández (2005) indicates, confidence can be viewed from many perspectives: human rights, social responsibilities, freedom of expression rights, security related to the role of the State on the citizens, etc. However, in this study it is understood as the capacity to reason and believe in what one does, says or thinks. This competence is necessary so that the skills mentioned above can be performed adequately. It is very important for the person to have self-confidence because decision-making and the fulfilment of objectives, ends or ideas will be done more efficaciously.

Adversity is a vital moment when the progress of something slows down or stops due to an unexpected situation, producing a condition of instability. A new experience is created for which the person was not prepared, leading to feelings of bitterness and even some new ones (Cubillán, 2009). Although adversity
is understood as a negative process, its management involves a change that can lead to positive consequences, as it helps to visualize problems from new perspectives, it makes the person stronger, and it helps one to think of new proposals for solving problems. Mobility can bring more than one adverse situation, as it involves leaving for an “a priori” unfamiliar place, without family or friends and with a different language and culture, which at some point can be an obstacle. In these situations, one must fight against adversity and react in a creative and effective way.

To achieve this, it is necessary to adapt to situations by being flexible and finding a balance between one’s own way of being/thinking and that of the adopted country. Flexibility is a person’s capacity to adapt to different situations, decisions or coexistence, even managing to become accustomed to them. Flexibility facilitates the capacity for reflection and criticism that causes prejudices to disappear and beliefs to be modified, while adopting new ways of thinking and making decisions (Cefaï, 2003). The flexible person is not the one who adapts, but rather the one who has the ability to be self-critical and observe other ways of doing things, rejecting what is already established. There is a search for all the opinions and a willingness to empathize with them, and all the parts of the idea or conflict are observed without leaving anything out and in a completely democratic way (Riso, 2007). During mobility, flexibility is one of the competences that is related to adaptation to the environment. Flexibility is important because one must know how to change plans easily, as the strategies imagined or carried out based on the culture of origin may not be transferable to other different cultures (Van Oudenhoven et al., 2003).

Mobility is a process of change, and it must be seen as an opportunity in order to carry it out, but also as a lesson in which anything and everything can be learned. When there is open-mindedness, the experience and learning are much greater, serving as a motivation to discover new cultures without prejudging them and with respect (Van der Zee et al., 2003). In the process, there are certain feelings that it will be necessary to face with an open mind, without prejudging situations and seeking understanding about what occurs in a different culture. For this purpose, one needs to empathize with others and try to understand why they think and react in this way, while learning about their customs and respecting them; in other words, it is important to empathize with their culture. The customs, language or clothing vary from one place to another, and the person who begins the mobility process must be capable of empathizing with the host culture, forming part of it and/or respecting it. This is one of the fundamental points in adapting to a different place. It also leads to reflection and discussion, so that learning new knowledge becomes a dialogue exchange process that makes one’s personal development even greater than what would occur without this mobility. This empathy helps to develop the aforementioned competences and many others, as it makes the communication with people from other cultures always respectful (Arraiga et al. 2003).

Therefore, the objectives of the present study focus on finding out which competences facilitate the job mobility of final-year university students, and on examining the differences between having received a mobility scholarship or not, with regard to the personal and intercultural development competences that facilitate mobility (Initiative, Entrepreneurship, Autonomy, Confidence, Adversity, Flexibility, Open-mindedness, Cultural Empathy, Independence and Language Skills).

Methods

This study uses a quantitative methodology in which a correlational study is carried out. The population under study consists of students in the final courses at the Universitat de València (UV). To carry out the study, we used the intentional sampling method to select final-year undergraduate students. Specifically, the questionnaire was administered to a sample of 102 university students. 75.5% of the sample were women, and the mean age was 22.2 (SD = 1.91). Participants were students from different degrees: Social education (16.7%), Biotechnology (14.7%), Psychology (14.7%), Art history (12.7%), Primary education (12.7%), Hispanic Philology (11.8%), Physiotherapy (10.8%), Journalism (3.9%) and Physical Activity and Sports Science (2%). 95.1% of participants were born in Spain. Regarding the number of languages, in this study the women had a mean of 1.94 (SD = .77), and the men had a mean of 1.6 (SD = .58).

Acquiring languages is fundamental for professional development, but as this study shows, it is in primary or secondary school where this learning occurs the most, followed by the language academies, which provide optional education and usually involve an important economic cost, and finally, the Official Language Schools (EOI), which are an accessible option, although there is a high demand (for example: English or French), and the spots are usually limited.
The instrument

The data collection method used was a questionnaire elaborated by the authors (pilot questionnaire) in which variables were measured related to: attitude toward mobility, linguistic skills, personal and social and intercultural development competences, and socio-demographic data. To elaborate the items on intercultural competences, we carried out a selection and adaptation of the items from the questionnaire by Van der Zee and Van Oudenhoven (2000, 2001). We also carried out a selection and adaptation of the basic and general competences proposed by the UV for its students to acquire throughout their university training, related to intercultural and linguistic competences.

The items were measured on a Likert-type response scale ranging from “1” Completely disagree to “5” Completely agree, except on the linguistic competences, which have some multiple choice questions and other Likert-type items from “1” Low level to “3” High level of knowledge of each language acquired, and finally, socio-demographic data. The variable attitude toward mobility (4 items, $\alpha = .72$) measures the participant’s opinion about the idea of engaging in a mobility process abroad for employment reasons.

The competences of personal and intercultural development were measured based on eight dimensions in which the competences considered necessary for mobility are measured: Initiative, which collects the subjects’ opinion about what they consider their level of initiative to be in different everyday situations (5 items, $a = 0.56$); Entrepreneurship, which indicates the participants’ opinion about their entrepreneurial capacity (2 items, $a = 0.94$); Autonomy, in which the students’ capacity to take care of themselves is measured (3 items, $a = 0.68$); Self-confidence, a dimension that collects the participants’ opinion about their capacity to make decisions and feel self-confident (2 items, $a = 0.73$); Handling Adversity, consisting of two items that measure the students’ ability to respond to conflictive or unexpected situations (2 items, $a = 0.64$); Flexibility has two items that measure the subjects’ capacity to change plans or strategies in new or unexpected situations (2 items, $a = 0.58$); Open-mindedness, with seven items, measures the capacity to observe things from a different perspective, leaving prejudices aside (7 items, $a = 0.64$); and finally Cultural Empathy has two items that measure the students’ capacity to understand other cultures and people (2 items, $a = 0.74$).

Empirical findings

To analyse whether there are relationships among the personal and intercultural development competences, Pearson’s correlation was used, as Table 1 shows. The results indicate that students with greater initiative also present greater entrepreneurship and autonomy. For the flexibility variable, the results show that people who obtain a greater adaptation capacity show a desire to live independently. The cultural Empathy variable shows that participants with cultural empathy know how to handle moments of adversity and have an open mind. Finally, the results indicate that people with open-mindedness have cultural empathy, are entrepreneurs and, finally, know how to deal with adverse situations.

<table>
<thead>
<tr>
<th>Table 1. Correlations between the variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Initiative</td>
</tr>
<tr>
<td>2. Entrepreneurship</td>
</tr>
<tr>
<td>3. Autonomy</td>
</tr>
<tr>
<td>4. Self-confidence</td>
</tr>
<tr>
<td>5. Adversity management</td>
</tr>
<tr>
<td>6. Flexibility</td>
</tr>
<tr>
<td>7. Openminded</td>
</tr>
<tr>
<td>8. Cultural empathy</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>1. Initiative</td>
</tr>
<tr>
<td>2. Entrepreneurship</td>
</tr>
<tr>
<td>3. Autonomy</td>
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<tr>
<td>4. Self-confidence</td>
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<tr>
<td>5. Adversity management</td>
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<tr>
<td>6. Flexibility</td>
</tr>
<tr>
<td>7. Openminded</td>
</tr>
<tr>
<td>8. Cultural empathy</td>
</tr>
</tbody>
</table>

Note. $*=p \leq .05$, $**=p \leq .01$
To analyse the relationships between the personal and intercultural development competences and mobility, Pearson’s correlation was used to determine whether having acquired these competences has a relationship with the students’ attitude toward mobility. The results show that the attitude toward mobility presents significant relationships with open-mindedness ($r = .26$, $p \leq .01$), cultural empathy ($r = .29$, $p \leq .01$), and self-confidence ($r = .21$, $p \leq .05$). These results indicate that a person who would agree to work outside his/her country has greater cultural empathy and open-mindedness, as well as self-confidence and the desire to live away from home (Independence).

### Table 2. Sample descriptives for $t$-test on Competences

<table>
<thead>
<tr>
<th>Competence</th>
<th>Yes</th>
<th>No</th>
<th>t</th>
<th>df</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobility program</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initiative</td>
<td>4.09</td>
<td>3.98</td>
<td>.59</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>(.49)</td>
<td>(.76)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurship</td>
<td>3.60</td>
<td>3.85</td>
<td>-1.31</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>(.88)</td>
<td>(.85)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Autonomy</td>
<td>4.09</td>
<td>4.13</td>
<td>-.40</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>(.42)</td>
<td>(.52)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-confidence</td>
<td>2.30</td>
<td>2.21</td>
<td>.46</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>(.71)</td>
<td>(.83)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adversity management</td>
<td>4.13</td>
<td>4.15</td>
<td>-.15</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>(.45)</td>
<td>(.63)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexibility</td>
<td>2.76</td>
<td>2.60</td>
<td>.76</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>(.96)</td>
<td>(.86)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Openminded</td>
<td>4.46</td>
<td>4.23</td>
<td>2.52*</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>(.29)</td>
<td>(.39)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cultural empathy</td>
<td>4.37</td>
<td>4.29</td>
<td>.73</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>(.41)</td>
<td>(.42)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobility to work abroad</td>
<td>3.59</td>
<td>2.94</td>
<td>3.16**</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>(.83)</td>
<td>(.86)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Languages</td>
<td>2.17</td>
<td>1.75</td>
<td>2.43*</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>(1.75)</td>
<td>(.70)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note.  = *$p \leq .05$, ** $p \leq .01$. Standard Deviations appear in parentheses below means.

Regarding the differences between those students who have had or have not had a mobility scholarship, Student’s-$t$ test was used to analyse the differences in the corresponding means. As Table 2 shows, the results indicate that the students who have had a mobility scholarship present a more open mind, a positive attitude toward job mobility, and more language learning.

**Discussion and conclusions**

The personal and intercultural development competences on which the students gave themselves higher ratings create a guide to the necessary profile for a student to accept a job offer abroad (Mobility): they are confident people (Confidence), which means they have the capacity to adapt well to changes (Flexibility). Another of the personal and intercultural development Competences related to Mobility is the competence of having an open mind about knowing new and unfamiliar things, without prejudging situations (Open-mindedness). The data show that the person who has this competence is also characterized by making decisions and doing things in an autonomous way, without the need for external support (Autonomy). Therefore, based on this competence, one can achieve an open and participative attitude that leads to thinking about and carrying out new ideas, thus taking charge and looking for solutions in diverse situations (Initiative and Entrepreneurship).
Another competence of people with open minds is that they are able to empathize with cultures and people from other countries, without prejudice (Cultural Empathy), using new strategies in crisis situations that can arise due to diversity (Handling Adversity). They also adapt to the situations that these cultural differences can imply (Flexibility), an aspect that is closely linked to the motivation to live away from home (Independence). Directly or indirectly, the new competences are related to each other and necessary to be able to engage in Mobility.

Regarding the Linguistic Competences, certain descriptive analyses should be highlighted. The women acquire competences in a greater number of languages than the men do. Another relevant analysis is that these competences are mainly learned in primary and secondary schools and through mobility scholarships. This situation reduces this learning greatly, as compulsory education ends after secondary school, and mobility scholarships have a series of requirements associated with them. Mobility scholarships are related to the acquisition of the competences, significantly in the case of Initiative and Independence (I like or would like to live away from home), while no statistically significant differences were obtained for Confidence, Adversity, Flexibility, Cultural Empathy and Open-mindedness. No significant differences were found on the Linguistic Competence either. However, for all of the competences that showed no significant differences, the mean was higher in people who had obtained a mobility scholarship.

Having had an experience abroad produces a positive tendency in Linguistic Competence, Flexibility, Open-mindedness and Cultural Empathy, leading to a greater willingness to engage in Mobility. Initiative and Independence show a significant difference, with greater initiative and independence in people who obtained a mobility scholarship. For Autonomy, the mean found showed very little difference between the two groups.

With regard to differences between men and women, there is homogeneity between the two groups as far as the competences are concerned. There were only some minimal differences, as the men feel more confident (Confidence) and independent (Independence), while the women have a greater capacity to discover and broaden horizons (Open-mindedness). Regarding the attitude toward Mobility, the men are more willing to accept job offers abroad than the women.

Therefore, the communication in foreign languages competence helps students to obtain intercultural understanding. Social competence refers to intercultural competence and all forms of behaviour that equip individuals to participate in an effective and constructive way in social and working life. Thus, according to the Multicultural Personality Model (Van der Zee and Van Oudenhoven, 2000, Van der Zee, et al. 2013) there are relevant intercultural competences that ease adaptation to a new culture: cultural empathy, open-mindedness, and flexibility. The sense of initiative and entrepreneurship competence is the ability to turn ideas into action. It involves creativity, innovation and risk-taking, as well as the ability to plan and manage projects in order to achieve objectives.

In general, results indicate that compared to students with no mobility scholarship, students who have had this experience indicate that they will leave the country even without being fluent in the host language. Moreover, it will be easier for them to start from zero, they will leave everything if they have a job offer related to their career, and they would like to find a job related to their studies in another country. Regarding languages, students with knowledge of different languages are more open-minded. In particular, students who are fluent in English are more independent and would like to find a job in another country.

In summary, final-year undergraduate students with more cultural empathy, open-mindedness, flexibility, and independence will leave the country if they have a job offer related to their studies, even without being fluent in the language of the host country.

Mobility experiences are related to the acquisition of skills, significantly in the case of the initiative and independence competences. It can be said that having an experience abroad produces a positive trend in linguistic competence, flexibility, open-mindedness and cultural empathy, competences that lead to a greater willingness to engage in mobility and future sense of success.

These findings open the door to an in-depth exploration of the role of competences related to working abroad. It is clear that the results show a relationship between certain competences and the attitude toward moving to another country for employment purposes. However, there is a need to further examine
contextual and personal factors that could influence this decision, as well as the training in these competences.

References


Effective persuasion: A model for intercultural business context

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Abstract

This paper expounds the factors that influence the effectiveness of intercultural persuasive communication (IPC) in a business context. It demonstrates the findings of four qualitative empirical studies in Estonian organisations and clarifies some practical implications of a model of effective IPC. The model explains to users the adaptation strategies of cultural persuasive style, status issues and differences in process versus results orientation. It is tested in an international setting by addressing the issues of self-perception with regard to a persuasive style. The paper explores the problem of social categorization by expanding a previously researched sample. While persuasion was studied and conceptualised cross-culturally, this paper provides an inside into doctoral research that analyses managers’ interaction from within an intercultural communication perspective. It contributes to the development of intercultural communication theory by handling the long-standing issues of persuasive intercultural communication in business.

1. Introduction

Persuasive business communication is “communicating for results” (Hamilton, 2010) when persuaders have in mind their desired outcomes. The effectiveness of persuasion is evaluated in the subjects’ actions or in their changed intend (Kaul and Desai, 2014; Perloff, 2008). With further international development, intercultural business communication of a persuasive nature becomes omnipresent within public and private sectors. Nowadays IPC is part of managerial communication routine in international business. While differences in persuasive styles from a cross-cultural perspective have been conceptualised (Glenn et al. 1977; Johnstone 1989, 2008), little attention has been paid by scholars to strategies for adapting persuasive styles in intercultural interactions. Furthermore, the theories of persuasive communication have been evolved mainly in the US and from a political perspective (Hovland et al 1953; Cialdini, 2001; Perloff, 2008). According to Newman and Perloff (2004, p. 19) there is a difference of philosophy between business and political communication: “Communication in business is designed to support the goal of making a profit, while in politics it’s directed to the successful operation of democracy. Winning in politics might be based on just few percentage points, while winning in business is based on huge variations.”

Joseph Cheng (2007, p. 26) declares that in management studies it is a domination of easily quantified phenomena with large samples related to organisations “at the expense of those that are hard to measure such as societal culture and its influence on behaviour.” He argues that critical issues for future advancement in international management research are exploration of the phenomena that are difficult to quantify as well as incorporating “local country knowledge into the development of theories about management” (Cheng, 2007, pp 26–27). After Estonia joined the EU intercultural contacts of managers in Estonian organisations dramatically increased and changed their nature. Nowadays these contacts are often initiated by the Estonian side, are more direct, independent, and occur in very diverse contexts. Research into the dynamics of preferred persuasive styles and their connection with the effectiveness of communication in a global business context revealed the factors that affect effectiveness of IPC. These factors were organised into a descriptive model of effective IPC that is discussed in this paper with regard to its practical implications. The author tested it for observations on the focus group of 14 persuasion practitioners using a rapid ethnography method. The test reveals that while managers often claim that they prefer a quasi-logical persuasive style in business in reality they pay more attention to the messages that are closer to their own persuasive style. This paper broadens the earlier study on social categorization by exploring more diverse sample.

2. The aim of investigation and research tasks

The core issue of my doctoral research project is the process of intercultural persuasive communication (IPC) in a business environment. This paper will provide an insight into it. In a current study IPC is handled as a special mode of business interaction that is a part of working responsibilities of interacting professionals. The
The central problem of my doctoral study is how to make IPC effective in a business environment and to reduce semantic asymmetries among communicators. In order to solve this problem, my doctoral thesis aims to discover the major factors that influence the effectiveness of IPC in business. Due to the format of the doctoral thesis the author had to limit her investigation to the most reflective and representative environments. For the same reason she adopted a traditional approach to the complex phenomena of cultural identity (Hall, 1992), that culture is grounded on a belonging to the group, it operates as a normative scenario for behaviour and is expressed implicitly and explicitly. As a consequence of a lack of research on IPC in business internationally and in Estonia, in creating research tasks the author followed four directing criteria.

The first is the theoretical interconnections and gaps between the concepts that are related to the study: intercultural communication, persuasive communication and social cognition. The second is the methodology suited to shape empirical research design and mode of analysis. The third is generalization that enables to apply the results of the study to some cultural business environments with the similar characteristics. The forth criteria relates theoretical and managerial implications of the findings.

The first research task is to establish how the Estonian managers perceive the main differences in IPC between themselves and their business counterparts; and to clarify the nature of these differences (Pruvli and Alas, 2014; Pruvli, 2014). The second research task is to determine the preferred persuasion style of the Estonian managers and to evaluate their perception of different preferred persuasive styles during IPC in the business environment (Pruvli, 2014). The third research task is to identify what is the strategy of adaptation that Estonian managers use to raise the effectiveness of IPC within the representatives of different preferred persuasive styles (Pruvli, 2014). The forth research task is connected to the influences of the hierarchical issues on IPC in business (Pruvli and Alas, 2014). It seeks to compare the process and outcome of status related social categorization in the cultures within the different communication styles (Pruvli and Alas, 2012).

3. The methods used in the doctoral research

The nature of this study accounted for the research methodology. IPC in business is a goal driven process. To understand this process the author used Bernard’s (2012, pp. 127-128) approach that “cultural data” is obtained from the people who “have a particular competence in some cultural domains” and are “selected for their competence rather than for their representativeness” (Bernard, 2012 pp. 171–173). Based on (Handwerker 2001; Wolcott 2008; Zaman 2008) sampling techniques, the author relied on 10–20 knowledgeable informants to understand the contents of the well-defined cultural domain.

According to Arbnor Uncertainty Principle (Arbnor and Bjerke, 2009 p. 132), “more precisely you determine isolated characteristics of a human being and her activities, quantitatively and statistically, the less you understand of her as a whole.” It would not be possible to study the dynamics of the process and the factors influencing its effectiveness just by answering a “yes/no” question (as in the case of hypothesis testing). Therefore the following qualitative methods have been implemented:

1. Ethnographic techniques have been used for the exploratory case study in order to understand and explain communication between two departments of an international company from the perspective of Estonian managers (Pruvli and Alas, 2014).

The reasons for selecting the case company were 20 years experience in operating a production unit in Estonia and close intra-company collaboration between Estonian and German departments. Being one of the world leaders in medical engineering this concern has a strong well-developed organisational culture which helps to understand the influences of the managers’ national culture on their communicative practices.

2. An explanatory applied study has been designed to investigate preferred persuasive styles, perceptions of alternative persuasive styles and adaptation strategies among Estonian local municipal managers (Pruvli, 2014).

3. A comparative investigation has been implemented to establish the impact of communication style of Estonians and Italians (low and high context respectively) on how they categorize, in terms of status, a third culture; English (Pruvli and Alas, 2012).

Italian culture was chosen for a comparison because its communication style has been explored and evaluated by scholars and it has a polarity with the Estonian communication style.

4. The empirical method of this research among Estonian professionals has been interpretive, based on dialogue. It was performed in phases that are introductory, reflective, interactive and clarifying. The choice of respondents was based on their similarities (cultural background, interest in intercultural communication and affiliation with the Estonian Red Cross) and differences (demographics, areas of activity, experience and education). This investigation is presented at the end of the next section of this paper.

4. Studies carried out for this research project
The author designed and carried out for this research project the following studies:

The data was collected in stages to comprehend the differences and problems in communication between Estonian and German managers from the perspective of the former. An open-ended interview with the managers was conducted by e-mail. This interview included the questions about respondents' demographics and the problems they experienced in intercultural contacts. There were 16 managers who were regularly involved in communication between the departments in question. All of them were included in the research sample. A personal meeting was organised with the goal to clarify the problems they indicated in their e-mail interviews. A focus-group discussion was arranged to understand the imbalances in cultural orientations of the Estonian and German respondents (Pruvl and Alas, 2014).

The author conducted an e-mail questionnaire about demographics and the main responsibilities related to intercultural communication among managers of Estonian municipal governments (Pruvl, 2014). The questionnaire was done to select the specialised informants who are involved in intercultural projects with various partners on a regular basis and 18 from 25 respondents were chosen as a result.

A personal interview was carried out to explore the nature and content of the respondents' recent intercultural business interactions of a persuasive nature, and to obtain their feedback on the effectiveness of these interactions. After the replies were analysed and the reported experiences were grouped, using Scollon's politeness system factors (Scollon and Scollon, 2003), the author conducted a dialog with specialised informants.

A contrived experiment, with control from the author, was chosen to study the effects of communication style on the process of social categorization. It was implemented in three stages among 14 Estonian and 18 Italian students simultaneously. The author adopted Phillips, Rothbard, and Dumas approach (2009, p. 711) and used non-task related information because it “affect perceptions of status distance and relationships at work” During the common discussion respondents were checked on knowledge about the relevant details of British establishment. The author instructed them to make individual notes about the social status of the personalities presented on a video that was shown afterwards. The students were asked to discuss these notes in both international groups and to orally present a summarised statement about the group decision process. The results were collected from both groups to be comparatively analysed (Pruvl and Alas, 2012).

This initial exploration was made in 2009 within a relatively restricted sample. Later the author conducted a study of social categorization among Estonian professionals; it is described below (as study A) with all the percentages rounded.

Study A: a conceptual sampling based on similarities and differences was used for investigation in the autumn of 2011. The sample involved 46 Estonian professionals from the West of the country who attended the author’s intercultural communication training sessions and have got basic knowledge of the importance of hierarchical issues in different cultures. The two largest cities (Tallinn, and Pärnu) were represented by 37% and 20% of the professionals respectively. These people had various fields of activity such as construction, logistics, health care, transport, management of SMEs, education, catering, export management, IT and service sectors, but were interested in the subject as the volunteers of the Estonian Red Cross and declared that they had experienced intercultural interactions of some kind. In the sample here, 41% of the participants are men, 59% are women. A majority lived most of their lives in Estonia, speak Estonian as their native language and have at least a secondary or professional education. At that time 9% were students and 24% have higher education. The age of the participants was 21–63, with an age average of 41.

The goal of this empirical study was to understand deeper the process of social categorisation in intercultural environment when the status relevant information was not willingly disclosed. The author had chosen dialogue as a method for her qualitative-interpretive research because it allowed her to be one of its participants and also to be an observer, “to be inside and outside the dialogue at the same time” (Arbnor and Bjerke, 2009 p. 196). The dialogue process allows participants to express original opinions that are crucial for the construction of meaning. According to Arbnor and Bjerke (2009 p .196) all meaning is socially and continuously created and therefore a dialogue is not strictly limited in time; that was another reason for the author to choose this method. Therefore she could interact with different respondents more personally before and after the event. She made notes for her later interpretation and analysis. The dialogue about the status issues in intercultural environment was performed in following phases.

Introductory: The author introduced to participants the contrived experiment. The study revealed very different logic and reasoning between the researched groups, but more importantly it proved that Estonians based their conclusions mainly on what the members of this family have said. In contrary Italians relied more on how they behaved and on details of the environment.
**Reflective:** The participants composed groups of 6 or 7 people and discussed the setting and the outcomes of a correlation investigation. Each group presented their comments and expressed an attitude and understanding of status issues.

**Interactive:** Some participants shared their personal experiences relating to social differences and status issues with the rest of the audience.

**Clarifying:** The author and participants engaged into the exchange of questions and answers to reach the “inner qualities” of status related social categorization process in different environments.

This study confirms the earlier findings by Pruvli and Alas (2012) on how status issues are perceived and categorized in a low context culture such as Estonian. It also sheds more light on some “inner qualities” of this process. The majority of participants revealed high levels of uncertainty entering the status conscious foreign environment and they would strongly prefer very clear verbal characteristics of the member roles. However, the respondents over 40 years of age were more status conscious than younger people while engaging into culturally unknown reality. Some commented that in the setting of a contrived experiment, with a lack of verbal or tangible information, they would rather make no conclusions about the social status of the family. While they agreed on practical benefit of noticing social status issues they were not attaching much significance to it. A shared meaning in the research sample was attributed to social status that was connected mainly with elite consumption and could be expressed in tangible status symbols. They associated the meaning of status rather with hierarchical structure of organisation than with social structure of society.

5. **Model of effective IPC and its testing in international setting**

The model presented in a table 1 was developed as result of the research.

**Table 1. The model of factors that influence the effectiveness of IPC in a business context**

<table>
<thead>
<tr>
<th>Factors related to the Source</th>
<th>Factors related to the Receiver</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers should be mindful of their own and alternative persuasive styles. They should pay attention and make adjustments according to the cultural persuasive style of the receiver</td>
<td>The main differences in preferred persuasive styles are expressed in the creation of evidence, connection, presentation of ideas, and main thrust of the persuasive claim.</td>
</tr>
<tr>
<td>- to the structure</td>
<td>Cultural Persuasive Styles:</td>
</tr>
<tr>
<td>- to the content</td>
<td>• Quasi-logical</td>
</tr>
<tr>
<td>- to the treatment</td>
<td>• Presentational</td>
</tr>
<tr>
<td>- and to the code</td>
<td>• Analogical</td>
</tr>
<tr>
<td>of the messages rather than to the communication outcome.</td>
<td>Preferred persuasive style</td>
</tr>
</tbody>
</table>

**Adaptation strategies of cultural persuasive style**
The quasi-logical preferred persuasion style is linked with low-context communication. Differences in hierarchy and egalitarianism influence the results of intercultural interactions between the managers even if they have similar cultural persuasive styles.

Managers with egalitarian cultural orientation failed to urge their counterparts with hierarchical cultural orientation to come to an agreement about the ideas or actions. They have evaluated the chain of authority in particular situations as confusing. However, status differences during these interactions were important for their counterparts with hierarchical cultural orientation.

Cultural orientation: egalitarianism vs. hierarchy

Managers are reluctant to change their procedures and structure because of their dedication to the process. Further pursuing a favourable experience can be more important than quick results. Difference in these cultural orientations can slow down the persuasive interaction and influences its outcome.

Cultural orientation: results vs. process

It is an incentive for the author to comprehend how practitioners perceive their own preferred persuasive style. To obtain first hand reflections from the users and to get the main directions for further research she aimed to test this model using a quick or rapid ethnography (RE) method (it is presented below as Study B). This technique of intensively questioning a focus group about particular phenomena during a relatively short period of time was adapted to social research from health studies.

Handwerker (2001) defined RE as the constructivist method that, rather than looking for new solutions, emphasizes testing for specifications of issues that are arising from prior exploration. It is based on findings and suggests an intimate knowledge of the field by researchers and it involves data obtained during group session. According to Handwerker (2001, p. 13), a core of RE is understanding of what informants tried to teach us and enhancing of our understanding a step further. Informants perform as cultural experts who can speak on cultural phenomenon which is studied. To compare to traditional ethnographic approaches RE is shorter in time but more intense, is more focused on particular activities of the informants in certain situations rather than on their behaviour in general and is typically used to investigate the patterns of interaction and communication practices (Baines and Cunningham, 2013).

Study B: in my current investigation this method was implemented in an international setting. The author arranged a meeting with the users and discussed with them the factors that influence the effectiveness of IPC in a business context. A brief description of the testing is given below and due to space limitations it is focused on a “preferred persuasive style” factor. Another limitation, in the author’s opinion, is that it requires more than just one case to draw some reliable conclusions with regard to the factors of cultural orientation and social categorization practice. Therefore a more thorough investigation into all factors that constitute the model should be done in future with more representative diverse international sample.

The author explained the model to the focus group of 14 persuasion practitioners, who worked as project managers and consultants for various international organisations. Their communications skills were shaped in the following cultural clusters: - Mexico, Chile and Costa Rica (3 males and 1 female), Russia and Armenia (2 females), Iraq, Afghanistan, Syria, Lebanon and the United Arab Emirates (6 males) and lastly China and Malaysia (1 male and 1 female). The age range of these people was 28-65, with an average of 43. Their relevant experience ranged from 3 to 27 years. During the general discussion about the differences in preferred persuasive styles everyone had expressed their opinion. A majority claimed that in persuasive business messages they find facts, figures and structure to be the most convincing and a quasi-logical style to be the most effective.

The process of social categorization differs between low-context and high-context cultures. “Underlying attributes” include education, skills, abilities and functional backgrounds, differences in social and network ties. These ties embrace work-related, friendship and community ties as well as intra-group membership.

When status-relevant “underlying attributes” are not willingly revealed, the members of the high-context culture base their social categorization on environmental context even if this context is culturally different from their own. Willingly shared information is valued less. Conversely, representatives of low-context culture mainly consider issues that are verbally disclosed.

Social categorization practice
LaPiere established as early as 1934 (LaPiere, 1934) that declared attitudes in cultural domains does not necessarily determine the real behaviour of the respondents. To check if this eminent discovery is relevant to the attitudes toward preferred persuasive styles the author worked out a research strategy and conducted an empirical examination as following.

First the informants watched a video showing how a US documentary filmmaker Mike Ramsdell delivers to an international audience a persuasive message. It is about the violent extraction in the Congo of valuable minerals (including diamonds and Coltan) that cause a lot of suffering to the natives. Coltan is used in cell phones produced by international corporations and the presenter calls to boycott unethical businesses. According to the author’s analysis Mr. Ramsdell used almost equally throughout his presentation, quasi-logical (the structure and content), presentational (the treatment and code) as well as analogical (the content and code) elements. His message was an amalgamation of ideas from his speech and documentary.

The audience was then divided, by cultural clusters, into four uneven groups.

Group 1 consisted of four people from Mexico, Chile and Costa Rica.

Group 2 was composed of two people from Armenia (with one member who has studied and lived in Russia).

Group 3 was made up of six people from Iraq, Afghanistan, Syria, Lebanon and the United Arab Emirates.

Group 4 consisted of two people from China and Malaysia (with one member who was a Malaysian Chinese).

The informants were asked to analyse the persuasive communication of Mike Ramsdell and to discuss in their groups the following questions:

1) What is the goal of his message? What made it easy or difficult to follow what he wants to change?
2) How easy or difficult is it to follow his ideas? What made it easy or difficult?
3) How does he make a connection between the pieces of information? How do these pieces fit together?
4) How does he create the evidence that the situation should be changed? Please evaluate the effectiveness and importance of this evidence. What makes the most impression?
5) Please, summarize the key point. What conclusion do you draw from his message? How does it fit with your experience? Have you been persuaded? What helped or hindered the progress of persuasion?

While all of the groups claimed that the goal of the presentation was clear and it was easy to follow what his ideas were, they all agreed that the presenter should adapt the message to the relevant cultural contexts to be more effective with particular audiences. Group 1 was quite critical of how the evidence was created. They wanted to discuss a number of presentational elements which they found impressive (e.g. showing busy streets of megacity where people were happily using their cell phones ignorant of the violence caused in their manufacture). Group 2 paid attention mainly to analogical (e.g. comparing the atrocities in mining areas of the Congo with the holocaust) and presentational elements. Group 3 considered the whole message ineffective and was not happy with some presentational elements (e.g. the evidence given by a local woman about the violence towards her family). Group 4 paid attention to the analogical elements and found very little connection to their own cultural background. Interestingly almost no remarks commented upon the quasi-logical elements of the presentation despite Mr. Ramsdell introducing a number of facts and figures in a very structured way.

In a conducted study the common observations are more significant than the preciseness of results; hence the analysis is less exhaustive and scientific. However, the analysis revealed that all four groups based their impressions on different yet presentational and analogical elements of the persuasive message. The results of this test support the ideas of LaPiere (LaPiere, 1934), the managers declared that they prefer a quasi-logical persuasion style in business, but the study revealed that they pay more attention (be it approval or criticism) to the alternative elements of persuasion. An earlier study (Pruvi, 2014) suggests that these elements are closer to their own persuasive style. In order to indicate what persuasive style managers prefer in reality it would be useful to undertake the text and narrative analysis of their own persuasive messages when their structure is not given in advance (e.g. motivational letters).

6. The originality and implications of the study

Since Aristotel’s writing on persuasive communication Hovland et al. (1953) are considered to be the first ones to provide a scientific approach that was focused on message perception by the receiver. Hovland’s analysis which is considered the seminal work for later studies on effectiveness of persuasion provides the grounds for numerous models and concepts. The aforementioned theories were developed primarily within the American environment (Benoit and Benoit, 2008; Dillard and Shen, 2012; Gass and Seiter, 2013).

The dominating areas of study were rhetoric and political communication at a level of mass communication (Lee, 2004; Perloff, 2013) and also health communication and social marketing.
Persuasion in business environments has been empirically investigated in international marketing but a majority of studies were not aimed at handling the problems of communication styles. Instead they were primarily focused on cultural differences in orientations, e.g. collectivism and individualism (Cialdini at al.1999); negotiation tactics, goals and values (Aaker and Maheswaran, 1997; Simintiras and Thomas, 1998; Chang and Chou, 2008). The topic of persuasive communication in an international setting has been addressed by Glenn et al. (1977) and Johnstone (1989) who proved that a certain preferred communication style is losing its effectiveness in intercultural interactions; understandably electronic communication was excluded as it was not the norm. However, these investigations were made from a cross-cultural rather than intercultural perspective: the scholars analysed comparatively and conceptualised persuasive communication patterns of different cultures. Any later study of this problem in academic literature is not known to the author. The originality of authors’ contribution can be summarised as follows:

1. Persuasive communication was explored in a business environment and the author created a model of effective persuasion for intercultural business context as a result. While there were some empirical studies in marketing and sales, they involved communication between the seller and the customers or were related to advertising messages. The source and the receiver(s) in these contacts were not united by working functions. So far a majority of persuasion theory was developed in political communication, where similar to marketing the source and the receivers have an asymmetric relationship. Traditionally the models stressed the importance of pleasant situation where the message is received and whether a persuader is an expert. Business communication in private or public sectors is more formal and is meant to occur between the specialised professionals about the subjects that are related to areas of their professional credibility. The source and the receiver are united by function and nature of working responsibilities.

2. This dissertation handles the long-standing issues of persuasive intercultural communication in a business context and introduces the key factors of effective persuasion for intercultural contacts. The author studied the topic in an international setting where a number of cultures with different communication patterns were involved in interaction with the Estonian managers. In addition this paper applies theoretical provisions to intercultural context primarily used for general communication. The majority of theories and concepts related to persuasive communication were developed from the American perspective for mono-cultural environment.

3. While persuasion was studied and conceptualised mainly cross-culturally, this work analyses managers’ interaction from within an intercultural communication perspective (that means when the parts intercommunicate, and analysis reflects the perception of the dynamics of this process by the source). The author explored not only the differences in persuasion styles but also the strategies of adaptation of the persuasion styles during the interactions.

4. This doctoral project confirms the contiguity of the quasi-logical preferred persuasive style with low-context communication. However, it also proves that inside the quasi-logical continuum there are other factors such as cultural orientations (egalitarian or hierarchical and process or result) that influence the effectiveness of persuasion.

This study sees its practical contribution as stated below:

- It has a multidisciplinary relevance as it borders with international business discourse, managerial intercultural communication and it adds to the body of knowledge in the field of persuasive intercultural communication in business. Since the Estonians started making extensive public appearances in international business, roughly two decades ago, this research can later serve as a benchmark enabling other scholars’ to make more profound comparisons over much longer periods of time.
- A model of effective persuasion for intercultural business context provides the tools for successful networking in international setting. The practitioners can predict and plan IPC in order to raise its effectiveness. For the managers from egalitarian, low-context cultures the study highlights and exposes the significance of status issues. It is helpful during negotiations and developing the relational capabilities in a global context to consider the differences in results and process orientation.
- Better understanding of IPC will support the internationalisation process of the enterprises. Entrepreneurs, start-up entrepreneurs and managers can achieve better results by implementing suitable persuasive styles in convincing their potential investors.
- The key factors of effective IPC will help the management of international companies in the motivation of their diverse employees without additional reward.
- Unpacking the differences in IPC styles and cultural orientations provides the guidelines for the international teamwork routine in international organisations. Identification of theirs and their partners’ preferred persuasive styles will contribute to the successful co-operation within the team.
- The investigation findings gained from the study of interdepartmental communication of international company offer helpful information for managers about priorities of training in international company.
proves that it will be useful for the managers involved in regular international operations to develop their intercultural communication skills even prior to professional training.

- The findings support more straightforward recommendations for managers from cultures with a quasi-logical preferred persuasive style. In order to raise the effectiveness of communication with partners that use alternative preferred persuasive styles they should pay more attention to the message treatment and code as well as to the social and cultural systems of their counterparts. As the study demonstrates the managers should be aware of status issues and its perception in intercultural environment.

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Women in the Intercultural Profession: An underpaid Majority.
An Income Overview in the Intercultural Profession

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Abstract
This research investigates the gender pay gap impact on obtained income in the intercultural profession. The presented research focuses on the relationship of demographic variables on reported income and fees, with a particular interest in the comparison between gender, age, educational background and engagement in the field. It includes an overview of descriptive results on these variables and the quantitative analysis of hypotheses linked to their correlational relationships. This study’s findings are in agreement with other industry benchmarks in that women on average tend to earn less in the intercultural industry. The amount of time you engage and have spent in this profession as well as your age, the amount of training days and educational background furthermore influence the type of income interculturalists can expect to earn. Practical implications of this existing gender gap for intercultural professionals are discussed.

1. Introduction
Social inequality occurs in almost every modern society and has therefore been for years one of the biggest issues discussed by social scientists. There are various characteristics of individuals that contribute to different social positions within a society and therefore to inequality. One of the most important factors contributing to global social inequality is gender-based discrimination. For measuring inequality variables such as wealth or income are most common and significant inequalities are found among individuals based on gender, race and ethnicity (e.g. Collins, 1998). This research will provide insights into the questions of whether the gender pay gap prevails in the intercultural profession - a profession characterized by a diverse pool of professionals who are highly aware of the impact of gender biases and discrimination. The aim of this paper is to take a closer look at the gender-based income-structure within the intercultural industry, as well as other influencing demographic variables.

2. Literature Review
Research in the past decade has brought to light a gender pay gap in favor of men that prevails globally. Though raw wage differentials in female and male wages worldwide have fallen substantially mostly due to much better education and labor market endowments of females (Weichselbaumer and Winter-Ebmer, 2003), women in the labor market generally earn less than men. The progress of closing the gender gap is slow. The most recent OECD report marks women’s global economic participation and contribution at 60% in the year 2014 (OECD, 2014). The reported average global difference in pay gaps amounts to men earning 15% more than women. For example, women earn 16% less than men in the EU (Council of the European Union, 2010) and in the U.S. a 10% differential still remains in female and male wages unexplained by gender differences in education, job experience and characteristics (O’Neill, 2003). The gender gap is larger for high-wage earners (80% percentile of wage distribution in their respective country, OECD, 2014). With the current trajectory, as analyzed by the Global Gender Gap Report 2014 of the World Economic Forum, it will take until the year 2095 to close the gender pay gap. Economists account 40% of this pay gap to derive from gender discrimination (Catalyst, 2014).

However, the intercultural industry is one characterized by professionals that are entrepreneurs or freelancers, meaning that the majority sets their own rates and fees. A recent study in the UK suggest that even within the subgroup of entrepreneurs, women tend to earn 23% less than their male counterparts, after controlling for human capital, job characteristics and other demographic variables (Estrin, Stephan and Vujic, n.d.). The pay gap remains a major aspect of the inequalities women face in the 21st century.
3. Method

This research is based on extensive data about the nature of the intercultural profession and its practitioners, which was previously collected through a globally distributed online survey in 2013 and 2014 (Salzbrenner et al., 2015; Franz et al., 2015). An interculturalist is defined as “a person working in a field or profession that actively and analytically deals with intercultural situations.” [Salzbrenner et al., (2015), p.3]. This can include theoretical or practical approaches. A total of 405 persons who considered themselves interculturalists responded to the survey. The researchers asked participants about background (e.g. nationality, education, demographics), motivation to work in the field and employment status and income.

Results of this study will first be presented in a descriptive manner. These findings lead to the assumptions that gender and various other demographic variables have an influence on the income and fee structure in the intercultural industry. Hypotheses were tested using quantitative methods such as linear regression models and analysis of variances.

4. Descriptive Findings and Hypotheses

4.1. Income and Gender

Those who indicated their gender in the survey were three quarters female (n=216) and less than one quarter male (n=65). A very small number (n=2) identified themselves as transgender. This indicates a significant majority of female professionals in the intercultural field. Based on those findings, data was further analyzed and broken down by gender. The very small number of transgender professionals did not provide representative averages for this group of professionals and was therefore not further analyzed. Figure 1 provides an overview of gender-specific data on work structure and income as well as a first look at the gap in intercultural-related income between men and women.

The distribution of income derived from intercultural work by men and women shows that over thirty percent of men earn more than 50,000 EUR per year as interculturalists whereas less than twenty percent of women tend to rank in the three highest earning brackets (>50,000 EUR per year). At the same time, a third of female respondents to the survey indicated earning less than 10,000 EUR per year with their work as interculturalists, compared to less than a sixth of men.

![Figure 1. Income in the intercultural field by gender, n=258](image)

Looking at the percentage of intercultural and non-intercultural work of professionals and breaking down income into daily rates in the intercultural field, table 1 shows further distinction.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage intercultural-related work</td>
<td>68 % (n=68)</td>
<td>64 % (n=209)</td>
</tr>
</tbody>
</table>

Table 1. Descriptives of gender-specific means on work percentages, charged rates and unpaid years
Based on the above observations on total income in the intercultural field and the breakdown in daily rates based on gender, the following hypothesis was formed: As intercultural professionals, women earn on average less than men (Main Hypothesis H1).

### 4.2. Education and Income

Developed economies have experienced a change to a “knowledge society” in the past decades. Therefore, the income of highly qualified professionals has increased against the rest of the qualified individuals. The gap between people with and without tertiary education has increased (Rohrbach, 2008). The descriptive results of our analysis suggest a relation between the educational level of interculturalists and their reported intercultural-related income.

The majority of respondents in this study indicated a Master’s education as their highest academic degree (69%), followed by around one sixth of respondents with a Bachelor and one sixth with a PhD.

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Income Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>12th grade or equivalent</td>
<td>1.86</td>
</tr>
<tr>
<td>Bachelor</td>
<td>3.54</td>
</tr>
<tr>
<td>Master</td>
<td>3.74</td>
</tr>
<tr>
<td>PhD</td>
<td>4.64</td>
</tr>
</tbody>
</table>

Table 2 shows a difference of more than two income level categories for those who graduated in 12th grade or equivalent and those who hold a PhD degree. The difference between Bachelor and Master Degrees appears less pronounced. Based on the above observations the following hypothesis was formed: In the intercultural industry, the educational level of a professional influences their intercultural-related income and obtainable fees (Hypothesis H2).

### 4.3. Age and Income

Correlations as well as descriptive differences were also found for other demographic variables, such as Age, Number of training days and the Number of years working in the field before the onset of paid work as an interculturalist.

The age of participants ranged between 19 and 76 years old, with a mean of 46 years and a standard deviation of 12 years. More than a quarter of the professionals were born in the decade of 1961 to 1970, with a second quarter of interculturalists born between 1971 and 1980. Intercultural professionals had been, on average, involved in the field for 13 years. The maximum number of years for this question was capped at 20 years. Respondents with over 20 years of work experience in the field were considered experts. The study’s descriptive results also show that women tend to earn money slightly earlier in the field after beginning involvement than men (2.3 yrs and 2.5 yrs). Intercultural professionals also declared an average of five trainings days per month, with a minimum of one and a maximum of 16 training days per month. Based on the above findings the following hypothesis was formed: In the intercultural industry, the professional’s age, the number of training days and the number of unpaid years in the industry influence the reported income (Hypothesis H3).

### 5. Empirical Findings
The above-mentioned hypotheses were further tested for applicability in the intercultural field via group mean difference comparisons using analysis of variance tests such as ANOVA and linear regression with SPSS software.

5.1. Gender and Income

The main hypothesis (H1) was tested after re-coding male and female participants into a binominal variable (male=0, female=1). Using an ANOVA with Intercultural-related income as the dependent variable (scale of 0=lowest income to 9=highest income) and Gender as the independent variable, the test showed significant differences between group means of male and female participants (F(1, 254)=7.74, p=.006) (see figure 2).

![Figure 2. ANOVA of intercultural-related income by gender](image)

5.2. Education and Income

Education was found to significantly correlate positively with Total income, r(382)=.191, p<.001, and Intercultural-related income, r(291)=.151, p<.001. An ANOVA was used to test the differences in group means on income for Hypothesis H2, the effect of education on intercultural-related income. The independent variable Education was cleaned off any individuals that reported their education as “other”, as that indicated a level of education that was not proposed (i.e., other than 12th grade or equivalent, Bachelor, Master, PhD) making it hard to judge the level of education of those respondents. The test revealed significant differences (F(2, 287)=4.005, p=.008) indicating that education has indeed an effect on the intercultural-related income professionals in the intercultural industry reported (see figure 3).

![Figure 3. Distribution of intercultural-related income by educational level](image)

5.3. Age and Income

Age correlated significantly negatively with total income r(258)=-.407, p<.001, and intercultural-related income r(253)=-.247, p<.001. Furthermore, the average amount of training days positively correlated with
intercultural-related income $r(183)=.277$, $p<.001$, and the number of unpaid years involved in the industry correlated negatively with intercultural-related income $r(267)=-.172$.

The hypothesis H3 was tested using a linear regression analysis, with the continuous variable Intercultural-related income as the dependent variable, and the continuous variables Age, Training days and Unpaid years in the field as predictors of this variable. Assumptions for linear regression analysis were met. Durbin-Watson Test for positive auto-correlation revealed zero auto-correlation between residuals, per test value 1.7 with $n=159$ and $k=3$ (see table 3). Residuals errors were checked for normal distribution using a Normal P Plot and did not reveal a significant departure from normality (see Figure 4). Table 4 presents the results of the regression analysis. The model yielded significant results with $F(3, 155)= 11.765$, $p<.001$.

Table 3. Model summary linear regression on intercultural-related income

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.431\textsuperscript{a}</td>
<td>.185</td>
<td>.170</td>
<td>1.84653</td>
<td>1.702</td>
</tr>
</tbody>
</table>

\textsuperscript{a} Predictors: (Constant), Average training days delivered per month (in days), unpaid years, Age: I was born in the year ...

\textsuperscript{b} Dependent Variable: What is your annual income in the IC field?

Figure 4. Normal distribution of standardized residual using P Plot Scatter Plot

Table 4. Coefficients of linear regression on intercultural-related income

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>4.559</td>
<td>.595</td>
<td>7.657</td>
</tr>
<tr>
<td></td>
<td>Age: I was born in the year ...</td>
<td>-.029</td>
<td>.013</td>
<td>-.169</td>
</tr>
<tr>
<td></td>
<td>Unpaid years</td>
<td>-.097</td>
<td>.040</td>
<td>-.177</td>
</tr>
<tr>
<td></td>
<td>Average training days delivered per month (in days)</td>
<td>.214</td>
<td>.045</td>
<td>.342</td>
</tr>
</tbody>
</table>

\textsuperscript{a} Dependent Variable: What is your annual income in the IC field?
A closer look at the significant results of this regression reveals that the amount of unpaid years worked in the industry before earning an income negatively impact reported income in the field. Furthermore, the demographic variable Age as well the Number of training days per month positively impacts intercultural-related income.

The above reported significant correlations and significant results of the statistical analysis support all three hypotheses on the effects of gender, education, age, unpaid years and training days on the reported income in the intercultural field.

6. Discussion

This research provides insights into the questions of whether the gender pay gap exists in the intercultural profession. The intercultural industry is characterized by a diverse pool of professionals. The industry’s diversity stretches from the educational background of its members, the methods they use, the countries they live in and the cultures the represent, to the subject matter expertise and certifications they hold. Due to the specific educational content and service that interculturalists are providing, the members of this field are highly aware of the impact of gender biases and discrimination on individuals as well as on groups. This research aims to examine why gender-based income differences nevertheless exist within the intercultural industry. Other influencing demographic variables that impact intercultural professionals’ economy are also discussed.

This research revealed that gender impacts the intercultural-related income. Despite the fact that the majority of professionals in the industry are female, the income is significantly lower for women. This implies that the majority of the professionals (female) in the field earns less money than the minority (male). Looking at the differences in pay between men and women, working patterns need to be considered: “The gender pay gap must be looked at in conjunction with other indicators linked to the labor market, in particular those ones that reflect the different working patterns of women” (Council of the European Union, 2010). The income gap may result from the type of employment that women and men seek. In this survey, women were more likely to be self-employed than men, whereas men were twice more likely to be found working for a small or medium sized privately-held company (3-100 employees) than women. Women work more self-employed, with greater flexibility but possibly also fewer hours a week than full-time employees. This may also result in fewer training days: “A high pay gap is usually characteristic of a labour market which is highly segregated, […] a significant proportion of women work part-time” (Council of the European Union, 2010). More male respondents indicated that they were part of a small- or medium-sized privately held company, which may point to men seeking out partnerships while women prefer to work independently.

In order to understand potential gender dynamics in this particular field, a closer look at the competitive market that is the intercultural field is necessary. Instead of focusing only on individual differences between the preferred and chosen work pattern as well as explanations for gender bias on an individual level, the social structure of the field that has been created by all its members over time should also be examined. By reviewing the field as a dynamic whole, we might be able to pinpoint gender-related differences in privilege. Therefore the findings may also indirectly suggest that women have less power, influence and impact in the field. Are women or men the influencers in the intercultural field or do they share responsibility in developing the field further?

It has been argued that as a distinct field the intercultural communication field developed in the late 1950s. The conceptual framework of the book “The silent language” as well as the birth of the term “intercultural communication” (Hall, 1959) marks the beginning of the industry of intercultural training (Lee-Hurwitz, 1990). The Foreign Service Institute (now Peacecorps) delivered the first trainings to U.S. Americans relocating abroad. The intercultural industry, both in terms of its academic research and theories, as well as its development of practical applications and methods can therefore be considered relatively young. The field was founded and developed predominantly by men. To this present day, most of its prominent researchers, theorists and business owners are male. The field and its structure have been developed by men and its network has been built around these influential figures. Many of them are still actively working and shaping the field.

Female interculturalists therefore enter a male-dominated field and need to adapt to male structures and sell their credibility and services to male counterparts. Research on the affinity bias and ingroup bias in recruitment has shown countless times that individuals tend to hire, work with or share information with someone that carries the same values and belongs to the same group (e.g. Bazerman and Tenbrunsel, 2011; Ibarra, 1995; 2011). Women might chose to work on their own due to the unconscious gender bias in the field and the industries it is serving, leading to less income due to challenges associated with sole entrepreneurship.

Even though women dominate the intercultural field in numbers, they do not dominate the field in influence, economic power and privilege. These research results might be surprising in a field that is generally very aware of the impact of social discrimination and biases. The diversity of the field and its members might hide some of these income inequalities that would be easier to spot in a more regulated and structured field.

It can be argued that a lack of transparency of income and obtained fees might lead to an additional effect of underpricing in the female subpopulation. Whereas other industries with standardized professional norms and regulations have benchmarks to adhere to, the intercultural industry does not offer any indicators other than what colleagues share among them. It can be speculated that women tend to network with other women and thus
exchange the already underpriced fees that they charge with each other instead of competing with the male population in the field.

Education positively influences income in the intercultural field. Interculturalists with PhDs earn on average more than those with lower or no degrees. This could imply that a higher formal education supplements other intercultural experiences or informal education that may also qualify for the intercultural profession. It may also suggest that there is a general high regard and willingness to pay for the skills of PhD degree holders, regardless of actual experiences in the field. A PhD is associated with recognition and status, which in turn seems to be readily given to PhD holders through higher salaries or fees. The high number of degrees (97%) and other proof of further education in the field (Salzbrenner et al., 2015) show that intercultural professionals typically have a high level of academic background and are prone to develop themselves further professionally.

Reported income derived from intercultural work is significantly linked to age. The intercultural field as a professional field benefits tremendously from experienced interculturalists. Experience includes education but also implies multiple exposures to different cultures, experience living and working with diverse people and in different cultural settings. Experience comes with age and leads to higher credibility in a field that feeds off the personal experience of the intercultural professional. The higher income for older interculturalists thus seems to suggest that a professional’s age is linked to perceived experience. Hence, the relationship provides evidence that either their experience is ‘paying off’ or that it takes time to establish long-term relationships with clients and customers that value their credible professional experience. This finding also points towards a big hindrance for the younger generation of interculturalists who might be struggling to establish themselves in the industry. Additionally, the younger interculturalists will have to face lower fees due to an age-credibility bias.

7. Limitations

This survey used self-reported measure on income and charged fees within the intercultural industry. Thus, the data is susceptible to self-report bias such as a social desirability bias and information bias. Furthermore, although anonymity was explicitly guaranteed in the introduction of the survey, respondents answered questions related to financial aspects of the business less frequently than all other questions. Therefore, the results can be biased by a lack of responses if it was possible to detect systematic consequences between those that took part in answering these questions and those that did not. Furthermore, financial data was asked Euros which might have caused slight alterations due to lax currency exchange estimates or disregard for currency fluctuations. Similarly, Income may have been understood as net or total, depending on conventions in one’s country.

The intercultural profession is hugely diverse in its body of professionals, as seen in their background, subject matter expertise or location. Describing overall income trends can therefore come with limitations due to the neglect of macroeconomic trends, currency valuations, living expenses and so forth. However, when Nationality and Location were tested as a moderator for the effect of Gender on Income, no significant effects could be found, suggesting a rather robust gender gap in all locations that were surveyed.

Reports on income may also be influenced by the amount of hours interculturalists work in total. The survey does not allow for a differentiation between those that may do this work part-time to those that have a full-time position and freelance in their spare time.

8. Conclusion and Implication for Future Research and for Practitioners

This analysis of the development of the intercultural field has created income and fee benchmarks for interculturalists and the industry. It points out existing challenges related to relative income compared to the workload and the misconception that interculturalists can live entirely off their work in the field. The main emphasis of this article is the discovery of a gender pay gap in the intercultural industry. Differences in the earned annual income can be found depending on your gender, your age, your educational background and your engagement of time in the profession. Women, younger professionals, less formally/academically educated and those who put in less training days tend to earn less in the intercultural profession than their counterparts.

These outcomes will help newcomers understand the realities of the industry. For those working in the field as well as their contractors or employers it highlights the realities as well as challenges that will have to be addressed. Most importantly, women in the intercultural industry will have seen that there is scope for obtaining higher fees and therefore income for their professional efforts.

9. References


Contributions of Expatriate Management to Managing Diversity

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Abstract

The following paper describes an exploratory empirical study which has evaluated the readiness of an international mechanical engineering company to enhance its expatriate management in such a way that it serves as an integral element of an overall diversity strategy. For this purpose, semi-structured interviews have been conducted with both expatriates and HR managers in 6 subsidiaries and the headquarters of the company.

It was found that operative aspects of the expatriate management dominate the viewpoint of those involved. However, the findings also suggest that an implicit recognition of advantages that stem from the variety of individual employees exists. Willingness to systematically strengthen the exchange and learning process was detected.

Based on these results, a new approach could be conceptualized and implemented. This provides various foci for further research.

1. Introduction

The expatriation of specialists and executives is an important instrument for international companies which strive to become global organizations. Reasons for the application of that instrument are various – from allocation or coordination concerns to the transfer of technological and managerial know-how or the implementation of strategies, up to organizational development and the aim to influence the corporate culture (Bolino, 2007). In the traditional ethnocentric approach (Perlmutter, 1969), the know-how transfer is a one-way flow of knowledge since expatriates are sent from headquarters to subsidiaries abroad. There they implement elements of the headquarters’ base of knowledge by establishing changes in routines and processes and training colleagues. But in modern global organizations, market conditions and the imperative of efficiency require a high level of integration and strong ties between headquarters and subsidiaries (Bartlett and Ghoshal, 2002). International assignments are manifold in nature and experiences gained in subsidiaries abroad will have an impact on former expatriates’ behavior over the long run. Consequently, expatriation allows for a two-way flow of knowledge and for organization development on a mutual basis (Saka-Helmhout, 2007).

When looking at organization development, based on the usage of individual knowledge and experiences of different people in various parts of the organization, managing diversity comes into focus (Cox, 1994; Gardenswartz and Rowe, 2008). The argument that heterogeneity can be managed in such a way that a competitive advantage can be created through learning and enhanced creativity (Ely and Thomas, 2001) is widely accepted today – in organization development as well as in human resource management. In fact, this business case argument has widely replaced the former rationale of managing diversity for moral reasons such as avoiding discrimination (Lauring, 2013).

Thus, a proper management of expatriation in terms of managing knowledge, opening new perspectives, and enriching teams can be deemed as a powerful instrument of diversity management. But astonishingly, a review of expatriation management literature as well as diversity management literature has shown that the question whether diversity management strategies of international companies are or can be supported by a structured management of expatriation processes has not been discussed yet.

Another interesting finding from the literature review was that research on expatriation management has indeed reflected different perspectives. Most often the expatriates themselves have been approached (e.g., Takeuchi et al., 2008; Tung, 1998). Other studies have adopted the organization’s perspective (e.g., Harris and Brewster, 1999; Harvey, 1993) or – more recently – the perspective of host country nationals who work with expatriates (e.g., Toh and DeNisi, 2005; Vance et al., 2009). But most of these studies have examined expatriation from only one of these perspectives. Only very few studies have systematically combined different perspectives (McEvoy and Buller, 2013).

Based on these findings, an exploratory study has been designed aiming to examine expatriation management and its link to diversity policies in an international mechanical engineering company headquartered in Germany. Expatriation management and the potential of its foundation in a comprehensive diversity management approach...
have been evaluated from two perspectives: From current expatriates’ point of view as well as from the human resource managers’ perspective.

2. Methods

2.1. Background and setting

The examined organization is a mechanical engineering company with more than 100 years of history. Founded in Germany, the company internationalized early. Especially the past three decades have been characterized by a multitude of international acquisitions, joint-ventures, mergers, and demergers. Today, the company has around 22,000 employees worldwide. Beside Germany, main production plants are located in Brazil, China, France, India, Italy, UK, and USA.

According to its origin and history, the company can be described as highly engineering driven. Expatriates have been assigned whenever a technical demand occurred. Policies concerning the management of such international assignments have been in place, but a strategic approach of expatriate management in order to develop employees and the organization has been missing. Aspects of managing diversity have been addressed in order to meet legal requirements and corporate governance concerns, but no integrated diversity management approach has been developed. In this environment, the study on hand clearly has been explorative in nature. The readiness of expats and HR managers to assume expatriation as a vehicle to productively managing the diversity within a multinational corporation has been explored. Results are supposed to be used for the development of a diversity management concept which strategically integrates existing elements – such as the expatriation policies.

2.2. Data collection and analysis

For this purpose, 14 expatriates and 6 HR managers of the company were selected for being interviewed. The interviewees were located in 6 subsidiaries of the company in Australia, China, Czech Republic, France, UK, and USA. 13 expats held executive positions (vice presidents, department heads, and project leaders), one was a project member.

Table 1. Conducted interviews

<table>
<thead>
<tr>
<th>Cohort</th>
<th>Number of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Australian subsidiary</td>
</tr>
<tr>
<td>Expatriates</td>
<td>1</td>
</tr>
<tr>
<td>HR managers</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>2</td>
</tr>
</tbody>
</table>

All interviews were conducted via telephone and recorded in an mp3 format. Gathering data by having a telephone conversation could be taken as an appropriate method since telephone is the preferred communication medium in the company’s international administration. The duration of the 20 interviews varied between 27 and 48 minutes.

Two semi-structured interview guides were in use – one for the expatriates and another one for the HR managers. 50% of the main questions were identical in both guides. The questions covered aspects of the expatriation process (including preparation and repatriation) and its management, the role of expatriation in the light of cooperation and communication across the various sites, perception and appreciation of colleagues in the subsidiaries, and the interrelation between expatriation and human resource development. The interview guides were developed in three steps. The first versions of the two guides were developed based on a brainstorming with the Head of Human Resource Management, some document analyses, and a factory tour. After consultation with the Central Human Resource Management, the guides were revised. The second versions were tested in trial interviews, and – with slight enhancements – converted into the final versions. Two interviewers were selected and trained. They conducted all the interviews within five weeks.

Afterwards, the interview records were transcribed, structured, and analyzed. Central statements and their interpretations were visualized in a spread sheet format, so that a comparative analysis could be performed. For the purpose of validating the findings, they were cross-checked by one of the HR managers working in the central HR department at the German headquarters.

3. Empirical findings
When asking expatriates as well as HR managers in the company we examined, it became obvious that the importance of expatriation for international cooperation and its effect on organization development are recognized. Statements like becoming ‘a real team’ through becoming acquainted with colleagues from the other sites of the company during a mid-term delegation (German expat in France) supported this view. Other interviewees emphasized effects like ‘sharing experiences’, ‘passing on knowledge’, and developing ‘a common international identity’.

A few interviewees acknowledged that prejudices against the employees of the other sites exist. Especially employees in the international subsidiaries seem to have resentments against headquarters’ employees. But several expats reported that such prejudices could be minimized during their sojourn abroad. Only one expat described a situation where misunderstandings based on cultural differences led to unfavorable circumstances.

With it, an important assumption of diversity management can be regarded as verified: Forming a productive team that consists of people with diverse backgrounds requires facilitation (Gardenswartz and Rowe, 2008). Apparently, expats can be seen as the facilitators in the examined organization. But if differences between the expat and other team members cause trouble, a third party is needed.

When having a look at experiences and opinions on what makes expatriation successful in the organization, both the HR managers and the expats had a quite ‘technical’ view at the matter. Many issues of expatriate management were mentioned which have been discussed in scientific literature as well as practitioners’ handbooks for several years now. Examples of these issues mentioned are the transparency of the selection process, the on-site support concerning accommodation, taxation, etc., and the need for long-term career planning at an early stage. Six expats asked for a more standardized process.

What appears interesting in the light of managing diversity are those issues which enable expats to take their role as facilitators of international cooperation and communication within the company. In this regard, language is a central theme for the respondents. Most of them expressed the opinion that improving the command of English as a lingua franca in all parts of the enterprise may help to form a unified global entity and a strong corporate culture. Additionally, they requested the provision of enhanced technical equipment (e.g., more standardized video conference systems for better connectivity between the sites). Obviously, for the majority of interviewees, standardization is the clue to effectiveness in international cooperation. Appreciation of differences among and within the different subunits of the organization was to a large extent out of the test persons’ awareness. For example, it was mentioned in some interviews that international meetings are held in German or French sometimes – if all participants agree. However, this was not seen as a resource but as a ‘disturbance’ of an all-embracing company communication in English.

On the other hand, the contributions of international assignments and structured expatriation programs were seen. One expatriate expressed his belief that a steady exchange of employees between the subsidiaries all over the world could lead to a full exploitation of existing competencies. Another expatriate reported that due to his special position of being an expat, changes in the subsidiary he was stationed at could be implemented more effectively. Both aspects show that advantages stemming from a variety of individual employees are implicitly recognized.

Among the HR managers, the belief that expatriation positively influences the organization’s development is widely spread. All respondents out of this cohort wanted to foster international assignments and further develop instruments for doing this in a structured manner. The need for a kind of ‘expat database’ was mentioned several times. One HR manager suggested to ‘send more employees from the [company]’s sites worldwide to [location of headquarters] so that these people get the chance to get to know the headquarters’ (HR manager in the Czech Republic); in order to do so, he felt a need for a more open-minded corporate culture. Another hint that a lack of openness in the subsidiaries might exist, came from an expat in the UK who stated that ‘the different organizations don’t want to lose their good people’.

4. Discussion and conclusions

The shift in the underlying paradigms in managing diversity from fairness and legitimacy aspects towards organizational learning, based on the variety of individual traits, qualifications, and experiences, perfectly fits together with major reasons for the expatriation of employees within international organizations. In fact, in a passive role, expats directly increase the diversity of work teams in the subsidiaries; when facilitating the cooperation of employees across different sites, they actively contribute to managing diversity as seen in the study.

However, the findings of this empirical study suggest that neither international HR practitioners nor expatriates themselves see the expatriation practice in such a strategic context. This does not mean that the strategic dimension is not seen at all. A majority in both cohorts acknowledges the strategic contribution of expatriate management in terms of human resource development as well as organizational development, but rather under the premise of homogenization than diversification. The fact that the examined organization is a highly engineering driven company may support the assumption that an intense standardization will lead to optimal outcomes (Vernaik et al., 2005). Interestingly, expats and HR managers in most cases share this attitude.
On the other hand, it is surprising that they of all employees who have experienced shifted contexts and a feeling of otherness focus so much on standardization instead of appreciating diversity and its benefits.

As the study has also revealed, frictions in operative expatriation management bind the scarce resources in the HR departments. As long as the growing complexity of HRM in an increasingly globalizing organization requires intensive learning and knowledge management efforts, the conceptualization of an expatriate policy, embedded in the overall diversity philosophy of a company, remains difficult. Most statements remain on the level ‘it would be nice to have’. But as long as the day-to-day problems in operations are overwhelming, nobody has room to further develop these ideas and take action.

Nevertheless, the findings of this exploratory study also show that in principle the theoretical construct of expatriate management as an integral part of and contributor to a comprehensive diversity concept resonates with practitioners’ views on their field of competence. Implicitly, the willingness to accept diversity as a resource for organizational learning and improved performance exists. It was uttered several times that learning from each other and sharing experiences can be beneficial. A concept that systematically uses this insight by showing the positive impact on developing superior solutions for customers, increasing self-esteem of all team members, etc. (Ely and Thomas, 2001), should fall on fertile ground. However, overcoming traditional concepts of strengthening competitiveness by simply standardizing and unifying processes and behavior across all the locations of an organization seems to require intensive efforts at persuasion.

It has been the intention of this study to shed light on experiences with expatriation from two different perspectives – the expatriates’ perspective and the HR managers’ perspective. For a more complete picture, a third perspective could be contributory: the local employees’ view. These employees (often called ‘host country nationals’) interact with the expats (Tarique et al., 2006). Their estimation of the expatriates’ contribution to constructively managing diversity in the international company could reveal additional issues since they represent a more ‘neutral’ view – they are not directly involved in the expatriation processes.

Another limitation of this study can be seen in the fact that little experience with so called ‘third country nationals’ (expats which are sent from one subsidiary to another) exist in the examined organization. This type of international assignments is widely assumed to increase in importance in international human resource management (e.g., PwC, 2012; Reiche and Harzing, 2015) since this approach of staffing corresponds with the best use of the human resources within an organization (Perlmutter, 1969).

Finally, this has been an exploratory study to detect the potential of conceptualizing expatriate management as an integral part of a diversity management approach. Now, concepts and implementation strategies have to be developed. In the turbulent environments of global organizations this is a challenging task which requires further research – research on how to implement these concepts as well as accompanying studies when launching them.

References


When does mobility foster Intercultural Competence?
A study in search of the conditions

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Abstract

Increasing numbers of students go abroad as part of their studies. Many institutes of higher education encourage and facilitate this practice, often based on the assumption that study abroad is good for the student’s intercultural competence development. Evidence that this is true is however limited. In this study a cohort of students has been helped with their cultural learning when abroad, while another cohort has not been assisted. The assumption was that the intervention will result in higher scores on an intercultural competence test, and that ‘simply’ staying abroad will hardly have an effect. The findings show that almost half of the students score substantially different on intercultural competence after their stay abroad than before. However, this applies to both cohorts of students. Moreover, the changes are both positive and negative. Positive developmental scores relate to high scores on 4 specific competences, while negative developmental scores relate to lower scores on the same 4 competences. Further study is required to reveal how the intervention in cultural learning will need to relate to the 4 specific competences.

1. Introduction

At many EU institutes of higher education it is custom that students leave the program for a while to take up studies at another (partner) institute – often for one semester, often for a Minor, and often supported with funds from the EU Erasmus program. One of the underlying assumptions is that this study abroad will help the student develop intercultural competences. At our International Business School we have been sending students abroad for over 25 years and are indeed convinced that students learn a lot about cultural differences during that period. When however an upcoming accreditation made us ask ourselves: “And how do we know this to be true?” we could not produce an evidence-based answer.

At our institute we do not assess intercultural competence development, and we thus do not know if it takes place. All we have are the student’s self-reflection reports, and the informed guesses of their supervisors. Screening the reports of 76 students in the period February 2011 – February 2012 confirmed that students may observe differences, but also that the actual impact of the observations on the student’s cognition and behaviour is not clear, hence not known. Moreover, 24 of the 76 reports pointed in the direction of a preference for an ethnocentric resolution of cultural tension. Instead of being reassured we started to become more doubtful about the effects of (our) study abroad program. We therefore decided to initiate a study on the conditions for intercultural competence development, as well as on the possibilities for measuring it.

The on-going research aims at finding evidence for the axiom that a study abroad with targeted attention to the student’s engagement and reflection will result in higher intercultural competence development scores than a study abroad without such attention. This paper discusses the findings of a cohort of 53 students receiving targeted interventions during their study abroad in comparison with a cohort of 47 students who did not experience targeted interventions. In order to know the effects we measured before and after study abroad.

Concepts of intercultural competence, of intercultural competence development, and of study abroad are first being discussed, followed by the design of the study and a brief discussion of the two test instruments that were used. Test scores are being presented and discussed; suggestions for further study conclude this paper.
2. Intercultural Competence

2.1. A concept of Intercultural Competence

The field of intercultural studies knows many concepts for describing the human capability of dealing with the different ideas and behaviours that are rooted in diverse cultural backgrounds. Scholars speak of intercultural intelligence, intercultural sensitivity, intercultural communication, and intercultural competence, to name but the most popular ones. For each of these concepts the adjective intercultural refers to a specific kind of human interaction, namely one in which cultural diversity plays a crucial role (Bennett, 2013). Building on the works of Kelly (1963) and Berger and Luckmann (1966) scholars have emphasized that assigning meaning to human behaviours is central to understanding interaction, as well as to contributing to it effectively (Mezirow, 2000). Scholars also argue that culture and cultural diversity adds a layer of complexity to that process (Lou & Bosley, 2012). The term intercultural thus refers to the ‘space’ where a person from one culture meets a person from a different culture, and where both are challenged to navigate the cultural differences by actively seeking (new) meaning.

Looking at intercultural competence in particular, the term competence has been equated with relationship development, with satisfaction, effectiveness, appropriateness, and adaptation (Spitzberg & Changnon, 2009). According to Trompenaars and Woolliams (2009) competence is however not the same as competency: the latter refers to skills and knowledge that constitute an input - what do I know, where competence would be a set of behavioural standards made visible through output - what do I show. For many scholars however attitude, knowledge, and skills are all part of competence, in whatever spelling (Deardorff, 2009). In addition, effectiveness and appropriateness are often mentioned as important attributes of intercultural competent behaviour (J.M. Bennett, 2008). For this study intercultural competence is conceptualized as the human capability of navigating cultural differences while interacting across cultures, moderated by seeking shared meaning or mutual understanding, in order to be effective in an assumed appropriate manner.

2.2. Intercultural Competence Development

Intercultural competence development can be looked at as an on-going (cyclic) process where attitude, knowledge, and skills ‘feed’ intercultural sensitivity – like taking the perspective of the other, which leads to more appropriate and effective intercultural behaviours – like adapting one’s communication style, and so equipping people for deeper intercultural learning (Hammer, 2012; Bennett, 2013; Deardorff, 2009). The underlying assumption of such a concept of intercultural competence development is that cultural differences are being observed, experienced, interpreted, valued, and articulated, plus that people would (automatically) feel the need to act upon the (newly acquired) insights. Building on Bennett (2013) I consider this assumption – that cultural differences are being observed - as not necessarily true. Deardorff’s (2009) process model of intercultural competence gives further support; it has as a footnote: “Begin with attitude”, as if to emphasize that otherwise the process may not evolve.

More scholars utter serious doubt that being in a multicultural environment will automatically lead to intercultural learning (Lilley, 2014; De Wit, 2012; Vande Berg and Paige, 2009; Leask, 2005); “Intercultural skills are not learned by osmosis” (Yershova, DeJaeghere and Mestenhauser, 2000, p. 67); “they [the students] need to do more than soak up culture” (Covert, 2014). It is difficult to produce validated evidence for student transformations solely due to mobility (Morais and Ogden, 2011); the “immersion assumption” is being contested (Vande Berg et al., 2012, p. 125). Having cross-cultural encounters might be necessary, but it is not sufficient for intercultural learning. More than 60 years ago Allport (1954) already postulated that increased exposure only under certain conditions would improve the understanding of the other, and decrease prejudice and stereotypical thinking. Pettigrew (1998) and Pettigrew and Tropp (2006) tested Allport’s theory and were able to confirm the relation, albeit a weak one; “in the absence of ideal conditions, the results are not likely to be impressive” (Savicki, 2012, p. 232). So if not automatically from new experiences, how then does intercultural competence develop?

According to Bennett (2012) intercultural learning must include how to learn about culture, so that sensitivity can be turned into competence. This scholar embraces a developmental perspective that Adler (1975) introduced to the field: intercultural competence development means questioning familiar cultural programming and allowing to be forced into new consciousness. The same principle comes back in experiential learning theory (Kolb, 1984): learning involves examining and testing own ideas,
and integrating these with new ones, resulting in more refined ideas. Learning thus means constructing beliefs based on relevant experiences rather than getting existing or fixed ideas transmitted (Passarelli and Kolb, 2012; Perry, 1970, 1984). In short, experiences need to be transformed before they may become learning experiences.

Transformative intercultural learning thus concerns a process of change beyond the limitations of one’s original culture (Kim, 2001). And it thus concerns an effort: one needs to step out of the ordinary, out of one’s comfort zone. Applied to this research it means that findings ideally demonstrate that students have increased their capability of seeing differences as relevant cultural differences prior to changes in behaviour. I do not consider it useful to collect statements of students about their behaviour abroad, and label it as part of intercultural competence development, when the changes cannot be related to a newly perceived cultural necessity of it. In this context Hammer (2012) speaks of hyper-sensory memory data reflecting the remembered emotional reactions to the new experiences, while this study should be in search of the developmental recollections that students construe at moments of actual (successful) navigation of cultural differences. This research should ideally produce the evidence that the behavioural changes are developmental, and that this development is a function of cultural contextual understanding.

### 2.3. Intercultural Competence Development under review

Meanwhile the discourse on intercultural competence development increasingly includes a global responsibility perspective. Institutes of higher education start using descriptions of graduate attributes like ‘world knowledge’, or ‘global perspectives’, yet often without being clear what it means in practical terms (Leask, 2013). Universities use concepts like ‘21st century skills’ or ‘global competences’ for expressing their curricular contributions to this goal, but again, the understanding of the terms often remain somewhat vague (Green 2012; Rhodes, 2010). Nevertheless, scholars claim that in order to understand and address the global issues that permeate all our human activities our graduates will need to become responsible and resilient global citizens rather than just culture-smart professionals (Lilley, 2014).

In an attempt to shed some clarity Lilley (2014) posits global citizenship as a disposition for critical and ethical thinking. According to her, global citizenship includes an attitude toward others that is underpinned by liberal values, and a mind-set for critical, ethical and interconnected thinking that is underpinned by morality. This call for bringing back critical thinking into the curriculum is also current in discussions concerning the leading paradigm for intercultural competence development. In the discourse on intercultural competence development a constructivist approach appears to (re-) gain popularity as a ‘master narrative’, or paradigm, in comparison to positivist or relativist approaches that were popular during recent decades (Bennett, 2013).

In a positivist approach cultural learning is seen as a life-long acquisition of (more) cultural knowledge and experiences; learn the do’s and the don’ts. In a relativist approach the idea of ‘multiple realities’ is being accepted, and no reality is truer than the other. Cultural learning means engagement and comparison, with the ultimate aim of understanding the multiple, yet equally valid expressions of our common humanity. Cultural empathy is rooted in this approach. In a constructivist approach reality is a construct: our perceptions and assumption are brought into awareness, including our cultural assumptions. Cultural learning means acknowledging that the human capability of perception is the agent of understanding; the meaning of things is not in the environment, but in our minds. Critical thinking is rooted in this approach.

For intercultural competences development and global citizenship development alike the student will need to be made aware of his/her thinking process in order to discover that his or her interpretation of a situation constitutes just one perspective – there is always an alternative perspective (Ting-Toomey, 1999). Relatively new is that the search for an alternative perspective is increasingly seen as a moral obligation in the light of responsible global citizenship rather than ‘only’ a functional necessity serving effectiveness and appropriateness. Both developments first of all requires meta-cognition: an awareness of the thinking process. And even though some scholars caution for too optimistic ideas about the adolescent brain being capable of metacognition (Stuart, 2012, Savicki, 2012), students can do this. Perry’s (1970, 1981) theory of intellectual and ethical development in the college years, popularly known as the Perry scheme, already showed that students are capable of meta-thought, using their talent and capacity to examine thought, including their own, and to start ‘thinking about thinking’, and in doing so turn from a receiver, or holder, of meaning into a maker of meaning.

The key problem with many study abroad or exchange programs is that this particular awareness is left untouched, or left implicit. Many study abroad or exchange programs fail to contribute to intercultural competence or global citizenship development because the context (the unfamiliar host
environment) is not actively being construed as a potentially transformative context. Students observe differences (cognition) but do not notice – or are not helped to notice - their own culture-coloured observations of it (meta-cognition).

Students will only start recognizing, experiencing, and articulating differences as cultural differences when they consciously construe differences as the product of cultural diverse meaning. Students need to learn when differences are remarkable and of deeper meaning, and increasingly so from a moral perspective. Our graduates will not be able to understand, leave alone to contribute to the resolution of global issues, if they cannot reconcile stakeholder needs from multicultural perspectives. And not understanding global issues increasingly means not understanding life – hence the moral obligation.

3. Study Abroad

Discussing the context for intercultural competences development during study abroad needs a reflection on what is meant with study abroad. In EU context study abroad is mostly seen as a period of months rather than weeks, and of individual and relatively independent study at a (partner) educational institute. Compared to US American study abroad programs that are often more organized, short, supervised, and attended in groups. The present study uses the EU interpretation; at the university for applied sciences where the participating students were recruited students typically go abroad for 5 to 6 months, often for attending a series of courses constituting a Minor (of approx. 30 ECTS). Many students travel independently to their respective places and reside at international student housing facilities.

Apart from where students physically reside during study abroad, an often-returning theme is the question where students ‘mentally’ reside while abroad. Modern devices like laptops, pads, and smartphones can link students 24/7 to familiar contexts and may enhance behaviour that is isolated from the actual physical environment. Especially when students feel emotionally challenged by their new environment they may resort to ‘bubble-behaviour’. Engle and Engle (2012) reported a remarkable drop in student scores on intercultural competence tests the year they allowed students to use the internet freely, compared to the years when it had been restricted. On the other hand, the same modern devices can be very instrumental in cultural learning; one of the study abroad assignments at Purdue University includes the making of ‘selfies’ when together with dissimilar others (Purdue, 2015).

The respondents in this research are all third-year Bachelor students of the International Business and Management program (n=71), and the International Marketing and Management program (n=29), both part of the Hanze University of Applied Sciences in Groningen, The Netherlands. All students left for study abroad around August / September 2014, and returned around January / February 2015 – hence a duration of 5 – 6 months. Students went to 25 different countries; 12 within Europe, 7 in the America’s, 5 in Asia, and 2 in Oceania.

4. Conditions for Intercultural Competence Development

In the following paragraph I will first discuss the conditions for intercultural competence development, split into cognitive, affective and behavioral dimensions, and then discuss what constitutes relevant experiences for intercultural competence development.

4.1 Cognition, affection, and behavior

The affective dimension is mostly taken as the starting point of intercultural competence development, with curiosity as one of the key dispositions (Deardorff, 2012). Findings show that people need a certain attitude, like openness, as a precondition for effective intercultural learning (Hammer et al., 2003). Typical attributes listed in literature are mindfulness, open-mindedness, ‘tolerance of ambiguity’, ‘suspending judgment’, respect, empathy, readiness, and ‘managing uncertainty’ (Ting-Toomey, 1999; Bennett, 1993). These capabilities are however often looked upon as personal traits, and therefore less ‘trainable’ than other capabilities (Van Oudenhoven and Van der Zee, 2002). On the other hand, empathy for instance is often included in intercultural training and is therefore apparently seen as a competence that can be developed.

The cognitive dimension typically encompasses knowledge and thinking skills, with knowledge however getting much more attention in literature than thinking or ‘sense-making’ skills (Yershova, DeJaeghere and Mestenhauser, 2000). Popular since World War II is the emphasis on successful
intercultural encounters through pre-encounter acquisition of knowledge of a specific host culture. Volunteer workers, diplomats, the military, and international trade alike have facilitated the emergence of culture-specific learning. Competences that received a lot of attention are proficiency in the host-country language, and knowledge of the do’s and don’t’s in the host culture.

A more culture-general focus, or an understanding of multiple realities as constructs of the human mind, emerged from the 70s and resulted in the study of cognitive competences like cultural (self-) awareness, value orientations, cultural dimensions, communication styles, stereotypical thinking, and global mindset (Adler, 1972; Bennett, 1993; Hofstede, 1991).

The behavioral dimension seems to be the most popular among researchers of intercultural competence, most likely since easier to observe than affect or intellect. Among the relevant operational skills for intercultural competence are flexibility, communication skills, observation skills, active listening skills, analysing skills, and building relationships (Wiseman et al. 1989). By nature of this domain, many of these concepts have been operationalized into instruments for measuring intercultural competence, to be discussed later.

A word of caution is justified since the above constructs cannot always count on agreement among scholars in terms of level of analysis and abstraction (Spitzberg, 1989). The dimensions often overlap: motivation for instance, or personal agency, entails intent, forethought, and self-efficacy, and thus consists of emotional, intellectual, and behavioral components (Bandura, 1991). Or taking adaptability for instance, this is predominantly seen as a personal trait, while adaptability is by definition a process of variability, making it a puzzling “consistent predisposition to behave inconsistently” (Spitzberg & Chagnon, 2009, p. 35). And finally, where exactly must intercultural competence be located: within the individual, or rather in relationships, or in combinations of these? (Lustig & Koester, 2013).

While all three dimensions have been recognized as important perspectives for understanding intercultural competence development, it still requires practice, or context, to evolve and to be observed. So what is the role of our experiences in intercultural competence development?

4.2. Experiences

A study abroad may have been ‘awesome’ and still not generate new insights. Memories must first be discovered as relevant and useful (Zull, 2011). “An event does not engender experience, it is the interpretation of the event that determines the nature of the event” (Engle & Engle, 2012, p 302.). So, while the experience is a necessary precondition, the key to effective intervention in intercultural competence development is making a distinction between sensations, memories, and learning. Experiences and memories are important for learning, but are not yet sufficient. Students will need to be helped in this process of reflection, in thinking about their thinking. Students will need to be encouraged to take their experiences and memories as ‘material’ for deeper understanding and learning.

Students also need to be helped for yet another reason: students should be encouraged not to ‘flight’ when facing potentially disconcerting differences. If students shy away from cultural experiences there will hardly be anything relevant to reflect upon. A cultural mentor may encourage students to engage, and assist students in giving their experiences (a culture relevant) meaning (Lou & Bosley, 2012).

Likewise students need to be reminded that each observation is an opportunity for revising perceptions of reality – be it cultural or not. For too long we relied on the ‘immersion assumption’. Multiple scholars have meanwhile proven that intervention in the student learning abroad is required if an effect from being abroad is being desired (Vande Berg et al., 2012).

In brief, a key condition for intercultural competence development is an understanding of cultural learning as a process of grasping and transforming experiences, rather than transmission of knowledge (Kolb, 1984). Yet, this does require that there are relevant experiences that can serve as material for such a process.

5. Research Framework

The research framework (fig. 1.) comprises of two moments for measuring intercultural competence - one before and one after the study abroad, the intervention or non-intervention during the study abroad episode, and an assessment of the moderating factors that may influence the student’s intercultural competence ‘start’ status and developmental potential before and during the study abroad.
In order to control for the possible variety in developmental potential the student’s intercultural sensitivity before going abroad, his or her previous experience with cultural differences, and other culture-relevant personality traits will need to be measured and profiled at time 1 (T1 in the framework). Pre-departure profiling is done by making use of an existing test instrument: the Intercultural Readiness Check, or IRC (Van der Zee & Brinkmann, 2004). The IRC is a 63-item self-assessment questionnaire that assesses 4 intercultural competences: Intercultural Sensitivity (classified as a cognitive/perceptual competence) Intercultural Communication (behavioral), Building Commitment (behavioral), and Managing Uncertainty (affective/motivational). Other moderating factors like curiosity and previous international experiences are assessed by making use of the so-called contexting questions in the IDI (see below).

At time 1 and 2 the intercultural competences development status of all students will be profiled making use of another existing test instrument – the IDI. The Intercultural Development Inventory, or IDI is a 50-item self-administered questionnaire that profiles one’s perception of cultural difference as conceptualized in the Developmental Model of Intercultural Sensitivity, or DMIS (Bennett, 2013). In this DMIS model intercultural sensitivity refers to how people construe cultural differences and the varying kinds of experiences that accompany the constructs (Kelly, 1963). According to Hammer, Bennett, and Wiseman (2003) the IDI meets the standard scientific criteria for a valid and reliable psychometric instrument.

In between time 1 and time 2 the study monitors two groups of students, with one group experiencing targeted interventions (twice), and the other group receiving no intervention. Only students in the intervention group will:

- act upon a brief assignment – twice, designed to make the student engage with local people.
- fill out an online questionnaire – twice, designed to help the student articulate his or her interpretation of the engagements in relevant cultural terms.
- have a Skype conversation with their study abroad supervisor – twice, with a focus on a deeper exploration of the answers given to the questionnaire.
6. Preliminary Findings & Discussion

6.1 Findings from the IDI

The developmental prediction based on literature is that students would score higher on the post IDI test – compared to the pre-test - when during their study abroad episode they are being supported in their intercultural learning. The second prediction based on literature is that students do not automatically develop intercultural competence while studying abroad. The latter would become clear from pre-and post IDI test scores that are more or less identical.

During the IDI pre-test in August 2014 the average scores for the developmental orientation of the two groups of IBS students are comparable, a difference of 0.6 points only (tab. 1.). Both groups are at *early minimization* (tab. 2.). The two groups of IMM students are less comparable in scores, a difference of 5 points (tab. 1.); the intervention group is at the *gusp of minimization*, while the control group is at *early minimization* at the time of the pre-test (tab. 2.).

The two groups of IBS students again score comparable (on average) at the time of the post-test in January 2015 (tab. 1.). The developmental gains are 2 and 1.4 points respectively. These gains are statistically not significant, and also otherwise not significant since within the same orientation of *minimization*. The difference of 5 points between the two IMM groups during pre-test has increased with 0.7 points at the time of the post-test (tab. 1.). The developmental gains are 2.2 and 2.9 points respectively. These gains are statistically not significant, and also otherwise not significant since the IMM intervention group remained at the *gusp of minimization*, while the control group remained at *early minimization*.

The overall conclusion for all 4 groups is that there have been developmental gains between the moments of pre- and post-testing, but not to an extent that this can be seen as significant. The assumption that the intervention groups would show higher developmental gains than the control groups can not be confirmed; while the intervention group at IBS scored 0.6 points higher than the control group, the intervention group at IMM scored 0.7 points lower than the control group, hence overall not consistent, and not significant.

The second prediction can be confirmed: while the scores show developmental gains, the overall conclusion must be that these gains are small, and represent changes within the same developmental orientations. Six months of study abroad have not resulted in significantly higher post-test scores. For the two control groups not much has happened without intervention; for the two intervention groups not much has happened despite intervention.

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>IBS</td>
<td>Intervention group (n=39)</td>
<td>88.8</td>
<td>90.8</td>
<td>+ 2.0</td>
</tr>
<tr>
<td></td>
<td>Control group (n=32)</td>
<td>89.4</td>
<td>90.8</td>
<td>+ 1.4</td>
</tr>
<tr>
<td></td>
<td>Total (n=71)</td>
<td>89.1</td>
<td>90.8</td>
<td>+ 1.7</td>
</tr>
<tr>
<td>IMM</td>
<td>Intervention group (n=14)</td>
<td>82.7</td>
<td>84.9</td>
<td>+ 2.2</td>
</tr>
<tr>
<td></td>
<td>Control group (n=15)</td>
<td>87.7</td>
<td>90.6</td>
<td>+ 2.9</td>
</tr>
<tr>
<td></td>
<td>Total (n=29)</td>
<td>85.3</td>
<td>87.9</td>
<td>+ 2.6</td>
</tr>
</tbody>
</table>

The above findings raise a number of questions. First of all, since the intervention apparently did not have the expected effect, could the intervention therefor not have been sufficiently accurate, or not correctly targeted? Perhaps the focus on reflection is not correct. Perhaps students will only be able to reflect if they have a clear idea what to reflect upon; an important precondition for reflection may not have been fulfilled. Secondly, a 6-month period may be too short for witnessing developmental
changes. Scholars often label intercultural competence development as a life-long learning processes; transformative learning simply may require more time. A third critical question concerns the size of the samples; groups of 15 or 30 students remain relatively small groups for comparative analysis. The fourth critical question may concern the respondent’s readiness for change; how emotional challenging has the study abroad experience been and could it be that students rather resort to familiar behaviors as a coping mechanism than to transformative learning, never mind the support from the supervisor.

The above findings and discussion concern group average scores on the IDI pre- and post-test. The overall picture however changes if we zoom in and look at the respondent’s individual scores. The conclusion that the study abroad episode had no effect on the intercultural competence development of the students may have been drawn too quickly.

While on average the scores do not show much difference between pre- and post-test, individually a wide range of differences between the pre-test and post-test scores, both positive and negative, can be observed (fig. 2.). The adjusted conclusion could be that during the 6-month period changes in personal intercultural competence development did take place, but in such diversity that the net group effect is close to nil.

![Figure 2. Distribution of individual differences in scores (in points) between IDI pre-test and IDI post-test.](image-url)

There is general agreement in literature that developmental changes on the IDI scale of 8 points and higher must be considered as substantial and potentially transformative, especially when this takes the respondent into another orientation (read: scale), e.g. from minimization into acceptance. From the 100 students in total, 46 have a difference of 8 points or higher. Of these 46 students 27 are from the intervention groups and 19 from the control groups, while 16 have negative scores and 30 positive scores. A negative score means that the score on the post-test is lower than the score on the pre-test; a positive score means higher on post-test than on pre-test. A total of 29 students ‘crossed’ into another orientation: 8 of the IMM groups, and 21 of the IBS groups.

‘Negative’ scores are not uncommon when taking the IDI test a second time. Even though the IDI is based on a model with a clear developmental direction toward a more ethno-relative worldview, a regression into ‘previous’ worldviews is possible. This may typically happen when respondents feel overly challenged by the intercultural learning, after having had a strongly negative cultural experience, or due to a more modest assessment of one’s own intercultural competence as a result of
deep cultural learning. From interviews with test-takers I know that respondents can positively interpret negative results; more often than not it signals a growing cultural awareness.

The key question after zooming in at individual level is why do almost half of the students show substantial developmental scores, and why do the scores go in both positive and negative directions? A possible clarification could be that this group of students meets specific preconditions for intercultural competence development while the others (with low scores) do not. Are these the students who score high on the moderating factors as measured through the so-called ‘contexting’ questions of the IDI: host country language proficiency, previous international experience, curiosity, familiarity with host culture, time lived in another country, and caring about cultural differences? Significant correlation could not be found, in neither positive nor negative direction. Still the fascination for finding the common denominator – if any – for the group of students with high developmental scores remains. A possible answer may come from the IRC scores.

6.2. IRC findings

The IRC test was taken at the same time as the IDI pre-test, in August 2014. The average scores for the four competencies as measured by the IRC are shown in table 3. The spread of the individual IRC test scores are shown in figure 3.

Table 3. IBS and IMM group average scores (on scale 1-10) on the IRC test (August 2014).

<table>
<thead>
<tr>
<th>School</th>
<th>Group</th>
<th>Intercultural sensitivity (IS)</th>
<th>Intercultural communic. (IC)</th>
<th>Building commitment (BC)</th>
<th>Managing uncertainty (MU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBS</td>
<td>Intervention group n=41</td>
<td>4.6</td>
<td>4.8</td>
<td>4.7</td>
<td>3.5</td>
</tr>
<tr>
<td></td>
<td>Control group n=37</td>
<td>4.7</td>
<td>4.8</td>
<td>4.7</td>
<td>3.4</td>
</tr>
<tr>
<td>IMM</td>
<td>Intervention group n=19</td>
<td>4.0</td>
<td>4.6</td>
<td>4.6</td>
<td>4.2</td>
</tr>
<tr>
<td></td>
<td>Control group n=17</td>
<td>4.0</td>
<td>4.5</td>
<td>4.6</td>
<td>4.0</td>
</tr>
</tbody>
</table>

Figure 3. Distribution of individual scores (on scale 1-10) on IRC test
When zooming in on the group average scores on the 4 competencies of the IRC (n=114) we first note that the scores for the intervention groups and the control groups hardly differ, albeit that IBS students overall score higher on intercultural sensitivity (IS) and lower on managing uncertainty (MU) than IMM (tab. 3). The assumption that the students in the intervention and in the control groups in both schools had a comparable start position in terms of moderating factors as measured by the IRC is thus confirmed. In brief, on average the IRC confirms the picture that arises from the IDI.

The next question is however whether the individual scores on the IRC (fig. 3) can help clarifying the 46 individual high developmental changes on the IDI. The assumption is that higher degrees of competences as measured by the IRC would moderate overall intercultural competence development as measured by the IDI. So, do the high positive developmental scores on the IDI relate to the high scores on the competences of the IRC, and if so to which competences in particular? And do the high negative developmental scores on the IDI relate to the lower scores on the IRC, and if so to which competences in particular?

For testing the above assumptions I have made use of the related t-test, since the groups of respondents have been measured twice at different points in time on essentially the same variable. I have split the scores on the 4 IRC competences (IS, IC, BC, and MU) into low scores (1-5) and high scores (6-10) and for each of the 8 groups tested the correlation between the means on the IDI pre-test and the post-test, split again along positive developmental scores (post-test is higher than pre-test) and negative developmental scores (post-test is lower than pre-test).

For all students who had a positive IDI developmental score (n=55) it was found that the students who scored high on the 4 IRC competences gained more between pre- and post-testing than the ones who had low scores on the 4 IRC competences (Pearson correlations all above 0.800; two-tailed p < .05). For example, students with a low score on building commitment (BC) gained 7.9 points on the IDI scale, where students with a high score on BC gained 11 points. Also, the ones with high IRC scores started from an average 7-point higher position on the IDI scale. In brief, they started higher and gained more.

For all students with a negative developmental score (n=42) the outcome is slightly less unequivocal. Again all students with a high score on the 4 IRC competences started – on average - from a higher position on the IDI scale (i.e. a 9-point higher average score on the IDI pre-test). On intercultural communication (IC), and on managing uncertainty (MU) the students with a high IRC score dropped less than the ones with a low IRC score. For example, on the competence intercultural communication (IC) the ones with a low score dropped 7.7 points while the ones with a high score dropped 5.7 points. However, on the competences intercultural sensitivity (IS), and on building commitment (BC) the students with a high score dropped more than the ones with a low score – opposite to what was expected. Still the overall picture is that high scores on the IRC relate to students with a higher score on the IDI scale and to overall less regression.

7. Conclusion

The changes in intercultural competence of 100 students after 6 months of study abroad – on average, as measured by the IDI – are minimal, and not statistically significant. This seems to confirm that a study abroad episode is not automatically fostering intercultural competence.

Targeted intervention in the cultural learning of 53 students while abroad did not result – on average, as measured by the IDI - in significant higher scores on intercultural competence. This seems to question the axiom that intercultural competence development can be enhanced by targeted intervention. It may however also raise questions concerning the effectiveness and appropriateness of the intervention.

At individual respondent level the study does show for almost half of the group substantial changes (above 8 points on a 90-point scale), yet in both positive and negative directions. Scores on the 4 IRC competences seem to relate to this: high scores on the 4 competences relate to higher starting positions on the IDI scale, and to more progress for the ones with a positive developmental score and less regression for the ones with a negative developmental score.

The conclusion is therefore that higher scores on the 4 competences as measured by the IRC positively moderate intercultural competence development of students during a 6-month study abroad episode - as measured by the IDI.

The overall preliminary conclusion for the study is that targeted interventions in cultural learning may need to relate more clearly to the 4 competences as operationalized under the IRC in order to generate an effect on intercultural competence development. Further study is required to uncover the
effects of the 4 competences on intercultural competence development, and which competence in particular may enhance development.

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Speech Codes Theory Applied to (Inter)cultural Communication Conflict

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Abstract

In this article we propose the use speech codes theory as a tool for intercultural trainers to understand and spot the cultural foundations of (inter)cultural communication conflict. Speech codes theory argues that in any given culture there are ways of speaking that are patterned, shared, and meaningful. Social actors use these ways of speaking to enact their identities and social relations, and to mark the value of those ways of speaking. This main tenet of the theory functions as an etic framework that allows researchers and intercultural trainers to cull locally-grounded meanings enacted in ways of speaking during conflict. Speech codes theory is a sensitizing framework that will help intercultural trainers understand that culture is more than independent variable that determines communicative conduct, and that instead, culture guides people’s communicative behaviors as much as those behaviors socially construct and change culture throughout time.

Introduction

This article proposes speech codes theory (SCT) (Philipsen, 1992; 1997; Philipsen, Coutu, & Covarrubias, 2005) as heuristic framework to study and learn how to manage intercultural and cultural communication conflict from “the native’s point of view” (Geertz, 1983, p. 55). We argue that SCT can complement and provide richer and more accurate descriptions and understandings of conflict situations than traditional positivist investigations whose specific approach is to identify the effects of general cultural values (individualism and collectivism, and high-context and low-context communication among others) on communicative behavior during conflict (e.g. Brew & Cairns, 2004; Cingöz-Ulu & Lalonde, 2007; Watson, Cooper, Torres, & Boyd, 2008). Since SCT is a heuristic, or etic, framework, it can be used as a sensitizing tool that can help the intercultural communication trainer to notice locally-grounded meanings across many cultural groups that share and value specific ways of speaking, or speech communities (Hymes, 1974).

Although conflict is relatively easy to identify in an interaction, it is difficult to conceptualize and consequently scholars define the phenomenon in multiple ways. For example, among others, Watson et al, (2008) describe it as a “state of disharmony” (p. 526) and Sharma and Sehrawat as (2014) “a disagreement or opposition between two or more parties” (p. 48). From a communication perspective, it is more useful to define conflict as “an expressed struggle between at least two interdependent parties who perceive incompatible goals, scarce resources, and interference from the other party in achieving their goals.” (Hocker & Willmot, 1985, p. 23). An “expressed” struggle entails situated communication between the involved parties, but these parties must be “interdependent,” that is, there needs to be a degree of relational involvement of any type (romantic, friendship, and work relationships, among others) between them. These two features of the definition are foundational for our approach to intercultural conflict through the lens of SCT because the way in which people communicate about or during conflict is grounded in specific premises, beliefs, norms, and symbols, and so is the type of relational involvement between parties in conflict. SCT enables the researcher to observe and understand the norms, meanings, premises, and symbols that underlie situated communicative practices and how these construct social actors’ relationship and their respective identities. In other words, communication in conflict situations is guided by the premises, norms, and symbols that make up a code (Fitch, 1998; Philipsen, 1997; Philipsen et al., 2005).

Positivist studies on intercultural communication conflict are useful insofar as they shed light on how overarching cultural values shared by different national groups determine how these groups manage conflict differently (Ting-Toomey, 1988; Ting-Toomey & Kurogi, 1998). They take a zoomed out approach to seeing intercultural communication variability as it is brought about by cultural values. But, they fail to explain "varia-
tions within a culture or variations among cultures that share a broad [cultural] value" (Zaidman, 2001, p. 410). As an example, Zaidman astutely points out that these types of studies cannot account for the differences between Japanese and Indian high-context communicative practices. Additionally, he argues that the effects of globalization are rendering these general-value approaches unable explain how global nomads manage conflict, that is, a Japanese business manager who has learned how to use low-context communication. Philippsen's SCT allows the intercultural trainer to focus on the discursive details of a conflict interaction. It is possible that culture-general traces surface in interaction, or not, but the observer does not presume their existence as determinants of communicative behavior beforehand. To understand (inter)cultural conflict, one has to zoom in on the details of an interaction, observe it and listen to it to spot traces of the cultural codes that guide such communicative conduct.

Because an application of SCT to (inter)cultural conflict means that an intercultural trainer will be learning to spot local norms and premises about communicative conduct shared by the members of a speech community and learning how to use them, this can arguably be compared to developing (inter)cultural communication sensitivity and competence respectively.

The rest of this article will, first, critically review scholarship on intercultural communication conflict, second, scrutinize some propositions from SCT to answer the following guiding questions: What is a speech code?, Why is it important to study speech codes?, Why do people use speech codes?, What do speech codes do when deployed in talk?, Where can speech codes be identified?, and, most importantly, What can you do once you understand and share a speech code? Lastly, we will articulate SCT as a tool to interpret and manage conflict and as a tool to foster intercultural sensitivity.

**Literature review on intercultural communication conflict**

The key to analyzing how intercultural conflict develops first involves understanding a key term: culture. Some communication scholars have defined culture as a collective experience in which culture bearers learn a pattern of perception that they share with other members, which encompasses language, values, behavior, and belief systems (Singer, 1987). There exist a large body of scholarship that employs this definition of culture as their sailing guide to predict communicative behaviors across cultures (Hofstede, 1980, Hui, 1988, and Triandis, 1995 inter alios). Hofstede’s (1991) model of culture describes countries in terms of qualities such as their emphasis on individualism-collectivism, as well as a number of other factors, such as high and low power distance, and high and low uncertainty avoidance. These binaries and their attendant definitions allowed researchers a way to quantify culture by investigating how certain countries measured against Hofstede’s cultural values and the impact that these values had on communicative behaviors. The empirical work on face-negotiation theory comprises a substantial body of research that investigated the impact of cultural values such as individualism and collectivism on face orientation and conflict management styles (Ting-Toomey, 1988; Ting-Toomey & Kurogi, 1998).

The existing literature on intercultural communication conflict is vast and it is mainly grounded in the positivist paradigm. These studies' foci straddle many contexts such as interpersonal relationships (Cingöz-Ulu & Lalonde, 2007), organizational communication (Ekjouly & Buda, 1996), and leadership and management studies (Sharma & Sehrawat, 2014) among others. Next, we will identify some of the main weaknesses across this body of scholarship. Then, we will address how these weaknesses can be overcome via the use of SCT as a framework to analyze (inter)cultural conflict.

The two main weaknesses of positivist studies on intercultural communication conflict are their use of surveys as their main data collection tool and their understanding of culture as general shared traits, or what Hofstede (1984) calls the software that activates the mind. Many investigations like Holt and DeVore's (2005), which studied the impact of culture, gender, and organizational role on conflict resolution style, employ quantitative surveys like "Rahim Organizational Conflict Inventory-II" to collect data to describe their dependent variable, conflict management styles, in terms of a 5-point likert-type index of agreement. The use of these inventories to measure and account for communicative patterns and their relation to general cultural values is very useful, but the question is: how useful is it nowadays to measure such relationship? For example, an item from Rahim Organizational Conflict Inventory reads: "I generally try to satisfy the needs of my supervisor." If someone generally tries to satisfy the needs of a supervisor, that would be interpreted as someone belonging to a culture characterized by high-power distance communicative practices. Nonetheless, what happens when that same person chooses not satisfy the needs of the supervisor? What does that mean for the employee and the supervisor? What has that person constructed by not abiding by the high-power distance demands? Furthermore, as
Zaidman (2001) argues, in today's global world, cultural values are no longer such an effective and accurate predictors of communicative behaviors.

The second weakness of this type of scholarship is the way in which culture is operationalized as shared general values of the group. Zaidman's (2001) admonition regarding the usefulness of the general values approach is not the only one. Brew and Cairns (2004) in a study about intercultural conflict in the workplace explain that though the cultural values approach "may provide useful guidelines by which to make general macro-level predictions about groups of people from particular cultures, they may be less accurate when dealing with micro-level issues in personal interactions in multicultural workplaces" (p. 332). In other words, positivist approaches to explaining intercultural communication conflict styles are casting a net whose mesh is too wide and consequently it will miss the very specific cultural meanings that are invoked in conversation. However, our approach to culture, which is grounded in the Interpretivist paradigm, provides a much finer mesh that can account for local meanings and practices. Culture refers to "contextual patterns of communication behavior, rather than [] group-related perceptions. … culture refers to communicative behaviors that are shared by a group but they depend on the context" (Martin & Nakayama, 2010, p. 87). To understand culture as contextual patterns of communicative behaviors requires focused attention to discourse and context (Hymes, 1974). The ethnography of communication provides the methodological tools to understand culture in such a way and to investigate it using data collection and analysis methods coherent with its paradigmatic assumptions. Participant observation (Spradley, 1980) and ethnographic interviews (Spradley, 1979) are typical data collection methods that will elicit the appropriate type of data to study contextual patterns of communicative behavior (Saville-Troike, 1982). Typical data analysis methods coherent with the ethnography of communication include cultural discourse analysis (Carbaugh, 2007) and general qualitative theme analyses (Baxter & Babbie, 2004).

Speech codes theory is a specific theory developed inductively within the ethnography of communication and will provide the intercultural trainer with some useful tools to understand (inter)cultural conflict and spot the discursive components of the communication code that guides social actors communication conflict behaviors.

**Speech codes theory explained**

Speech codes theory (Philipsen, Coutu, & Covarrubias, 2005; Philipsen, 1997; Philipsen 1997), grounded in the ethnography of communication (Hymes, 1964), can be utilized as a tool to spot the cultural codes that shape the communicative practices used in conflict. Once the codes have been identified and are understood, they can be used to attempt to manage conflict. It can be argued that developing the appropriate sensitivity to noticing cultural codes and artfully use them to attempt to manage intercultural conflict is a form of intercultural communicative competence. Our proposal to use SPT stems from the known limitations of positivist models of intercultural communication that generate essentialized understandings of culture (Bennett, 2013) that are then used to predict conflict management behaviors. In consonance with Bennett’s (2013) axiom that “coherent theory creates powerful practice” (Overview, par 1), next, we will describe the main propositions of speech codes theory and demonstrate its value for intercultural trainers.

What is a speech code?

Philipsen (1997) traces the origin of his theory back to the concept of code articulated by sociologist Bernstein (1971) and to Del Hymes’s (1964) articulation of the “ethnography of speaking.” Bernstein explains that within society there are groups with different status and that these differences “may be distinguished by their forms of speech” (p. 46). He argues that these forms of speech are grounded in a code, or “regulative principle” (p. 11), that controls social actors’ communicative production. Hymes (1974), an anthropologist and linguist, urged researchers to “investigate directly the use of language in contexts of situation, so as to discern patterns proper to speech activity” (p. 3) This theoretical and methodological claim resulted in a descriptive framework to focus researchers’ attention on three main components of communication: the speech act, the speech event, and the speech situation (Hymes, 1972). Grounded in the work of these two scholars and inductively articulated from an extensive body of ethnographic research (Philipsen & Carbaugh, 1986; Philipsen & Huspuk, 1985) a speech code refers to “a system of socially constructed symbols and meanings, premises, and rules, pertaining to communicative conduct” (Philipsen, 1997, p. 126). Unlike positivist studies (e.g. Ting-Toomey & Kurogi, 1998) that equate culture with the cultural values characteristic of certain national groups, speech codes theory is concerned with the “kinds of local knowledge people deploy to talk about—to characterize, interpret, or rationalize—their communicative conduct” (Philipsen, 1997, p. 125). Communication is defined then as a local practice instilled with and guided by the cultural particularities of a given speech community. Carbaugh
(1988) refers to these particularities as “patterns of symbolic action and meaning that are deeply felt by, commonly intelligible, and widely accessible” (p. 38) to them.

Accordingly, to study culture within a speech community entails observing its communicative life and the way in which it is systematically arranged. In other words, the study of speech codes is the study of “cultural communication” (Philipsen, 2003).

**Why is it important to study speech codes?**

Proposition 1. Wherever there is a distinctive culture, there is to be found a distinctive speech code. Knowledge of speech codes, as a theoretical framework, should be of paramount importance to the intercultural communication trainer. As Philipsen (2005) posits “everywhere people construct codes of life, the codes they construct include symbols, meanings, premises, and rules about communicative conduct... that are distinctive” (p. 58). Within an established global economy, and enabled by a “space-binding technology” (Littlejohn & Foss, 2008, p. 290) such as the Internet, and related technological advances, the potential for individuals to experience different speech codes to their own is a reality. Speech code differences do not lead to default conflict unless these are made salient in an interaction and they pose an incompatibility, only then conflict may arise in interaction.

According to this proposition, communication is thematized differently across and within speech communities, that is, the symbols and meanings, premises, and rules, about communication are culturally distinct (Philipsen, 1997). For example, Baxter (1993) analyzed the communicative diversity of an academic institution and identified two coexisting and competing codes of communication between members of the faculty and members of the administration who were part of an institutional task force. Faculty members, grounded in a code of “collegiality,” valued “talking things through” as the appropriate form of communication because it showed “trust and respect’ for the capacity of the individual to bring good sense and honesty to bear in resolving problems as they occurred” (p. 317). Members of the administration, drawing from a code of “professional management,” valued “putting things in writing” as the appropriate means of communication because “written codification of records, policies, and procedures provided maximum protection for the rights of people” (p. 318). The differences between these two codes illustrates proposition 4 from speech codes theory: The significance of speaking is contingent upon the speech codes used by interlocutors to constitute the meanings of communicative acts. In Baxter’s (1993) study, when a member of the faculty engages in face-to-face communication to discuss an issue they socially constructing the other interlocutors, and him or herself, as trustworthy. On the other hand, when a member of the administration, writes up a memo of a face-to-face encounter to keep track of the discussion, they are trying to guarantee consistency of responses and protecting interlocutors from personal bias in their response. From within each speech code, the different means of communicating are significant and they are valued for different purposes. Through the lens of SCT, these two groups of individuals who belonged the same national group and worked within the same organization, experienced intercultural communication. Faculty members interpreted written communication practices through their code of collegiality and as a result, they characterized them as indexical of a deep sense of mistrust toward people. Members of the administration equally interpreted face-to-face talks through their code of professional management and thus described this means of communication as subject to inconsistency and personal bias. As this example illustrates, there was intercultural conflict within the task force composed by faculty and members of the administration, not because they belonged two different national groups with different group traits and values, but because they valued different means of communication differently and used them thusly. As Baxter (1993) puts it “talking and writing are not merely neutral technologies of information transmission and exchange but powerful symbolic forces that articulate broader themes including models of personhood and sociality” (p. 325) for faculty and members of the administration respectively.

Baxter's study is an illustration of proposition 2: In any given speech community, multiple speech codes are deployed. The two codes that Baxter identified showed "the coexistence and interanimation of two or more codes in the same life-world" (Philipsen, 2005, p. 60). This proposition, in line of Bakhtin's (1981) ideas on dialogism, articulates the idea that culture is not monolithic; culture is multivocal and "the product of a contradiction-ridden, tension-filled unity of two embattled tendencies" (p. 272). In other words, culture is not a homogeneous and sanitized concept, but a messy idea that is constituted amidst the many voices of a speech community.
Why do social actors use speech codes?

According to Philipsen (2003), speech codes function to “constitute the communal life of a community” and they provide individuals with “the opportunity to participate in, identify with, and negotiate that life” (p. 35). In other words, as speech codes structure the communicative life of a speech community, they also function as tools that help fulfill the communicative exigencies of such community. A code provides social actors the means to partake in the life of a speech community effectively and appropriately and thus be perceived as communicatively competent (Imahori & Cupach, 2005). Katriel’s (1986) study of dugri speech, or to speak straightforwardly, clearly, and sincerely, among Israelis illustrates the communal function of codes. She explains that sometimes social life justifies the use of such direct and straightforward talk, and that failure to do so would be perceived as a threat to a Sabra’s character and identity:

for a paradigmatic Sabra not to speak dugri when this is war-ranted according to the shared cultural code would be self-diminishing, a failure to uphold the public self-image a proper Sabra would want to project. It would, at the same time, prevent the generation of a sense of community that uninhibited, direct expression echoing the spirit of communitas can be hoped to create. When appropriately used, on the other hand, dugri speech affirms both a sense of self and a sense of communal participation (p. 45).

The dugri speech code provides the communicative means for Sabras to fulfill the cultural function that is performed when communicating with others, because the directness of dugri speech is not just grounded in the speaker, but “the speaker relies on the personal integrity and strength of the other in order to engage in outspoken and uninhibited dugri” (Miyahira, 1995, p. 12).

An important aspect of the cultural function of speech codes is that they do not prescribe communicative behavior in a deterministic way. Instead, speaking culturally includes “the process of enactment, a playing out and affirming of cultural forms, and of creation, the creation, adaptation, and transformation of those forms to meet the contingencies of daily life” (Philipsen, 1987, p. 249). Speech codes are not law-like systems of communicative behavior; they are normative systems that are open to change and negotiation to satisfy the ever-changing nature of social groups.

What do speech codes do when deployed in talk?

The answer to this question is an indirect critique to the positivist scholarship on intercultural communication. According to Dahl (2014), culture is not something that we have, but something that we do. Speech codes are then performative resources that allow social actors to “do” culture. Proposition 3. A speech code implicates a culturally distinctive psychology, sociology, and rhetoric. Philipsen (2005) states that the substance of codes “implicate more than communicative conduct narrowly conceived; they also implicate meanings about human nature (psychology), social relations (sociology), and strategic conduct (rhetoric)” (p. 61). The deployment of speech codes discursively constructs what it means to be a person, what it means to relate to others, and provides the appropriate communicative means available to enact such personhood and sociality (Philipsen, 1992). In the previously cited study by Baxter (1993), she analyzed the implications about identity (human nature) in two speech codes aforementioned. On the one hand, members of the faculty believed that the best way to reaffirm the uniqueness and integrity of the individual is face-to-face talk. And, on the other hand, members of the administration argued that persons are constituted through their roles and positions in the institution, and accordingly putting things in writing was the best means of communication to enact such identity. Furthermore, Baxter (1993) identified two distinct models of social relations that were implicated respectively in each group’s speech codes. Talking things through is considered a mode of communication that encourages situations “in which people can act like friends and settle any differences over lunch” (p. 320). The cultural premise that stems from the code of ’collegiality’ that pertains to social relations is that they ”should be based on personalized interaction between unique selves” (p. 320). Putting things in writing, by contrast, is a way of communicating that stands for “a model of sociality in which persons of unequal power maintain social distance from one another” (p. 320). The cultural premise that stems from the code of ”professional management” is that ”social relations should be based on impersonal interaction between occupants of organizational positions” (p. 320).

Finally, speech codes provide the preferred and appropriate symbolic wherewithal to enact appropriate notions of self and social relations. Zaidman (2001), in an intercultural study of conflict between Israelis and Indians in business communication, identified the communicative resources that Indians use in English. Indians operate under a code of “humility, respect, and politeness” (p. 429) that is enacted communicatively via a comprehensive system of honorifics, long and indirect sentences with complicated structures, and terms of respect.
The code suggests and provides social actors with the resources to perform discursively a particular sense of self and social relationships.

**Where can speech codes be identified?**

Proposition 5. The terms, rules, and premises of a speech code are inextricably woven into speaking itself. This proposition is specifically important for the intercultural trainer because it points the specific location in discourse where the terms, rules, and premises about communicative conduct can be observed. In other words, this proposition pinpoints the discursive location of the components of the code. Specifically, Philipsen (1992) identifies three discursive sites where one can notice a code: “patterns in speaking,” “the use of metacommunicative vocabularies in culturally distinctive forms,” and “the rhetorical invocation of metacommunicative vocabularies” (p. 131-133).

The first discursive site where the observer can notice elements of a code is what Philipsen (1992) calls “patterns in speaking” (p. 131). Philipsen used Hymes’ (1974) SPEAKING model as a heuristic to find the ways in which communication organized differently across situations and speech communities. The SPEAKING model forms the basis of the methodology for the ethnography of communication and it stands for: setting and scene, participants, ends, act sequence, key instrumentalities, norms, and genre (Hymes, 1974). An application of the SPEAKING model to a communicative situation reveals specific local features of communication. Although Zaidma (2001) did not specifically apply Hymes’s model, his interview data show how Indian managers described some Israeli patterns of speaking: “Israelis are tough in negotiation. They are not flexible… They are impatient. They are blunt and to the point. They are straight and nondiplomatic” (pp. 427-428). This particular description illustrates the salience of the tone or manner of Israelis’ ways of speaking, that is they Key, in Hymes’ model, as is perceived by an Indian manager.

The second discursive site where elements of a code can be identified is what Philipsen (1992) refers to as natives’ “use of metacommunicative vocabularies in culturally distinctive forms” (p. 132). The observer should direct attention to finding those terms that refer to communication in use “in particularly consequentially interactive moments” (Philipsen et al., 2005, p. 62). In other words, metacommunicative vocabularies are terms for talk that members of a speech community share and use. Carbaugh (1989) conceptualizes the use of metacommunication as “direct lexical shaping,” that is, how social actors use and thus shape “cultural categories about speech acts, events and styles” in conversation (p. 102). For example, Nishiyama (2013) describes the process of decision making in Japanese organizations and he defines nemawashi, a metacommunicative term, as “holding many face-to-face, informal, behind-the-scenes discussions about a proposal among all the people who would be involved in implementing any decision to be made later” (p. 334). The purpose of having nemawashi according to Nishiyama (2013) is to informally and behind closed doors test the waters before an official meeting to see if a proposal, for example, is likeable or not without exposing group members to potential face loss during the official meeting. Nemawashi then functions to preserve group harmony. So, when do Japanese business people use the term “nemawashi” in conversation? Why do they use it? With whom? In what situations? These questions, based on Hymes’ SPEAKING model, when answered will reveal norms, premises, and meanings about a speech code, whose enactment constitutes an in-depth concern for the other’s face while trying to be efficient.

The third discursive site where elements of a code become visible is in “the rhetorical invocation of metacommunicative vocabularies” (Philipsen, 1992, p. 132). Carbaugh (1989) explains that these invocations are illustrations of how interactants speak about the cultural functioning of terms for talk by mentioning how these are used by others. He refers to these instances as “indirect functional shaping,” (p. 102) and they interpret, explain, evaluate, and justify how social actors use communicative acts (Philipsen, 1992). Imagine two Japanese workers in the Toyota Tsutsumi plant in the Aichi Prefecture speaking about the new American employee who decided to make a decision and only consulted with another co-worker: “What is this new guy doing? He has not done nemawashi correctly. He should have consulted with all of us” This would be an example of how the metacommunicative term nemawashi is rhetorically invoked to get something done: to evaluate someone’s inappropriate communicative conduct and point out the appropriate communicative course of action.

In sum, patterns of speaking, uses of metacommunicative terms, and their rhetorical invocation are three tools that intercultural trainers have at their disposal to identify elements of a speech code in discourse. But, as Philipsen (1997) states, these three tools are not exhaustive and other discursive sites where speech codes can be traced may be identified in empirical investigations.
What can you do once you understand and share a speech code?

Proposition 6. The artful use of a shared speech code is a sufficient condition for predicting, explaining, and controlling the form of discourse about the intelligibility, prudence, and morality of communication conduct. Philipsen (2005) affirms that the importance of this proposition is that “it points to an important activity in human social life—the efforts by humans to shape the communicative conduct of them-selves and of others” (p. 63). The obvious question that follows from this proposition is: how are those efforts to change communicative conduct performed? Philipsen (2005) explains that members of a speech community rely on the shared nature of speech codes to artfully invoke elements from it, usually metacommunicative vocabularies or expressions, to thus justify their attempts at modifying others’ conduct as culturally appropriate. In other words, if social actors share a speech code, one individual can artfully invoke it to shape others’ communicative conduct. The intercultural trainer may see the value of this proposition when having to understand intercultural communication conflict and to know how to mediate and intervene if necessary.

For instance, when a participant in a brainstorming session in an advertising company stops it to respectfully say: “please, you do need to respect turns and stop interrupting each other when discussing our strategy, otherwise, I don’t know where you’re going with this,” She has invoked a metacommunicative expression to identify the norms for appropriate communication and the consequences of deviations from it. After her rebuke, she noticed that the session deviated again and fell into the same pattern of interruptions. She stopped the meeting again and warmly said: “I know that your opinions are all very valuable and I respect you all, but we need to stop interrupting each other and take turns.” This time, her attempt at changing communicative conduct was formulated differently. She included herself as the perpetrator of inappropriate communicative behaviors and also invoked a code of respect and individual worth that is shared by a specific U.S. American speech community (Katriel & Philipsen, 1981). Assuming everybody shared that code and that it was perceived as a legitimate demand, one could argue that the discursive force of her utterance was high enough to reframe communicative conduct.

However, Philipsen (2005) explains that invocations of a speech code do not always function as agents of communicative change that aligns with the code itself, but he explains that at least, artfully invoking a speech code can shape “how people talk about the intelligibility, prudence, and morality of communicative conduct” (p. 63). In other words, the invocation of a speech code does not function as a sure-fire persuasive device to change people’s communicative behaviors mainly because we “do not behave as cultural automatons, even …[if we] behave as culture bearers” (Philipsen, 1997, p. 147).

Speech codes theory applied to intercultural communication conflict

Speech codes theory constitutes a descriptive framework to articulate the distinctiveness, the multiplicity, the substance, the meaning, the site, and the discursive force of ways of speaking in any given speech community (Philipsen, 2005). The propositions are guides for intercultural trainers to render any given (inter)cultural communication situation meaningful in its own terms. Also, as a descriptive framework, it can be utilized to design practical and experiential exercises to train others to understand and learn potential ways to manage (inter)cultural conflict.

Understanding and knowing how to use SCT is vital to realize that culture is more than just an independent variable that determines communicative conduct, as positivists would claim. Culture guides people’s communicative behaviors as much as those behaviors socially construct and change culture throughout time.

The two propositions that lend themselves to be transformed into tools for intercultural communication conflict training are proposition 5, the terms, rules, and premises of a speech code are inextricably woven into speaking itself, and proposition 6, the artful use of a shared speech code is a sufficient condition for predicting, explaining, and controlling the form of discourse about the intelligibility, prudence, and morality of communication. The practical utility of the first tenet is that it identifies the discursive locus in social actors’ utterances where an observer can discern elements of a speech code. As Bakhtin (1986) claims:

Each individual utterance is a link in the chain of speech communion. It has clear-cut boundaries that are determined by the change of speech subjects (speakers), but within these boundaries the utter-ance, [ ] reflects the speech process, others’ utter-ances, and, above all, preceding links in the chain (sometimes close and sometimes-in areas of cultural communication—very distant) (p. 93)

An utterance does not exist disconnected from other utterances, it is a link in the cultural chain of utterances in a particular speech community. Also, utterances are not simply mere conveyors of information; when two individuals address each other and communicate, their utterances are the building blocks of their social worlds.
What Bakhtin explains is that if we scrutinize discursive interactions between two social actors, we can notice that their utterances can teach us about the speech process itself and they can also index cultural codes of communication. In order to analyze intercultural communication conflict, the intercultural communication trainer should follow Philipsen's (2005) proposition 5 and Bakhtin's (1986) ideas on the utterance. They should observe conflict situations and listen to participant's utterances to develop a sensitivity to noticing "patterns of speaking," "uses of metacommunicative vocabularies," "rhetorical invocations of metacommunicative vocabularies," and other markers of a cultural code that become evident.

The practical utility of the second tenet is to capitalize on the discursive force of culture. Knowledge of a shared code can be useful to manage an (inter)cultural communication conflict situation if one learns how to invoke it artfully to exert change. If we want to attempt to modify someone's communicative conduct during conflict, we need to observe and listen carefully to their utterances to learn about the norms and premises of the speech code from which they draw. Fitch (2003) explains that cultural norms and premises delineate the boundaries of what is persuadable in a given speech community. Outside these boundaries, Fitch (2003) argues that some communicative behaviors do not require any persuasive effort because they are so aligned with the cultural norms and premises of a speech community that the persuasive work is already done. Additionally, some other communicative behaviors are so contrary to cultural norms and premises, that any persuasive effort would be futile. In sum, we know that a speech code is endowed with a peculiar persuasive force that manifests itself through its rhetorical and artful invocations. However, its effectiveness is contingent on what norms and premises are invoked, how are these invoked, and what communicative behaviors we are trying to modify.

In sum, through the use of ethnographic methods of data collection, the intercultural trainer can develop a unique sensitivity to noticing where speech codes become evident in intercultural communication situations and they can learn how to use such codes to attempt to modify communicative conduct appropriately and effectively. Those who are able to spot and understand a speech code different to theirs, and are able to use the code appropriately and effectively during intercultural conflict situations, will have developed a type of emic intercultural communication sensitivity and competence (Witteborn, 2015).

References


Heteroglossic Engagement in humor in Intercultural Communication

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Abstract

This paper investigates the way intercultural humor is co-constructed, interpreted and negotiated. It seeks to understand the way speakers of British English and Tunisian learners of English construct and evaluate stances in their production and perception of humor in intercultural communication. The paper uses face to face recordings as well as in-depth interviews to investigate the way evaluative meaning influences humor interpretation. The heteroglossic perspective within the intercultural pragmatic framework and the appraisal theory is analyzed and frequency occurrences of the engagement linguistic resources are presented and sorted out into dialogically expansive and dialogically contracting resources to be able to understand issues related to identification/differentiation and to alignment/disalignment relationships. The dialogically expansive nature of the linguistic resources in the engagement system reveals the participants’ willingness to cope with intercultural problems and to negotiate relationships of alignment and solidarity rather than relationships of disalignment and distance.

Key words: Intercultural communication, Conversational humor, speakers of British English, Tunisian learners of English, heteroglossic engagement.

1. Introduction

Humor is a universal social phenomenon that occurs in all cultures (Apte 1985; Lefcourt 2001; Martin 2007). However, what is considered funny as well as where, when, and under what circumstances humor is used is different across cultures (Bell 2007). The creation and understanding of humor in intercultural communication is also challenging and frustrating as it requires sophisticated linguistic, social, cultural, and interactional competence. Similarly, attempts at humor may fail to achieve their amusing communicative goals if the hearer does not identify and recognize the humorous nature of the conversation and does not, as a result, appreciate and acknowledge the humor (Bell and Attardo 2010). In fact, humor and laughter are two-unit turns that are linked by temporal and relevancy conditions. In other words, responses and reactions to attempts at humor should be sequentliy dependent and conditionally relevant to the humorous nature of the utterance (Norrick 2003). Cracking a joke, thus, and not receiving laughing or smiling, is an unexpected and irrelevant second turn for the speaker who may lose his/her positive face wants because his/her humor has not been appreciated and acknowledged. Humor may also be prone to misunderstanding if the hearer does not recognize the humorous nature of the utterance and interprets the statement as an offense while it is intended to amuse. Misinterpreting humorous attempts can emerge as a result of the social and cultural values that underpin humor production and interpretation in an intercultural setting.

In this paper, rather than theorizing about the best approach to understand intercultural communication and finding possible ways to guarantee effective communication across cultures, we investigate the way humor is co-constructed, interpreted and evaluated in spontaneous everyday conversations. The paper describes and accounts for the way speakers of British English and Tunisian learners of English use and understand humor in face to face interactions. The research aim is to describe the way the participants’ interpersonal style and identity is described according to the type of heteroglossic backdrop of the voices they construct for their utterances and the way they engage with that backdrop. The construal of interpersonal stance and relational identity are examined by investigating what is really taking place in the on-going oral humor discourse. I, accordingly, examined the reasons behind failed humor and classify them under three levels (with reference to Bell and Attardo’s (2010) typology of failed humor). Based on the findings I have, and rather than suggesting solutions to failed humor across cultures that are based on personal intuitive interpretations, I investigated the linguistic and communicative strategies the participants used to evaluate the construal of stance in their utterances. As the study is based on ethnographic data where the participants’ points of view are taken into consideration; the heteroglossic voice of participants is analyzed both functionally and linguistically.
2. Theoretical framework

Failed humor

Recently researchers investigating humor tried to fill the gap existing in failed humor research. Much research has been conducted on the types of humor used in interpersonal encounters, the bonding and biting strategies (Boxer & Cortes-Conde, 1994; Norrick, 2007) that could impact relationships, and the adjustment strategies they could use to avoid misunderstandings. However, how and why humor fails is still a deserted area of research. Hay (2001) argued that humor could fail to accomplish its communicative purpose if the utterance was not identified and recognized as humorous.

Bell (2009a and 2009b) investigated failed humor by gathering data based on elicitation methods. She claimed that gathering data from spontaneous conversations can be difficult as instances of failed humor may not exist. In Bell (2009a), a corpus of 207 elicited responses to a poor joke was collected. The instructed investigators’ main task was to tell participants a poor joke and then record their responses. She linked failed humor to face and identity and argued that when listening to a poor joke and laughing or not appreciating it, the hearers’ face would be lost and his/her sense of humor would be questioned. In Bell (2009b), a total of 186 responses to failed humor were elicited by using an unfunny joke. Laughter, metalinguistic comments, and interjections were the most widely used types of failed humor responses. Those responses were found to be significantly related to social relations while the gender and age social variables were found to have no influence on the response types. Following almost the same strategy of humor response elicitation, Bell (2013) elicited 278 responses to an incomprehensible joke. Non verbal responses, explicit expressions of non-understanding, laughter, silence, and repetition of the punch line were the most common responses used.

While Bell’s research on failed humor could be used as a reference to understand failed humor, it does not shed light on the way humor fails in everyday social interactions. Preigo-Valverde (2009) studied everyday conversations among close friends and found out that misunderstanding took place as a result of the inadequacy between two modes of communication; the serious and playful ones. He further reported that listeners might fail to recognize the playful mode initiated by the speaker or recognized it but for some reasons chose to reject it. In studying failed humor in spontaneous conversations and between interactants of different cultures, Norrick (2007) suggested that interactants tried to facilitate communication and to avoid conflicts and misunderstandings by accommodating their utterances. He maintained that lack of communication and unwillingness to adjust one’s verbal behavior might lead to failed humor.

Bell and Attardo (2010) teased out research on failed humor even more by examining L2 understanding of failed humor and analyzing diaries in which six advanced NNSs recorded their experiences with humor in English. The constructed a typology of failed humor where seven levels at which a speaker might fail have been identified. They also found that NNSs’ failures were the same as NSs’ failures and that the difference is significant only from a quantitative standpoint.

This research seeks to contribute to understanding failed humor in spontaneous conversations and among participants from different cultures. It draws on research on failed humor and aims to contribute to the researchers’ findings by emphasizing the way humor fails in everyday communication. As utterances contain evaluative lexis that could express interactants’ points of view and reveal the way discursive phenomena are perceived and interpreted, the engagement system within the appraisal theory is analyzed in this study.

The appraisal theory

The appraisal theory is one of the approaches used to understand the notion of evaluation. Evaluation, according to Hunston and Thomson (2001), is used to emphasize the role of language in developing ideas and opinions. Using their own words, “for us (…) evaluation is the broad cover term for the expression of the speaker or writer’s attitude or stance towards, a viewpoint on, or feelings about the entities or propositions that he or she is talking about” (p. 5). According to them, evaluation can perform three major functions in discourse (1) expressing the writer’s or speaker’s opinion, and by doing so reflecting the value system of the person and the community around him/her; (2) maintaining and constructing relationships between speaker/hearer and writer/reader; (3) and organizing the discourse.

The appraisal approach to evaluative meaning is selected in this study as there are clear data charts that present helpful classifications of English evaluative lexis. Hunston and Thomson’s (2001) studies on the construction of evaluative stance, however, do not include a theoretically motivated model for the discourse semantic choices in interpersonal meaning. The appraisal theory enables researchers to study the relationship of language choices to semantic functions as networks of semantic choices expressing attitude, engagement, and graduation. The theory is a functional model of interpersonal meaning within systemic functional linguistics (Martin & White, 2005). It focuses on the interpersonal meaning at the level of discourse semantics and describes the linguistic realization resources used to evaluate interpersonal meaning. Three systems are identified.
in the appraisal theory: the attitude, engagement, and graduation systems. Of particular interest in this paper is the engagement system.

**Heteroglossic engagement**

The Engagement system within the appraisal theory is informed by Bakhtin’s notions of heteroglossia and intertextuality. It is related to the way speakers adjust/ negotiate their propositions and value positions and how they dialogically engage with potential readers/listeners. Notions of dialogism and heteroglossia show how every verbal communication reveals the influence or takes up in some way what has been said/written before (Martin and White, 2005). According to Bakhtin, utterances exist “against a backdrop of other concrete utterances on the same theme, a background made up of contradictory opinions, points of view and value judgements … pregnant with responses and objections (Bakhtin 1986 p.281).

The engagement system is realized through a set of linguistic resources and is divided into expansive resources and contracting resources. In expansive resources, the speaker expands on the dialogic space by leaving the space open for other alternative possibilities and is linguistically realized through the entertain, attribute, and pronounce categories, while in contracting resources the dialogic space is closed and other possibilities are rejected. Figure 1 summarizes the engagement system linguistic resources.

![Figure 1: Engagement Linguistic resources (Martin and White p. 122).](image)

This paper draws on the appraisal functional approach in order to understand the way humor fails through the participants’ responses invoked meaning and through the inscribed meaning of their opinions and evaluations.

**3. Methodology**

The paper focuses on the ways speakers from different cultures evaluate and position themselves and the others in constructing and interpreting oral humor discourse and on choices available in construing evaluative stance and their implications.
Participants

The basic design of this study concentrated on two groups of participants. The first group was composed of 150 Tunisian learners of English coming from different universities from all over Tunisia to participate in a linguistic summer village in Nabeul, Tunisia. They were aged between 19 and 24. The English learners participating in the study were the top ranked students in their universities and have succeeded their second year of English and passed to the final year to get their licenses in the English language. The reason why proficient learners are selected for the study is to examine the way linguistic competence can guarantee effective communication. The data were collected in summer 2013 where British students participated in the Linguistic Village. The British participants were 20, aged between 19 and 24 and coming from different places and universities in Britain. 16 of the British participants visited Tunisia for the first time and used to think of Tunisians as Middle Easterners or Africans. As this study is intercultural, the way Tunisian learners of English and British participants interact and negotiate social and cultural differences is investigated. In other words, the study does not aim to compare the way the two participant groups use and interpret humor.

Data collection and coding

38 hours of face-to-face interactions between Tunisian learners of English and speakers of British English were audiotaped. As the objective of the study is to understand failed humor in spontaneous conversations, using elicited data collection methods may not bring about reliable and representative findings. In addition to audiotape recordings, in-depth interviews were used to understand the way the participants perceive, interpret, and judge their intercultural interactions with the other.

In-depth interviews were also conducted to understand the way a particular response is interpreted and why. 217 humorous sequences were extracted and transcribed for analysis. Out of the 217 humorous sequences, 53 were classified as failed humorous sequences. Humor utterances failed when the response provided showed failure of recognition, understanding, and appreciation. Failed humor was also signaled by facial expressions, observations, and participants’ follow-up interviews.

Levels of failed humor have been encoded based on Bell and Attardo’s (2013) typology of failed humor responses. Out of seven levels, three levels have been identified in the data: failure to understand the meaning of words, failure to understand the pragmatic force, and failure to appreciate humor.

4. Levels of failed humor

Rather than drawing on personal interpretations about why exchanging and understanding humor across cultures is challenging, in this study we investigate what is really taking place in the ongoing humor discourse. Data from the face-to-face interactions and in-depth interviews revealed that there were three levels of failed humor in humorous exchanges between speakers of British English and Tunisian learners of English: failure to understand the meaning of words, failure to understand the pragmatic force of the utterance, and failure to appreciate the joke.

Failure to understand the pragmatic force of an utterance

In the first level of failure, participants failed to recognize the pragmatic force of the utterance. This includes understanding the literal meaning of the joke and not its implicatures (Bell & Attardo, 2013). In this study, students failed to understand the sarcastic nature of the utterance and took it seriously.

(1) Example:
Cameron & Joe: “Oh yeah! we’re going to a beach in Gafsa” (British)
Haitham: “No, there is no beach in Gafsa” (Tunisian)
Cameron: (laughing), (realizing that they did not get it) “oh yes yes, we know, we’re just kidding”

While Cameron and Joe wanted to have fun and be sarcastic about visiting a beach that did not exist in a southern place in Tunisia, Haitham’s response showed that he took it rather seriously. Failure to interpret the utterance as sarcasm is related to failure to identify the appropriate pragmatic force of the utterance. In the follow-up interviews, participants using sarcasm as best sense of humor reported that they did not use sarcasm frequently in their conversations because Tunisians did not get it.

(2) Example:
I don’t use sarcasm so much because they don’t always get it. I tested it and I noticed that it’s not going to give any reaction. It’s not a useful tool for communication because they did not react to it.
Another British participant reported that failure to identify the non-bona fide side of the utterance can create some communication breakdowns between speakers of British English and Tunisian learners of English.

(3)Example:
I think it’s difficult to bond with Tunisians naturally. I draft for them because I think they would not understand our sense of humor. They would not find it funny. I try to check first if they are relaxed then start looking for something that can make us both laugh.

Failure to appreciate the joke

At this level, the receiver of the joke recognizes the play frame of the utterance but chooses not to support or to appreciate it. Instances from face-to-face interactions and in-depth interviews show that participants fail to appreciate humor either because they did not understand the culture-specific background or because it was not funny for them.

(4)Example:
Debbie: What if your wife refused to do the house chores?
Haitham: What! (Implying that she does not have the right to do so)
Tunisian students: (laughing)
Lexie: He will let her go and marry someone different
(Laughter)
Debbie: I did not expect you to say this

In the follow up interviews Debbie explained why she did not appreciate humor about gender equality and why she was particularly shocked by the reaction of female participants. Her evaluation reveals her insecurity attitude towards the underlying reasons behind Tunisian students’ reactions.

(5)Example:
I was very shocked. In the group most of the students were girls, It was a bit awkward because rather than agreeing with me, they actually find it funny. I thought that what they found funny is how a British girl is trying to convince a Tunisian guy of how males and females should be treated equally.

Failure to understand the meaning of words

This level includes inability to understand humor because of lack of lexical knowledge. The following example shows how lack of understanding the meaning of the expression “trigger happy” influenced the understanding and appreciation of the play frame. Tunisian learners of English realized that the utterance was supposed to be funny because it was followed by laughter, but did not understand the meaning of the metaphor in trigger happy. They consequently felt satisfied about knowing the meaning, while the British participant moved to another topic as the utterance was no longer funny.

(6)Example:
Situation: A British participant joking about Egyptians and describing them as trigger happy.
Cameron: hhhhhh, they’re (Egyptians) just trigger happy
Tunisian students: What? they’re so happy?
Cameron: No TRIGGER HAPPY hhhhhhhhh
Tunisian students: What does it mean?
Cameron: when you saw the protests, you guys you’re so peaceful, they seem a bit violent.

In this example, the understanding of the expression trigger happy is crucial to understanding the whole play frame. Not knowing the meaning made the joke fail. In the follow up interviews Chris reported that using slang words in jokes is something he always did in Britain, but he figured out that with Tunisians he had to explain the meaning of words first and this made the whole joke useless.

(7)Example:
“I made a comment in British slang and they have never heard of that. And it’s usually those are the words I made for a joke or for a laugh and if you don’t know what I mean then you can’t laugh.”

“They (British participants) noticed that we did not understand their jokes and they are asking us why. When we don’t laugh means we did not understand the joke. So, they repeat again and explain it a bit more and then it’s not funny anymore and the joke is useless”
The three levels of failed humor were identified in the data but with an overwhelming presence to the failure to understand the pragmatic force of an utterance level. 112 out of 280 failed humor utterances were coded as failure to understand the pragmatic force of an utterance. The frequencies of levels of failure in the two types of discourse were close, which means that the in-depth interviews confirm the face-to-face interactions’ findings.

Table 1. Frequency distribution of levels of failed humor

<table>
<thead>
<tr>
<th>Levels of Failure</th>
<th>Face-to-face interactions</th>
<th>In-depth interviews</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Failure to understand meaning</td>
<td>34</td>
<td>41</td>
<td>75</td>
</tr>
<tr>
<td>Failure to understand pragmatic force</td>
<td>53</td>
<td>59</td>
<td>112</td>
</tr>
<tr>
<td>Failure to appreciate</td>
<td>36</td>
<td>57</td>
<td>93</td>
</tr>
<tr>
<td>Total</td>
<td>123</td>
<td>157</td>
<td>280</td>
</tr>
</tbody>
</table>

The levels of failed humor identified suggest that there are linguistic as well as intercultural pragmatic reasons for humor to fail to accomplish its goals. This failure, however, does not necessarily lead to communication breakdown and disalignment. In order to investigate the way participants dialogically position themselves and the other in constructing and interpreting humor, the linguistic as well as the intercultural pragmatic resources used by the two participant groups are identified and their implications on identity construal is examined.

5. Heteroglossic engagement linguistic resources

The way the participants’ interpersonal style is described according to the type of heteroglossic backdrop of the other voices they construct for their utterances and the way they engage with that backdrop is investigated. We try to see if relationships negotiated are going to lead to alignment or disalignment, to solidarity or distance. To understand the heteroglossic perspective of the participants’ attitudes, we determined the engagement linguistic resources appearing in the participants’ accounts for the construction and interpretation of humor. The realization of the engagement system and the range of linguistic resources used by the British participants and their frequencies are summarized in table 2.

Table 2: British participants’ Engagement linguistic resources

<table>
<thead>
<tr>
<th>Engagement Linguistic Resources</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entertain</td>
<td>29</td>
</tr>
<tr>
<td>Disclaim: deny</td>
<td>12</td>
</tr>
<tr>
<td>Proclaim: Counter</td>
<td>11</td>
</tr>
<tr>
<td>Attribute: Acknowledge</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>66</td>
</tr>
</tbody>
</table>

The entertain locution was the most widely used locution to implicate heteroglossic space. By resorting to the entertain category, the participants preserved an entirely subjective negative attitudinal evaluation to the assumptions they had about Tunisians’ sense of humor and inability to cope with intercultural differences.

(9)Example: “I thought that Tunisians are going to use a more obvious sense of humor”
(10)Example: “I had the belief that African people as a whole don’t have any sense of humor”
(11)Example: “I have this unjustified idea that African people don’t have much sense of humor”
(12)Example: “I drafted from them because I thought they would not understand our sense of humor”

The examples presented show the dialogic nature of the participants’ utterances and how they referred to some established assumptions and stereotypes to engage with the heteroglossic backdrop and to describe their personal internal voices. The entertain subtype used indicates a dialogically expansive stance suggesting that there is another implicit voice that makes them refer to it in evaluating Tunisians’ sense of humor. The use of this type also indicates that they maximize the space of dialogic alternatives by opening up a dialogic space. The
disclaim deny and disclaim counter engagement resources show another dialogic implication in the evaluative stance and heteroglossic perspective of the British participants.

(13) Example: “I don’t know where I get the idea from, but it is kind of thought that African humor is still developing” (Disclaim: counter)
(14) Example: “They can’t accommodate their speech, but we can” (Disclaim: counter)
(15) Example: “It’s not that I am a white girl from the UK that I am going to judge you” (Disclaim: deny)
(16) Example: “They seem a bit, not na"ive, but more innocent” (disclaim: deny)
(17) Example: “I didn’t say they have to completely change their lifestyle, but it’s our culture people are coming into. People need to come up with their opinions” (disclaim: deny)

Disclaiming is heteroglossic in that it is used to refer to claims, beliefs, and prior utterance expectations. Palmer (1986) suggested that the use of expansive dialogic spaces can be an indication of a lack of commitment to the truth value or a willingness to align and show solidarity with the receiver by saying that the value position they held is but one among other possible positions. According to Plamer (1986), interpretations about the epistemic status or knowledge reliability can be different from one text to another and analysts should determine the communicative motives behind the use of a particular heteroglossic perspective.

In the data collected, the British participants’ observed behaviors and recorded utterances and responses show that they expressed their attitude towards Tunisians by judging their performance and behaviors. Although, British participants appeared as dominant powerful groups (we feel like celebrities here), they tried to bond with Tunisian students and understand their behaviors and cultural norms. For example, in the last week, the British participants started directly inquiring about the pragmatic force behind their utterances and about the culture-specific habits and beliefs.

(18) Example: “We British fellows try to adjust to help students and may be Tunisian students are doing the same but we did not understand their way of doing it.”
(19) Example: “I had the belief that African people as a whole don’t have any sense of humor, which I know it’s going to be ridiculous. I don’t know where I took the idea from. This is quite bad”

As for the Tunisian participants, they resorted to the “entertain” linguistic resource to position and negotiate their stances.

Table 3: Tunisian participants’ engagement linguistic resources

<table>
<thead>
<tr>
<th>Engagement Linguistic Resources</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entertain</td>
<td>15</td>
</tr>
<tr>
<td>Disclaim: deny</td>
<td>8</td>
</tr>
<tr>
<td>Proclaim: Counter</td>
<td>10</td>
</tr>
<tr>
<td>Attribute: Acknowledge</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>43</strong></td>
</tr>
</tbody>
</table>

For the Tunisian participants, the employment of engagement linguistic resources was not frequent in the interviews. They were found to express their opinions directly and explicitly in the face to face conversations. The use of the attribute: acknowledge linguistic resource was one of the ways through which they expanded the dialogic space and displayed the multiple voices of their utterances.

Example (20): “I heard from a teacher that if you do something wrong, British people can be annoyed, but Americans show more understanding and tolerance.”

Example (21): “In the international relations course we were told that British people are not very tolerant and lenient.”

In presenting the authorial voice as explicitly referenced, the Tunisian students decline to take responsibility for the proposition. They, thus, maximize the space of dialogic alternatives by leaving it open to other voices to speak through them. They considered that as part of their learning about the culture and the language. What they have in common, nevertheless, is their willingness to correct the wrong judgments they have and the way they used to position the other by employing more dialogically expansive than dialogically contracting engagement linguistic resources. In order to test how strong the relationship between the engagement linguistic resources used in the face to interactions and the ones used in the interviews, a chi-square test is used.
Figures 2 and 3 present data of the engagement categories used by Tunisian and British participants and their association with face-to-face interactions and interviews.

Contrary to the expectations, the two participant groups, through the entertain, and attribute categories, show uncertainty towards the beliefs they have and recognize that their points of view may not be acknowledged and that there is an open space to a lot of other alternatives and possibilities. This means that in spite of the stereotypes and the negative attitudes they have, their behaviors and attitudes are not categorical and sharp. In other words, they do not project the idea that this is what we know and feel, we are sure and we are not going to change our thoughts. The participants negotiate relationships of alignment and solidarity rather than disalignment and distance.

6. Conclusions

The results of the engagement linguistic resources contradict and give a plausible explanation to the attitudes of distance and disalignment in the participants’ negotiation of failed humor and of power relationships. The use of dialogically expansive engagement linguistic resources rather than dialogically contracting ones confirm the impact of ethnocentricity, anxiety, and stereotypes, but unexpectedly, demonstrate that by leaving the space open for different dialogically possible alternatives; relationships of solidarity and willingness to negotiate cultural difference and bond through humor come to the forefront of the participants’ interpersonal evaluative meaning.

Data collected from the audio-recordings and the in-depth and playback interviews have demonstrated that humor discourse has been jointly constructed by participants from different cultures and that those participants are aware of the necessity of decoding the humorous message to solve possible communicative problems. Pragmatic and sociolinguistic deviations, thus, are not perceived as signs of pragmatic failure, as advocated by Thomas (1983). They are perceived as intercultural differences that, rather than being negatively evaluated or attributed to impoliteness or rudeness, are discussed and assessed based on the belief that every culture has its own social and cultural values that can sound meaningful if its implications are understood. Researchers in the field of intercultural communication, therefore, do not have to focus on the sociolinguistic norms, the rules of speaking, and on the politeness and cooperation principles that NNSs have to acquire to be able to behave appropriately with NSs. They have to focus rather on the way people from different cultures collaboratively share, interpret, and negotiate meaning to solve interactional difficulties, to strengthen group cohesion, and develop intercultural relational identities. Friedman and Berthoin Antal (2005) offer an alternative approach to intercultural competence, ‘negotiating reality’ where cultural conflicts and differences are used as a resource for learning. Holmes (2014) uses the term ‘intercultural dialogue’ to argue that intercultural communicative processes are primarily dialogic and they involve negotiating intercultural similarities and differences.
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Assessment of cross-cultural interprofessional collaborative practice
collaborative skills for digital world

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Abstract

The paper will present an exploratory research developed with students of Education at the University of Barcelona and the University of Valencia in order assess Cross-Cultural Interprofessional Collaboration skills. This emerging skill, strongly related with the cross cultural competence, is the capacity to develop a collaborative relation with other professionals from different fields and cultures. The first contribution of this work has been the adaptation to the Spanish Educational context of the AITCS Scale, originally developed in Canada for the health field. The consistent addition to this instrument of two subscales of the Schwartz’s PQV in order to include cultural values to the construct demonstrates the relation between the values of Benevolence and low Power and the Interprofessional Collaborative Practice1.

Keywords: (Cross-cultural, Interprofessional, Collaborative Practice, Assessment, Cultural values.

1. Introduction

The world of Education is becoming increasingly multicultural in Spain. The impact of migrations and the increase of expatriates are transforming the traditional classroom. The complexity of the society, the organizations and the professional activity require ever more a collaborative relation between professionals and fields expertise (Aneas, 2014). Furthermore, the impact of the Digital Age on the building of a connective knowledge demands to the professionals of education and training new skills, values and competences. Because, far to be an option, for us, this culture of collaboration is a consequence of the new nature of the knowledge in the Digital Age: the knowledge has passed the board of the relation of the person with its own environment; the knowledge also is outside, in the Cloud (Siemens, 2010). The capacity to access, to connect and to co build this knowledge is already a strategic need at different levels: corporate, teams and individual in different environments as the business, the Academy or the social ones. Hence, it becomes critical for educators and trainers to understand the mechanisms of Cross-Cultural Interprofessional Collaborative practice.

The collaborative work has been researched in different levels, fields and contexts (management, health, etc.). In this research has been chosen the concept Interprofessional Collaboration developed in the Health field and the individual level. We have taken this decision after explore the literature of the research in Education field and found that the references to the Collaborative Interprofessional Practice and Education with more theoretical and empirical foundation are located in this field. Thus the term collaboration conveys the idea of sharing and implies collective action oriented toward a common goal, in a spirit of harmony and trust (D’amour et al., 2005 (a)). As these authors, we agree with the need to get a better understanding of interprofessional collaboration because the growing complexity of Education problems necessarily makes professionals interdependent.

The literature provides some indications of what interprofessional collaboration entails, and demonstrates that we have limited knowledge of this complex phenomenon (Schofield & Amodeo, 1999; Drinka & Clark, 2000; Zwarenstein, Reeves & Perrier, 2004). More specifically, we have limited understanding of the complexity of relationships between professionals who, throughout their education, are socialized to adopt a discipline-based vision of their clientele and the services they offer. Each discipline develops strong theoretical and discipline-based frameworks that give access to professional jurisdictions that are often rigidly circumscribed. This constitutes the essence of the professional system. Collaboration requires making changes to this paradigm and implementing a logic of collaboration rather than a logic of competition (D’Amour et al. 1999 b.). The cultural nature of this discipline-based, that include knowledge, behaviours and values (Aneas, 2013) as well the

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1 Research founded by the Sciences Education Research Center of the University of Barcelona (ICE): REDICE I4-1277.)
composition of the teams and organizations where people from different countries works together support its cross cultural character.

D’Amour et al. (2005) identified after a literature review some concepts related with collaboration. These concepts have guided the research of the tools of assessment from this interprofessional and cross-cultural approach. Among the most common were: sharing, partnership, interdependency and power. Collaboration has also been defined as a dynamic process. Sharing responsibilities, philosophy, information and decision-making are some of the different sense of sharing that can be identify by the authors. The notion of partnership implies that two or more actors join in a collaborative undertaking that is authentic and constructive. Such a relationship demands open and honest communication and mutual trust and respect. Each partner must also be aware of and value the contributions and perspectives of the other professionals. The third concept implies mutual dependence. That is, professionals are like actors who depend on one another. When team members become aware of such interdependencies, synergy emerges and individual contributions are maximized; the output of the whole becomes much larger than the sum of inputs from each part. The last concept is power, which is conceived as shared among team members. Several authors see collaboration as a true partnership, characterized by the simultaneous empowerment of each participant whose respective power is recognized by all. Furthermore, such power is based on knowledge and experience rather than on functions or titles. In the collaborative undertaking the power is a product of the relationship and interactions between team members required in order to maintain actual and perceived symmetry in power relationships.

The influence of the cultural values (both personal as organizational) on all these process seems obvious, as pointed out Vilà in other research (Vilà, 2008). Cultural values are goals that derive from the nature of societies, from the functional imperatives (Parsons, 1951) with which societies must cope in order to survive (Schwartz, 2011). Personal values, in contrast, are beliefs, refer to desirable goals, transcend specific actions and situations that serve as standards or criteria and are ordered by importance. Consequently, the relative importance of multiple values guides the action (Schwartz, 1992, 1994, 2006, 2012). Schwartz’ data are easily applicable in econometric analyses. However, specific attention has to be paid to the fact that dimensions are partly correlated, requiring specific ways of analysis. The SVSs model (Yolles, 2006) is based on Schwarz (1997) extending it to the social context. This model illustrates how values and personality influence human behaviour. Generally speaking, the SVS model refers to three types of reality: believing and values (epistemological level), thinking and personality (ontological level) and action (phenomenological level) and their interactions.

According to this metaphorical systems model, all actions set by an individual are seen as manifestations of its way of thinking, which is represented by “images, systems of thought, imagination, rationality and intentions, subconscious and information” (Yolles, 2007, p.36). But this process should be understood as a recursive rather than a linear one since feedback on actions can lead to changes on the ontological level. The feedback circles secure the adaptability and the dynamics of systems, what is a precondition for survival. Within this model can be distinguish three domains: the domain of values and beliefs (knowledge), which can be related to epistemology and morale (How can we know and how should we act?); the personality domain, which can be related to ontology (What is the case? What can be applied?) and the action domain, which relates to phenomenology (What can we observe?). The latter also makes clear that in our context only action and behaviour can be directly observed, but not values and motivations that drive the decisions and action of individuals. In this research, The Yolles’ Model has been the bases to justify that the personal values can affect the Collaborative Interprofessional Practice so its assessment would to take into account them too.
Thannhauser et al (2010) have analysed the measurement of interprofessional collaboration in the health field. Their conclusions talks about numerous instruments that have been developed and used by researchers to measure IPC. Unfortunately many of the instruments available to researchers lack sufficient information about their psychometric properties. Some of them that accomplish this require are: The Interprofessional Learning Scale (RIPLS) of McFadyen et al (2006), Interprofessional Competency- Based Evaluation (RICE) of Curran et al. (2000), Interprofessional Collaborative Practice Competence Attainment Survey (ICPCAS) of MacDonald et al. (2010), Interdisciplinary Education Perception Scale (IEPS) of McFadyen et al. (2007) and the Interprofessional Team Collaboration Scale (AITCS) developed by Orchard et al (2012). All of them have been analysed, both their conceptual basis as their measuring characteristics. Finally has been chose the last one to apply in this research.

The paper will present the results of an exploratory research about the assessment of this skill. The aim of this study is to explore the psychometrics properties of the Interprofessional Team Collaboration Scale (AITCS) developed by Orchard et al (2012). An instrument of assessment of Interprofessional Collaboration Practice originally developed in the Health field and adapted to Spanish Educational context and to include in it the values more related o to the construct. That is to say to add a Cross-cultural dimension. In this case, the values of Hierarchy and Benevolence (Schwartz and Bardi, 2001).

2. Methods

Participants (n=86) have been students of degrees of Education at the Barcelona University and Valencia University in Spain. Specifically they belong to the Studies of Pedagogy (70.9%), Teachers training (16.3%) and Social Education (12.8%); among them, 84.9% are female.

An electronically survey has been used that includes 3 components: The first one (2 items) related with the student view on the team work in the current world. The questions ask about the specialization of the team and the need or not to share and distribute information.

The second component has been the adaptation at the Spanish educational setting of the Interprofessional Team Collaboration Scale (AITCS) by Orchard et al (2012). This Canadian scale with 37 items assesses the Interprofessional Team Collaboration Skills. Originally developed to assess the Interprofessional Collaborative Practice (IPCP) in the Heath sector. Its psychometrics properties are: Kaiser-Meyer-Olking (KMO) Measure of Sampling Adequacy: 0.91. Bartlett’s Test of Sphericity significant (0.000). Three factors (Coordination, Cooperation and Partnership that explain the 58.0% of the variance and a Cronbach’s Apha: 0.98. Coordination is the ability to work together to achieve mutual goals and leads towards team collaboration when appropriate and effective communication among team members exists and access to necessary equipment, supplies, human resources, information, and technology to meet their goals is available. Cooperation exists when a group work together in an environment where each person’s skills, knowledge, and expertise are valued and sought out, thus achieving the highest level of outcomes and meeting expressed needs for their users and students. Partnerships exist when team members, including students, users and relevant family members, work together to plan, implement, and assess education and training activities care and its outcomes. In collaborative partnerships all parties are trusted and their viewpoints and personal and professional experiences are respected, equitably listened to, and valued no matter what level of education or experience individuals bring to the educative interface. Shared decision making involves a process whereby all parties work together in exploring options for the education of a student or user in consultation with each other. Shared decision making involves a negotiation around shared input of each team member’s perspective, leading to a mutually agreed upon decision.

The last component has been based on the Spanish version of the Schawart’s PQV (Peiró and Palencia, 2009). The whole scale (40 items) has a Cronbach’s Apha of 0.70. In our survey, has been selected 7 items related to the Benevolence Power and Hierarchy values. Schawart (2012) defined in terms of preserving and enhancing the welfare of those with whom one is in frequent personal contact (the ‘in-group’). Benevolence values derive from the basic requirement for smooth group functioning and from the organismic need for affiliation. Most critical are relations within the family and other primary groups. Benevolence values emphasize voluntary concern for others’ welfare. (helpful, honest, forgiving, responsible, loyal, true friendship, mature love). Power value focuses on the social status and prestige, the control or dominance over people and resources. The functioning of social institutions apparently requires some degree of status differentiation (Parsons, 1951). A dominance/submission dimension emerges in most empirical analyses of interpersonal relations both within and across cultures. To justify this fact of social life and to motivate group members to accept it, groups must treat power as a value. Power values may also be transformations of individual needs for dominance and control. In
the Peiró and Palencia’s scale (2009) the first Benevolence achieved a Cronbach Apha of 0.72 and the Power Cronbach Apha of 0.76.

Each scale contains 5 statements. Each statement requires rating by respondents along a Likert scale. Where it is assumed that a respondent will always have an opinion, the neutral point on a Likert scale is equated with missing data; however, ignorance may prevent the respondent from having an opinion, in which case the neutral point becomes a valid response choice (Schuman 1996). Each point on the Likert scale is assigned a value, ranging from (5) “strong agreement” to (1) “strong disagreement”. After completion, statement values are reversed where necessary. The cumulative value of the responses to the statements in each attitude scale comprises the respondent’s score for that scale (Oppenheim 1996). The survey was piloted with 40 students from a cohort not included in the main evaluation, and some revisions to question wording were made before data collection started.

Pearson Correlation test has been conducted to analyse the results in order to identify if there are relation between the Interprofessional Team Collaboration skills and cultural values as the hierarchy, in this case (low) and high benevolence. The contrast analyses done are: t Student and ANOVA with HSD Tukey.

Following the suggestion of Fink and Mayrhofer (2009), we’d like to highlight that this study has been focused from the ontological point of view on the values and beliefs domains. From the methodological point of view it level of analysis has been individual and the units of analysis have been values and statements.

Empirical findings

Respondent characteristics

The participants are young people (mean 25 years. The 67% of the participants have professional experience, Youth, 37% have more than three years of experience, and 35% less than a year. The valuation of this experience is indifferent with an average of 2.7 out of 5. At the same time, 52% of the respondents have had some international experience, while only 5% have more than 6 months of international experience. This aspect has received a neutral valuation, with an average of 2.7 out of 5.

The 76% of them have worked with professional of other fields, and the 35.5 % of this sample has coordinated work teams. Finally, the student’s view on the team work in the current world is highly scored. The questions ask about the specialization of the team (mean 4.0 of 5, s=0.91) and the need or not to share and distribute information (mean 4.6 of 5, s=0.67).

Interprofessional Team Collaboration

The adaptation at the Spanish educational setting of the Interprofessional Team Collaboration Scale (AITCSs) with 37 items, has achieved a Cronbach’s Apha of 0.938. The scores of AITCSs are moderate / high (average of 147 over 185), see table 1.

<table>
<thead>
<tr>
<th></th>
<th>Possible scores</th>
<th>Mean</th>
<th>Factor Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coordination (7 items)</td>
<td>7 - 35</td>
<td>25.6512</td>
<td>3.6645</td>
<td>3.88592</td>
</tr>
<tr>
<td>Cooperation (11 items)</td>
<td>11 - 55</td>
<td>45.5698</td>
<td>4.1427</td>
<td>5.91616</td>
</tr>
<tr>
<td>Partnership (19 items)</td>
<td>19 - 95</td>
<td>75.9651</td>
<td>3.9982</td>
<td>9.46255</td>
</tr>
<tr>
<td>AITCSs</td>
<td>37 - 185</td>
<td>147,1860</td>
<td>3.9780</td>
<td>17,33172</td>
</tr>
</tbody>
</table>

Table 1. Means and Standard Deviations of AITCSs scores Subscales.

These scores show significant differences in the case of the students that have professional experience, international experience and have experience working with professionals from other specialities. (See table 2)
The scores of the young people without professional experience are significantly lower than the rest of them ($F=2.829$, $p=0.044$, measured with statistical Tukey HSD between groups). Among the dimensions, specifically cooperation follows the same trend ($F = 4.646$, $p = 0.005$, measured with statistical Tukey HSD between groups).

<table>
<thead>
<tr>
<th>Professional experience</th>
<th>International experience</th>
<th>Work with other professionals experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>Less than 1 year</td>
<td>More than 3 years</td>
</tr>
<tr>
<td>Coordination</td>
<td>22.29</td>
<td>25.57</td>
</tr>
<tr>
<td>Cooperation</td>
<td>38.29</td>
<td>46.83</td>
</tr>
<tr>
<td>Partnership</td>
<td>69.00</td>
<td>76.43</td>
</tr>
<tr>
<td>AITCSs</td>
<td>129.57</td>
<td>148.83</td>
</tr>
</tbody>
</table>

Table 2. Descriptive of AITCSs based on the professional experience.

In a similar way, young people who do not have international experience also scored statistically significantly lower than those who have it, no matter if it is very short ($F = 2.934$, $p = 0.038$).

Finally, young people who have experience working with professionals in other fields have scored lower than those who have not had this experience. This difference is statistically significant when referring to the coordination factor ($t = -2.34$, $p = 0.022$). This issue will be commented on the next section of the paper.

**Values scale**

The last scale based on Spanish version of the Schawart’s PQV with 7 items related to the Power and Benevolence values. The psychometric properties of this last component are two factors that explain the $65.7.0\%$ of the variance with Varimax rotation with 3 iterations; and Cronbach’s Apha: 0.771. (See table 3)

<table>
<thead>
<tr>
<th>Components</th>
<th>Benevolence</th>
<th>Power</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;1.&quot;</td>
<td>.811</td>
<td></td>
</tr>
<tr>
<td>&quot;2.&quot;</td>
<td>.828</td>
<td></td>
</tr>
<tr>
<td>&quot;3.&quot;</td>
<td>.855</td>
<td></td>
</tr>
<tr>
<td>&quot;4.&quot;</td>
<td>.305</td>
<td>.855</td>
</tr>
<tr>
<td>&quot;5.&quot;</td>
<td>.855</td>
<td></td>
</tr>
<tr>
<td>&quot;6.&quot;</td>
<td>.898</td>
<td></td>
</tr>
<tr>
<td>&quot;7.&quot;</td>
<td>.812</td>
<td></td>
</tr>
</tbody>
</table>

Table 3. Matrix of rotated components

The scores are moderately high: The average is 30 over 35 (sd=3.71). Specifically the scores are a little higher in Benevolence factor. The mean in Benevolence factor is 15.9 over 20 (sd=2.8) and in Power factor the average is 13.7 over 15 (sd=1.6). We find statistical significant differences between boys and girls. As shown in table 4, girls scored higher in factor Benevolence ($t=2.35$, $p=0.021$) and Power ($t=2.10$, $p=0.039$).
Table 4. Descriptive of Values Scale related with gender and professional experience

<table>
<thead>
<tr>
<th>Sex</th>
<th>Benevolence Mean</th>
<th>Power Mean</th>
<th>Values scale Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Femenine</td>
<td>16.21</td>
<td>13.86</td>
<td>30.07</td>
</tr>
<tr>
<td>Masculine</td>
<td>14.46</td>
<td>12.77</td>
<td>27.23</td>
</tr>
<tr>
<td>Years of professional experience</td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
</tr>
<tr>
<td>None</td>
<td>17.14</td>
<td>13.00</td>
<td>30.14</td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>16.00</td>
<td>14.17</td>
<td>30.17</td>
</tr>
<tr>
<td>1 - 3 years</td>
<td>16.24</td>
<td>14.06</td>
<td>30.29</td>
</tr>
<tr>
<td>More than 3 years</td>
<td>15.47</td>
<td>13.22</td>
<td>28.69</td>
</tr>
</tbody>
</table>

In general, these scores don’t show significant differences in relation with the professional experience of the students, except in factor Power (F=2.75, p=0.048) related with the number of years of professional experience, where people without any professional experience has the lowest scores in this factor (See table 4).

The results of the correlation coefficients are not very strong, but they correlate significantly (alpha=0.05) with the AITCSs scale and some of its factors. So can be the relation between the cooperation and the partnership and the Power. In this case: low Power. (See table 5).

Table 5. Matrix Correlation of the AITCSs scale and Values Scale

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Benevolence</th>
<th>Power</th>
<th>Total Values Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coordination</td>
<td>Pearson Correlation</td>
<td>,036</td>
<td>,194</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>,744</td>
<td>,073</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>86</td>
<td>86</td>
</tr>
<tr>
<td>Cooperation</td>
<td>Pearson Correlation</td>
<td>,175</td>
<td>,294**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>,107</td>
<td>,006</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>86</td>
<td>86</td>
</tr>
<tr>
<td>Partnership</td>
<td>Pearson Correlation</td>
<td>,157</td>
<td>,351**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>,149</td>
<td>,001</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>86</td>
<td>86</td>
</tr>
<tr>
<td>AITCSs</td>
<td>Pearson Correlation</td>
<td>,153</td>
<td>,336**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>,158</td>
<td>,002</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>86</td>
<td>86</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Discussion and conclusions

After a review of different theoretical models of collaboration, our election to base our work has been the Sullivan’s approach, which defines it as “a dynamic, transforming process of creating a power-sharing partnership . . . for purposeful attention to needs and problems (practice) in order to achieve likely successful outcomes, 1998, 118)”. Critical attributes of collaborative practice include: coordination (the ability to work together to achieve mutual goals), cooperation (the ability to listen to and value the viewpoints of all team members and to contribute your own views), shared decision making (a process whereby all parties work together in exploring options and planning users’ attention in consultation with each other, users and relevant family members), and partnerships (creation of open and respectful relationships in which all members work equitably together to achieve shared outcomes). Other base of this work has been the Yolles cybernetics SVS
model of universe that presents the social context as whole of relations between different types of reality (believing, thinking and action and their relations. We have focused on the individual level of analysis and our units of study have been the values and believing traits that could be facilitators to this Cross-cultural Interprofessional Collaborative practice.

Our first contribution has been the adaptation to Spanish Educational Context of the AICTS, achieved very good results related its reliability and validity. In further research have to be explored the conceptual meaning of the new dimensions arisen from the new version (AICTSs). The study results provide evidence for internal consistency reliability and construct validity, showing promise for its practical utility. The second contribution has been the demonstration that the Interprofessional Collaborative Practice is related with low values of Power and High values of Benevolence. So the union of both instruments can be useful in the assessment of Cross-cultural Interprofessional Practice. This exploratory research has showed the level of awareness by the students about the need to share and distribute the knowledge and to constitute team works whose specializations were diverse. A future exploration will be is this fact is a cultural value or a learning outcome. So this issue is widely discussed in the Curricula of the degree.

There are a number of study limitations. First, the sample, small, was chosen by convenience and may not be representative of the general population of Educative health practitioners. The distribution of the students belonging to both universities is not proportional. Further psychometric analysis is required to establish test–retest reliability, responsiveness to change, and construct validity through testing hypotheses.

**Implications for future research and for practitioners**

The AITCSs can be used to assist researchers who wish to measure cultural shifts within in teams–works in Educational and Spanish contexts. It can be used a pre/post intervention to assess the impact of continuing educational programs, and by administrators as an ongoing performance assessment. Also to help teams focus on key aspects of their team practice or to gain a snapshot measure of collaborative teamwork within an organization with educational activities. The AITCSs can enable a better understanding of the complex processes involved in working in Interprofessional and Cross-cultural environments. Also can gather information about the extent to which their team members perceive they work together collaboratively and in which areas team members can focus to enhance their collaborative practice. Hence, there are several potential applications for the AITCS in research, continuing education, performance assessment, and evaluating team practice.

Further psychometric analysis is required to establish test–retest reliability, responsiveness to change, and construct validity through testing hypotheses. Is need to continue provide insight about the AITCS’s value to supporting continuing education development across teams and organizations.

**10. References**


Culture’s Impact on Teaching & Learning: Exploring for Mutually Beneficial Behaviors in the Multicultural Classroom

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JAMK University of Applied Sciences, Finland

Abstract

The first phase of the “Teaching and Learning Across Cultures” R&D project focused on how teachers and students in a multicultural environment understand each others’ expectations pertaining to ethics and responsibility. The project emerged from incidents at JAMK University of Applied Sciences (JAMK) in Jyväskylä, Finland, that produced conflict between students and teachers. When reflecting on these incidents, the influence of students’ native culture and that of the teachers’ and administrators’ was perceived to affect their expectations and behaviors. The second phase of the project, just ended, aimed to clarify the phenomena at JAMK, and to use the results to support the environment, focusing on 1) extending and deepening research on the environment, 2) identifying the needs of the stakeholders while focusing on the primary stakeholders: students, teachers and administrators, and then 3) engaging and supporting the primary stakeholders to collaborate and to understand each other’s needs and developing ideas together for meeting those needs. The results of the process allow the project to resolve its continuing focus on ongoing developmental activities that will help students, teachers and administrators to develop mutually beneficial behaviors and practices in the multicultural classroom.

1. Introduction

This paper emerges from an ongoing research project entitled Teaching and Learning Across Cultures that is presently implemented at JAMK University of Applied Sciences (JAMK) in Jyväskylä, Finland, a school that embraces internationalization, “seen as one of the ways a country responds to the impact of globalization, yet at the same time respects the individuality of the nation” (Qiang, 2003, p.249). As a result, institutional diversity grows, stressing the significant “process of integrating an international perspective into a college or university system” (Ellingboe, 1998, p.199). The paper introduces the background factors that inspired the project and subsequent research and development activities, up to a point in spring 2015 when representatives of the three primary stakeholders, including students, teachers and administrators, met and developed a stakeholder analysis, discussed various issues related to ethical behaviors and practices at the school, and collaborated to develop ideas about how to improve. The development of the current employed Ethical Principles of JAMK is guided through the Ethical Committee, which is intended to be regularly distributed and discussed among students and staff. The paper also describes the theoretical frameworks and research methods employed, the stages of the project thus far, and the results. The paper concludes with a discussion about the key findings of the research and describes present and future planned developments.

JAMK offers a variety of international degree programs taught in English: International Business, Logistics Engineering, and Nursing as a Bachelor’s degree, and International Business Management and Information Technology as a Master’s degree (JAMK n.d.a; JAMK n.d.b). According to Björn (email conversation with Nina Björn, Jyväskylä University of Applied Sciences, 21 October 2014 & 1 September 2014) 51.3 per cent of the degree students studying in English taught programs at JAMK in the academic year of 2014-2015 came from abroad. In addition to these 988 Bachelor’s and Master’s degree students, JAMK hosted 368 exchange students. The majority of the students are from Finland, Russia, France, Germany, China, Vietnam, The Netherlands, Kenya, Hungary and Spain. Both degree and exchange students receive support through an internal (students, faculty, guidance experts, support services) and external (e.g. student health care, employment and economic development office) guidance

2. Theoretical Framework

A theoretical framework was established in which increasingly multicultural higher education institutions (HEI) (Nieto and Zoller Booth, 2010) should place emphasis on the importance of guiding both teachers and students concerning culturally appropriate expectations and behaviors in the classroom environment. In these new environments assumptions of similarity are high, and so students and educators bring their own assumptions “about the norms and behavior in the classroom […] and expectations regarding academic study” (Chapman and Lupton, 2004, p.425) to the social spaces. HEIs such as JAMK, face more problematic issues related to authorship, attribution and plagiarism by students and academics (Owens and White, 2013). The need for developing culturally aware solutions to improve the learning and teaching environment is important because what is viewed by some as dishonest academic behaviour can negatively impact motivation and trust within a learning environment (Chapman and Lupton, 2004).

Following on the research conducted by Ryan, we incorporate theories related to collaborative learning, learning styles and approaches as well as convergent and divergent academic approaches, all of which need elaboration and contextualization in international and multicultural contexts, because, as Ryan’s points out from Richardson, “approaches to learning vary systematically from one culture to another” (1994, cited in Ryan, 2000, p.16). Factoring the many roles and effects of culture at the very least helps to avoid the creation and perpetuation of negative stereotypes about any particular group of students. In effect by building on to Ryan’s substantial contributions we create a bridge between traditional practices of education and the new world order of increased mobility. (ibid.)

Internationalization is a major part of JAMK’s overall strategy, concentrating on (1) successful international education and project activities, (2) strategic international partner networks and (3) effective internationalisation services for working life (JAMK n.d.d). Hence, the mobility of faculty, incoming foreign exchange and outgoing JAMK degree exchange students is highly connected with that strategy. In 2013 JAMK was recognized as having Europe’s highest level of international staff mobility with the Erasmus Award for Excellence, a strategy that is viewed as an important way of improving teaching quality as well as international competency development (JAMK n.d.c). The Erasmus programme is the school’s key student and staff exchange programme also in respect to funding sources, and is coordinated by CIMO (International Cooperation and Mobility) at the Finnish national level and by the International Services department at the JAMK level. Other exchange programmes include the Nordplus, North-South-South (NSS) and FIRST programmes. The Erasmus programme is mainly responsible for potential cooperation between European institutions, while the Nordplus programme is for Nordic and Baltic institutions, the NSS programme is for developing countries, and the FIRST programme is for Russia. (JAMK n.d.e; JAMK n.d.f) JAMK’s internationalization policies and operations are concerned with “education, research, development and innovation activities” as well as “working life, international projects, networks, projects and double degrees” (JAMK n.d.g) attracting foreign students and staff to the Finnish school while also enabling an international atmosphere that creates internationalization at home opportunities for Finnish students who may not leave home during their studies. This aspect includes degree programmes taught in the English language, language and culture studies, as well as tutoring activities (international tutors) for foreign students. Additionally, peer tutors support the degree students from the Finnish taught degree programmes, and degree tutors support the foreign and Finnish students in the English taught degree programmes (JAMK n.d.h). The tutoring activities are managed and monitored by JAMK’s student union, JAMKO.

3. Research Methods

An initial and ongoing review of the literature helped to inform the methods chosen for our research. Because this is an ongoing project, each iteration of data collection affects the methods and approaches chosen. Overall, a mixed-methods approach is taken to triangulate perspectives derived from theory and from various informants, carefully factoring characteristics in the rich sample such as individual, cultural-level, institutional; and socially
constructed ideas, values and behaviors. A pragmatic knowledge claim is used to emphasize the importance of the research objectives (Creswell, 2003), allowing for the consideration of multiple perspectives and therefore enabling the implementation of mixed-methods (Johnson, Onwuegbuzie and Turner, 2007) with the research purpose of exploring and describing the phenomena of culture’s impact on teaching and learning within JAMK. Action research approaches were and continue to be implemented, which share characteristics of a case research (Kananen, 2013) highlighting that this research is an ongoing iterative process, whereby sequential perspective provides a detailed exploration by elaborating or expanding findings by implementing data collections consecutively (Creswell, 2003).

Phase one of the R&D project collected data verifying cultural variability among the student and faculty body by implementing an instrument developed by Parrish and Linder-VanBerschot (2010) within the educator and student body of the English taught programmes at JAMK. The Survey on Culturally Based Learning Preferences measured similarities and differences regarding teaching and learning preferences which helped to inform semi-structured focus group discussions: two group interviews among students and one group interview among educators. An implementation inquiry explored the currently existing communication and distribution tools of JAMK’s ethical principles guidelines across the campus. This allowed for narrowing down the recommendations and also identified information gaps or problems regarding the communication and distribution process.

Phase two includes the analysed content of the results of phase one that informed discussions in classroom sessions, which in turn informed the content and approach for a two-day seminar bringing together representatives of the three major stakeholders: students, teachers and the administration. In phase one, data was collected via the Intercultural Conflict Style Inventory (ICS; Hammer, 2009), from which a separate investigation is planned.

4. Exploring for Mutually Beneficial Behaviors in the Multicultural Classroom

This section of the paper provides a chronological view of project activities: First, in 2011 JAMK set out to conduct research on intercultural coping challenges faced and resulting strategies employed by its multicultural student body. In this study four distinct challenge areas were isolated: language, cultural differences, academic shock, and interaction. Second, in 2013 JAMK significantly increased its recruitment of foreign students. Incidents emerged in which misunderstandings between teachers and students suggested that culture played a role in how students and teachers related to each other, and also how students interpreted and executed assignments. As well, among teachers in the International Business Degree Programme an increasing number of discussions occurred that focused on student behaviors in the classroom and around campus, evidence of plagiarism, cheating on exams, and problems related to group work. These problems created stress for teachers, particularly as regards additional work that such problems created and as well for their concerns about the welfare and outcomes of students. Third, during the fall semester of 2014 we decided to form a research and development project around the perceived need to improve the environment. The project, Teaching and Learning Across Cultures, initially identified four goals:

- To study ethics and responsibility across the JAMK ecosystem, with a particular emphasis on students and teachers.
- To explore for mutually beneficial behaviors in the multicultural classroom.
- To create informed resources for students that will help them to understand and adapt to the Finnish higher education system and local expectations.
- To create informed resources for teachers to help them to learn about traditions of teaching and learning in other cultures, and to better understand culture’s impact on a range of student behaviors in today’s HEI environments.

It was decided that students would be engaged in the project so that they would participate in and learn from the research process and results and contribute to the outcomes. Four specific developmental objectives were initially established based on a review of the literature and after reflecting on the inputs of numerous individuals including teachers and students: (a) students could choose to pursue a thesis-level project of their own within the project. One thesis has already been completed, one more is actively under way, and several more are being considered; (b) students are engaged in the development of country guides that currently target ten national groups present in the JAMK student body, including the largest groups by enrollment. The country guides seek to describe the higher education system and certain culturally specific aspects related to traditions of teaching and learning. A new student-centered guide is planned that will adapt JAMK’s existing institutional guide to ethics and responsibility in a manner...
that is more accessible to a youthful student body. Initially planned in English, additional versions are planned in the top seven languages present in the JAMK student body; and (c) short videos produced in the native languages of the top language groups at JAMK are planned to help orientate students to the local traditions and expectations regarding ethics and responsibility.

Fourth, the senior lecturer in cross-cultural management, the first author of this paper, supervised a thesis conducted by a student in the International Business Degree Programme, the second author of this paper, that formed an initial review of literature and established a baseline for understanding differences in the expectations of students and teachers across a range of topics. The completed thesis also supported the findings of a research conducted in 2011 (Crawford, Crawford, Krawczyk, and Hirsilä) at the school focused on coping challenges and strategies, which described the top four intercultural challenges of students at JAMK as language, cultural differences academic shock, and interaction.

The thesis produced some concrete recommendations that create a foundation for continuing research on the phenomena of ethics and responsibility at JAMK: Mixed media resources should expand and enhance communication processes pertaining to ethics and responsibility and related practices at JAMK, and these should be equally available to all students in at least both Finnish and English. Support was established for the creation of an improved student-centered guide to ethics and responsibility at JAMK. Additionally, the overall approach and methods of communicating the ethical principles should be reviewed for clarity and full dissemination across all stakeholder groups, and so that the resources are easily available. Additional training would be helpful for educators in the form of seminars, workshops and courses where ethics and responsibility form a central focus. The institution should consider and address the needs of its non-Finnish student body, e.g., as regards their needs to know the institution’s expectations of them, rather than the current approach in which assumptions of similarity drive the system. An enhanced set of channels of information and support need to be bolstered or newly developed to ensure better communication, understanding, and practice of the school’s ethical principles. The environment, when examined holistically, would benefit from more consistency in terms of assessment and enforcement policies and practice. JAMK could consider reinforcing positive behavior in students by creating a reward system focused on over performers.

Immediately after submission of the thesis a workshop was organized and facilitated for the students in a conflict management course. The purpose of the workshop was to have the students work in culturally similar groups and focus on four challenge areas that had surfaced in discussions among teachers: plagiarism, group work conduct, classroom and campus behaviors, and cheating with intent. An additional challenge area was introduced, cheating without intent, to represent cases in which students who ordinarily would not cheat unknowingly do not follow instructions, or feel compelled to cheat as a compensating strategy for overcoming some problem, such as language competency or time pressures due to mixing work and studies. The course students were quite eager to share and discuss their experiences which helped to inform a subsequent seminar, titled Exploring for Mutually Beneficial Behaviors: Ethics & Responsibility at School & in the Workplace, where representatives of the three primary stakeholders, students, teachers and administrators, were interactively engaged in a dialogue about ethics and responsibility at JAMK. An outside facilitator with substantial intercultural training experience was employed as the primary facilitator for the program and to moderate the discussion as a means of increasing the objectivity of the process.

The overall objective of the seminar was to leverage knowledge gained thus far to focus attention among the seminar participants on developing mutually beneficial behaviors that will assist teaching, learning and managing in an ethical academic environment and that takes into account the diversity of all stakeholders involved.

The first day of the seminar started with a short description of recent developments concerning ethics and responsibility at the school, which was followed by a review and discussion about some notable traditions of philosophy. The current teaching and learning environments of higher education institutions such as JAMK University of Applied Sciences were characterized by the primary facilitator through internationalization compromising a variety of differing teaching, learning, social and collaborative frameworks and expectations; technology affecting teaching and learning; and financial aspects including risk management, staffing and time management. Students then reflected on, shared, and discussed in small groups their own sources of and personal orientation to what each individual thought contributed to the development of their own values and their views
toward ethical behaviour. These included mainly family, friends, religion, their educational environment as well as personal key formative experiences. Next, a stakeholder analysis was initiated to identify distinct groups within and around JAMK who stand to “lose or gain” something in the process of establishing sustainable ethical practices toward academic excellence. The facilitators next provided the results from the previous course workshop where students shared their ideas and created posters about the four challenge areas related to ethical behaviors at the school: group work conflicts, plagiarism, classroom and campus behavior, and cheating with intent and cheating without intent. During this process the motivation as well as time and resource constraints of the students emerged as factors bearing on the students’ study behavior. For example, the financial situation of a Finnish student who receives study support from the state was compared to that of a foreign exchange or degree student who may not receive any financial support at all, and thus must engage in working activities outside the school that will create limitations towards full time study activities. The different perceptions of past, present and future oriented cultures were addressed as well. The stories and needs shared by the students during this process also led to questions about the consistency and transparency of teaching and assessment methods at the school.

During the morning of the second day the seminar was joined by teachers, representing another of the three main established stakeholder groups. The background and goals of the seminar were reviewed and the stakeholder analysis was extended based on the input of the teachers. The four main challenge areas were addressed again and teachers also provided insights into and expressed their concerns about their own working and teaching environment. In the afternoon the seminar was joined by JAMK administrators, including the Educational Development Manager. Once again the stakeholder analysis was revisited to allow for the contribution of the administrators. From this point forward, all three stakeholder groups worked collaboratively to create ideas for improving the teaching and learning environment at JAMK.

Proposed ideas concerning reducing group work conflict included the establishment of agreed rules among group members as well as the use of 360 degree feedback within the group. Additionally, options such as collaborative teaching approaches, team learning, and in some cases reducing group size to pairs were recommended. Issues related to classroom and campus behavior seem highly linked to individuals’ personal responsibility but also to the teachers’ responsibility to implement consistent consequences. Personal responsibility and consequences were also associated with cheating with intent and plagiarism among the student body. More clarification and awareness about the term “plagiarism” was called for and based on differing cultural perceptions and practices. The Urkund system (http://www.urkund.com/en/) for detecting plagiarism was recently implemented at the school, and it was suggested that this tool should be equally and broadly implemented across all courses at the school. It was also suggested that students could be able to submit a text to Urkund for analysis before the final submission of an assignment so that the student could see any problems. Because the majority of the teachers and students in English-taught courses at JAMK operate in English as a second language (ESL), language competency as well as time constraints are connected to the coping strategy of implementing plagiarized content, partly because an immense amount of information is available in English and therefore easily accessible.

A limited number of courses, e.g., the currently offered ICT Skills course, provide students with guidance about JAMK reporting instructions for assignments. However, the course is only available (and also mandatory) for Finnish and foreign degree students; foreign exchange students may possess different skill levels for academic work and may be unwilling to seek and learn about the locally established reporting guidelines, and consequently this can lead to plagiarism as well. Proposed innovations included the establishment of a writing center and/or organizing workshops for academic writing. Another concern raised by some of the students included their perceptions of a low level of oversight and lack of clear consequences when plagiarism and cheating with or without intent occur. The students suggested that a more rigid approach toward proctoring exams as well as a zero tolerance rule with clear consequences should be employed throughout the school. Otherwise, the idea might spread among the students that plagiarism and cheating are easily implemented and few or even no actions are taken to avoid them. Open book exams, a strategy where the evaluation focuses on understanding not on memorizing (SGS, n.d.), were suggested by students and seemed to appeal to some of the teacher stakeholders.

Not only English language proficiency but also Finnish language skills were addressed. The motivation of foreign students differ for studying Finnish what is for some considered to be a rather difficult language to learn as an adult. Currently all foreign degree students are obliged to study basic Finnish language skills at JAMK. Interest in language learning varies among students. However, a real need for further learning of Finnish might develop when
the foreign student realizes at some point that he/she would like to continue studying, working or establishing full time residency in Finland. Within the English-taught nursing degree program it was suggested that the school implements Finnish language skills intensively during the first semester of the study program, because the nursing students spend a great amount of time in practical trainings where Finnish language skills would be essential.

It was also suggested that a non-native speaking (foreign) teacher may enhance Finnish language acquisition because he/she might have gone through identical struggles with the Finnish language and may not have the “cultural bias” that some Finnish teachers are perceived to evidence when teaching. The Each-One-Teach-One programme was also mentioned as a resource that connects two students interested in learning each others’ native language. Currently this programme is not guided at JAMK and no support materials are provided; a more supervised approach is recommended by students in order to enhance their own learning outcome.

The currently high reputation of Finland’s education system (OECD, 2000, 2003, 2007, 2014) does not meet the expectations of some foreign students participating in the seminar. Teaching skills and practices, and assessment and its consistent implementation was described by the student stakeholder group as one of the main issues related to the teaching quality. In this topic, course and assignment feedback was raised as an issue by students who also confronted teachers and administrators with what they perceive as a lack of impact on courses after providing course feedback. Currently, student feedback is only visible for the head of the respective degree programme and the teacher of the course. In response, the teachers claimed that students’ feedback is not received in high enough amounts, and hence the credibility of the course feedback is rather low. Students did show their concern and also were motivated to encourage other students to provide course feedback. Personal feedback toward returned student assignments is, in the minds of the students, insufficient and assessment methods are sometimes not clear enough. Teachers admitted that their current workload and responsibilities are too high to provide extensive feedback to students.

Furthermore, it was noted that the quality of teaching is currently not monitored. An administrator stated that the Finnish educational system is based on trust, and hence management expects that teachers will fulfill their job in the best way they deem fit. The multicultural environment in JAMK intersects a variety culturally based teaching approaches. As a result, what constitutes effective teaching approaches and teaching excellence is perceived differently among groups of students present at JAMK. Increased teaching quality control measures and “more” qualified teaching personnel was recommended by the student stakeholders.

Further development of resources and tools, more responsibility by students, and more focus by JAMK’s student union organization, JAMKO, on the learning environment seems necessary to ensure a good working environment for the increasingly diverse student body at the school. JAMKO’s potential role was seen by some teachers and students to be limited to event management, especially from the teachers’ perspective when planned events disrupt teaching activities. Foreign student stakeholders are not represented in JAMKO and hence, international representatives are needed to bring the multicultural perspective to the student union. It was also suggested that each degree cohort group could assign one student as a liaison with JAMKO, enabling a more smooth communication and information flow between the degree programme groups and the student union. Additionally, JAMKO could more actively facilitate discussions about ethics and responsibility among all student groups at JAMK. Moreover, at the seminar it was suggested that JAMK creates on its premises a nondenominational prayer room for all students.

The dialogue between the three stakeholders during the seminar supports some of the findings of our previously implemented research, but provides even richer insights and potential guidance in the form of suggested proposals for improvements. The stakeholder groups benefited from their collaboration, particularly so because they are each highly interconnected with each others’ activities within the teaching and learning environment of JAMK. Awareness, transparency and consistency are key concepts that emerged from the seminar.

5. Discussion

The host university’s culture, the Finnish culture, with its characteristics and traditions, dominates the environment at JAMK. The rather recent and rapid increase of foreign degree and foreign exchange students enlarged the multicultural environment to a point where inter- as well as cross-cultural perspectives are needed in order to sustain a suitable teaching and learning environment that is beneficial for all stakeholders. Multicultural
education aims at increasing educational equality, where Banks (2008) stresses the intersection of personalized and cooperative teaching methods as well as providing opportunities for students experiencing multicultural phenomena. Several needs are clear at JAMK that correlate with Ryan’s three challenge theme in multicultural education: academic, cultural and language shock (2005). Culturally based variances, particularly the impact of differing expectations regarding teaching and learning practices and methods among the main stakeholders at JAMK, have been illuminated through the implemented action research. The findings of the present study show that JAMK operates under assumptions of similarity, which - due to multiculturalism and the interaction of the main stakeholders - might negatively affect or at least complicate what constitutes ethically “correct” behaviour at the school. Student developed strategies for coping with inter- and cross-cultural challenges identified by Crawford and colleagues (2011) also have the potential to create a more stressful environment for educators and foreign students joined together at JAMK (Niemi, 2015). The seminar held in March 2015 showed that positive capital is created when the primary stakeholders are able to interact with each other in a productive way, and the implications seem to be that if these sorts of meetings can continue and produce results, the project itself will be sustainable, and the overall practice of ethical principles will improve significantly at the school. During the seminar the researchers were able to compare earlier finding with the experiences and ideas of the attendees. As well, the seminar reconnected us to old and drove us to new literature as a means of enhancing our understanding of the project, which in turns allows us to further develop recommendations for improvement. Finally, it should be noted that the involvement of students in the project bolsters their learning about research, about certain of the content in courses comprising the cross-cultural management specialization track, and makes them feel that they are a constructive part and stakeholder in the community, and that their opinions and ideas matter.

5.1 Recommendations

The project has already engaged students and staff to help create a variety of supportive resources. These include a commercially available educational video about group work and, presently, thirty student-produced videos that cover a variety of intercultural topics from academic shock to coping challenges and strategies. These videos are available to the public on the project’s YouTube channel “Tales From A Multicultural Classroom”. Presently eight student videos are underway that address issues pertaining to ethics and responsibility. Because the students involved represent different cultures present at JAMK, we are encouraged that the results will address our needs. This form of developmental activity is viewed as essential and should continue because it not only addresses issues at hand in the environment, but it also supports the learning of the students in terms of teaching research methods and related practices, and contributes to the development of intercultural communication competencies. Students are also developing knowledge bases pertaining to the largest national groups present at JAMK, wherein each knowledge base describes how higher education works in the respective country, and also describes traditions and cultural characteristics such as the relationship between teachers and students and how teaching is typically done. One thesis focused on higher education is completed (Niemi, 2015) and one other is under way, in which a student is examining how Vietnamese students are prepared for studying abroad.

In addition to the development activities already under way, other such activities are suggested and some are firmly planned. There is a clear need to develop a more “student friendly” guide to ethics and responsibility. In the seminar an administrator suggested that “the students” should write this text, and so an effort will be made to partner the project with the student union and produce a new student-centered guide with guidance and support by the administration and teachers. The plan is to write the guide in English and then translate the text into Finnish and other languages representing the top national cohort groups present at the school. We are considering producing video-based guides in the same languages so that the new students would have the option of being informed about ethical principles at JAMK in English or their native language if available. These recommendations and others suggested by and described above (Niemi, 2015) form the bases for continuing the research and related developmental project activities. Of particular importance is the continuation of the dialogue initiated between the students, teachers and administrators as well as other important stakeholders, e.g., those who teach about ethics and responsibility as well as JAMKO, the student union. Ongoing dialogue in inter- and multicultural contexts offers the possibility to increase and ensure understanding about current developments and issues because, “the conceptualization of culture and subsequent comparative analyses of any given cultures is equivocal” (Crawford, 2004, p.163), thus requiring ongoing attention and nurturing.
6. Concluding Remarks

The goal of the Teaching and Learning Across Cultures project is to develop mutually beneficial behaviors among the stakeholders in JAMK’s multicultural environment. Our research results and experiences thus far lead us to believe that the keys to success seem to be:

1. Acknowledging and factoring culture’s role in the process while not embracing and perpetuating stereotypical views toward any cultural group.
2. Creating useful resources for all stakeholders, promoting mutually beneficial behaviors that are attuned to the institution’s values.
3. Increasing awareness of the school’s ethical principles by ensuring consistent, comprehensive communication about resources and key information, and ensuring that all students, teachers, and administrators are reached.
4. Sustaining improvement by broadening and deepening the commitment to and consistent practice of ethical principles across the institution, playing close attention to developments as they occur, and making sure that the primary stakeholders are engaged and collaborate together.

References


Performing on a Foreign Stage: 
International Education and the City

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Abstract

Study Abroad has been analyzed from different perspectives (historical, sociological, anthropological, pedagogical, psychological), highlighting the complexity of the learning experience and its specific features. The performative element has been analyzed as prompted by cultural shock, related to previously rooted habits or behavioral frames. Applying operational concepts provided by performance studies can lead to new insights on the whole study abroad experience. The entire process – decision of applying for a semester abroad, arrival onsite, cultural shock, denial, minimization, adaptation and integration, academic experience and re-entry – can be understood as performance. Approaching study abroad as a complex experience, rooted in intercultural teaching and learning through the city (beyond the city) allows analyzing the phenomenon from a specific yet innovative point of view. Cross-curricular and interdisciplinary connections are promoted by both performance studies (as a discipline) and international education (as living and learning experience).

1. Introduction

The concept of Performance defines a multidisciplinary and intercultural field of study, whose subject includes theatre, dance, music, rituals and games, political action and electoral campaigns, demonstrations, sports and entertainment. Therefore, performative refers to practices that use voice and body as primary means of expression and implicate a modification in time and space. The discipline borrows concepts and procedures from different and interrelated academic fields: sociology (symbolic interactionism and social constructivism), linguistics (speech acts theory), anthropology (ritual processes), theatre studies (the workings of performance) and literary studies (semiotics and reception theory). Some of the above mentioned theories, and the corresponding analytical tools, can provide new insights on teaching and learning in specific educational contexts, such as study abroad.

Precisely, the learning experience of a study abroad student is (or should be) quite different from the learning experience the same student could have access in a regular educational context. When introduced to a new culture and to different teaching styles, the study abroad student is involved in a series of processes, which could be perfectly defined as performative: «The classroom, with teachers and students engaged in the process of education, establishes culture. It becomes a practiced place, a site in which diverse beings come together in order to engage and negotiate knowledge, systems of understanding and ways of being, seeing, knowing, and doing. This negotiation occurs through social performance, engaged practices of relations and interrelations» (Bryant, Anderson and Gallego, 2005).

Theatricality, with its multiple meanings and semantic density, can be used as operational concept, through the contribution of Roland Barthes (Critical Essays, 1972), Patrice Pavis (Dictionary of the theatre, 1998) and Juan Villegas (Análisis e Interpretación del Texto Dramático, 1982), among others. Precisely Villegas insisted on the social aspects of theatricality, whose analysis allows to identify and understand the representational modes used by each culture and interpret intercultural encounters or misunderstandings. Richard Schechner (Performance Theory, 1988) and Victor Turner (From ritual to theatre, 2001) extensively studied the phenomenon of performance and rituals. Social conflicts are structured as drama, including rupture, crisis, transition and final transformation, with the aim of either preserving an already established order (this happens in official rituals) or critically transforming that order. The symbol is the smallest unity of ritual processes, codified in their repetition and shared norms.

The relationship between actor, script, body and voice has been deeply analyzed by Eugenio Barba (La canoa di carta, 1993) and Tadeusz Kowzan (Littérature et spectacle, 1975). Creator of theatre anthropology, Eugenio Barba stated that, at the moment of performance, the actor fuses together three different and complementary aspects: the actor’s personality, the specifications related to historic context and specific theatrical tradition, the use of mind, voice and body according to techniques based on trans-cultural principles. Sociologist Erving Goffman (The presentation of self in everyday life, 1959) deeply investigated the theatrical performance in face-to-face interactions, the construction of the self in everyday life through the assumptions of roles, and the ways individuals frame their reality and knowledge.
It is clear that performance is a crossroads concept, based on findings from different and interrelated disciplines. The term is usually associated with the arts and with the 20th century avant-garde theatre. Yet, theoretical and practical applications of performance as operational and interpretative concepts exceed the limits of theatre-related fields, turning performance into a theoretical lens, a perspective, a comprehensive point of view through which analyze and interpret phenomena that involve social negotiations.

Performative refers to cultural practices that change established use of time and space, imply a collective behavior to which participants (actors and spectators) award a symbolic value, certain level of repetition and are structured around a system which is constantly subject of improvisation, change and transformation. Therefore the concept of performance itself cannot be reduced to terms such as spectacle, acting, representing. Theatricality would be the closes term, being a polysemic concept, that implies stage, actors and audience, staging based on a specific script (more or less structured), with a specific purpose. Furthermore, theatricality refers to both the physical place for staging and the production of meaning through acting and audience reception/reactions.

The metaphor of theatrical performance is a key concept in understanding educational models based on experiential learning. As the title of this paper indicates, Performing mirrors the term International Education, while Stage corresponds to The City. Performance studies, urban studies and experiential learning theory constitute the interdisciplinary framework under which the proposal is presented.

2. Teaching the City

During a study abroad term (semester or full academic year), the sites for a particular form of social performance are the specific environment where negotiations and relations take place: the city and, consequently, teaching styles, methodologies and assessment required by the precise and established learning outcomes. Experiencing the city, negotiating with its urban shape, history, organization and cultural sceneries, codifying its rituals and social textures, implies a performative component. Students’ bodies, voices and senses are displaced from their original stage and performed on a foreign (mostly unknown) stage. Actors (of their own staging) and spectators (of the city’s life) at the same time, without a previously assigned script, students are expected to improvise, negotiate, represent. Educators must be aware of the complexity of this particular learning process, determined by both the context and the students’ expectations. Moreover, in order to promote intercultural experiences, both students and educators need to be aware of the benefits provided by cultural immersions and intercultural learning. Issues such as language proficiency, academic culture, grading system, class structure and content, among others, should be addressed in order to analyze and validate the existing study abroad model.

Study abroad implies all of the elements of a theatrical performance (script, actor, spectator, rehearsal, staging), when the stage corresponds to a city. In an experiential learning context, this stage becomes the real classroom: to study a city (in the city and beyond it) is to study its people, its language and its culture, in order to provide (as educators) and experience (as students) a truly effective experiential learning.

According to Kolb (1994), experiential learning is «the process whereby knowledge is created through the transformation of experience». The experiential learning model is based on a dynamic process which begins with a concrete experience, the resulting reflecting observation, followed by abstract conceptualization and active experimentation. From a performative perspective, codes, rituals and staged acts are powerful elements in order to stimulate and undergo concrete experiences and their conceptualization for further experimentation practices.

Therefore, the leading research questions can be stated as follows: if study abroad is interpreted as a performance practice, is the teaching and learning experience using the foreign city as primary and real stage? In this case, is it possible to design a set of best practices in order to promote intercultural development (ID) through experiential learning?

A phenomenological study, based on Max Van Manen hermeneutic method (1997), is currently being conducted in order to provide answers to the above mentioned research questions. According to phenomenology, the point of view needs to be clear and known, as well as the cultural and social forces that could influence the researcher’s perception. The hermeneutic approach allows focusing on the experience as a whole, instead of analyzing only its objects or parts, searching for meanings rather than for measurements. The process of phenomenological inquiry should involve consecutive steps, as follows: 1) turning to the nature of lived experience by formulating research questions and explaining assumptions and pre-understandings; 2) investigating the experience, using personal experience as a starting point and biography as a resource for experiential material; 3) applying hermeneutic phenomenological reflection, through thematic analysis and interpretation; 4) writing the phenomenological text, taking into account that to write if to re-write.

The experience is being investigated through conversational interviews (based on four open questions), which have been specifically designed for students, professors and program administrators. Interpreting study abroad as a performance practice is provoking a double process of reflection: not only subjects are reflecting on the experience (how their biography is affecting or influencing the act of teaching and learning, how they name
expectations and feelings, how they narrate the experience itself) but moreover the researcher, thanks to the conversational space, is reconfiguring and constantly enriching personal definitions of performance, international education, city, intercultural development. Even if the study is still in process and determining findings are not available yet, the process of hermeneutic reflection is allowing to identify some preliminary practices that could indeed promote ID through experiential learning in the city.

A series of operational concepts are strictly associated with the broader notion of ID: a) Intercultural Sensitivity, the ability to discriminate and experience relevant cultural differences (defined by Bennett’s Developmental Model of Intercultural Sensitivity – DMIS, 1986); Intercultural Competence, the ability to think and act in interculturally appropriate ways; Intercultural Communication, the ability to communicate effectively across cultures, verbally and non-verbally.

And, in order to foster the above mentioned skills, it is essential to take into account a series of factors impacting ID in study abroad contexts, such as: cultural immersion: providing opportunities for students to become involved with the host culture; cultural reflection: facilitating systematic reflection on and from intercultural experiences; cultural mentoring: a specific pedagogical approach through which the mentor provides ongoing support for and facilitation of intercultural learning and development; intercultural facilitation: using multiple approaches for supporting intercultural competence throughout the various stages of study abroad programs.

As Richard Schechner wrote (The future of ritual, 1995): «Performance’s subject [is] transformation: the startling ability of human beings to create themselves, to change, to become—for worse or better—what they ordinarily are not». Education Abroad is a transformative process, through which students experience an inner change or, at least, a visible change of sceneries and habits. While actors of their own performance, students are also conscious spectators of performances embedded in the local culture. On-going Orientations could provide general information in order to decode reality: transportation, housing, academics, health and safety issues are addressed as part of the learning experience. Program directors, professors, on-site staff participate in the performance, from a double perspective: as actors themselves (involved in the living play students are staging) and as intercultural guides (facilitating learning, immersion and integration).

In this environment, the classroom becomes the place where social and cultural negotiations are analyzed, criticized and understood. Education abroad should stimulate intercultural learning, providing resources for analysis, critique and understanding. Therefore, professors are not only responsible for teaching contents, methods or technique: they are responsible for stimulating intercultural sensitivity and learning. If both students and professors are engaged in a transformative performance, the city becomes the stage where this particular form of social and cultural consumption takes place. Cities are real stages, where processes, habits, stereotypes, prejudices, differences and otherness are experienced, observed, conceptualized and experimented, through to the experiential learning cycle.

3. Barcelona in Translation

As Anderson and Lawton (2011) point out: «while the specific objectives established for study abroad programs vary from institution to institution, academic and intercultural competencies are common to virtually all programs [...]. Academic competence focuses on the specific discipline studied, while intercultural competence relates to the broad goal of enhancing student appreciation of differences among cultures coupled with the ability to function effectively in a foreign environment». Barcelona (top destination for studying abroad) – with its bilingualism, its rich cultural context, complex urban texture and precise identity – represents the perfect scenery for stimulating ID. An exploration of the “grammar” provided by the city itself – architecture, urban structure, cultural icons, transportation system, markets, neighborhoods – can allow international students to acquire tools and resources for increasing self-awareness and the ability to recognize and bridge cultural gaps.

Kolb and Kolb (2005) identify nine principles for experiential learning in education: 1) respect for learners and their experience; 2) begin learning with the learner’s experience of the subject matter; 3) creating and holding a hospitable space for learning; 4) making space for conversational learning; 5) making space for acting and reflecting; 6) making spaces for feeling and thinking; 7) making space for inside-out learning; 8) making space for development of expertise; 9) making space for learners to take charge of their own learning.

Translated into the field of international education, these principles can be not only implemented but also enriched through the specific connotation of study abroad contexts: language courses and classes focused on local culture are obviously a more adequate background for fostering ID. Field-trips and on-site classes, which directly involve the city and its culture, open spaces for acting and reflection on the learning experience outside traditional contexts. Internship and volunteering opportunities provide the space for conversational learning. Excursions and co-curricular activities make space for feeling and thinking. Host families create a hospitable space for learning. Re-entry workshops allow students to acknowledge and appreciate their own learning.

When explored from a comprehensive perspective, with the instructor acting as facilitator, literature, music, cinema, gastronomy, fashion, sports and the arts in Barcelona (as in every city) stimulate self-awareness...
and reflection, awareness of others and methods of bridging cultures, in order to experience a new culture in a meaningful way. While exploring, analyzing and understanding the city’s rituals and symbols – the FC Barcelona team, the Ramblas or the Gothic quarter, the traditional cuisine or the Mediterranean coast, just to mention a few – students explore, analyze and understand at the same time their own rituals and symbols, by translating Spanish and Catalan culture into their own and vice versa. Debates, sketching tours, observational tours through specific neighborhoods, interviewing locals, scavenger hunts, cooking classes, interactive visits to museums and cultural centers turn students and educators into conscious actors and spectators: cultural detectives and performers at the same time.

4. Conclusion

On the one hand, history, art, architecture, literature, urban development, traditions, festivals, languages, laws, economic and globalization processes convey in the creation, representation and projection of a city. On the other hand, the city is involved in a transformative process, precisely activated by international student experiences, negotiations and representations. Education abroad not only enriches students, it also reconfigures urban landscapes and processes. Educators have the opportunity of using the city as learning environment, as classroom set: as stage for the ongoing performance.

Current academic debate on international education is very much alive and opened to new perspectives, particularly related to teaching practices. Hopefully, the theoretical framework that has been presented and the upcoming results of the phenomenological will contribute shaping an additional way of understanding the relationship between international education and the city: performing on a foreign stage.

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Reconceptualization of Acculturation from the Non-Essentialist Cultural View

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Abstract

In this paper, I start with the three building blocks concluded from the diverse acculturation definitions across disciplines and then discuss the main focuses in acculturation studies. Through the review, I realise that a critical thinking of acculturation comes with a relatively comprehensive understanding on the notion of culture. Then I move on to discuss the notion of culture from two perspectives, namely essentialists and non-essentialists cultural views. After rethinking the building blocks in acculturation from both sides as well as considering the postmodernism tendency, I decide to adopt the non-essentialist cultural view to reconceptualise acculturation. Based on that, I argue that every individual could acculturate to an emergent culture in a cohesive grouping and then contextualise acculturation in a particular cultural arena-university students’ group work with an outcome of a framework to visualise the synchronous process of culture formation and personal acculturation.

I Introduction and Overview of Existing Acculturation Studies

Dating back to 1882, John Wesley Powell (1882) coined the term-acculturation to define people’s changes as a consequence of cross-cultural experience. It was anthropologists and sociologists who initially started to carry out research on people’s acculturation. Afterwards, acculturation studies was extended to other disciplines, for example, psychology and intercultural communications studies (Berry, 1994; 2005; 2006; Billigmeier, Da Costa, 2008; Furnham, 1997; Gibson, 2001; Gordon, 1978; Kim, 1982; Redfield et al., 1936; Sandhu et al., 1996; Schwartz et al., 2010; Skuza, 2007; Tadmor et al., 2009). Despite that researchers proposed diverse acculturation definitions with the consideration of vantage point from their own research fields, I conclude three building blocks by summarising the commonalities from them, which constitute the fundamental ideas for the acculturation concept. (1) People need to contact different cultures, that is to say, people should communicate with others from a different cultural background. (2) The contact or communication between involved people need to last for a certain period of time (a continuous contact) or even permanently. (3) As a result, changes could occur to either or both sides of the involved people. Amongst the building blocks, a hierarchical relationship can be explored. Contact of different cultures serves as the core because the second building block could be interpreted as the prerequisite to let (people’s) contact of different cultures happen. While the third one can be regarded as the consequence after (people’s) contact of different cultures. Besides learning from the definitions, I also learnt that the majority of studies show the following four aspects draw acculturation researchers’ attention.

- Three theoretical approaches noted in acculturation studies

(A) Stress, coping and adjustment approach is considered by researchers who examine people’s psychological adjustment when they move between countries with relatively huge cultural differences. Different stress and coping variables (i.e. life changes, cognitive appraisals of stress, coping styles, and personality) have been discussed (Berno and Ward, 1998; Cross, 1995; Masuda et al., 1982; Neto, 1995; Ward and Chang, 1997) and Berry developed (1997) a stress-and-coping model to highlight the life changes during cross cultural transitions as well as to present coping strategies to deal with them.

(B) Cultural learning approach is adopted by researchers who emphasise that newcomers to a host place need to acquire relevant social knowledge and cultural-specific skills in order to survive and thrive in the host environment, i.e. social skills training, increased interaction with members of the host environment (Harrison, 1992; Landis et al., 1985; Lievens et al., 2003; Ward, 2001).

(C) Social identification approach is taken by researchers investigating the change of cultural identity that people experience in the process of their acculturation (Ward, 2001). Researchers have presented several different models to describe and explain the changes of people’s cultural identities, which will be discussed in the following point.
These three theoretical approaches have been summarised as three components, namely affective, behavioural and cognitive components (hereinafter ‘ABC components’) that people experience in their acculturation process (Ward, 2001; Ward, Bochner and Furnham, 2001).

- **Three acculturation processes generalised in acculturation studies**
  Broadly speaking, researchers take two cultural identities into account for people’s acculturation: the identity nurtured in culture of origin and the identity developed in culture of settlement. Some researchers argue that people begin with total attachment to their indigenous culture and then gradually move towards total attachment to culture of settlement (Olmeda, 1979; Phinney, 1996; Ryder *et al.*, 2000; Schildkraut, 2007). This is a unidimensional/linear process of people’s acculturation. Differing from them, another cohort of researchers contend that both culture identities could co-exist in people’s acculturation process and propose the bi-dimensional/bicultural strategy to depict people’s situation in culture of settlement, for instance, Berry’s (1994; 1997; 2005) acculturation strategic taxonomy. Agreeing with neither side of them, other researchers consider that people will gradually create a ‘third culture’ as a result of combining both culture of origin and culture of settlement (Akram, 2012; Espinetti, 2011; Moore and Barker; 2011; Pollock and Van Reken, 2009).

- **Two levels of acculturation discussed in acculturation studies**
  In addition to that, researchers also discuss at what level people’s acculturation could happen. At group level, acculturation involves changes in social structures, institutions and cultural practices. At individual level, it involves cultural and psychological changes in a person’s behavioural repertoire through a long-term process (Berry, 2005). Berry (1997, p.7) argued that while the general changes may be profound in group, individuals are known to vary greatly in the degree to which they participate in these community changes.

- **An underlying assumption sensitised in acculturation studies**
  It is interesting for me to notice that the majority of acculturation studies are cross-cultural-oriented as the researchers adopt terms, such as home/indigenous culture or host culture, to describe, compare and contrast different cultures between two physical countries or between two ethnic communities. Thus, those researchers seem to directly establish the relation between the notion of culture (in acculturation) and national boundary/ethnic difference without a clear explanation. Further unpacking this underlying assumption, I would like to argue that the notion of culture plays an essential role in one of the building blocks-contact of different cultures-because a different interpretation of culture could lead to different understanding, for example, if culture is not related to the national boundaries, then what could be regarded as different cultures for people to contact? Moreover, as I point out before, contact of different cultures serves as the core. Thus, I intend to shift the discussion to explore the notion of culture because a critical review of the acculturation studies comes with a relatively comprehensive understanding on the notion of culture.

### II Exploring the Notion of Culture in Literature

The notion of culture has been discussed since 19th century (Biernatzki, 1991). At present, scholars has developed into two camps in terms of their interpretations of culture, namely, the essentialist view and non-essentialist view.

#### 2.1 Essentialist and Non-Essentialist Cultural Views

Centuries ago, while scholars began to define what culture is, they were under the influence of rationalisation, socio-economic differentiation, urbanisation and industrialisation, which were associated with the spirit of Enlightenment Movement that elaborated the principle of an allegedly universal rationality (Coome, 1991). Culture was presented as a repository of meanings and values, divorced from, but giving significance to economic and political life (Coome, 1991, p.189). In order to consolidate and legitimate the social power of the bourgeoisie, culture was understood, on the one hand, as a realm of transcendent, universal and timeless values and, on the other hand, was highlighted both its internal homogeneity and discrepancies from other cultures (Coome, 1991). This heritage of interpreting the notion of culture passed on over centuries. A number of current researchers adopt and demonstrate the understanding of culture in such a way in their studies (Hall and Hall, 1990; Hall, 1959; 1976; 1983; Hampden-Turner and Trompenaars, 1993; Hofstede, 1980; 2001; 2010). Holliday (1999) argued that these researchers tend to reify culture into something that exists above human behaviour in order to explain human behaviours. The notion of culture is understood as physical entities, i.e. nations, ethical communities, which are concrete, separate, visible and touchable with material permanence and clear boundaries (Holliday, 1999; 2000). The varying cultural features noted within a physical entity are treated
as its sub-cultural characteristics that still maintain the major features of that entity (Holliday, 2000). This kind of cultural view is essentialism (Holliday, 1999; 2000).

However, Stonequist (1961) discussed that cultures are not static but changing as they come into contact with each other. His understanding of culture resonated with Murphy’s (1986, p.25) argument that cultures are not rooted in absolutes. They are the products of human activity and thinking and, as such, are people-made. The elements of culture are artificial, contrived and changeable. Brower’s (1980) contention that ‘cultural differences’ in a context can be much more in terms of the differences between or within societies than between societies per se. It is thus, ‘both impracticable and unprofitable’ to attempt to define these differences in terms of national cultures (Brower, 1980, p. 113). Later on, Holliday (1999, p. 248) argued that culture could be learnt from cohesive social groupings with a dynamic, on-going process which operates in changing circumstances to enable group members to make sense of and operate meaningfully within those circumstances. For these researchers, culture is neither universal nor timeless and they do not consider culture a notion that has to come with a physical entity. Instead, they agree that culture takes on the attribute of fluidity. It is changing, dynamic and ongoing. This cultural view is non-essentialism (Holliday, 2000).

2.2 Essentialist and Non-Essentialist Approaches to Explore Culture in a Cultural Arena

Considering an essentialist approach to explore culture, essentialists’ starting point is to assume the cultural differences bound with a physical entity. Next, essentialists list some generalised characteristics of a target culture based on their observations. Thirdly, they pick up details or evidence to support the generalised characteristics of that culture. Fourthly, they use these characteristics to explain anything from that target culture and then reinforce, naturalise or institutionalise these stereotypes and result in otherisation (Holliday, 1999). In contrast, a non-essentialist does not begin with a pre-assumption that cultural differences exist between physical entities (Holliday, 1999). Holliday (2011) suggests some terms to capture the attributes of culture, i.e. fluidity, intangibility and complexity, which are highlighted by the non-essentialist cultural view.

- Cultural arena: a setting, environment or context within which cultural realities are situated (Holliday, 2011, p.55).
- Cultural reality: something which is going on around the individual which carries broad cultural meaning. ‘Reality’ implies that it is real to the person concerned, but may not be to other people. It is a psychological entity (Holliday, 2011, p.55). Individuals can develop and carry cultural realities when they move from one place to another. Being part of one cultural reality does not exclude the membership of another. People could belong to several different cultural realities simultaneously (Holliday, 2011). A cultural reality could be external, such as nation, region, ethnicity etc. It also can be personal which means what an individual concerns, draws on and presents to others. Personal cultural realities largely associate with an individual’s own cultural experience and particular concerns (Holliday, 2011; 2013).

Furthermore, Holliday (2011, 2013) develops a framework—a Grammar of Culture—to describe how culture forms in a cohesive grouping. His framework can be divided into three parts. First of all, three components summarise what an individual may bring into a cultural arena, namely, cultural resources (the society or place where we were born and brought up), global position and politics (how we perceive ourselves and others in the world) and personal trajectories (the personal life experiences that may have an influence on their dialogues with but not confined by social structures) (Holliday, 2011; 2013). Next is about the culture formation process in that cultural arena, which involves individuals’ participation and negotiation of their positions within the cultural landscapes to which they belong (Holliday, 2011; 2013). Each individual makes use of his/her cultural making ability and take different strategies and skills to interact with others. It is in this process that culture forms as all the members look for agreed behaviours and shared meanings. The last part is about two cultural products: artefacts (i.e. the ‘big-C’ cultural artefacts) and statements about culture (how we present ourselves and what we choose to call ‘our cultures’) (Holliday, 2013).

2.3 Considering the Building Blocks in Acculturation from the Two Cultural Views

Since essentialist and non-essentialist cultural views provide two different approaches to explore the notion of culture which serves as the core amongst the three building blocks, I could argue that the interpretations of all the building blocks could be different, which I demonstrate in the following table (see: Table 2.1).
From the essentialist cultural view to review…

- People are shaped by their culture of origin and now contact with culture of settlement.
- Culture receivers (who come to culture of settlement) learn from the culture providers (who have enculturated in culture of settlement).

To contact different culture

From the non-essentialist cultural view to review…

- People could contact new cultures in any cohesive groupings.
- All the people, on the one hand, they are the culture contributor, on the other hand, the culture learners because they together construct the culture in that group.

As long as the cohesive grouping exists or a person remain to be a member of that group.

- People need to physically move and stay in a new place where culture of settlement is different from culture of origin.

Contacting different culture lasts for a certain period of time or permanently

- Uni-dimensional outcome;
- Bi-dimensional result;
- Creation of a ‘third culture’.

As a consequence, the contact brings changes to either or both sides of the involved people

- Richness of the cultural realities in each individual’s mind;

Using the table, I could point out the fundamental issue regarding the underlying assumption discussed before. Those researchers are holding the essentialist cultural view and then adopt its approach to study acculturation. As a consequence, the acculturation studies are cross-cultural-oriented.

However, in a contemporary society, people have opportunities to present plurality, have the freedom to choose their own identities and affirm themselves to different communities or associations, which is the significance of postmodernism (Smith, 2013). The tendency of postmodernism largely weakens the importance and influence regarding the role of national boundary or ethnical community playing in the culture formation within a cultural arena. What people have experienced in terms of culture is no longer as simple or stable as what we assumed. What we actually experience is a cultural complex (Holliday, 1994) with multifaceted elements. Therefore, I am in favour of the non-essentialist approach to explore the notion of culture and become interested in exploring people’s acculturation process from the non-essentialist approach. As I liberate the building blocks in the concept of acculturation from the conventional ideas and extend their conceptual scopes, acculturation occurrence therefore does not limit to the situations when people have physical movements. In this sense, the default way to interpret culture as the culture of origin or culture of settlement is not appropriate because there is no longer a target culture available for an individual to move into or adapt to. A definition of culture from the non-essentialist view is expected in order to capture the extended ideas I added to the building blocks in the concept of acculturation. Given that, I define culture as the agreed behaviours and shared meanings (within any social grouping) that are on-going and dynamically constructed by its group members who cohesively conduct activities together in a particular cultural arena where circumstances can be always changing. The agreed behaviours and shared meanings are achieved from the composite of diverse cultural realities in that particular cultural arena.

III Reconceptualising Acculturation from the Non-essentialist Cultural View

Having understood the building blocks in the concept of acculturation from the non-essentialist cultural view as well taking the notion of culture I defined above, I am going to define the acculturation concept on the basis of rethinking the four main focuses in acculturation studies.
3.1 Rethinking of the Four Main Aspects in Acculturation Studies

Regardless of the boundary between culture of origin and culture of settlement, I contend that people could experience ABC components all the time and simultaneously within a cohesive grouping in a particular cultural arena as long as they are conducting activities with others. Therefore, the three theoretical approaches could be considered as a part of the personal cultural realities that are presented by and varied across people when they are interacting with others in a cohesive grouping.

Regarding people’s acculturation process, from the non-essentialist cultural view, the changes occur to people could be explored from the richness of the cultural realities in their mind. Thus, the process of acculturation could be regarded as a part of the personal cultural realities that are presented by and varied across people when they are interacting with others in a cohesive grouping. Therefore, the concept of acculturation has been developed from the cross-cultural-oriented towards the intercultural-oriented (by taking the non-essentialist cultural view) because acculturation could happen to everybody as long as s/he has in-depth connections and interactions within a cohesive grouping where they could mutually develop their cultural realities while construct an emergent culture.

3.2 The Definition of Acculturation

Like the notion of culture, the concept of acculturation defined from the essentialist cultural view seems not to be appropriate either. In this sense, I reconceptualise the concept of acculturation from the non-essentialist cultural view and define it as a dynamic and on-going individual trajectory through which the cultural realities may be carried with, developed or formed after a person has continuously conducted activities with others within a cohesive grouping, this assumption does not exist. The national or ethnocultural difference taken or brought by different persons could be seen as the external cultural reality. It acts as a kind of cultural resource, which may contribute to the cultural differences rather than the main reason to cause cultural differences.

3.3 The Culture Formation in the University Students’ Group Work

Now that people could acculturate to an emergent culture in any cohesive grouping, I contextualise acculturation in a particular cultural arena-the university students’ group work. First of all, each group member may draw on or consider the external cultural realities, such as (including but not limited to the following elements) national/regional higher education policies; a particular university’s regulations; the lecturer’s pedagogic aims etc. These cultures are also noticed by the essentialists who treat them as the overarching national or institutional cultures that determine whatever the students are doing in a group work. As a non-essentialist, I argue that these cultures are merely resources which each group member may make use of, but not necessarily confine themselves to them. Besides that, a group member could think of his/her positions with relation to the university and place where s/he is studying (global position and politics) and link his/her prior cultural experiences to this group work (personal trajectories). In this sense, every group member plays the role of a culture contributor, which means that a person contributes his/her own cultural realities to enrich the cultural complex in a cultural arena where all brought cultural realities (by all the group members) intermingle and then become a composite. That person’s brought cultural realities could become the resources for the rest members. Relying on every group member’s cultural making ability (skills and strategies), they interact with each other through discussion, negotiation, decision-making etc. It is through the interactions that agreed behaviours and shared meanings could be constructed. That is to say, an emergent culture forms in a university students’ group work.
3.4 Personal Acculturation in the University Students’ Group Work

In the process of culture formation, every group member’s cultural realities could stay the same (carry with the same cultural realities), be enriched (develop into richer cultural realities) or be created (form new cultural realities). That is to say, at personal level, each group member could take something away from that emergent culture into his/her own cultural realities. Therefore, each group member can be a culture learner to take something that is brought by others through interaction in the group work. Combining insights from the Grammar of Culture (Holliday, 2011; 2013) and ABC components explored in acculturation studies, I contend that ‘artefacts’ can be presented in the form of students’ behaviour, at the same time, the ‘statement about culture’ could be noticed in the way of their affect and cognition. In particular,

- Affective component: a group member’s expectations, emotions and feelings etc.;
- Behavioural component: what a group member did, reacted, said and acquired etc.;
- Cognitive component: a group member’s image of self, views towards others, and the group work itself etc.

Thus, I argue that, in the university students’ group work, every group member plays a dual role (culture contributor and culture learner) and everyone experiences a synchronous process of culture formation and personal acculturation. In addition to that, the personal acculturation process is unique to each group member. Based on all these arguments, I innovate a framework to visualise this synchronous process (see: Figure 3.1). Boxes [i] to [iii] illustrate what a group member could bring into his/her group work, which are shown by two brown arrows. Box [iv] demonstrates the interactions amongst group members within a group work where they could construct an emergent culture from the composite of cultural realities. The blue spiral arrow tells the dynamic and on-going process of culture formation and personal acculturation in a group work. The boxes [v] to [vii] represent the outcomes of personal acculturation in the format of ABC components after participation in the group work. All of these happen in a particular cultural arena, which is presented by the grey dots circle.

Figure 3.1 The Conceptual Framework of Culture Formation and Personal Acculturation

IV Conclusion

Reviewing the existing acculturation studies let me realise the importance of the notion of culture in understanding the concept of acculturation. Taking both essentialist and non-essentialist cultural views to
rethink the building blocks in the concept of acculturation provides me with different interpretations. Differing from the majority of acculturation researchers who seem to be essentialists in terms of their cultural views and approaches to explore acculturation. I adopt the non-essentialist cultural view to define the concept of acculturation and argue that acculturation could happen to everyone who interacts with others in a cohesive grouping because it could be considered as a change to each individual’s cultural realities in mind. People could acculturate to an emergent culture that forms in a group. Therefore, a synchronous process of culture formation and personal acculturation can be noted.

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GENDER VIOLENCE:
A trans-cultural and educational challenge

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Abstract

The purpose of this study is to show that gender violence is an issue that transcends cultures and educational level. From a comparative study between the University of Valencia (UVeg) and the Autonomous University of Mexico State (UAEM, Mexico) results show that gender violence is an international challenge, it is a historical and social phenomenon, and the result of unequal power relation, transcending the income gap, social and cultural classes. General guidelines are also provided to change this situation through education.

Keywords: gender violence; trans-cultural; education.

1. A point of departure.

Despite the legal advances and (at national and international level) legal recognition of the equality of men and women, still underlie inequalities and injustices, social practices, cultural products or family relations. This inequality is based on prejudices and ancient traditions that legitimize a social structure based on masculine domination and feminine submission,product of our patriarchal society: for example, commentators have suggested that rape only occurs if a woman labels it as such, while experiencing an unwanted sexual experience under the influence does not constitute rape. This perspective demonstrates stereotypical assumptions that many people still hold about rape, considering it to be an act of extreme violence perpetrated by an unknown assailant upon an unsuspecting woman who is willing to defend her sexual purity with her life. Such sentiments contribute to a culture that continues to put at least partial responsibility for sexual assault on the victim and normalizes sexual aggression as part of the male gender role”(Edwards, Bradshaw and Hinsz, 2014: 188)

This structure can not be maintained because it attemptsto democratic principles on which our State is based: All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood. Everyone is entitled to all the rights and freedoms set forth in The Universal Declaration of Human Rights, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.

In our century XXI, it is a priority to fight for achieve real equality between women and men in order to end discrimination, injustice and inequality experienced by women around the world without distinction of age, economic status, or cultural training for the simple fact of being a woman.

Nowadays, the existence of gender violence is recognized by the Organic Law 1/2004 of 28 December, on Comprehensive Protection from Gender Violence as "the most brutal symbol of inequality in our society". In this context, the universities, apparently, are not exempt from this situation.
Extant research suggests that at the universities, equal as any social sphere, exist practices to attempt to against woman dignity, being a violation of human rights, a social injustice and a real obstacle to academic, personal and professional development. The following testimonies presented emerge from different focus groups conducted in a previous research between UVeg and UAEM (López-Francés, 2013):

"(...) gender-based violence is closely related to culture. Normally the cases we see are usually marginal situations or social exclusion or culture-specific, which, as there is very little value in respect to women" (male; student of the UVEG)

"(...) gender-based violence is a matter of immigrants. All women always killed are Bulgarian, Gypsy, Moroccan, etc. It is a matter that depends on the culture" (female, student of the UVEG)

The former results show that beliefs that underlie these statements have profound implications, and it was decided to make a study to show that, contrary to what we often think, acceptance, tolerance and perpetration of violence against women is a universal issue that transcends the cultural stereotypes, social classes, and educational level.

2. Theoretical framework

Previous research at the international, European and State level, and specifically the results of the study conducted by Lopez-Frances (2013) reveal that reproduction of these structures indicates that objective and subjective discrimination is being made permanently, of time in time and in all cultures. As Nayak, Byrne, Mutsumi and Abraham (2003) emphasize, after interviewing 1067 students from four different Nations-India, Japan, Kuwait and USA- that between 6% and 12% felt that the husband had right to hit a woman if she was not obedient, not cared it or had been unfaithful. Similar results, involving 31 universities in 16 countries and a total of 8666 students participating, show that 42% approve violence against women in particular circumstances (Strauss, 2008).

Smith, White and Holland (2003) revealed that at the end of the 4th year of college, over 80% of participants had experienced physical violence at least once- man classmates, faculty teacher or staff university- 63.5 % was defined such physical and sexual. Only 12 % reported not having been physically or sexually abused during the past five years. In the same meaning, Graves, Sechrist, White and Paradise (2005) conducted a longitudinal study during four years in a college. In your research, they conclude that during the first year woman students are more likely to suffer physical and sexual violence, obtaining a percentage 25.5% during the first year among women surveyed, followed by 6.6%, 4.9% and 3% in the second, third and fourth years respectively. Also, the study shows that violence at the university level, not occurs only between equals, gender violence too happens between male university teacher to the female students; or to female university teacher by colleagues, superiors or even students.

Edwards, Desai, Gidycz, and VanWynsberge (2009), demonstrated that 87% of college women who participated in the study had suffered verbal and psychological abuse by not only by their partners but also of teachers or their relationships their immediate context. Afterwards, Edwards, Bradshaw and Hinsz (2014) make a study with 86 male college student. All participants were over 18 and most were juniors in college. The overwhelming majority of participants (> 90%) identified as Caucasian, consistent with the general student make up at his university, and all identified as heterosexual. In this research, a sizable number, 31.7% of participants indicated that they might use force to obtain intercourse, but would not rape a woman. This men exhibit a unique disposition featuring an inverse construct of hostility toward women with high levels of callous sexual attitudes: “We interpret this function as representing personality characteristics that might lend themselves to allowing men to not perceive his actions as rape and may even view the forced intercourse as an achievement. The primary motivation in this case could be sexual gratification, accomplishment, and/or perceived compliance with stereotypical masculine gender norms. The use of force in these cases might be seen as an acceptable mean to reach one’s goal, or the woman’s ‘no’ is perceived as a token resistance consistent with stereotypical gender norms” (Edwards, Bradshaw and Hinsz, 2014: 192). Furthermore, 13.6% of male participants affirmed that they would violate a woman “if no one ever knew and would not have any consequence”.

Other studies show that gender violence in universities it is more subtle, less visible than physical violence and sexual assault. Gender violence hides under more standardized discourse and quotidian practices, naturalized and perceived as an unavoidable issue, typical to relations between women and men (Spitzer, 2004). Therefore, it is much more difficult to identify. Even given this complexity, the results are worrisome.

In other studies, we find it interesting that furthermore of existence of a high percentage of physical, psychological, verbal and even sexual assault among university students is relevant the little recognition and/or knowledge that the university students has about this phenomenon. Gross, Winslett, Roberts and Ghom (2006), in their study of the experiences of college women with unwanted sexual contact, show that 27% of participants had suffered some form of sexual abuse unwanted (from kissing to coitus) and only 0.6% women reported this situation to the police or relevant institutions. This lack of recognition is performed in some studies as a consequence of stereotypes or erroneous beliefs about implications and impact of gender violence, so much for victims as for aggressors.
Thus, research concludes that exist elevated levels of physical, sexual or psychological violence at the university context. This result corroborate our present topic: gender violence is a universal phenomenon, therefore, it is a fallacy to consider violence against women is a matter of persons with less academic education and/or different cultural background.


3.1. Participants

The students who participated in this study were 435 college students of UVeg (254 females and 181 males) and 400 university students of UAEM (206 females and 400 males). Age were over 18 and under 35 (M = 21 males; M = 20 for females).

3.2. Measures

The purpose of our research is focused on interpreting and comparing perceptions among students of UVeg and UAEM about equality and gender violence. This research is mainly based on student perceptions.

The present research adopts a multi-methodological approach that starts from the assumption considering the different methodological approaches as a continuum inside entire research process. For this reason, it was decided to combine both qualitative and quantitative methodologies to achieve properly and rigorously the approach to social and human research. For this purpose, we used empirical-analytical perspective -questionnaire- and use hermeneutic interpretive - focus group-

3.3. Procedure

The items were formulated from the discussion groups (4 mixed groups, woman and men), according to Fishbein and Ajzen (Theory of Reasoned Action). From the formulation of items, we created a commission composed of expert judges to evaluate it (Gradation of 1-10 based on: clarity and appropriateness and relevance), from the assessment of experts we conducted a pilot test. The questionnaire was administered to 89 students from the University of Valencia. SPSS-19 statistical software was used to analyses reliability and validity, in order to achieve a refined questionnaire. After making the analysis of reliability and validity recommended, we obtained a questionnaire of 40 items grouped into 5-factors, with reliability 0.83 and total explained variance of approximately 60%.

4. Main results

In our study, students from both universities claim that universities are not doing enough or do nothing about gender equality or gender violence prevention, even students believe that their universities, sometimes, show tolerance to behaviors considered as gender violence (32% at UVeg and 45% at UAEM).

On the other hand, we observed few interesting results regarding the figure of university teachers. The image shows discrepancies between expectations and perceived reality: a high percentage of students from both universities indicate that it is the responsibility of the teacher to conduct training in equality and prevention of domestic violence (75% UVeg; 69% UAEM), however they state that teachers do not care about promoting the values of civic ethics (50% UVeg; 45% UAEM) and do not value their efforts to work this topic (38% UVeg; 34% UAEM). The students also perceived differential treatment based on gender (30% UV, 49% UAEM). It is interesting to emphasize this fact because this involves a number of prejudices about gender relations and it is a matter of radical importance since its existence in the university hinders women and men develop their potential, complicating the possibilities of building a dignified life at the height of their abilities and not corseted by sex / gender.

In this study, when we broached issues link to discrimination, inequality and gender violence in the university context, we discovered in the perceptions of students from both universities elevated percentages around the option "Indifferent". For example, the proposition "gender violence is a phenomenon that exists in my university context" responded 33% agree and 22% Indifferent in UVeg, and 64% agreed and 17% indifferent at the UAEM. In relation to "Indifference answer" to the items, we assume that items are embarrassing, that involve an exercise of complaint, taking a stance against the institution or colleagues. Not everyone is willing to take a stance, despite the anonymity assured. The reasons for this suspicion can be diverse: fear of reprisals; believe in its existence but considering that they are isolated incidents and therefore it is not importance; not wanting to be identified / labeled "feminist"; not give importance to these issues and their treatment in college; lack of recognition and / or knowledge of these situations; among others. In this sense, we must not forget that gender violence occurs in the universities and among community members is subtle and, sometimes not being perceived as such (Gross, Winslett, Roberts and Ghom, 2006). This lack of recognition is one of the main obstacles to overcome. This fact is important because the data, evidence and observations corroborate that gender violence is a reality and also occurs among people with a higher education level.

In general, the students have high percentages of zero tolerance and a positive intention inform against gender violence (UV 91 %; 83 % UAEM), however, exists a discrepancy between the statements and actions. When we analyzed each university separately, we found negligible percentage of complaints in situations of gender violence (Valls et al., 2008; Ramirez, 2008). We believe important to underline the existence a percentage of students that manifest to "agree" to tolerate certain acts involving gender violence (UV: 3 %
The obtained results reveal that violence against women, discrimination and gender inequality is an issue that also occurs among people with a higher education level. As of this revelation we could be drawn a conclusion: education does not ensure the prevention and eradication of gender violence but... which education? Does it the current? Of course not. Therefore, it is necessary to include aspects that modify the schemes of perception, beliefs, entrenched attitudes and erroneous assumptions to prevent gender violence effectively and any other social phenomenon that attempt against human dignity. In this sense, education can become a means of repetition although transformation and transgression too. Education can be the driving force behind transforming the patriarchal culture, thus enabling the transition to a new culture, allowing people to freely develop. There is not denying that all educational processes always implies the existence of an axiological project, with explicit values and others implied, based on the conception or image of the human being that anyone has. Therefore, in order to ensure the well-being and development, both individual and collective, we must challenge, criticize, and transform the patriarchal structure on which are seated our societies, institutions and education.

5. Discussion

The resultsshownthat gender violence is an issue that crosses educational and cultural borders. Therefore, it advocates the need for another type of education to replace the traditional model of differential gender by a construction of human equivalent, preventive models of inequality, social injustice and gender violence. It is not our intention to renounce the differences, since the difference abides the richness of social relations and of society itself, what we do not accept is that these differences are translated into inequality and asymmetry, contributing to destroy diversity and complexity.

Higher education institutions are considered as areas at the vanguard of thought, creation and dissemination of knowledge and culture inside society, and therefore, it has commitments and social and civic responsibilities that can not (nor must) forget: they must become a referencehaving a rigorous research, sensitizing and informing to all society, showing an attitude of zero tolerance for harassment and gender discrimination or violence. The university is a social institution that can not remain in different to issues of equality and prevention of genderviolencebecause of theirinvolvement and commitmentdependthedevelopment of professionalscommitted to theethical and democraticprinciple: “is not a mechanism of stone, brick and iron, even books and gadgets, but an institution, that plays a social function represented by persons, which in any case, and only from them we need to wait for its salvation or ruin” (Cosío, 1985:97)

The first step for this agreement is that the university itself recognizes that inside its walls there are situations that are considered by the international scientific community as discriminatory, even as violence against women. Various researches and studies show high percentages that relate the existence of discriminatory situations, inequalities and gender violence and the perception that the university teachers are not excessively worried or they do not appreciate issues as civic ethics, in general, and gender equality, in particular. Certainly, when there are these situations we can not say there is real equality between men and women.

In relation to teachers and university education, research reveals the need for work in university the education not only with "the brain" or "the hands" but also "from the heart", that is, not only scientific competences (knowledge) or methodological / technical (praxis) also personal competences (how to be) or social skills (live together). Therefore, is important to conduct teacher training in values of equality and respect. The students require teachers commit to their research and teaching but students also stress the need that teachers assume an agreement about values of civic ethics. In synthesis, we need to educate not only professionals but also citizens.

In short, contrary to popular belief, acceptance, tolerance and perpetration of gender violence, a symptom of gender equality is a universal issue that transcends cultural stereotypes, social class, income level, the educational background, age, religion or ethnicity. "The acceptance of violence beyond cultural stereotypes, social classes and, unfortunately, is not exceeded with a higher educational level" (Straus, 2004:807).

6. Conclusions

Gender violence is an international challenge, a socio-historical phenomenon, a result of unequal power relations, transcending the level of education and cultural differences. The first step is to recognize this reality, as agents of education, to be able to intervene in these realities and change axiologically in the beliefs and perceptions of people and structures of the institutions. In this sense, we present guidelines that will enable us to walk towards the attainment of effective equality between men and women (Buxarrais, 2008; Simón, 2011; Vázquez y López, 2011). Featuring:

a) Having care as ethically existential being and being in the world, giving importance to the needs of affection and care that all human beings have.

Having care as ethically existential being and being in the world. We have to take seriously the needs of affection and care that all humans have, inviting to the whole of mankind fall into the account of the interdependence between all human beings. It is important to enable men and women to be educated for a moral autonomy anchored in solidarity and concern for the welfare of the other, of itself and of the environment.

In this regard, care as existential ethics, also comes to retrieve the silenced voices of women and raise them to human and political category. The experiences and values, considered female, are placed in the center of these
ethical theories that are defined as character not androcentric. The ethics of care affirms the moral impulse does not obey to prescriptive principles but to the ethical sense. It is considered that we feel a moral obligation to care for others, if we have the power to do so, because we have also sued and we continue demanding care of others for our own survival and the reproduction and development of society. Care is responsible ethical response when we accept that the human being is not self-sufficient; therefore, the values and practices of care should be priority in the individual life and the collective life of citizenship.

Include the ethics of care in education would allow not only the learning of some values that make the world a more livable place, also certain capabilities needed for the creation and maintenance of life, the emotional ties, the care of dependent persons, personal performance or raising sons and daughters. In short, we believe education, understood in its broadest sense, must not only train new generations to enter the market of work or the economy needs also to pay sufficient attention to ethical, personal, and family life education; and take seriously the needs of affection and care that all humans have.

(b) Recognize and respect actively plural sexual, physical and cultural plurality.

Recognize and respect actively sexual, physical and cultural diversity learning to resolve conflicts of gender (We define conflict of gender all opposed needs, interests or values between two or more persons in which the roles and stereotypes of gender play a significant role in stakeholders perception of itself and the other) and regarded as equal and equivalent within diversity and difference. Betting in this way for a culture of peace, coexistence and affectivity and non-violence. The issue of the gender conflicts is an interesting aspect to take into account in the educational field, being necessary to provide the young people of certain keys that allow them to understand them, such as: the nature, the causes that generate them, actions and procedures for its resolution or management. It is important to emphasize the positive view of the same, since, if managed properly, can become excellent tools for personal growth, emotional development and social maturation.

Lederach points out, the essence often suppressed the conflict is that it is a paradox, constituted by the *relationship* and *interaction* of two adversaries interdependent understanding interdependence activities mutually dependent. That is, that many people define the conflict as *opposition* but ignored the fact that we also are co-participants of the conflict, we *co-operate* in the process and that, therefore, the interdependence is paramount in a creative and integral perspective of the conflict. We can say that the conflict is not only a paradox but that is positive and necessary for the growth of the human being, and we agree with the author when he says: *although it may seem ironic, deeply believe that conflict is indispensable for the human realization* (2000:58)

(c) Presence and equitable treatment of human work of women.

Presence and equitable treatment of human work of women, both the reproductive and the creative and productive work. In this sense, it is necessary to note the difference that exists between reproductive/productive. The term "productive work" is related to public space and is defined as any activity regulated and recognized legal and socially, from the Industrial Revolution. On the contrary, "reproductive work" is related to the domestic space, being understood as an unpaid and unrecognized, activity involving, among others, the reproduction of life, care for the vulnerable of the family environment or the maintenance of the home. Therefore, it is believed necessary to rebalance the presence of men and women, i.e. revalue what, until now, has been devalued by deemed feminine and oblivious to the scope of the public.

(d) Using non-sexist language.

Language is the means of verbal communication par excellence and it is defined as the ability or faculty developed in humans that allows us to abstract, to conceptualize, to communicate and to relate. It is important to be aware and know the importance of language as a tool description and reinforcement of reality, as a tool that structures our identity and our thinking. We can not ignore sexist traits remain in use. Despite the deep changes that women have lived, transmitted messages continue to show a small, partial and simplistic image of reality.

The language used must be inclusive thus avoiding the contempt, ambiguity or concealment of women and feminine.

(e) Appeal to the responsibility of the media so that they do not reproduce hierarchies of power.

Appeal to the responsibility of the media in reference to the media products and cultural - advertising, public speeches or politicians, TV series are examples of this - so that they do not reproduce hierarchies of power between the sexes, giving men an active role and passive/secondary wives. In our current society, the media are one of the ways that more influence in the process of socialization and development of the personality of the individuals.

Having said that it is fair to highlight that most of their products, which has special relevance some TV shows or commercials, carry out a reproduction of stereotypes and gender roles, as well as a different presence and qualitative and quantitative of the men and women. We must not lose sight that is transmitted as "normalized form" that it makes it difficult to perceive it and therefore criticize it.

(f) Promote the empowerment of women, demanding that they be applied to women, all rights, civil, political, economic, social and educational.
Require that they apply to women the women rights in fact and not just in iure. It is to the actual practice that is already established in the speeches in order to get an actively respectful democratic participation with justice, equality, freedom, difference, individual rights, recognition, redistribution and representation.

(g) Promote critical thinking and imaginative capacity.

Not only of oneself same/of the different realities and speeches, to be able to collect and select truthful information, understand it and refute it, defending the own point of view. The purpose is to be able to use imagination, thought, and the reasoning and do it in a manner truly human, a way shaped and cultivated by an integral education. Can use imagination and thought with guarantee of freedom.

(i) Work love as a fundamental concept in individuals’lives.

The love. When it comes to love there is a social trend common to identify it as a chemical, uncontrollable and unavoidable issue. Even in the academic world this trend. Researchers such as Beck and Beck-Gernsheim (1998) conceived love like lightning. Uncontrollable, it happens and stops following a (chemical) laws that do not obey or to individual intervention or to social control. Love is more than a biological function, can not deny the biological issue but nor ignore the aspects of social and cultural; "...to understand the love we have to go beyond the biochemistry and the theory of instincts, and delve into the human psyche and culture" (Prech, 2009:188). If you consider love as a social construction, based on Science, which is not the result of chance, or chemistry, or the inevitable but that depends on our socialization and education, we will not be determined by biological but conditioned by our context codes. Be determined involves not having possibilities, it is our destiny; You can not escape. Be conditioned means that there are ideas and ideals of love, more or less strong, more or less ingrained in society; You can however, Act, speak, and transform. Therefore, we underline the need to work on models of love where it is considered possession, fusion or delivery but integration. The other person is important but not essential. You can exist without that person, but they decide to do so she brings together.

We believe that these ideas, guidelines, tasks, or raised briefly premises, but we hope also enlightening, they would be minimal tasks features a pedagogy that fight for the recognition of the autonomy of each woman as an individual and as a collective women, dealing with any denial of rights or custody imposed by gender. This fight is an urgent ethical and democratic for decades.

It is essential to establish the principle of equality and eradicate violence at the University level to be fair with the University community and the rest of society. In this sense, when asked is it possible to eradicate all the possible resulting struggles of the mechanics of power? Foucault (1998) stated that power relations would never disappear: No, this ideal was nothing more than a fairy tale. The reality was that the fight would never have an end. However, he also insisted that the real struggle is only lost if it is not fought, if not working on every day, if not resisted. Perhaps it is a utopia to speak of discrimination, inequality and violence end gender, but it is possible to continue walking and advancing to achieve profound transformations and a more equitable world, fairer.

7. References


Intercultural competences to cope with culture shock

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Abstract

The decision to emigrate means thinking about the migratory project, and this requires intercultural competences to adapt to the new culture. The purpose of this study is to find out whether immigrant people (Eastern European collective) have needed intercultural competences to overcome culture shock in Spain. Another relevant aspect is to examine their perception of the concept of integration, as the final phase of this process. After carrying out interviews, the results indicate that immigrants understand that intercultural competences are indispensable in achieving integration, however it is also relevant for the host culture members to acquire them.

1. Introduction

The migratory project starts with a decision a person makes to search for better conditions in some aspect of his/her life. According to Arango (2010), this act is performed when a comparison is made between what the individual has in a certain geographical location and what he/she would expect to gain in the new country, whether real or only perceived. One of the main problems of the migratory project is having to deal with a new culture because it makes up our reality. In other words, by becoming immigrants, we misplace in part our cultural references, which are helpful in having satisfactory social relationships, and this is known as culture shock (Lysgaard, 1955).

In line with the contact hypothesis (Allport, 1954), individuals can change their mentality through the new information obtained in contact with other people, and this change lasts longer if it is produced by own individual’s experience. For this reason, people learn abilities or behaviours that script the person in her/his life. The contact hypothesis explains that the contact with other people, especially other ethical groups, make the people to open their mind. In that way, individuals in a society tends to accept the cultural diversity but this idea is not a reality although the society is itself very varied, and it is social and politically known that being different is a right.

Nowadays, there are more professionals who work with minority groups in different cultures, however this topic is very far resolved from what society expects. In many cases, individuals are ethnocentric and their own culture determines their behaviours and attitudes. When a person migrates to another country for work purposes if it is important to know what kind of competences the person would need to adapt and integrate in the new culture. There is a still a long way to go about research in this direction. Firstly, overcoming ethnocentrism is necessary; secondly, most of the reports about intercultural competences deal solely with them into the formal systems of education or companies, but it is forgotten the informal system (NGO’s, communities, associations, etc.). Therefore, there is a need to overcome in this kind of non-formal organizations in which individuals in the host society has an important role to play on the integration process.

According to INE-Spanish National Institute for Statistics (2013) there are approximately two million Spanish emigrants, whilst there are about five million immigrants living and working in our territory, and these statistics do not include any license for studies abroad in both cases.
2. Theoretical framework

Currently, news about returning migrants, professionals and graduate students that move to another countries are present in daily live news. However, mobility has happened throughout history: Middle Age (wars for religious reasons, illnesses or epidemics); Industrial Revolution (Problems with economy); Second World War (wars in different parts of the world); “the American period” (money and desire of discovering new countries); Twentieth century (economic and material systems, inequality between the countries); Twenty first century (the present economic crisis, brain drain).

According to Chambers (1994), migration is defined as a movement of people changing residence from origin to destination. This process needs to be aware of language, history, costumes of the new location, with another added difficulty: culture is dynamic and evolves over time. Whenever a person decides to migrate, he or she makes up a future plan which its results ought to be better or more positive in the new place than in the old one. But we must take into account that this “plan” can be real or perceived. The pretended goals, no matter if they are economic, social or familiar, are the “fuel” for movement, this is what it is known as “migratory project” in words of Arango (2000).

The migratory project is not free from troubles. The first of the problems is facing a brand new culture. As defined by Sáez (2006), culture is based on beliefs, values, and behaviours used commonly by all members of a community to interact with each other. Culture is transmitted through socialization, and for this reason context is crucial. In addition, other definitions of culture state that it is susceptible not only being taught and learnt but also being transformed. Therefore, any kind of culture can become intercultural.

Despite all, the migratory project forces you to know a new culture in which you have not been socialized, and this leads you to recognize a new reality which is different than the previous one the person is used to. In that moment is when a “culture shock” could appear. According to Lysgaard’s (1950), culture shock is the process through which the subjects loses his or her cultural background in order to achieve a good level of social interactions. There are several schemes explaining the different stages of cultural shock.

Various models have studied the phases of culture shock, including those by Oberg (1960), Guellahorn and Guellahorn (1963), Adler (1975), and Brislin (1986). What is clear from all of the models is that the final or desirable phase is adaptation or integration. However, this concept is often misappropriated by the public administrations, associating it with assimilation, as pointed out by Martinez (2010).

Even so, the majority of the professionals and experts in the topic of immigration interpret integration based on the theory developed by Berry (1997), in which integration means valuing the relationships with people from another culture as something positive, and helping them to conserve their cultural identity.

<table>
<thead>
<tr>
<th>Table 1. Models explaining the phases in cultural shock</th>
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<tbody>
<tr>
<td>Lysgaard (1950) Contact Honey moon</td>
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<td>Oberg (1960) Contact Honey moon</td>
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<tr>
<td>Guellahorn&amp;Guellahorn (1963) Contact Crisis</td>
</tr>
<tr>
<td>Adler (1975) Contact Crisis</td>
</tr>
<tr>
<td>Brislin(1986) Contact Denial of my culture and acceptance of the new one.</td>
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<tr>
<td>Conflict Crisis Disintegrati on</td>
</tr>
<tr>
<td>Adaptation Recuperation Reintegratio n Hesitation</td>
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<tr>
<td>Adaptation Adaptation Autonomy Systematization of both cultures.</td>
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<tr>
<td>Reverse cultural shock</td>
</tr>
</tbody>
</table>
The table 2 shows the stages in cultural shock defined by different classic authors. Many studies explain that the first phase “contact” it is crucial. That is, the first time people get in contact with another culture, they feel that the new culture is better than theirs. The second dimension puts in plain words that people have an episode where they open their eyes and they realize about the problems, they feel that the new people have stereotypes and other troubles. As time goes by people get to the phase of adaptation, where they learn abilities, behaviours and others aspects things that can help them to manage the daily life. Finally, in the last phase people that have developed the specific cultural competencies needed should have a good adaptation or as others authors define adequate “integration” in the host culture.

Therefore, attention should focus on the different stages of cultural shock. It would be highly recommendable to overcome these stages and reach integration or adaptation which will be considered in this study as synonyms.

From a legal and political perspective, “integration” in particular in the Valencia Community is related to a bidirectional path developed by both immigrants and local society. Nevertheless the concept of responsibility about learning and acquiring the minimum abilities needed is always the immigrant’s concern.

Therefore, there will be as many definitions as people discussing this matter, and the concept of integration is usually misunderstood as assimilation process. The former conceptualization has taken to a few researchers to find new concepts, as for example, accommodation process understood as an add process to integration.

However, actual ideas on integration are still based on the classic model of acculturation developed by Berry (1997). This model conceives adaptation as the conservation of individuals cultural identity but also considering positive establishing links with individuals from the host culture. When both result as positive, then integration is achieved.

### Table 2. Model of acculturation (Berry, 1997)

<table>
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<tr>
<th>Should I retain my original culture and identity?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Should I maintain relationships with the host group?</td>
<td>Integration</td>
<td>Assimilation</td>
</tr>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>No</td>
<td>Separation</td>
<td>Marginalization</td>
</tr>
</tbody>
</table>

Although Berry explained this concept, we need to be aware that there are other necessary variables for instance well-being, social support, and coping strategies variables that also affect the acculturation process. This has also been treated in other approaches such as MAAR model (Navas & Rojas, 2010). This model determines other psychosocial variables that affect this process, such as prejudice, identification with the in-group, and contact with the out-group, among others.

According to Aguilar (2014) and Solanes (2014), the integration process has some characteristics such as:
- Adaptation is an obligation.
- It is a bidirectional process.
- Integration is an asymmetric process because the dominating culture has a recognized power.
- The integration is valuable and desirable.
- The objective of adaptation is finishing with the exclusion.

Based on these characteristics, integration policies could take into consideration the following ideas: a) It is very necessary to value the different policies as something positive for the community, b) Integration depends on the autochthonous people conduct too, and c) The policies must consider that people need capacities for participation in the society.

Thus, in order to achieve integration, there is a need to overcome the different phases of culture shock. To do so, intercultural competences are necessary, as pointed out by Alberti, Medici, Coria and Magaldi (2010), who define the competences as the capabilities that make behaviour adaptation possible in the context of the culture of the host country.

As Vila states (2005), there are many ways to think, or act according to ethncial diversity. Aneas (2005) presents that these competences are developed when the person is suitable to do their job in multicultural context. Santos
(2004) adapts this definition and explains that intercultural competences are the capacities to interact positively with people from other cultures to understand them. In addition, the intercultural competences could have three dimensions: a) The first dimension is cognitive, this enlightens that people should think about their culture (Vilà, 2005). Some studies dictates that people with more cognitive competences had more culture self (Chen & Starosta, 1996). This dimension is the reflection about our culture, to modify the thoughts and aptitudes. b) The second dimension is emotional, it talks about giving and receiving emotions (Chen y Starosta, 1996). The most typical competences are empathy and open mind, but this needs the sympathy from the other person. c) The last dimension is a behaviour, which is more associated to verbal and non-verbal communication. For example, the non-verbal language can offer a better intercultural communication. Zelno (2011) indicates that in this dimension it is included not also not judging, active listen, and other social abilities. 

In relation to intercultural competencies there are many clarification models. McCroskey and Neuliep (1997) have the “Intercultural fear communication”. This model is based on the fear and anxiety that the person has when gets in contact with other person that is culturally different. The result is that when the individual is ignorant of a culture, he has more anxiety in the communication. Bennett (1998) developed the model “Intercultural sensibility” which stated that the intercultural sensibility is into the intercultural competencies. He explains that when the person has new intercultural competencies, he changes his mentality. So we see that this process changes the new information, new contacts or new experiences.

Chen and Starosta (2000) developed the “Intercultural communicative competencies model” which explains that adequate competencies promote good cultural conscience and positive feelings. As a result, one person with intercultural competences can give and receive positive answers and cope with the cultural shock. When we talk about cultural competencies, more authors explain a lot of competencies, although we will focus on Van der Zee and Van Oudenhoven (2000). This model “Multicultural Personality” is based on: cultural empathy, open mind, social initiative, emotional stability and flexibility. Empathy is showing interest for the other, for their feelings, from their own culture view ant not ours. The open mind is the aptitude that helps in overcome stereotypes and accepts different values. Social initiative is the courage to take decisions and then to be perseverant in them. Emotional Stability pretends to calm when the person has a problem, for example when you have a psychological problem because you are going through the cultural shock, you need to find an emotional stability. Finally, flexibility is the possibility to change the strategy to adapt yourself to the new context.

After reviewing different models on intercultural competences, it is also important to explain how competences can be developed. When people travel to other countries (except for international companies), they do not usually receive any specific training about cultural competences. According to Santos (2004), the real practice is the most important form to develop the intercultural competencies. However there are special programs to train competences. The principal ways to train are: videos, through research, read about politics in the new place, practical cases, role playing and others. In addition, Fontaine (1986) and Kirpatrick (1999) consider that it is very important to train about how to get social support in the host country.

However, all kind of individuals migrate to different countries and the majority, especially those with low economic resources do not receive any training in intercultural competences. Based on this premise, the main objective of the present study is to examine whether intercultural competences are needed to cope with the cultural shock people experience in the host country, and analyze which competences are the most important to adapt to the new culture.

3. Method

This study is based on a multi-case design and uses a qualitative methodology. For this purpose, in-depth interviews were carried out with immigrant people from Eastern Europe, taking as a reference the classification used by Gupta, Hanges and Dorfman (2002). We carried out six interviews, three of them studied and worked, one studied and one only worked. They were mainly women and are from Albania, Ukraine and Romania. The average is 31.3 and the SD is 10.96. They live in Spain during 8.83 years approximately.

A pilot interview was carried out before the application, leading to the modification of some words to enhance its clarity and restructuring the questions in various study dimensions to facilitate their analysis. The final interview had 27 questions and consisted of the categories of socio-demographic information, migratory project, phases of culture shock, intercultural competences used in their migration process, intercultural competences demanded by the native population, perception of the concept of integration, and future expectations.
In order to make the interviews, the researcher had to find appropriate suitable, the conditions were the good acoustic and calm relaxed atmosphere to create a familiar place. The interview analysis was carried out with content or codification analysis.

4. Empirical findings

Content analysis was used to analyse the information collected in the interviews. First, we analyzed the individual interviews and then take out our conclusions by group in order to the study the differences and similarities among interviewed individuals. In relation to similarities in the answer of the participants:

- migrants perceived that the migratory project starts once they arrived to Spain.
- Everybody went through the cultural shock phases.
- Three out of six participants went through the phases of honeymoon, cultural shock and adaptation.
- Participants agreed to say that the cultural competences were necessary to cope the cultural shock.

In spite of the fact that the immigrants spoke about the Spanish friendliness, they demanded other competencies, such as empathy and working with stereotypes and prejudices. Most of the interviewers defined the integration concept as a personal and unique treatment and how this must favor the contact with individuals in the host society. They understand that the integration needs the reflection about our culture and the necessity to open your mind to change the sociocultural concepts and how this is a product of acquiring cultural competencies.

Regarding differences, results show that for example when one persona thinks that integration is similar to “assimilation process” is due because this person is working in public institutions. Another difference is that in an interview we can observe new phases; the participant indicates the cultural shock reversed, that is, the process of return to the home country.

In sum, the results showed that the migratory project of the interviewees had come to life on Spanish soil. Inevitably, all of the interviewees had gone through the phases of culture shock, unanimously stating that they had all used intercultural competences to become integrated. The most noteworthy competences were: social initiative, learning new culture codes, emotional stability, languages, mental openness and constancy. In addition, they asked the native population to be capable of developing competences such as empathy and overcoming prejudices and stereotypes.

Regarding the concept of integration, they request personalized treatment that facilitates social contact with natives, as well as a change in the sociocultural constructs, which is made easier by the acquisition of intercultural competences.

5. Discussion

This study extends the idea that intercultural competences are not only helpful for the immigrant collective, but also for the society as a whole, as pointed out by Vera (2007).

Moreover, we have perceived that the definitions assigned at the legislative level, and even in much of the scientific literature, do not approach the definition provided by the immigrant people. The closest concept is “reconciliation” defined by García (2014). This new concept indicates that the native and the immigrant voluntarily give up their sociocultural constructions to form a new intercultural reality that stems from the experience of entering into contact with otherness.

We have seen that intercultural competences are indispensable in overcoming culture shock. Even so, they can either be acquired previously or gradually through the process experienced in the different phases of culture shock.

To conclude, the interviewees explain that the cultural competencies are necessary to integrate themselves to another culture and according to Brislin (1986) if they did not have them, they will have returned. The intercultural competences more used are: social initiative, learn new cultural codes, emotional stability, improve languages, open mind and be constant.

On the other hand, they demand their competences to improve the capacities to integration in Spain. They need more empathy, work on the stereotypes and prejudices, more social initiatives and finally open their mind. Furthermore, we discovered that the theoretical definitions are not similar to those that Eastern European people elucidate. For this reason, we need to explore more science literature to find a definition similar to this. We find
out that García (2014) explains the reconciliation definition. This is when the regional people and immigrant, they willingly new change their ideas, stereotypes and prejudices and other sociocultural constructs to walk together to create a new experience that will help to understand news ideas and feelings. This makes confidentiality for both. Then if the cultural competencies have demonstrated that they are very important, we propose that the teaching of competences expands to other places. For example it is necessary to work on these competencies in NGO’s, associations or other institutions.

6. Implications for future research and for practitioners

We are often not aware that the host society plays a fundamental role as potential facilitators of integration. However, very few studies have focused on analysing how culture shock affects immigrant people and how it is perceived by the host society.

7. References


“Damned foreigners!”: Immigrants’ communication and negotiation position in the Icelandic labor market

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Abstract

Iceland offers a rapidly developing job-market, comparatively favorable working conditions, and low unemployment, although salaries are comparatively low. Highly skilled immigrants in Iceland offer knowledge and skills that are in demand and often unique. Research suggests, however, that this important human resource may be underutilized and undercompensated. The current paper attempts to explore how immigrants in Iceland experience their negotiation opportunities with their (potential) employers, how they perceive their negotiation position, and if negotiation does take place, which issues are brought to the table. Twelve in-depth interviews were conducted with immigrants from other European countries. The interviews were analyzed and interpreted according to phenomenological methodology. Results have identified five themes in respondents’ perception; “helvítis útlendingur” (damned foreigner)/Icelandic language, “...the wall is always there”/Exclusion, “There comes a stigma with being a foreigner”/Inferiority, having to prove themselves, and being obligated to feeling grateful.

1. Introduction

Iceland has one of the fastest growing immigrant populations in Europe; the percentage of immigrants has more than doubled in the past decade and currently stands at 8.4% of the population (Statistics Iceland, 2014). Although wages in the Icelandic job market are fairly low compared to the rest of Northern Europe, unemployment is also comparatively low. A study comparing wages and working conditions among Polish migrant workers in the Nordic countries found the Polish immigrants in Iceland to receive relatively lower wages compared to the country average, but also lower likelihood of exploitation (Friberg, Arnholz, Eldring, Hansen and Thorarins, 2014). Less than half of highly skilled immigrants in Iceland hold jobs in their area of specialization and similarly, more than half of immigrants in Iceland feel that their education does not come into full use in their work (Jonsdottir, Hardardottir and Gardarsdottir, 2009). Therefore the likelihood is high that to a considerable extent, the skills and knowledge of the immigrant population are underutilized and undercompensated by Icelandic employers.

Immigrants frequently encounter barriers in the labor market such as lack of language skills, lack of social network, lack of recognition of their credentials, and discriminatory practices (Salmonsson and Mella, 2013; Van
Ngo and Este, 2006). The consequences of these barriers and immigrants’ experiences and coping mechanisms have been quite widely studied; however, less focus has been on how these barriers play out at the negotiating table.

While salaries and other working conditions are to some extent determined by collective agreements, they are largely contingent upon negotiation, direct or tacit, between employer and employee. Personal negotiations are even more likely in the case of highly skilled immigrants who hold university degrees as they presumably have access to higher level positions where various aspects of the position are expected to be negotiated. Imbalance in power may, however, restrict the ability of the employee to negotiate, to gain access to the negotiating table, and to bring alternatives to the table; and furthermore, the greater the perceived imbalance in power, the less the integrativeness of the negotiated outcome (Wolfe and McGinn, 2005). Perceived imbalance in power thus means that some of the interests of one or both sides may be ignored, resulting in lost opportunities for creating value. Thus we seek to study the experiences of skilled immigrants at the negotiating table and how they perceive their position vis-à-vis their counterpart.

2. Literature Review

Negotiations can have both distributive and integrative aspects. The distributive aspect of negotiation concerns the distribution of value between the negotiating parties, or the classic notion of slicing the pie where the key concerns is the size of the slice. In the case of employer-employee negotiations the distributive outcome concerns how much of the financial cost befalls the employer and how much of the financial gain befalls the employee. The integrative aspect of negotiation concerns the creation of value, or expanding the pie before slicing it (Sebenius, 1992). To make creating value possible it is crucial that the negotiating parties communicate their underlying interests, or what they value, rather than just focusing on offers and demands. This focus on interests opens up the possibility to bring additional issues to the table and, furthermore, to uncover differences in how the negotiating parties value the issues under negotiation. Value can be created when interests are compatible; when parties on one side give up something of little value to them but of greater value to the other side, and vice versa. While this sounds simple enough, most negotiators assume a priori that the other parties’ interests are identical to their own, or that the pie is fixed (Thompson and Hastie, 1990). The integrative aspect of employer-employee negotiations could include bringing issues to the table in addition to salary, such as working hours, vacation time, benefits, or assignments and duties. Value is created when for example the employee receives a computer that would cost her twice as much as it cost the employer to buy. Communication is necessary to uncover any compatible interests, and in order for communication to be open enough to reveal those interests, there must be adequate trust between the parties (Kong, Dirks, and Ferrin, 2013). Communication skills are thus integral to creating value through negotiation.

The likelihood that an employee will attempt to negotiate a better salary or better working conditions, i.e. propensity to initiate negotiation, is dependent upon culture and a number of situational factors in addition to personal traits (Gerhart and Rynes, 1991; Magee, Galinsky, and Grueinfeld, 2007; Reif and Broadbeck, 2014; Volkema and Fleck, 2012).

Here we will focus on two major factors that may have determining influence on the negotiation interaction, power and status (Magee and Galinsky, 2008), or in general terms, the availability of other options and the level of respect enjoyed by the employee. Immigrants, especially, may perceive their options more limited and their status lower than the general population (Behtoui and Neergaard, 2011), and as a result, accept salaries and working conditions that are worse than the country average (Friberg et al., 2014).

2.1 Power and the propensity to initiate negotiation

Research into the propensity to initiate negotiation has suggested that while the majority of employees do not attempt to negotiate a better salary package in job interviews, those who do stand to gain an advantage that accumulates over their lifetime career (Gerhart and Rynes, 1991). The evidence is overwhelmingly in favor of attempting to negotiate, although it must be taken into account that in some instances the consequences of asking for a higher salary have been negative, but only if it was a woman who was asking (Bowles, Babcock and Lai, 2007).

A significant source of power at the negotiating table is the availability and quality of alternatives, termed BATNA (Best Alternative To a Negotiated Agreement) by Fisher and Ury (1981). Thus either having a good offer from another employer or believing that one has a strong chance of a good position can bring a sense of feeling powerful in negotiation with the (prospective) employer and thus one would be more likely to attempt to negotiate better compensation (Gerhart and Rynes, 1991; Magee et al., 2007). When negotiators experience their position as less powerful, they are more likely to accept an offer without attempting to negotiate an improved outcome (Magee et al., 2007).

What one brings to the negotiating table also influences the power dynamics (Kim and Fragale, 2005). In this context it is important to consider the other party’s alternatives, such that when one perceives that the other party...
does not have a strong BATNA and needs what one brings to the table, one is more likely to feel more powerful and thus more likely to engage in negotiation (Magee et al., 2007).

Another key source of power is self-efficacy, which in turn has been positively associated with likelihood of asking or participating in negotiation (Volkema and Fleck, 2012). First of all of course is the belief that one can successfully perform in the negotiation itself, but equally important is the belief that one has the competence needed for the job itself, that one has what it takes to succeed.

2.2 Status at the bargaining table

Magee and Galinsky (2008) have pointed out the need to disentangle the concepts of power and status and how these concepts, while both contributing to social hierarchies, they are quite distinct. They define social power as “asymmetric control over valued resources in social relations” (p.359), and social status as “the extent to which an individual or group is respected or admired by others” (p.357). This distinction is relevant when considering how varying levels of power and status interact and influence how negotiators may be perceived by others. According to Fragale, Overbeck, and Neale (2011) persons of high status are perceived positively, regardless of whether they hold any power or not. However, persons of low status, but high power are perceived most negatively. Therefore it is important to consider how negotiators experience both of these concepts although in much of the research on power to date these concepts may have been confounded and thus more research on the effect of status in negotiation is needed. Many of the findings on gender differences in negotiation (cf. Haselhuhn and Thompson, 2012) may indeed reflect the effect of status differences.

Status is socially constructed and based on how deserving of respect and admiration an individual is seen by others. The importance of status for negotiation lies on the one hand in its influence on individuals’ propensity to negotiate, as a lower status individual is more likely to accept a higher status individual’s offer without an attempt to negotiate (Brett, 2001), and on the other hand a higher status individual is perceived as having more legitimate right to propose an agreement (Miles and Clenney, 2010). An important element of status beliefs is the notion that links competence with status (Miles and Clenney, 2010) and this is especially prominent in achievement oriented cultures such as the Icelandic (Ridgeway and Correll, 2006).

When people are awarded high status they are likely to be perceived as warm, regardless of the level of power they enjoy, while people who are awarded low status are only perceived as warm if they also hold low power – if they hold high power they are perceived as cold (Fragale et al., 2011). Although research is still lacking on this effect in negotiation situations, it is likely that the status one is awarded indeed will influence people’s reaction to attempts to negotiate and quite possibly, one’s negotiation propensity. As stated above, some of the effects of gender in negotiation may indeed be status effects, such as the negative backlash against women who attempt to negotiate (Amanatullah and Tinsley, 2013a and 2013b; Miles and Clenney, 2010).

According to Burt (1997) social capital is positively related to increased opportunities and rewards and is based on the individual’s position in the social structure of hierarchy (p.339). While that hierarchy may partly be based on formal power, a significant element of it is respect, or status. Behtoui and Neergaard find that access to social capital, or social networks, is positively related to position within an organization and that immigrant backgrounds mean less access to social capital (2012). Feeling as part of a network thus is not only an issue of belonging, but can be of economic concern as well. Skilled immigrants encounter further hindrance in that their backgrounds mean less access to social capital (2012). Feeling as part of a network thus is not only an issue of

2. Methods

The objective of current study was to obtain the essence of immigrants’ lived experience of communication and negotiating position toward their Icelandic employer. Thus phenomenology was well suited for this study because this research methodology aims to explore and understand the meaning of people’s lived experience as they reveal underlying structural realities (Martinez, 2000).

In order to seek out participants for this study, we began contacting employees at the immigration directorate in Reykjavik and they suggested that we advertise for participants on a facebook site that was specifically tailored for foreigners who live in Iceland. The same day it was advertised we already had more people interested in participating in the study than we needed.

Of the twelve immigrants that we interviewed, nine were female and three were male, all of them had a university degree, had lived in Iceland from two to fourteen years and they ranged in age from 32 to 48. One of the immigrants had a Ph.D., seven had Master’s degree of whom two also had a law degree and four had a Bachelors’ degree. Most of them had extensive work experience in their home country before and some of them
had worked and lived in other countries outside their native countries before moving to Iceland. Our interviewees came from the Netherlands, Poland, Germany, United Kingdom, Latvia, Lithuania, Spain, Portugal, Turkey and the Czech Republic. All of the interviews were conducted in English, except one in Icelandic, and they lasted from 40-75 minutes. In addition, eight of the interviews took place in one of the researcher’s office at the University, two in the interviewee’s office, and two via the internet. Interviewees were asked about, for example, the main motivation or reason for moving to Iceland, if they lived with their family, and if they had a career in their home country. Moreover, they were asked about the main responsibilities on the job, if their education matched with their responsibilities in their current job, and how they felt about their interaction with their colleagues and supervisors. Finally, they were asked about which language they mainly used on the job and if they could describe the hiring process and discussion about salary, responsibilities and vacation time. We asked probing questions in order to obtain more depth and a further understanding of the essence of their communication and negotiation experience.

The interviews were recorded and transcribed verbatim, names were changed into pseudonyms and analyzed according to phenomenological methodology using three steps of analyzation: description, reduction and interpretation (Lanigan, 1988). The first step is the phenomenological interpretation, which involves the interview process and transcription of the interview, the second step is reduction, which involves examining the narratives for essential themes. Finally is the interpretation, which is the third step in the analyzation process in where the initial themes are reduced once again to identify the most essential feature of the phenomenon (Lanigan, 1988).

4. Findings

The interviewees’ experience of living and working in Iceland revealed several themes. Most notably, their experience was characterized by discrimination, language barriers, exclusion, and lack of networks. The following themes that emerged from the interviews will be discussed: “helvítis útlendingur” (“damned foreigner”)/Icelandic language, “…the wall is always there”/Exclusion, “There comes a stigma with being a foreigner/Inferiority, having to prove themselves, and being obligated to feeling grateful.

4.1 “Helvítis útlendingur” (“damned foreigner”)/Icelandic language

The participants were shaped by their initial experience of not being able to communicate in Icelandic and many of them felt prejudiced against and like they were second class as Anita explains: “…from the minute I came to this country, you always hear ‘helvítis útlendingur,’ and it just stays in your head.” Moreover, all of the participants stated that not being able to speak Icelandic fluently was a major hindrance that prevented them from being able to communicate with their colleagues, employers, from being accepted in their workplace and their community as well. Sara says: “…if they think you cannot speak [Icelandic], they are just staying away…you don’t speak to these people, they are like strangers to you…we are just listeners…they don’t want to hear what you are saying.” In addition, many stated that the key to the Icelandic society and to have a chance to be accepted, foreigners need to be able to communicate in Icelandic fluently, without an accent and using correct grammar. Maria explains: “…if you speak the language a lot of doors will open. Then you are not a ‘helvítis útlendingur.’”

Due to the fact that some of the immigrants were specifically hired because of their expertise needed for their job, they were having a hard time understanding work procedures. Moreover, they described that they really worried about not being able to do their job well enough as they were having trouble understanding the discussions during staff meetings. They asked for clarifications numerous times after the meetings without any success. Lisa explains: “…the meetings are all in Icelandic, and I was told that they don’t have an obligation to translate anything…I asked for clarifications for months…I didn’t get them.”

In addition, not being able to understand discussions during staff meetings, others added to this tribulation by saying that when trying to discuss their salary they realized that it is a topic that is generally not discussed in public and that it is important to know the right people in order to obtain information about what people are being paid. Thus, the immigrants were not able to obtain information on whether they were paid an appropriate salary according to their experience and education. Maria explains: “I think [salary] is pretty much something you discuss here in Iceland, not at all. I tried…and here it is…it is not something you ask…I only met closed doors…I am still not sure if I have like good salary or decent.”

Even though the immigrants were very successful in their jobs, there was a hint of uncertainty because of not being able to speak Icelandic. Peter says: “…it doesn’t matter if you are speaking good English you need to speak in almost every single job you need to speak Icelandic.” However, Daniel who speaks Icelandic well explains that: “…we still tried to do things internationally, but it was very clear that things were going very Icelandic and that put me in a disadvantage…” Even though he speaks Icelandic, he still struggles for acceptance of being treated equally in terms of salary, promotions and other opportunities because he is not Icelandic. Thus, the language barrier created that sense of insecurity that stayed in their subconscious mind and colored their
experience. Anita talks about her interaction with her Icelandic colleagues: “…if someone wants to misunderstand something they were…I’ll never be taken seriously as the rest.” As a result of this feeling of insecurity and not being appreciated, two of the interviewees in this study left the country and a few others left their previous jobs and started their own company.

4.2. “…the wall is always there.”/Exclusion

Some of the immigrants claimed that the fact that they were not Icelanders and not capable of communicating in Icelandic excluded them from other colleagues, prevented them from building networks and from becoming friends with Icelanders. Moreover, they felt excluded from others in the workplace and there was a sign of loneliness and not having anyone to turn to with their thoughts and issues that came up at work. Lisa states: “…I had no colleagues what so ever…like I really need having people that I could discuss ideas with…I didn’t have that…” This exacerbated the situation of feeling excluded from the people they interacted with on a daily basis both at work and in the community. Lisa continues: “…in Iceland you have to have a connection with the community to have access to many things, I mean I think that it is very obvious in every job place in Iceland and I didn’t have that.” But not knowing the right people and not having the appropriate network it seems impossible to go through the wall and to connect to other people, as Daniel explains: “Everybody has this little kind of kingdom.”

The interviewees are ambitious people with university degrees and who desire to be successful in their jobs. Many of them realized that they had been treated differently from the Icelandic employees both financially and career wise in similar positions. In addition, the immigrants were kept longer on a trial basis before they were offered a full contract, but some of them are still living in the uncertainty of being rehired every year. Some of them discussed that it was impossible to get a promotion and to climb up the corporate ladder. Anita explains:

it was just no space for growth…it is absolutely not the market for someone that wants…to achieve more goals and to be taken seriously and on top of that, god forbid, wants to have similar salary. It has never been…possible in Iceland…

4.3 “There comes a stigma with being a foreigner”/Inferiority

The majority of the interviewees experienced different treatment than Icelanders when discussing salary, promotion, communication and negotiation about salary. In addition, they state that even though they had discovered that they were paid less than Icelanders, despite the fact that they had a Master’s or Doctoral degree, and the Icelanders did not, they had to accept that. For example, Daniel explained that foreigners had to watch what they say when communicating with their Icelandic colleagues, and he states: “…you have to swallow your pride and communicate with people you don’t like…it is still not easy…you realize …how you have been treated compared to your colleagues…both financially and career wise…it is a hard pill to swallow.” This is a sign of oppression as the immigrants are kept down with limited hope of getting up and Anita states: “There comes a stigma with being a foreigner…”

Some of the immigrants compared this experience to a feeling of being inferior and not being respected as a human being in this society. Anita describes her experience when discussing this feeling: “It’s a foreigner, what can they know…it was always someone who was trying to take advantage of things…all the lower staff sent me for the office for like drinks or things from kitchen…”

The word “útlendingur” (foreigner) is a negative label in the eyes of the immigrants that symbolizes ignorance, inferiority and being less of a person. Furthermore, when they hear the word “útlendingur” from an Icelandic, it is like a button that is pushed and a feeling of inferiority emerges from the subconscious mind. This is an underlying feeling of not being confident enough, not intelligent enough or not good enough for the job. Anita mentioned this feeling when she heard Icelanders talking about her: “Oh god, “útlendingur sem talar.” (a foreigner who can speak) and “it’s a foreigner, what can they know.” And Sara states when trying to negotiate her salary “they don’t want to hear what you are saying…they are like strangers to you.”

4.4. Having to prove themselves

The interviewees emphasized the feeling of constantly having to prove themselves especially when trying to negotiate their salary or other responsibilities related to the job. Daniel seemed surprised when he realized that negotiations weren’t about his contributions in the company, rather they were about whether he would keep his job or not. He explains:

…negotiation was always not about kind of gradually move in salary for example…it was more…about keeping the job, about getting the extension…and you had the feeling you always kind of had to prove
Most of the interviewees felt the same about having to prove themselves on the job. For example Lisa states: “...it seems as a foreigner you need to prove yourself way more than an Icelander...” Moreover, Lisa says when she was trying to negotiate her salary: “...I always had to argue more than any other male colleagues...I always had to justify...a lot better...” and she continues: “...someone with ten years of professional experience...with the qualifications...I don’t understand why I have to prove myself...” Others claimed that they felt that their employer said the immigrants should be grateful to have a job and that they were in fact very fortunate to be working in this country. And some of the immigrants in this study were starting to feel that they should be grateful to keep the job and did not dare to ask for more so they would not risk of losing their job.

4.5. Being obligated to feeling grateful

Iceland was claimed to be a land of opportunity before the 2008 economic crisis and many of the immigrants in this study decided to come to Iceland for the opportunity. Rosa explains:

…they offered me the job that was at the time when not many Icelanders wanted to [do this job]. So I was lucky and stayed there since then...this was the best job I could get, so I couldn’t choose...when you are foreigner you cannot choose. It is slower and takes more effort...

Most of the immigrants experienced their employers’ position in that way they should be grateful and some felt this more than others. For example Maria who does not speak any Icelandic says that she feels insecure about keeping her job: “I am in a pretty vulnerable position because this is a job I depend on, and if they don’t hire me where would I find a job here in Iceland?” And Anita had a similar experience: “…we are already giving you so much you should be so grateful.” Although Daniel speaks Icelandic very well, his experience resembles the others’: “…they were always, to me, in the position of doing me a favor type of thing.” The immigrants felt less valued because of their foreigner status and that they were not taken seriously due to the language barrier.

4.6 Discussion of themes

Devaluing the immigrants’ credentials, experience and competence thus can affect both their perceived power and status. As Salmonsson and Mella (2013) found in their study of immigrant physicians in Sweden, the immigrants often were marginalized and had to work harder for their advancements. This devaluation of credentials undermines the immigrants’ bargaining position; the Icelandic employers seem to disregard what they bring to the table, weakening their position. There is even an indication that some of the immigrants did not themselves bring up their credentials or education when they were negotiating. This is in line with Wolfe and McGinn’s results that perceived power imbalance may lead to lost opportunities for value creation (2005). This also indicates less respect for foreign credentials, that they can be disregarded, and that the status that should come with a university degree is not awarded to immigrants the way that it would be were they locals. Whether the immigrants accept this devaluation or not, they obviously feel obligated to ‘gulp their pride.’ They are likely to find themselves in a position that negatively affects their self-efficacy and thus weakens their perceived bargaining position (Volkema and Fleck, 2012).

Getting a job was more important for some than the actual salary so they felt no need to negotiate, or as Sara puts it: “…she just offered me, I didn’t ask anything. No salary, no anything, because I just wanted to be there and start work.” Furthermore, during the years before the crisis the exchange rate meant that Icelandic salaries were comparatively high so initial offers sounded good, for example to Daniel: “There was basically no negotiation, I just got an offer that I was glad to take.” When probed, he adds: “I was in no position to negotiate.” And Linda tells a similar story of her initial negotiation: “so basically I wasn’t in any position to negotiate at all, or so I didn’t think so.” They may have found the offer acceptable, but they also seem to believe that their only option in the situation was to accept (Brett, 2001; Miles and Clenney, 2010).

These findings fall in line with research on propensity to initiate negotiation which has revealed that the majority of people do not attempt to negotiate a higher salary than they are offered in job interviews (Gerhart and Rynes, 1991). What may be a more important factor is not the actual amount, but the fairness of the amount when compared to the salaries of others. The immigrants feel that they lack reference points for comparison since salaries are not openly discussed in Iceland. They also lack the network of close friends or colleagues who might share salary information.

The individuals who do attempt to negotiate tend to share a feeling that they bring something to the bargaining table that the employer needs, or that they have other feasible job opportunities. Rosa says: “I work in a field that is growing and it is important and there is a lot of talk about it so I feel there is need for it.” Similarly,
Winston feels needed, “That was also like they don’t want me to leave, actually.” And he also enjoys being sought after: “…jobs are being offered to me now because people just know that I’m doing quite well….” These individuals’ BATNA is strong, their perceived relative power it thus strengthened and they are more likely to initiate negotiation or discuss their interests (Magee et al., 2007).

Some interviewees mention having been fairly content with their compensation until they found out, sometimes by accident, what their Icelandic peers were actually being paid. In the words of Daniel when he “…had to hire people and asked what the starting salary was and it was higher than I was making at the time.” These individuals felt betrayed and devalued (Salmonsson and Mella, 2013). Not surprisingly, these highly qualified individuals, who no doubt had unique competencies that the employers could have derived considerable competitive advantage from, had left those employers.

5. Conclusion

Power at the negotiation table is determined by having unique and valuable resources to offer and by having other possibilities than this negotiation to turn to if offers are not feasible. Lack of language proficiency and lack of networks undermines this sense of power.

Furthermore, when the employer does not recognize the employee’s contribution or other opportunities, essentially devalues them, it further undermines the employee’s perception of power, even rendering the employee feeling utterly powerless and in no position to negotiate. Status at the negotiating table is undermined by negative attitude such as discrimination, exclusion and feeling doubted or constantly having to prove oneself. A negotiator who experiences low status is more likely to feel resentment and is less likely to bring up what he/she has to offer if not prompted. The distributive outcome for an employer in such a case may be strengthened, i.e. the employer may succeed in negotiating a lower cost employment contract with an immigrant than with an equally qualified native-born employee. The integrative outcome, however, may suffer as credentials and competencies are not discussed, recognized or rewarded and therefore the immigrant may not be assigned tasks where valuable competencies might benefit the employer.

In order to create value at the negotiating table, both sides must be willing to discuss their interests and what they have to offer. The experiences of the interviewees in the study suggest that they largely feel that they are not in a strong bargaining position and that they have to accept what they are offered. Negotiations thus were very limited. A possible result may be that the negotiating parties are not exploring avenues of value creation, thus missing opportunities that could benefit both.

6. Implications for future research and for practitioners

This study offers insights into lived experience of twelve immigrants from Europe and reveals a deeper understanding about what it is really like for a foreigner to work and live in Iceland. Furthermore, the findings of this study affirm previous quantitative studies on immigrants regarding the language barrier, the importance of networking, recognition of their credentials and discrimination. This study explains what these factors mean to the immigrants and thus creates a better understanding that only a qualitative study can do.

In future research it would be beneficial to conduct more interviews with highly skilled immigrants that are employed in Iceland to provide a further understanding of their experiences of living and working in Iceland. Furthermore, a large quantitative study would also provide a larger picture of the immigrants’ communication and negotiation position in the Icelandic labor market.

References


Pop media diversity representation - the role and place of EU stereotyping

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Abstract

Pop media in Europe has ambiguous position in the socio-cultural and political context in which intercultural representations are ascribed with potential contradictory ethical meaning. This paper tries to illustrate the importance of intercultural ethics in pop media through cultural diversity representation and EU stereotypes through the impact of internal video production of European Union institutional ad. The European Commission has been forced to withdraw a high-budget video promoting the EU enlargement being accused of depicting other cultures in a racist manner. This paper tries to demonstrate what the pop media diversity practice might bring to the society in terms of ethical respectful representation of the others. Through those insights, media editors’ cross cultural competences are also prerequisite for effective, meaningful and ethical video production. This paper will tried to show what may happen and actually happened if the need for mutual respect and understanding was ignored.

Keywords

Intercultural geopolitics, EU video production, Diversity representation, EU stereotypes

Introduction

The moves toward European integration and expansion to 28 members at the biggest enlargement at 2004 have made Europeans more aware of the importance of the European Union (EU). Most opinions of the EU are influenced by stories that circulate among the citizens that can be characterized as symbolic experiences which are mostly diffused by the media. The media can shape public views and could contribute toward creating a framework of reference of the European Union. Some of the studies provide evidence of the importance of the media in influencing what people think about a given issue and how cultural diversity issues are covered.

The way the media present the diversity issues can affect how audiences understand and perceive EU cultural diversity profile and its cultural policy. However, to what extent do we show cultural awareness and is an ethical awareness of the issue enough?

The concept of diversity representation is based on Jodelet’s definition (1991): ‘A form of knowledge, socially elaborated and shared, having a practical goal and converging towards the construction of reality shared by a certain social ensemble’. European citizens rely on the media for information about the EU, that is why is important and relevant to evaluate how the EU values with its motto ‘United in Diversity’ are portrayed in media and specially, how cultural diversity is represented in the EU own video production.

Diversity representation refers to ‘the embodying of concepts, ideas and emotions in a symbolic form which can be transmitted and meaningfully interpreted as signifiers in the context of cultural circuits’ (Hall,1997). Human knowledge and its understanding is socio-culturally constructed. Constructionist view means that we are fundamentally cultural beings and our views of the world are the products of historically situated interchanges among us. Consequently, the ways in which we represent the world are culturally specific. In this context, EU is concerned with discursive diversity representations and the socio-cultural context that shape and form its citizens representations. Foucault’s concern for discourses, among others, helped to link ‘diversity’ to ‘representation’.

Media diversity coverage is especially sensitive when it comes to ethnic, cultural and religious relations. The active democratic role of the media in Europe can be influenced by a number of factors. The way the media represent, focus and give

1 https://www.youtube.com/watch?v=9E2B_yI8jrl
3 France was a founder country, playing a key leadership role in the first Coal and Steel Agreement; Spain represents the countries of the Mediterranean that joined the EU in the third wave of adhesion in the 1980s; the UK is the most eurosceptic country of the EU and sees the EU as merely a form of loose agreements rather than as a supranational organization with political and economic unity objectives.
voice to different actors in society could have the unintentional result of strengthening a racist discourse\textsuperscript{6} instead of fighting against it.

Scholars have in this respect also bringing the term of the ‘new racism’ (van Dijk, 2000). One aspect is that the Other is generally not marked out as explicitly inferior. Instead, the ethnic, cultural, religious differences of groups and group members continue to be - often implicitly - essentialised. A second aspect of the ‘subtle’ racism is a process of ‘negative other’ versus ‘positive self’ presentation. This implies that, for example in the context of videos, descriptions of the majority group members (woman in the video) are often accompanied by words or actions that qualify them as positive (‘The more we are, The stronger we are’), even when their actions are negative. To some extent media might reinforce negative images and stereotypes without knowing or having the intention to do so.

What do these mechanisms imply in terms of the images and portrayal of foreigners or ethnic minorities is important question in multicultural European Union?

Here we can look at the stereotypical beliefs expressed about and the characteristics attributed to the groups\textsuperscript{7}. Messages through EU institution video aim to reach a broad audience. Media can intentionally and systematically narrows down the meanings of its messages even more than other forms of communication. This video might offer various interpretations that could unconsciously maintain, strength and justify a delicate societal unethical view.

**Theoretical approaches**

This paper is trying to contribute towards some reflective practices for managers in the media who are working on European and international scale. The purpose of this paper is to lay the groundwork for constructivist approach to intercultural media ethics.

**Discourse analysis** as a tool to examine a video will help us to understand its role in a possible change, in particular in relation to the current intercultural political situation. With such an approach we will try to deconstruct the visual and language messages attached to this video. This will also describe the relation between the video itself and the European image for in and outside of European Union. Understanding of the tone in the video will help us to whether the narrative refers was presented with negative, neutral or positive spin of the stereotypes. Stereotypes that emerge from those narratives might provoke distrust and misperception. Intercultural ethics will offer us the moral norms specialy those what would be the common and different in different societies\textsuperscript{8}. Explanation of the differences amongst cultures should be embedded within the descriptions of similarities. If particular cultural groups are portrayed only in limited settings, then their entire existence in popular thought becomes limited to those narrow portrayals. Heider\textsuperscript{9} (2001) calls this incognizant racism. Those systematic exclusion or stereotypical inclusion may not be deliberate but nonetheless results of the false narratives. Triandis\textsuperscript{10} argues that anyone seeking information across cultures cannot escape bias, including ethnocentric tendencies toward using our own culture as the standard of comparison. Simply saying ‘I will strive to be unbiased’ is not enough.

**Methodology**

This paper is organized around interconnected phases of case study and theoretical analysis. The concepts of intercultural ethics and diversity management have been applied too. The paper begins with a critique of different approaches to the problem of intercultural ethics and then proceeds to developing constructivist approach which theorizes the representation of cultural diversity in Europe.

The video under examination, will be analyzed also from on line public comments\textsuperscript{11} where the various audience expressed their understanding and feelings about this video. The selection of randomly chosen online comments from March 6\textsuperscript{th} 2012 until January 24\textsuperscript{th} have been analysed. The selection was based on those that have been mentioning explicitly or implicitly the multiple interpretations of the video. Majority of them are with strong political cross cultural statements. Those comments have mostly negative and some positive content. The paper concludes with some suggestions for action in the media production that deals with cultural diversity.

The first part concentrates on the background of EU treaty values of ‘United in diversity’\textsuperscript{12}. The second part will be analysis of the EU institutional\textsuperscript{13} video production trying to show the current practice of diversity representation. The third part

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\textsuperscript{6} Racism and cultural diversity in the mass media, An overview of research and examples of good practice in the EU Member States, 1995-2000 on behalf of the European Monitoring Centre on Racism and Xenophobia, Vienna (EUMC) by European Research Centre on Migration and Ethnic Relations (ERCOMER) Edited by Jessika ter Wal, Vienna, 2002; p.410

\textsuperscript{7} The role of language is very important, for example in categorisation and labelling of migrants, which may underline the exclusionary character of labels and the boundary marking of identities that is involved, for ex. in France the label of ‘clandestins’ for illegal immigrants was replaced by the more neutral ‘sans papiers’.

\textsuperscript{8} Ricoeur P., Soi-même comme un autre, Paris, Seuil, 1990, page 200


\textsuperscript{11} Access on and taken from online comments from the video, on January 24, 2015

\textsuperscript{12} ‘United in diversity’ is the motto of the EU http://europa.eu/abc/symbols/motto/index_en.htm
will be the discourse of political consequences and their understandings of European diversity policy and ethical representation of it. The diversity content analysis and discourse method will allows us to assess the extent to which the EU own production is covering cultural diversity issues.

The analysis of video have been done in winter 2014/2015 considering the fact that until than this video was the most popular one done by EU.

With discourse method we will try to apply analytical techniques14 with the aim to bring new insights to the analysis, drawing on different perspectives and new reading of potential interpretations.

Methodology framework approaches

Through six stages we will analyse the different perspective of the video message importance:

- *ad descriptors and its structure*;
- *objects used in the ad*;
- *actors, role in the ad*;
- *language and rhetoric of the ad*;
- *intercultural ethic standpoint*.

Date of video production by Mostra15 media company was edited 2012 with a duration of 1’25”. The size of video clearly expresses priority to be seen on web site such as YouTube. It has been seen approximately by 92 730 people and evaluated more by negative (436) than positive (156) marks16 with 331 comments. It spread across 7,000 websites starting on March 6, 2012. The production cost was about 121,500 euros.

Company - Mostra is part of global provider of consulting and technology services to governments and commercial clients. They are specialised in European institutions matters and other international organisations to raise media awareness about their policies and actions. They are based in Brussels. This should not pre-judge the videos because of who produce it but it might influence the realization and final product message. They operate on global partner network and therefore it is necessary to make a point on the ethics awareness importance in international productions too. In this case we can question not only EU institutions but the (media) companies capacities in diversity matters.

This stage identifies the discursive objects - topics - and the ways in which they are constructed in the video. This concerns more specifically what and how the video construct realities at stake in relation to the role of media for possible political change (enlargement). Discursive objects are not always explicit; identifying them, especially the implicit ones, ‘is an important step towards deconstructing and understanding the role of discourses’ (Carvahlo, 2000). Moreover, the discursive objects in video should be linked to focus and aim of ethics of diversity in media: focusing on the relevant discursive media diversity themes.

This stage involves identifying key social actors (three men are from ethnic minorities), as well as how they are represented in the video (using martial arts skills with a possible interpretation of preparing to fight a woman). Text and for this paper - video play an important role in representing social actors and in defining their identities and relations. They usually operate as ‘voices’ (the woman’s yellow dress turns into the stars of the EU). In media diversity discourse, some diversity actors may dominate with their perspective compared to others in terms of shaping the meaning in the video. This is a framing power of actors in relation to the narrative. Having the predominant framing power in relation to a certain issue is an important form of social influence.

This stage touches upon specific aspects of language. It involves looking at the narrative style (i.e. formal, informal, explicit, conversational) and the terminology used for representing a certain reality, that is, in this case, the video-vocabulary (i.e. role, actions, story, text) used for constructing the video message. In this video several language have been used: metaphors (woman-Europe), hyperboles (power of flying, martial arts…) and other symbolic figures (12 stars, circles, flying).

Ethical ideology through video is an inherent part of it. It can figure as implicit stereotypes (woman vs. man, minority vs. majority, war vs. peace) which contribute to producing or reproducing unequal relations of power or domination. Other forms might be patterns that are not at all arbitrary - metaphors, analogies, proverbs or humor. Their meanings are highly contextual and they shift not only over time but also between cultural settings. Maybe theory of semiotics that works through codes might be useful tool for better understanding of subtle way in diverse interpretation of this video.

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13 European Commission – DG Communication, DG Enlargement, DG Research
14 Carvalho, A 2000, Discourse analysis and media texts: a critical reading of analytical tools, Universidade do Minho, Centro de Estudos de Comunicação e Sociedad, Braga.
15 http://www.mostra.com/fr/index.html
16 Access on January 24, 2015
Case study – ‘Growing together’ ad

In March 2012 the European Commission withdrew a video promoting EU enlargement after it was accused of being racist. This ad features a white woman dressed in yellow - the color of the stars of the EU - walking calmly through a disused warehouse. It features a white woman wearing a yellow track suit, like that of the Uma Thurman character The Bride in Tarantino’s film ‘Kill Bill.’ As a gong sounds, she looks behind her as an aggressive Chinese-looking man shouting Kung Fu slogans jumps down in the style of the film Crouching Tiger, Hidden Dragon. As he moves towards her, an Indian-looking man in traditional dress wielding a knife levitates towards her. He is a master of Kalariipayattu, a martial art from the southern Indian state of Kerala. As she deals with him, a black man with dreadlocks cartwheels towards her in the style of Capoeira, the Brazilian martial art.

Three men are from ethnic minorities using martial arts skills with a possible interpretation of preparing to fight a woman. The woman stares at the men. She then multiplies herself to form a circle around the men who drop their weapons and sit down cross-legged. The woman's yellow outfit then turns into the stars of the EU. The video shows the words: ‘The more we are, the stronger we are.’ It then says: ‘Click here to learn more about EU enlargement.’

Comments after appearing on the YouTube provoked big discussion and representatives from EC regretted that the video had been perceived as racist and therefore apologised.

We might have positive, open and respectful interpretation of the video that starts with demonstration of man skills and ends with all characters showing their mutual respect, concluding in a position of peace and harmony.

We can also conclude that it was chosen as such to attract the young generation and to raise their interest towards the EU issues through familiar and known way to them. The words on the screen at the end are, ‘The more we are, The stronger we are.’ Maybe the ‘more’ refers not to the size of the EU population, but to its diversity. The message was maybe attend to go to the positive direction of - ‘the more diverse we become, the stronger we become’ - but nevertheless it did not reach its aim. The independent think-tank Open Europe described the video as very strange. ‘It is badly thought out and the question is whether this is the sort of thing they should spend money on and what it can achieve in promoting enlargement. The EU is a killing machine. Only this killing machine is subtle: her aim is to vanish other cultures and make us all the same, so nothing but her own clones remains’. One of the most frequent comments were:

‘@gamer124: it's not quite racist, but it presumes hostility of foreign cultures. It also sends subtle message that all those who do not take EU for The Bride will vanish. “EU” is represented as Beatrix (The Bride) from Kill Bill - she is a killing machine. Only this killing machine is subtle: her aim is to vanish other cultures and make us all the same, so nothing but her own clones remains’.

Or the message of this video might be negative: no other race can challenge ‘white supremacy’? as it was the most popular comment of the video on YouTube. EU spokesman Peter Stano said the video was ‘absolutely not intended to be racist and we obviously regret that it has been perceived in this way by some people,’ and apologized ‘to anyone who may have felt offended.’ As it was previously mentioned the video was aimed at 16-to-24-year-olds who understand the plots and themes of martial arts films and video games. It started with demonstration of skills and ended with all characters showing their mutual respect, concluding in a position of peace and harmony. Here we have another interesting point about age and equal opportunities issues and possible understanding of the plot which was define by those two defined categories of the diversity and there for it might be taken into ethical consideration.

Woman representing Europe in the video may also show aspect of gender category represented as weak, alone, threatened or…

‘@waltherP99100: I'm against racism, this ad just looks too racist to me.’

Three man might represent those that are marginalising and perceived to be culturally, racially different from ‘Europeans’.

‘@danielddube: Recognizing differences is not racist. These guys looked amazing, and their skills – enviable. The woman looked like she didn't stand a chance, until she cloned herself. Oh! Here's an idea, EU. Instead of appealing to young Europeans to be accepting of enlargement with an overt video, just secretly fund an army of clones... Way to go George Lucas - you were never called a racist...

‘@jesus christ., this video is really unsettling. As in the video after the white woman duplicate herself and surrounded the none-white they all disappeared! The hidden message is, "If all white european united we can surround and eliminate all non-white race". So, I guess what the head of European Union is trying to sent the message is, "be prepared, a race war is coming, we are going to unite then wipe out all other race"!

The objective of the video was to promote the enlargement of the European Union. It is indeed a call for more diversity but in a different way than through the case as it is presented in the video. It might also leave the space to interpret as enlargement towards China, India and Brazil, as the main actors are coming from those parts of the world, rather than to European countries.

17 http://openeurope.org.uk/today/vision/ Raoul Ruparel
There is also another reading of the video: The three foreigners represent India, China and Brazil, three growing nations who could become international powers in the future. It’s the so-called ‘BRIC’ - Russia is missing. The video might have one more interpretation ‘If we enlarge Europe with the inclusion of other countries in Eastern Europe we become stronger economically and can better fight against the other economic powers.

Toggenburg G. (2004) identifies two other meanings of diversity from the EU constitutional law: the diversity of European cultures and the diversity of (inner) EU structures. The strongest form of the diversity is the one aimed at the maintaining the national identities of the member states. The outcomes depends on the political circumstances and consciousness the diversity cultural policy of Europe. How much diversity Europe can afford in the future will also depend on how reliable its unity will be’. And as Piketty19 said ‘the history of income and wealth inequality is always political, chaotic and unpredictable; it involves national identities and sharp reversals; nobody can predict the reversals of the future’.

Inclusiveness is certainly one among several important features in this permanent tension between unity and diversity. This is creative tension and driving force of the EU cultural policies but also a main component of the non written fundamental ethical charters of the EU. The media has not been successful in establishing ethical representation between citizens and the EU institutions20. The most difficult aspects that media have to consider when covering the European Union issues are tied to general rules and mechanisms, as well as to ethical cross cultural aspects. Nevertheless some aspects are difficult and challenging to present like a process of european integration or european cultural diversity. Some of those aspects are obviously interconnected. The difficulty for media is how to make the European Union attractive. EU policy is characterized by its bureaucratic language and acronyms, which makes it unattractive.

The difficulty of the journalist is to make people understand directives and policies so that citizens realize the importance they have on their lives. It is complicated because the EU is something that is not completely federal or only supranational. The challenge is to present cultural diversity in a way that is realistic, interesting and understandable. To make it attractive, media appeal to what works well when covering politics; that is, producing shocking headlines, often combined with conflict and bad news. In this video we can conclude that the same policy was applied. Attractive short video, based on blockbuster American film - ‘Kill Bill’ with a shocking choice of actors and taken actions. The media (video) emphasizes the drama (it might be a fight!) and negatives (fear from man), rather than positives actors, as reflected in content analysis.

Media concentrate on competition between ideas special between identifiable individuals (woman The Bride), stereotype groups representing gender (lonely woman, Indians, Latin Americans...), nationality, religion (Muslim, Hindu) or country (Brazil). Also attractive for the audience are debates in which clear-cut ideologies are opposed, such as statements that have some content that could be perceived as anti-European or anti - any nationality. European cultural localization might keep its own cultural diversity in focus, which in turn, could diminishes the ‘we-are-the-world’ attitude.

If no any change EU media production would most likely reinforce nationalism over the long term rather than attachment to the EU. There is an important and difficult contradiction here. On one hand, by emphasizing bad images, double meanings, threats and finally; and, aimed at combating racism, being pulled for being racist itself.

**Ethical reading of EU motto - ‘United in Diversity’**

As we can see it is a tiny line between ethical representation of diversity and manipulation that can arise from it. This provide an important insight for better understanding on the ethical representation of the EU cultural diversity. Furthermore, many of the principles that dominate in this video undermine information on the EU values. EU values might be seen as single global identity while at the same time preserving the identity of each member state. The two components, Unity and Diversity, can be seen as ‘both equally prominent values’.

Piketty19 (2014) said ‘the history of income and wealth inequality is always political, chaotic and unpredictable; it involves national identities and sharp reversals; nobody can predict the reversals of the future’. Ethically challenging points are: The slogan at the end - which states that European strength correlates with the size of its population: Europe represented by woman conquering masculine world; Masculine world represented as ‘third-world-er’ threats and finally; and, aimed at combating racism, being pulled for being racist itself.

One of the factors constraining a citizens' debate on the European Union is the very limited coverage21 of EU information in the audiovisual media. In line with its communication priorities, the EC took decision to increase production and dissemination on its own platforms of high-quality edited audiovisual reports and video news releases that illustrate or explain EU policies. Video content has become increasingly popular with citizens specially via Internet.

Much content is available from the Directorates General (DG) in charge of specific policies, but there is no editorial line or real overview of what is available and where. European Commission already produces video packages on a wide range of subjects22. A budget of €1.8 million has been earmarked for video production. DG COMM will provide common editorial, technical and legal guidelines for all Commission services, ensuring that audiovisual products meet the requirements and are disseminated through various platforms and match citizens' expectations and habits.

The right of the citizens is also to be represented as individual or as a group with full respect of his/her personality and its image. There is also an aspect of the limits, frames and border when it comes to the implementation of the respect category in media. The fact here is to realize the gap between how the picture of cultural diversity is taken and represented in EU.

Most probably we can think of the lack of intercultural awareness rather than conscious political decisions. That is why EU might look for the more responsible role when it comes to the representation of the diverse society we live in. It is obvious gap between the cultural policy and media ethics regulation on one side and the diverse reality on the other side. This means also that media understand what to expect from society as well as what society expects from media. It is citizens moral right to be informed. If it would not be the case than we can introduce the need for the term of public cultural truth23.

A central conclusion is that this video might be reformulated public truth of cultural diversity. The moral level of the system and of each actor (European institution internal media policy, programme managers, editors, journalist, media professionals) depends on the level of dialogue among actors and mutual recognition of moral claims of all of the actors and the message they want and need to share with the European audience - citizens. Guidelines and codes of ethics have been formulated in most EU Member States. Such guidelines are an important tool to increase also an intercultural awareness among journalists, but they only have value as recommendations in most countries, no legal value.

In Belgium and Luxembourg, ethics codes and constitutional articles have been applied by official bodies to prosecute those using racist language or inciting to racial hatred, e.g. on radio. Such applications are mainly working against extreme forms and not the more subtle ones. In this area of our interest we can notice also that the forms of racism we are talking about are most of the time of a subtle and implicit nature.

In Serbia the draft of 11 ethical recommendations24 which was made on 2011 - for professional journalists in online sphere, shows that there is no single word that can make any link with intercultural aspects or ethical respect of diversity. Nevertheless, we can also address the key question what does intercultural ethical conduct means for European institutions? What they need to do to promote intercultural ethical practices? What are the intercultural ethical dilemma facing European institutions media appearance.

As Bennett25 puts it, ‘... cultures differ fundamentally from one another in the way they maintain patterns of differentiation’ (1993). The purpose of intercultural dialogue on ethics is not so much to arrive at correct ways of thinking or behaving but rather to show that all ways of thinking and behaving are contingent, that alternatives are always available. If anything universal than it should be understood to refer not to norms which are applicable to all persons, at all times and in all places, but rather to norms arrived at by a particular group of interrelated people (actors from the video), acting at a specific moment in history (21st century) and in particular social and cultural contexts, whether these contexts be intercultural.

Principle can be proposed to lead the process of constructive dialogue which is intercultural dialogue in which 3 man representing 3 ethnic groups and a woman negotiate the norms that will be in a given situation of their interaction.

Following some approaches such as theories of justice, feminist ethics, ethics of duty we can conclude that fairness, care of others, relationships and duty to others might be the most important consideration in this case study. Having this in mind relevant approaches include following questions: - concerning theory of justice: Am I treating everyone fairly enough (the treatment of 3 man in the video?) Have processes been set up to allow everyone an equal chance (extra human powers, tools)?
- concerning feminist ethics: How would the other affected parties (being attacked, fear) feel in the given situation? Can I avoid doing harm to others?

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21 Audio-Visual Communication (Flash Eurobarometer n°199), March 2007
22 DG SANCO - https://www.youtube.com/watch?v=86Kvui8xldO
DG RTD - https://www.youtube.com/watch?v=wBCmt_pJTRA
DG ENTE - https://www.youtube.com/watch?v=gFsQPlaizkX0
23 From Codes of Ethics to Public Cultural Truth A Systemic View of Communication Ethics, Robert A. White - http://ejc.sagepub.com/content/10/4/441.abstract
- concerning ethics of duty: Who do I have obligations to (EU citizens) in this situation? What would happen if everybody acted (fight) as me? Am I acting for my organisation (EU) or am I thinking what they (other ethnic groups) might want too?

If some of the ethical principles are not followed we might find a risky situation where, if ignored, can inhibit rather than promoted diversity. Audience might respond with caution and may find themselves evaluating the target culture in a negative manner. Media should make serious efforts to move away from geocentricism and ethnocentricism. When media engage in stereotyping and presenting one-sided information they can also add fuel to mistrust, suspicion and misunderstanding. Relevant questions that the audience might ask are: Why were the choices of these images presented to me? What might have been the reason for their selection? What should be done: EU cultural diversity issues through media production should follow several ethical principles:
- mindfulness - being aware of citizens need to acquire the knowledge of and the value of the EU institutions.
- supportivness - create a video where environment is in atmosphere of acceptance of, adaptation to and integration of diversity.
- involvedness - address the inclusion and integration from intercultural prospective where the citizens are living and intend to live together.

We can see how these rules might play out in the different intercultural scenarios that appear at EU promotional intercultural videos. Why the parody was based on Kill the Bill? What are the EU values that are shared and send to the larger audience? What if citizens behave on the same way - reinforcing stereotypes?

There would be no place for different Other to stay and we would begin to revert the logic of intercultural cohabitation. We would also see the reality and the different Other not as someone who “attacks us but rather as people with whom we do live. The point here is to understand other’s perspective from their point of view, from their power position and from their contextual perspective. This can only happen through dialogue with them. The principle of speaking ‘with’ and ‘to’: This video must not simply represent others, but must speak with them, to be constructively critical.

Intercultural ethical model based on Stringer and Taylor (1991) support and challenge of intercultural communication see in foundation of any public appearing (media included) that shall be in a nonjudgemental, nondefensive and nonthreatening atmosphere. This mean that we shall permanently involve the evaluation and application of moral values as multiple existing standards. They point out that the factors of moral reasoning defining the situation (the place of the EU representation of cultural diversity in the context of enlargement) and application of moral and ethical judgment of the EU values.

Conclusion

The actual success of media diversity representation will remain limited unless the culture of media production of EU institutions changes internally to reflect the means and sense of cultural diversity covered. Improving professional ethical practice may foster more ethical responses to potential cultural clashes and provide the EU with better understanding of all its parts. Europe can be seen as a project towards deeper and more refined integration. This is not only issues of power and governance, but also - and perhaps most importantly - questions of ethics and cultural identification. What is the role - actual and potential - of media in these developments? And more specifically their ethical dimension. EU is not as a given, but as a living and changeable reality.

References to ‘the sinking boat of the EU’; ‘lazy Greeks’; ‘hard-working Germans’; and ‘detached Brits’ are frequently hosted in headlines, news reports and editorial commentary. How the media covers the crisis and the political actors involved has important implications for public opinion perceptions that exceed a country's reputation, shaping attitudes towards Europeanization, integration and prospects about European identity and citizenship. Attitudes like Euro-skepticism and North-South divisions have been demonstrated in the past to correlate with media coverage. The examination of media ethical content is essential in understanding the effect on citizens’ orientation towards the EU. Therefore this video is representative picture not only about what is going on inside EU but also what are the consciousness of the external diversity policy. Representation of diversity in media does ideological work and could offer ethical examples of constructive and positive cultural diversity coverage to a distinguished contributions of cross-cultural understanding.

Media actively shapes and construct our understanding of cultural differences. It would be important to explore also its impact on shaping cultural diversity media policy. Exploring media moments of diversity production, diversity representation and diversity consumption. Much of what audiences know and care is based on the images, symbols and narratives in TV, film and other media. How individuals construct their cultural identity, how they come to understand what it means to be black, European, Serbian, male, female, urban, educated is shaped also by adapted messages in media.

Stereotypes are sensitive issues often dealing with political correctness and excellent territory for possible multiple interpretations. However, it is hard to draw a precise line between the notion of basic assumptions and values as most are indirectly and are frequently not questioned. It therefore seems sensible to recombine these two levels but to keep the label different.

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Muslim leadership in question

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Abstract

The present paper aims at providing a theoretical overview of Muslim leadership. It will be proposed and argued that Muslim leadership shall be studied as reciprocal relationship, that is a interactive and dynamic process, whereby the leader influences the follower, the follower (who also fulfils active roles) influences the leader and both are influenced by context surrounding leader-follower relationship. On the other hand, Muslims as a community embraces a variety of cultural and ethic diversities and thus, culture imposed values might stand as an important situational variable. A big amount of scientific literature, in both, theoretical studies as well as in elaborated proposals addressed to support political action, have highlighted the importance of „leadership” in the constitution of Muslim communities, which is of crucial importance in leading and guiding the community, and especially, for the construction of dialogue and promotion of positive image of Islam.

Introductory note

The history of Islam reveals us a multiplicity of compelling patterns of authority, let alone the current and emerging patterns of competing Muslim leadership. It has to be highlighted here that critical literature and scholarship on the topic (particularly when it comes to the issue of Islamic leadership) is rather rare. Various scholars (Muslim scholars above all) have fallen into the trap of biased analysis and interpretation by “praising” the Islamic leadership model and ethics, while providing models with wage theoretical assumptions (among others, Beekun and Badawi (1999)). A prevailing culturalist approach presents another methodological challenge. As a result, culturalist approach which states that Islam is an “issue” provides rather a reductionist analysis, while looking at exclusively what does Islam or Quran say about certain study objects. Furthermore, culturalist approach reinforces a constant confusion between Islam as a religion and “Muslim culture”. Although the debate on what Qur’an says might turn into a sterile one and support prejudices (Roy 2004), it is indeed an insightful exercise to start with (though alone not sufficient) when studying the concept of religious authority in Islam and trying to understand the progressing crisis and fragmentation of Islamic authority and leadership. On the other hand, in terms of methodological limitations and challenges, it has to be said that many current studies on Islamic authority rather avoid the qur’anic conception of authority, being more focused in authority as a political or anthropological concept (Kadi 2001). In what follows, I will argue that Islamic authority should be approached and analysed as a sociological concept and constructed on theoretical assumptions of classical sociology, to be more precise, with a Weberian approach1.

In addition, I would like to argue that leadership shall be studied as reciprocal relationship, that is a interactive and dynamic process, whereby the leader influences the follower, the follower (who also fulfils active roles) influences the leader and both are influenced by context surrounding leader-follower relationship (Murphey 1941). Furthermore, according to Edwin P. Hollander (1961), leader-follower relationship is strongly affected by the perceptions, misperceptions and self-oriented biases brought to the relationship by both, the leader and the follower. Follower performance may shape the amount of consideration and initiating structure behaviour exhibited by the leader. On the other hand, the study of leadership requires attention to leader’s self-concept. More precisely, it is social self that is pivotal to understand the leader-follower relationship. If the leader’s self-perception is unacceptable with respect to others perceptions, the relationship is likely to be affected adversely (Hollander 1961). Finally, it has to be added that contextual variables or to be more precise, situation comes to determine the leadership relationship. The situation can be defined as a “set of values and attitudes with which the individual or the group has to deal in a process of activity and with regard to which this activity is planned and its results appreciated, thus, every concrete activity is the solution of a situation” (Thomas & Znaniecki 1947).

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1 Weberian approach implies seeing the study objects in question in terms of ideal types and abstract categorical schemes, including the analysis of historical and cultural trends and a point of view of the situated subject (interpretative sociology).
Approaching Spanish Muslim communities

Muslims in Spain represent 3% of total population (or 1.498.707): 30% of Muslims are Spanish and 70% are of immigrant origin (50% are Moroccans and 20% of other nationalities). Sanches Nagoles (2008) in his book “El Islam en la España actual” (Islam in the current Spain) provides a typology of 8 groups of Muslims: 1. Immigrant workers; 2. Students; 3. Political refugees; 4. Businessmen; 5. Diplomats; 6. Liberal professionals; 7. Converts to Islam; 8. Spouse of mixed marriage. Thus, in terms of leadership, or to be more precise leader–follower relationship, we have a very heterogeneous fellowship, embracing different educational and social backgrounds, including significant cultural and ethnic differences.

In the above mentioned book, Nagoles (2008) explores and identifies the birth and development of religious organizations and mosques in Spain as a complex phenomenon, related with power relations, money, coming from other Muslim countries, ideological control etc. However, despite the intrinsic complexity and clash of interest, when it comes to the negotiations with the State, the main claims of Muslim leaders fall into the following: 1. Islamic education; 2. Places of worship; 3. Translation of religious texts; 4. Expression and visibility of the religion: alimentation, Islamic holidays, traditional clothing, work schedules compatible with the religious obligations, places of burying etc.; 5. Application of Sharīʿa in the areas where possible. Another investigation - “Islamic identity and public space in Basque Country”, carried out by the Institute of Human Rights (2007) (Instituto de Derechos Humanos Pedro Arrupe, Universidad de Deusto) confirms those claims. Besides, it outlines a need for a better auto-organization of the community in order to become more visible and reach the public administration.

Furthermore, it has been identified, that the discourse of Muslim leaders tends to fail in reaching the interlocutors, making the discourse and auto-promotion inadequate. In addition, it is observed that as a tendency, Muslim representatives and speakers do not have sufficient language or cultural and social knowledge of a host country that hampers the dialogue. According to Nagoles (2008), imam is especially relevant in the context of immigration due to inexistence of other religious institutions. However, the majority of imams appear to be “imported” that becomes the determinant factor: they might be familiar with immigration problems and see the necessity to re-interpret the traditions in the light of dominant values of the host society, though not always well prepared. Nevertheless, in the context of a renewed interaction with the government and growing presence of Islam in public debates, Elena Arigita (2006) highlights the changing profile and structure of leadership: “Leadership in Spanish Muslim communities are undergoing monumental change. Since the Agreement between the Spanish State and the Islamic Commission in 1922, the socio-democratic profile of Muslim communities has been completely modified with the addition of new Muslim immigration to Spain. This fact, together with deep divisions between the original representatives, has increased the desires of different groups to develop new mechanisms of representation of Muslims, on the local and national levels” (Ibid, p. 576).

Within a broader, European context, we can state that Muslims communities are still under the uneven and unfinished process. Their presence is an on-going process regarding all social facts. On the other hand, Ferarri (2005) looks at the intrinsic diversity within the ummah to explain the failure on the side of Muslims to establish representative organizations at the national levels, that is a necessary condition for ensuring the successful cooperation claiming for teaching of religion in schools, spiritual assistance, financing of religious activities etc. Other authors indicate that Muslim communities as a rule often lack well-trained imams and leaders with a local connection who can truly engage both the Muslim and European aspects of a community, especially the youth. Too often imams are the product of a foreign-funded mosque or often the imam represents only the views of a few elders in an immigrant community, someone whose preaching might either alienate or radicalize the young.

On the other hand, “one of the major problems Muslims in Europe face, except perhaps for UK, is the absence of religious intellectual leadership”, as observed by Felice Dasssetto (2009). He goes further and argues that Muslim countries must accept that Muslims in Europe will develop their own specific interpretation and leadership “within” dimension, but as well as for constructing the dialogue and promoting a positive image of Islam (external leadership dimension). As highlighted in the report prepared by the European Parliament (2007) “Islam in the European Union: What’s stake in the future?”, “Indeed, the Muslim communities in Europe should be able to express intellectual and normative elaborations, adopting a European perspective able to deal with contemporary times and, above all, contemporary problems being faced by Islamic thought. This is nowadays a basic requirement in order to acquire a higher profile in public places for Islam. And this requirement should be fulfilled through the appearance of new leaders”.

Thus, “strong” Muslim leadership is not only of crucial importance for guiding the community (leadership “within” dimension), but as well as for constructing the dialogue and promoting a positive image of Islam (external leadership dimension). As highlighted in the report prepared by the European Parliament (2007) “Islam in the European Union: What’s stake in the future?”, “Indeed, the Muslim communities in Europe should be able to express intellectual and normative elaborations, adopting a European perspective able to deal with contemporary times and, above all, contemporary problems being faced by Islamic thought. This is nowadays a basic requirement in order to acquire a higher profile in public places for Islam. And this requirement should be fulfilled through the appearance of new leaders”.

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Religious authority and distinction between authority and leadership

The conceptual history of authority is largely contested and surrounded by many debates about its sources, purposes and limits (Streich 2005), including many misconceptions and misleading interpretations on the notions of power, violence and authority. Although Max Weber’s analysis and treatment of Islam received important criticism on his notion of the Prophet and Qur’an (particularly), as it appeared to suffer from stereotypical response to Islam that was prominent in Western Orientalism, nevertheless, his theory of the three ideal types of authority (rational-legal, traditional and charismatic) can be applied to both secular and religious social institutions and thus, can provide us with a solid theoretical background to understand the complex networks of authority that have formed in the history of Islam and that are apparent in the Muslim societies nowadays. Besides, as underlined by Turner (2013, p. 25): “His [Weber’s] understanding of the state, religion and history of patrimonialism did offer a valuable insight into later Muslim political systems”.

Weber (1947) defines authority as the ability to have one’s rules and rulings followed or obeyed without resource to coercive power. Obedience can rest on “considerations varying over a wide range from to case; all the way from simple habituation to the most purely rational calculation of advantage” (Weber 1947, p. 324). Despite a variety of motives to obedience, it is “belief in legitimacy” and “a certain minimum of voluntary submission” that form a fundamental basis for authority (Ibid., p. 324–325). Coercion and other forms of control may develop into authority given social beliefs emerge that socially legitimizes the exercise of control (as cited in Blau, 1963, p. 306 - 307). It is indeed the very absence of coercion that for Weber distinguishes authority from power.

Weber (1962) has been particularly explicit about legitimate authority and validity; his notion of authority is intimately linked to the notion of legitimacy. Legitimation refers to the process by which the power is institutionalized and given moral grounding; it makes a social structure appear valid and acceptable. The validity of authority involves the recognition of social relationship and its conduct as binding on individual or constituting a model worthy imitation. Furthermore, as Weber (1962) puts it forward: “An authority which is obeyed for the sole reason of expedience is generally much less stable than one which is upheld on a purely customary basis” (Ibid., p. 72). On the other hand, within the same social group, we might find “several, mutually contradictory, valid systems of authority” (Ibid., p. 73), insofar as it actually shapes the course of behaviour. A system of authority appears to be conventional or law. The oldest and most universally held legitimacy of authority is based on sacredness of tradition, whereas the most common form of legitimacy today is the belief in legality (“the compliance with enactments which are formally correct and which have been imposed by an accustomed procedure” (Ibid., p. 81 – 82)). As follows, Weber (1962) points at the relativity of the contrast between voluntarily agreed rules and the imposed ones, as today we are facing many situations when the authority is actually imposed by the majority on the minority. In fact, “very often those who comply with authority are not even aware of whether they do so because of custom, convention, or law” (Ibid., p. 83). Parsons (1949) adds that it is indeed a striking feature of Weber’s sociological work, to be more precise, his explicit inquiry to bear power and authority factors when treating empirical problems and social phenomena. Definitively, as Parsons (1949) puts it, probably one of Weber’s most important contributions to social science was his classification, analytical development and empirical use of the three pure types of legitimate authority: rational–legal, traditional and charismatic, that will be discussed accordingly. Nevertheless, as underlined by Weber (1947) the usefulness of the classification can only be judged by its results in promoting systematic analysis; these are ideal types and may be found in various configurations in any society.

Rational–legal authority is based on a belief of the “legality” of patterns of normative rules and the right of those elevated to authority to issue commands, thus, “obedience is owed to the legally established impersonal order” (Weber, 1947, 328). Rational–legal authority involves impersonal order to which actions are oriented and the order in question consists in a body of generalized rules that are universalistic and applicable to all persons. It takes the form of “bureaucratic” structure (“purest type of exercise of legal authority” (Weber, 1947, p. 33),

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2 Weber has argued that knowledge about humans in society can be made object-like through the use of ideal types, which are analytical constructs, providing a logical touchstone to which we compare empirical data: “Ideal types act like a yardstick against which we can measure differences in the social world. These types provide subjective measurement because they exist outside the historical contingency of the data we are looking at. According to Weber, without the use of some objective measure, all we can know about humans would be subjective” (as cited in Keneth, Allan. “Authority and Rationality – Max Weber (German, 1864 – 1920)”, in Explorations in Classical Sociological Theory: Seeing the Social World, SAGE Publications, p. 149).
3 “The basis of every system of authority, and correspondingly if every kind of willingness to obey, is a belief, a belief of virtue which persons exercising authority are lent prestige” (Weber, 1947, 382).
4 It has to be noted that Weber took the existence of legitimate authority for granted and failed to examine systematically the structural conditions under which it emerges out of other forms of power (Blau, 1963).
5 The classification is based on the validity of the claims to legitimacy.
6 The classification is more likely to enjoy the prestige of being considered exemplary or binding.

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when rational–legal authority involves an organized administrative staff. Capitalism, though by no means alone, as defined by Weber (1947) is the most rational economic basis for bureaucratic administration that facilitates fundamental fiscal conditions. Together with fiscal conditions, communication and transportation becomes extremely important dependent condition for the effective functioning of bureaucratic administration. In addition, “bureaucratic administration means fundamentally the exercise of control on the basis of knowledge” (Ibid., 339).

Traditional authority, according to Weber (1947) is based on established belief in the sanctity of immemorial traditions and the legitimacy of the status of those exercising authority under them: “Obedience is owed to the person of the chief, who occupies the traditionally sanctioned position of authority and how is bound by tradition” (Ibid., 328). Thus, the object of obedience in traditional authority is personal authority of the individual and is not owed to enacted rules. The system of order is treated here as having always existed and been binding. The order (here) in traditional authority systems contains concrete rules and may depend on the following: concrete traditional prescriptions of the traditional order, authority of the other persons above particular status in hierarchy, arbitrary free ‘grace’ open to incumbent. Substantive rationality marks a contrast between rational–legal and traditional authority, as observed by Parsons (1949). Moreover, “both the first two types of authority are, for Weber, modes of organization appropriate to a settled permanent social system” (Ibid., 125). Like all human arrangements, they are subject to change; nevertheless they are of particularly ‘routine’ character, what marks the main difference from the third type of authority: the charismatic authority.

Charismatic authority is based on devotion to the specific and exceptional sanctity, heroism or exemplary character of the person. Charismatically qualified leader is obeyed by virtue of personal trust in him and his revelation or heroism/exemplary qualities. “The term ‘charisma’ will be applied to a certain quality of an individual by virtue of which he is set apart from ordinary men and treated as endowed with supernatural, superhuman, or at least specifically exceptional powers or qualities” (Weber, 1947, p. 358). It is recognition of the followers (those subject to authority) that is decisive for the validation of charisma (legitimacy). Hence, charismatic authority refers to a claim to authority, which is actually, in conflict with the basis of legitimacy of an established order and as noted by Weber (1947, 361) is “specifically outside the realm of every – day routine and the profane sphere”, therefore it cannot be stable until it is traditionalized or rationalized (routinization of charisma).

In the footsteps of Weber, Hanna Arendt, German – American political theorist, provides an insightful historical analysis to understanding power and authority. Arendt (1961) particularly stressed the importance of maintaining meaningful distinctions among those concepts (power, violence and authority). In her essay “What is Authority” (1961) she emphasized, that since authority demands obedience, it is quite commonly mistaken with forms of power or even violence: “Yet authority precludes the use of external means of coercion; where force is used, authority itself has failed. Authority, on the other hand, is incompatible with persuasion, which presupposes equality and works through a process of argumentation…. If authority is to be defined at all, then, it must be in contradiction to both coercion by force and persuasion through arguments” (Ibid., p. 93). Furthermore, Arendt (1961) argued that authority as “the one, if not decisive” factor in human communities did not however always exist. The word and the concept are of Roman in origin. She puts it forward that the neither Greek language nor political experiences of Greek history reveal any knowledge of authority: “This is expressed most clearly in the philosophy of Plato and Aristotle, who in quite different ways but from the same political experiences, tried to introduce something akin to authority into the public life of Greek polis” (Ibid., p. 104).

In short, authority as a concept can be defined as the recognition of the right whether of individual, group or institution to exercise power, given that the exercised power is legitimate or it can be also seen/stand as the basis by which power is legitimately used to bring about compliance and obedience. Authority might also involve trust and faith by those who follow the authority. Authority does not stem merely from the attributes of particular individual or institution – it is the willingness of the followers to grant legitimacy or in the words of Weber (1947) “a certain minimum of voluntary submission”. Thus, the distinction between power and authority and the recognition as legitimate – are critical to its meaning, although as in case of power - not fundamental.

Defining religious authority is another puzzling exercise though. Like any kind of authority, religious authority does not denote a fixed attribute and is premised on recognition and acquiescence, thus it includes a relational and contingent aspect. Religious authority can embrace various forms and functions, such as ability to define correct belief and practice, to shape and influence views and conduct of others, including the ability to compose and define the canon of “authoritative” texts and the legitimate methods of interpretation (Kramer and Schmidtke

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7 As noted by Weber (1947), the concept of ‘charisma’ (‘the gift of grace’) is taken from the vocabulary of early Christianity.

6 Charismatic leadership usually stands for revolutionary force, challenging the stability of institutionalized order (Parsons 1949).
20069). In what follows, I would like to borrow the definition developed by Chaves (1994), based on a Weberian insight: “a social structure that attempts to enforce its order and reach its ends by controlling the access of individuals to some desired goods, where legitimation of that control includes some supernatural component, however weak”. Religious authority (as other forms of authority) counts on a staff who controls access to something that people want, so, when that withholding is legitimated by reference to the supernatural, authority is religious. The desired “something” that is being controlled by religious authority varies from one religious authority structure to another (Ibid.). In recent studies on Islam in Europe, authority is most typically defined as a relation to religious specialist and movements who mediate interpretations of scripture and thus, authorize beliefs and practices (Bouzar 2011).

On the other hand, as observed by Amiraux (2011), the notion of authority brings together a double analytic perspective: practical and theoretical. In the French context, for example, she further argues, religious authority cannot be associated with the notion of power or coercion nor with legitimacy; its meaning only makes sense in a community. Thus, religious authority involves a complex relationship between the carriers and followers of authority. Eickelman and Piscatori (1996) facilitates three interconnected levels of analysis while answering a basic question of why does religious authority exist: ideological, locational and functional. Referring to ideological level we recognize that the authority is taken by individuals and/or institutions that represent the moral order. “In part, authorities are given authority because they appear to embody cherished values and represent the symbolic reference points of society, including sacred texts” (Ibid., p. 47). Over the time, the authority bearers might transform into “natural leaders” through manipulation of symbols and invocation of tradition, as Eickelman and Piscatori (1996) explain. As far as locational level is concerned, the institutionalization of authority, particularly in the Muslim world, implicates a variety of individuals and groups seeking “to speak for the divine presence” (Ibid., 47). Here, we may refer to religious scholars, Islamists movements, Sufi shaykhs, tradition leaders etc. While the competition over control of symbols is strong, authority tends to be defined by one’s position relative to competitors. Moreover, “because symbols are ambiguous by nature and subject to widely differing interpretation, they are manipulated by these contenders for authority – thus promoting the fragmentation of authority” (Ibid., p. 47). Finally, at the functional level of authority analysis, we find that authority embraces the performance of a number of functions and mediations among various poles of power in a society that at the same time maintain the prestige and influence. As highlighted by the above cited scholars (Eickelman and Piscatori 1996, p. 56): “The bearers of sacred authority, including but not limited to the ’ulama, may not only serve as go-betweens but also represent specific social and economic interests”.

Last but not the least, the distinction between authority and leadership shall be made. Although both (leadership and authority) imply a triangle with a leader and follower, both exclude the notion of coercive power, as well as both are constantly negotiated; there are a couple of important aspects to be highlighted that help to draw the distinction line. Power to influence (which can be formal or informal) is the resource for both: authority and leadership. Authority as defined by Heifetz (1994) is conferred power to perform and is a must in each social organization; its relationships are to certain conscious and voluntary. Authority is addressed to provide direction, protection and order, hence, authority is not given to create distress, challenge the status quo or change the value patterns (unless we refer to the concept of charismatic authority, as defined by Weber), while leadership is more closely linked to purpose, common goal or to the “why” (Heifetz 1994).

Intersections of authority: from imams to the new preachers and interpreters of Islam

Traditionally, and particularly within European context, the mosque and the imam have been considered as most visible Muslim authority (and probably most studied one so far). However, the real influence of imams has been quite exaggerated, especially in the perception of European authorities. Van Bruinessen (2011) argues that the imams too often became favourite targets for government programmes and were approached as the most appropriate and representing spokespersons: “The very fact that European governments and non – governmental institutions took the imams more seriously than their societies of origin appears to have given the imams some extra leverage” (Ibid., p. 6). Indeed, the real power of the mosque is in the hands of the board of the mosque association (directive board) while the authority of imam lays not only to his formal studies and knowledge of Islam, but also to endorsements by the directive board of the mosque - a fact that adds some more complexity when we turn to study the authority and leadership employed by the imams, where contextual factors plays come to play an important role. Imam, being main reference and source of Islamic knowledge for the congregation, has to respond to the pressures imposed by the directive board that often marks the style of Islamic teaching and at the same time, both, the board and the imam, have to respond to a variety of actors in the European environment. As Bruinessen (2011, 8) puts it forward: “Even at basic level of communication between the imam and the

congregation, the production of Islamic knowledge is a process of negotiation between various actors with differing interests”. Although the topic/subject and research on imam figure is far from being exhaustive,10 the latest studies on Muslim religious authorities, as a tendency11, focus rather on “new” types of religious authority: preachers or/and conferences (Peter 2006).

The new preachers, or “new Muslim intellectuals”, who emerged outside the ranks/world of ulama, aiming to redefine Islamic practices in the new settings, act not only as lynchpin of the “internal reform”, but also “they are the motor behind the shift in bringing Islamic education outside the mosque arena – a key manifestation of Islam in Europe” (Morgahi 2009) and inviting for on – going interpretation of the application of sacred texts while attacking at the same time conventional religious wisdom and the intolerant attitudes of religious radicals. Among them, noteworthy: Sadiq Jalal al ‘Azman, Ali Bulac, Sa’id Binsa’id, Abdokarim Soroush (as cited in Eickelman, 1998) and many others that might in time have authority (Fazlur Rahman, Nurcholish Madjid, Khaled Abou El Fadl and others).

Religious authority within and outside and diasporic dynamics

Studying the changing patterns of Muslim religious authority implies to have a lens for analysis in order to see how individuals and institutions are constructing and claiming their right to speak for Islam. While there are many actors and contextual factors to look at, we should also keep into consideration internal and external layers that are inherent in any representation: representation of an interpretation of Islam within a Muslim community and representation of the community towards the society.12 Indeed, looking at the current and on – going debates in Europe on the Muslim integration topic, we can observe two – way process: we have a demand from European authorities and governments for representativeness and on the other hand, we have Muslims claiming for recognition in the public sphere. Spielhaus (2011, p. 448 - 449) has pointed out: “While representation (Who can speak for Muslims?) differs considerably from religious authority (Who can speak for Islam?), they also manifest important intersections”.

On the other hand, Muslim representation (both: internal and external) is intensely influenced by Muslim diaspora context, where internal differentiation and absence of hierarchical and decentralized structure in Islam trigger debates about authority and legitimation and where the responses of ulama are actually failing to meet the needs of the community (ummah). Els Vanderwaeren (2011, p. 303) adds: “questions about faith and normativity have become more relevant as Muslims are confronted with the myriad shapes and colours of global Islam in a diaspora context”. If we refer to the wide spread idea of an all-encompassing Muslim ummah based on a collective Islamic identity with a unifying ritual centre, then diaspora discourse seem obsolete. However, taking another perspective, we may find many traces of Muslim diasporas dating back from the 7th century onwards (Malik 2007). The fictile term in the context of Muslim “diaspora” is the hijra of 622, which at the same time sets the beginning of the Islamic era. The semantic of migration (hijra) was expanded and even encouraged in the wake of early Muslim conquests; however, the return was an obligatory condition together with sedentarization. With the passage of time a ‘complex sacred geography’ in the context of empire-building has been formed with two terms – definitions making to line between Muslim and non – Muslim states: dar al-islam (the abode of Islam) and dar al-harb, (the territory under war)14. It is important to note here, that eventually, minority issues were left beyond the scope of Islamic law (Ibid.).

Facing the increasing migration and permanent settlement of Muslims in non – Muslim lands, the term hijra and diaspora has acquired a new importance again (Malik 2004). The early discussions among the Muslim jurists about the Muslim minorities date back to the 7th century and in fact are still on going. In the first four centuries of Islamic era, Muslim jurists manifested a degree of ambivalence towards the problem of Muslim residing in non-Muslim territories (El Fadl 2006). Muslim minorities as such were not particularly mentioned in early legal texts. One of the most significant opinions originating from the 11th century is of Al-Mawardi - the al – Shafi’i jurist: “If a Muslim is able to manifest (his) religion “in one of the unbelievers” countries, this country becomes a part of dar al-islam. Hence, residing in it is better that migrating because it is hoped that others will convert to Islam (through him)” (as quoted in El Fadl 2006). Schools of thought dealing with the “problem” of Muslims in

10 Few studies have attempted to conceptualize the complex interplay of functions of imam within Muslim communities and in relationship to the majority society, as well as intra – relations influence on shaping structures of religious authority (Peter 2006).
11 See Fregosi, 1999, 2000; Bouzari, 2001; Mohsen – Fin, 2002, 2003. Tariq Ramadan is probably the most popular object of such research trend (Peter 2006).
12 In the terminology of Erving Goffman (1959), we shall look at front – stage actions (presenting self before a broader audience) while keeping all incoherence backstage.
13 Arab: shattat; dispersion, disunion.
14 A significant episode occurred in 1994 when a group of ulama meeting at Chatau – Chinon in France issued a fatwa in which they declared that Europe could no longer be considered dar al–harb. A new term dar al–ahd (the domain of treaty or unity) has been coined, implying a form of community based on the co-existence of multiple faith systems, mutual respect and socio-political responsibility.
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non-Muslim territory emerged only after the 12th century and manifested a great richness of diversity and many variations.\(^{15}\) Definitely, the current socio-political developments among migrant Muslims shows that the term diaspora has become a complex one and the notion has to be considered in a wider context (Malik 2004). What is more, diasporic dynamics should be understood as complex processes of cultural and social solidarity and identity building. Diasporas can be seen as situated in the field of tension between cosmopolitan detachedness and radical nationalism which no longer is defined in terms of territory.\(^{17}\) According to Steven Vertovec (2003), the central question for diaspora peoples is adaptation: how to adapt to the environment without surrendering group identity. Diasporic dynamics and change is evident in number of domains of religious transformation and so in religious authority.

Diasporic dynamics highlights the distinction between Islam as religion and culture. The decision and negotiation process about the religious norms and legitimate religious sources, as well as deciding on universal norms, which are contingent expressions of local traditions liable to be disregarded, as Caiiero (2010, p. 127) argues, \textit{“may be said to constitute one crucial form of religious authority”}. As a result, we find Islamic scholars (\textit{ulama}) pretending to respond and monopolize the interpretation, while seeking to reaffirmation through the production and dissemination of fatwas, that in fact, leads to a paradox of publicity. While aiming to enhance their religious authority, the \textit{ulama} apparently come up marketing their work and this way, contributes to the religious individualization of the Muslim community while providing a variety of answers and interpretations to choose from (Ibid.).

Individualization of Islam has been actually differently interpreted by various social scholars. Peter (2006) in his review essay \textit{“Individualization and Religious Authority in Western European Islam”} provides a broad survey of literature on how identified individualization of religious beliefs as the major development in Europe’s Muslim communities have been approached. Among the scholars he studied, as follows, I would like to stop and focus particularly on Roy, Cesari and Mandaville, whose research in the field contributes with significant insights to the current investigation. To start with Cesari (2003), she argues that normative Islamic tradition is under the transformation in the West, while social adaption of Muslim minorities places Islam within three interrelated paradigms: secularization, individualization and privatization. Cesari (2003) sees individualized Islam as primarily lived in private sphere and which stands as central argument for providing a progressing integration of Muslims in European societies.\(^{16}\) The declining influence of traditional Islamic institutions as a result of profound generational changes facilitated the emergence of \textit{“new Islamic spaces”} (new types of Islamic associations and organizations) and the subsequent fragmentation of religious authority. However, Peter (2006) observes and highlights an opposing approach to individualization and fragmentation of religious authority. He argues that individualization and/or fragmentation of religious authority can be seen and approached as leading to the liberation of Islam (in case of Cesari), however, we can also find an opposing approach, pointing at relative stability of dogma and any case of liberalization of Islam. Peter Mandaville, among others, presents this position. His analysis focuses on travel and migration and towards the emergence of \textit{‘critical Islam’}. The emergence of critical Islam for Mandaville is part of reaction to the heightened intra – Islam pluralism of the diaspora. Critical Islam is a particular orientation towards Islam that is marked by willingness to historicise the normative import of particular religious interpretations. Within the perspective of critical Islam, the elaboration of \textit{fiqh} for example must be viewed as conditioned by the social and political contingencies of the social and cultural settings in which it occurred. Referring to Mandaville (2003), the substance of this approach derives from the critical theory of the Frankfurt School (Adorno, Horkheimer, Habermas and others).\(^{19}\) Thus, if we take

\(^{15}\) The Maliki school adapted an uncompromising position: a Muslim should never reside in non-Muslim territory, primarily because he or she will be subject to non-Muslim laws. The Hanbalis and Ja’faris argue that if Muslims can practise their religion in non-Muslim territory, provided they are secure from harm and do not fear the loss of their religion, then migration is not obligatory.

\(^{16}\) Ninian Smart (1999) offers three reasons why it is important to study the connections between religion and diaspora. First of all, the study of diasporas and their modes of adaptation can give us insights into general patterns of religious transformation. Secondly, diasporas may affect the development of religion in the homeland: the wealth, education and exposure to foreign influences transferred from diaspora may have significant effects on organization, practise and even belief. And thirdly, because of the great incidence of diasporas in the modern world, \textit{“multiethnicity is now commonplace”} (as quoted in Vertovec 2003).

\(^{17}\) It is important to stress that not all diasporic communities are interested in an ultimate return to their homelands. The transnational character of diaspora communities should be seen as an important energetic, innovative and mobilising force in the process of negotiation with host societies. \textit{“Historical and current evidence proves that diasporic communities are not endowed with fixed, given identities but are imagined communities that are reconstructed and reinvited in a complex and ongoing process in which they come to constitute new transnational spaces of experience. New diasporic narratives are constructed thereby giving new meaning to old concepts of agency and normativity”} (Malik 2004).

\(^{18}\) Cesari, for example, observes a “fundamental rupture” between Muslim practices in Europe and in the country of origin as a result of “transformations in the Islamic identity under way among the generations born or educated in the West” (2003). These changes involve a “secularization process”, thereby repositioning “Islam into the private space”. Thus, as consequence of their participation in the democratic societies in the West, the process of social adaptation of Muslim minority groups has led to a decline in the “classical religious patterns” – i.e. orientation to the mosque, the imam, etc. – among the younger generation of migrants (Cesari: 2003: 260) (as cited in, Amer Morgahi, \textit{“An Emerging European Islam. The Case of the Minhajul Quran in the Netherlands”}, p. 54).

\(^{19}\) Horkheimer made a distinction between traditional and critical theories. The traditional kind of theory takes the world as it finds it and assumes the presence of certain underlying and eternal structures that determine all social outcomes. According to this theory, change is
a critical perspective and look at Islam it becomes a way to describe the differences between those Muslims wedded to the dogma, for example jurisprudential frameworks developed in the medieval period and those Muslims who believe that Islam can only be made relevant to the present day by understand these seemingly rigid doctrines as products of history, culture and power. Finally, when analysing individualization, Mandaville refers primarily to a democratisation of the religious sphere and not any significant changes in dogma. His theory is grounded in the believer’s individual and concrete choices and not in new religious concepts. Individualized Islam for Roy (2002) rarely brings forth 'critical approach' and is more linked to the 'dogmatic affirmation of immutable principles' (as quoted in Peter 2006). In addition, we can also hear alternative voices and approaches as noted by Peter (2006), such as Amir – Moazami and Salvatore, who do not relate the recent developments to the process of reflexive individualization, but rather point at relative continuity to the reformist discourses as they were developed in the late 19th century in Islamic word. While social scholars are opting for different theoretical assumptions and interpretations to approach individualization of Islam, European Muslims at the same time are pulled between two general poles, if we try to generalize. One the one side we have theologies represented by Mohammed Arkoun and Tariq Ramadan, who stress historicity and contextual interpretation and on the other – Muslim scholars and actors insisting upon traditionalist interpretations (Klausen 2005) that provide the Muslim community with the alternative voices and choices for interpretation and reference and thus, contribute to the pluralisation of the religious authority.

New voices and leaders and Islamic leadership as study object

Within the Muslim diaspora, as well as in Muslim majority countries the locus of religious authority has been shifted and as result, we can find an increasing number of Muslim voices demanding a space for critical and/or intellectual engagement, leading to a certain competition over religious and social authority. To put in the words of Eickelman and Piscatori (1996, p. 47): “Kings, presidents, military officers, bureaucrats (dealing specifically with religious issues and otherwise), 'ulama, Sufi shaykhs, and non-traditionally educated intellectuals are all competitors for sacred authority. To complicate matters further, several or all may exercise authority simultaneously – one individual’s sacred authority in not exclusive of another’s”. Although the competitors for religious authority have been predominantly male, women (opposite to the prevailing opinion) haven’t been entirely excluded; thus we can state that women to albeit extent participate as well in the competition over authority. Actually, “women also participate in religious authority in less obvious, but no less important ways”, although they have been overshadowed by the preponderance of male authorities, as Eickelman and Piscatori (1996, 79) explains. Thus, we can argue that a sharp distinction and power relationship that once existed and separated ulama from the community have disappeared lately, leaving us with “the cacophony of voices attempting to speak for Islam” (Kramer and Schmidtke 2006, 12) and increasing number of the new Muslim social, political and religious leaders advocating a range of causes in order to meet a sophisticated demand of individualized Muslim community22. Within this context, Cesari (2004, p. 124) identifies four types of religious authority that emerge: 1) the bureaucratic leaders, who works on behalf of institutions from the Muslim countries, 2) the community or “parochial leaders”, whose activity is concentrated in the mosque or Islamic association, 3) the globalized leaders, whose activities are focused on transnational Islamic movements and 4) preachers and public speakers.

Implications for future research

Islamic leadership as a study/research has been primarily based on qur’anic tradition and interpretations and management/business studies, unfortunately, quite often failing to meet the requirements of research objectivity and impartiality (see: Bee Kun Rafik I. and Badawi Jamal 1999; Mohltsham Saeed M. 2007 and others). These studies tend to focus on the charismatic figure of the Prophet and his companions and draw exemplary qualities of the leader to be followed. As follows, “servant-leader” model is particularly emphasized: “The idea of a possible only insofar as one learns to work within this given framework. While critical theory takes a rather different perspective. It raises the following questions: how what is accepted as “natural” came to be so? What are the historical conditions and particularly the relations of power – which gave rise to the present world? How might human agency be brought to bear upon what, in the eyes of traditional theory seem to be structurally determined circumstances?

20 Women play influential roles particularly in Sufi movements, as un Sunni and Shi’a traditions primary authority roles (ulama and khatibs (preachers of sermons) are exclusively men.

21 “Select women also held positions of authority among the rulers and religious scholars. Women in the ruling elites were occasionally involved in making decisions of state and influencing the selection of rulers, and they would also make donations to fund mosques and religious scholars. Women from scholarly families even became famous as teachers, particularly in the science of hadith during the Middle Ages. Muhammad’s wife Aisha (d. ca. 678) is an exemplary figure, because she is remembered for her leading role in the political and religious affairs of her time” (Campo 2009, 73).

22 As observed by Klausen (2005), who interviewed over 300 European Muslim leaders in Denmark, France, Germany, the Netherlands, Sweden and the United Kingdom, the most common disagreement among Muslim leaders refers to the question of identity or on how the Muslim identity should be formulated.
leader as a servant has been part of Islam since its beginning” (Beekun and Badawi 1999, p. 15), together with the moral basis of the leadership and obedience: “righteous leaders in Islam are those who have strong commitment, sufficient respect and adequate wisdom to fulfil Qur’anic mandates” (Rashid 2000, as quoted in Faris and Parry 2011, p. 135). Few attempts have been made to incorporate the contemporary social research theories and methods of leadership.

It has to be added that up to date, the majority of the studies undertaken on Muslim leadership in Spain & Europe were developed on actor-centred approach, focusing on specific types of religious actors and/or institutions. The proposed research aims at adapting a broader approach to the question of Muslim leadership and examine the perception of leadership roles and functions by the Muslim leaders and its followers – the community in the context of community building and integration (to be based on two dimensions of leadership: within community and towards society). As defined by Seers, Keller and Willkinson (2003) (also by Hiller, Day and Vance (2003)), collective leadership is a property of the group rooted in social exchange-based roles (involving a complex of roles and/or serving multiple collective functions or roles). Hence, roles perspective lends itself well to understanding leadership activity in social groups (Contractor et al.: 2012). A role is defined as a dynamic set of recurring behaviours, both expected and enacted, within a particular group context (Zigurs & Kozar: 1994). Thus, roles serve two important functions by both establishing patterns for individual behaviour through interaction of members in a social unit (Katz & Kahn, 1978), and also establishing expectations for the behaviours of the others. On the other hand, perceptions provides us lenses through which an individual views the reality, and facilitates us an access to understanding of the meaning of experience for an individual and social group and understanding of multiple realities that are socially constructed based on these perceptions.

Understanding of leadership and the leadership process necessitates developing an understanding of leader, the follower(s), the context, the processes and the resulting consequences. Muslim community as a minority within the secular Spanish/European context must accommodate a problematic external context, the important role of religion, the influence of imams and increasing role of women, young Muslims and emerging intellectual leaders. On the other hand, Muslims as a community embraces a variety of cultural and ethic diversities and thus, culture imposed values might stand as an important situational variable.

To put in nutshell, Muslim leadership is faced with traditional leadership challenges; it must not only to accommodate a problematic external context, a heterogeneous and demanding fellowship, the challenges of individualized religion, still remaining influence of imams and ulama and increasing role of women and young Muslims. Finally, I would like to end with the remark of Kramer and Schmidike (2006) on proliferation of religious knowledge – a notion which reflects very accurately the current Muslim contest on authority and leadership: “We should perhaps think not so much in terms of a fragmentation of the “religious field” (champ religieux), a field that has never been under one single authority, but rather of a proliferation of religious knowledge, actors and normative statements of uncertain status”.

References


Do Institutional Female Directors affect Firm Performance when they sit on the Board and Executive Committee?

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ABSTRACT

Research Question: The aim of this research is to examine what impact institutional female directors on boards and executive committees have on corporate performance. However, previous research shows that institutional female directors cannot be considered as a homogeneous group since they may or may not keep business relations with the companies on whose corporate boards they sit. Thus, it is not only the effect of institutional female directors as a whole on firm value that has been analysed, but also the impact of pressure-resistant female directors (investment, pension and mutual funds), who only invest in the company, and pressure-sensitive female directors (banks and insurance companies), who invest and have business relationships with the firm. We hypothesise that there is a nonlinear association, concretely quadratic, between institutional, pressure-resistant and pressure-sensitive female directors on boards and corporate performance, and a linear relationship between those female directors who sit on executive committees and firm value.

Research Findings/Insights: Our results report that when there are low levels of institutional female directors on boards, corporate performance enhances, but when they reach a certain threshold, firm value decreases. Additionally, institutional female directors on executive committees are also positively associated with firm performance. Concerning pressure-resistant and pressure-sensitive institutional female directors on boards, the findings demonstrate that pressure-resistant female directors increase firm value, but up to certain figure, above which they impact negatively on corporate performance, while pressure-sensitive female directors do not have an effect on firm performance. Finally, the presence of pressure-resistant women directors on executive committees enhances corporate performance, but not pressure-sensitive female directors.
**Theoretical/Academic Implications:** The findings support that board composition have an important influence on firm performance. The results also suggest that both researchers and policy makers should no longer consider institutional female investors as a whole, given than women directors appointed by different types of institutional investors have various implications on corporate value.

**Practitioner/Policy Implications:** This analysis makes its main contribution by empirically demonstrating that female directors appointed by different types of institutional investors have diverse implications on firm performance. Our results should encourage the policymakers to change their perspectives about the different types of shareholders, directors and gender diversity in corporate governance since they may have an effect on corporate performance. Our evidence can be useful for regulators and supervisor interested in influencing the structure of corporate boards.

**Keywords:** Corporate Governance, Institutional female directors, Board of Directors, Executive Committee, Corporate Performance

**INTRODUCTION**

Recent research (Ferreira and Matos, 2008; Elysiani and Jia, 2010; Ruiz-Mallorquí and Santana-Martín, 2011; Pucheta-Martínez and García-Meca, 2014) has paid growing attention to the role that institutional investors play as a mechanism of corporate governance. According to Gillant and Stark (2003), the activism of institutional investors as a control mechanism has enhanced in the last years, which is suggested by the theory and confirmed by the empirical evidence (Almazán et al., 2005). This view is supported by authors such as Huson (1997), Carleton et al. (1998) and Karpoff (1999), among others, who argue that active influential investors become a corporate governance mechanism since they can monitor management and improve performance (Huson, 1997; Carleton et al., 1998; Del Guercio and Hawkins, 1999), and finally, increase shareholder value (Almazán et al., 2005). Furthermore, Faccio and Lang (2002) and Ruíz-Mallorquí and Santana-Martín (2011) show that institutional investors play an important role in the corporate decision-making process.

In the civil law environment, most of the European countries, where investor protection law is weak and the principal agency problem is based on the expropriation of minority shareholders wealth by large shareholders (Shleifer and Vishny, 1997), institutional investors become the most important controlling shareholders and participate actively as directors on the board of directors. According to the Heidrick and Struggles (2011) survey, directors appointed by institutional investors account for 40 per cent of directorship in Spain, 35 per cent in Belgium and 22 per cent in France, while they only account for 2 per cent of British firms’ directorships. Meanwhile, in common law countries independent directors play the most important role in corporate governance (Masulis and Mobbs, 2011).

The influence of institutional investors on leverage (Booth and Deli, 1999), financial reporting quality (Pucheta-Martínez and García-Meca, 2014), earnings management (García and Gill, 2007) and dividend policy (Han et al., 1999; Short et al., 2002; Farinha, 2003; Abdelsalam et al., 2008; Hovakimian and Li, 2010), among others, has been reported by prior research. Most of these investigations focus on the role of institutional investors as shareholders; however, previous evidence has paid scarce attention to the role of institutional investors as directors. Additionally, Almazán et al. (2005) and Chen et al. (2007), among others, argue that institutional investors cannot be considered as a homogeneous group because they can keep (banks and insurance companies) or not (investment and pension funds) business relationships with the company in which they hold a directorship. Therefore,
directors representing institutional investors are likely not to show a monolithic behaviour and may take different decisions based on the characteristics of the institutional investors they represent on the board. Furthermore, academic literature on institutional investors and firm performance has also paid little attention to aspects such as gender diversity on corporate boards.

Literature about corporate governance demonstrates that gender diversity on corporate boards may influence the supervision and control of the board’s activities (see, e.g. Adams and Ferreira, 2009; Francoeur et al., 2008; Huse et al., 2009; Huse and Solberg, 2006; Nielsen and Huse, 2010; Schwartz-Ziv, 2011). The repercussions of gender diversity on corporate boards (within the corporate governance system) have become relevant today for shareholders and managers of modern firms, mass media, politicians and legislators, among others, because many countries have already legislated laws or advanced policies that are aimed at increasing the percentage of women directors on boards of directors (e.g. Norway, Spain and France). Focusing on Spain, Act 3/2007, “The Equality Law”, was issued in 2007 in order to establish a target gender quota of 40 per cent on boards of listed companies to be reached by 2015.

In this vein, previous research provides evidence that women directors on boards have an important effect on fostering good corporate practice (Burgess and Tharenou, 2002; Rogelberg and Rumery, 1996), dividend policy (Van Pelt, 2013; Wellalage et al., 2012) and financial reporting quality (Gulzar and Wang, 2011; Qi and Tian, 2012), among others. If we focus on the particular role of institutional female directors on corporate boards, research shows that they have impact on firm risk (Johnsen and Mcmahon, 2005; Welch and Wang, 2013), earnings quality (Johnson and Greening, 1999) and investment opportunities (Johnsen and Mcmahon, 2005; Loukil and Yousfi, 2013). Thus, given the importance of women directors on boards in allocating capital to corporations, their contribution to firm governance (Campbell and Mínguez-Vera, 2008; Terjesen et al., 2009), the role played by institutional directors on corporate boards and the scant research performed combining institutional female directors and firm performance (Atkinson et al., 2003; Garba and Abubakar, 2014; Welch and Wang, 2013), an understanding of how institutional female directors sitting on boards of directors and executive committees affect firm performance, is undoubtedly needed. Therefore, we aim to contribute to the growing literature on the role of women, particularly institutional female directors, in corporate governance. Our study tries to fill this gap in the literature as, to the best of our knowledge, we are the first to study the influence of female directors appointed by institutional investors on firm performance.

Hence, the purpose of this study is twofold. First, we aim to examine the effect of institutional female directors on boards and executive committees on firm performance and, second, we analyse the relationship between institutional female directors on both corporate boards and corporate performance, differentiating between those ones who keep business relations with the firm on whose board they sit (pressure-sensitive institutional female directors: banking institutions and insurance companies) and institutional investors whose business activity is not related to the company in which they hold a directorship (pressure-resistant institutional female directors: mutual, pension and investment funds), since they cannot be dealt with as a homogeneous group, as commented above.

Our results find that institutional female directors have diverse incentives to engage in corporate governance. When institutional female directors are analysed as a whole, the findings demonstrate that there is a positive relationship between institutional female directors sitting on the boards and executive committees and firm performance, but when the number of institutional female directors reaches a certain threshold on boards, firm performance decreases. Depending on business relations, we find that female directors representing pressure sensitive investors (i.e. banks and insurance companies) on boards and executive committees do not influence firm performance, while pressure resistant female directors (i.e.}
mutual funds and pension funds) on both corporate boards affect positively on firm value. However, as shown, institutional female directors taken as a whole, when the presence of pressure-resistant female directors on boards reaches a certain threshold, have a negative influence on firm performance. These results cast some doubts about the capacity of insurance companies and financial institutions to enhance firm value, while other institutional investors such as pension and mutual funds have a positive effect on firm performance, but it declines when their presence on boards is higher.

Our research contributes to the literature in several ways. First, we show that institutional female directors as a whole influence corporate performance, but when we distinguish between pressure-sensitive and pressure-resistant institutional female directors, the evidence demonstrates that the first group does not have an effect on firm value and the second does. The lack of significant results for pressure-sensitive institutional female directors could be due to the fact that they keep business relations with the company where they invest and then, this type of institutional director has the managerial control role compromised. These findings support the thesis that institutional female directors cannot be considered as a homogenous group as previous research suggests (Almazán et al., 2005; Chen et al., 2007) because they may or may not keep a business relationship with the company in which they hold a directorship. Thus, we provide evidence about the different ways that the different types of institutional female investors (pressure-sensitive and pressure-resistant directors) can engage in corporate governance (Ruiz-Mallorquí and Santana-Martín, 2009). A lot of research about institutional ownership has been performed; however, it has, to date, failed to reach a consensus on whether institutional investors, particularly women, carry out a specific role in corporate boards. Second, our results suggest that at low levels of institutional female directors and pressure-resistant female directors on boards, the supervision (contest) hypothesis prevails, while at high levels the expropriation (collusion) hypothesis prevails. The supervision hypothesis is also supported by the presence of institutional women directors and pressure-resistant institutional female directors on executive committees. Third, we demonstrate an association between boards of directors and executive committees and firms’ financial strategy. Corporate performance is a financial mechanism of managerial discipline and, accordingly, institutional female directors can improve managerial monitoring in a substitute/complementary way. Further, in line with the board of directors literature, which suggests that resource dependence theory is more often supported than other board perspectives (e.g. Christopher, 2010; De Villiers et al., 2011; Hillman et al., 2009; Johnson et al., 1996; Sing, 2007), including agency theory, our findings support the extensive literature that stresses the strategic consultant role of board members, rather than (or in addition to) exercising independent control. Fourth, we extend previous research, mainly focused on the Anglo-Saxon context, to a bank-oriented system with lower legal investors’ protection. Therefore, this paper also analyses the role of financial institutions when they are not only creditors, but also when they hold a directorship on the board and executive committee and even, when they hold a significant ownership. Thus, Spain provides a particular context to examine agency problems among managers, directors and shareholders due to banks being simultaneously creditors, directors and shareholders. Finally, our study is unique because, as far as we know, we are the first to explore in the Spanish context the relationship between pressure-resistant and pressure-sensitive institutional female directors on boards and executive committees and firm performance.

The article is organised as follows. In the next section, we describe the institutional setting and in section three, we review the main theoretical ideas. Section four provides the hypotheses and section five describes the empirical design. Section six contains the results and finally, in section seven, we summarise and conclude.
INSTITUTIONAL SETTING

Unlike the Anglo-Saxon system, the Spanish corporate governance system is characterized by the presence of high ownership concentration, lack of liquid capital markets and no active market control. These features become the board of directors as the prevalent mechanism of control and presence as directors of the large block-holders known as institutional directors. These directors play a significant role because they have an important position on boards as representing the interests of large shareholders and institutional investors (Kirchmaier and Grant, 2005). Accordingly, Spain is the European country with the highest presence of institutional investors on the boards of large firms (De Miguel et al., 2004) in contrast with the Anglo-American context, where it is less common that institutional investors will appoint directors for the board. This high proportion of institutional directors gives an idea of stability, so that these directors have full opportunities to engage in financial strategic decisions (Elyasiani et al, 2010). Additionally, Spain has a financial system oriented to banks and contrary to their Anglo-Saxon counterparts; Spanish financial institutions have, by tradition, played an important role in the governance of non-financial firms. Banks face growing pressure from the financial markets and have widened their traditional lending-borrowing activities to others like asset management and underwriting share issues. This role has even amplified in recent years due to the deregulation process.

In this context, Spain has performed significant legal and institutional changes in order to enhance the transparency of the stock markets, to protect minority shareholders and to increase firm performance. The regulatory bodies have published a set of codes of Corporate Governance: Olivencia Report in 1998, Aldama Report in 2003, and finally, the Unified Code of Corporate Governance or Conthe Code in 2006, which are characterized by recommending compliance with corporate governance regulations, and in case of non-compliance, by suggesting companies explain the reasons. Regarding the board composition, the Conthe Code (2006) distinguishes three types of directors: independent, executive and institutional directors. Institutional directors are non-executive directors representing reference shareholders, most of the times banking and insurance companies or investment funds.

These codes have also helped to regulate the presence of women in decision-making bodies. During the period from 1936 to 1975, Spain was governed by the dictator General Franco, who ruled in a conservative way and women had not enough independence to live alone and be independent. The end of the dictatorship contributed to the fact that women entered the workforce, although female participation was lower than that of men in most European countries, especially in Spain, where the percentage of women in the Spanish workforce was lower than in other OECD countries (Campbell and Minguez-Vera, 2008).

The force to promote women’s presence in the Spanish labour market, in general, and boards of directors, in particular, came from the socialist Prime Minister José Luís Rodríguez Zapatero, who made gender equality one of his government’s top priorities, and approved the Conthe Code (2006) and the Act 3/2007 of 22 March, in 2007, for Effective Equality between Women and Men (LOIMH). The Conthe Code (2006) recommended a female presence on decision-making bodies, but it was the LOIMH (2007) which framed the regulation of the appointment of men and women on boards of directors in an equitable way. In fact, the LOIMH (2007) forces Spanish boards of listed companies to reach a gender quota of 40% by 2015. In this vein, Heidrick and Struggles (2014) highlight that in Spain the gender quota on boards of directors has increased during the last eight years, reaching a quota of 13% in 2013. Gómez (2005) and Mateos et al. (2010) emphasise that the majority of women directors making up the boards of directors of Spanish listed firms are institutional directors. Moreover, Heidrick and Struggles (2014) also evidenced that the country with the highest percentage of women directors represented on the board was Norway with 39%, followed by Finland and Sweden with 27%.
Thus, we argue that the Spanish context provides a unique opportunity to examine the effect of institutional female directors on firm performance. Such a relationship is more difficult to capture in a US or UK setting, where it is less common for directors to be appointed by institutional investors.

THEORETICAL BACKGROUND

This paper draws on agency theory, stakeholder theory and resource dependency theory to examine the relationship between institutional female directors and firm performance.

Agency theory is the most used by investigators to analyse the relationship between board characteristics and firm value. According to this theory, the separation between the principal (shareholder and other shareholder such as users of financial information or blockholders) and the agent (directors and managers) of the firm generates information asymmetries and incomplete contracts between the parties, because the owners of a firm have delegated to managers to act on their behalf, generating agency problems (Jensen and Meckling, 1976). Internal mechanisms of corporate governance, such as boards of directors, may reduce agency costs and become an important mechanism to increase firm performance.

In this vein, board composition is a key mechanism to mitigate or eliminate agency costs in companies and align the interests of principals and agents, focusing on the control as the most important function of the board of directors. Outside directors will act independently from their inside director counterparts and will act as good monitors for shareholders’ interest. Given that managers are often driven by their self-interests, large shareholders such as institutional investors have a strong incentive to monitor and motivate managers to maximize firm value instead of pursuing managerial objectives (Allen et al., 2001; Jensen, 1986; Shleifer and Vishny, 1986). In addition, agency theory also posits that females on corporate boards might strengthen existing control mechanisms over managers and executives, since board gender diversity increases board independence because women ask more questions than men (Carter et al., 2010; Fama and Jensen, 1983). Accordingly, gender diversity on corporate boards may act as a mechanism to control and monitor managers (Adams and Ferreira, 2009; Carter et al., 2003; Fama and Jensen, 1983), which may mitigate agency costs (Hillman and Daziel, 2003) and, consequently, increase firm value. Thus, the combination of institutional directors and gender diversity on corporate boards may result in an enhancement of firm performance.

Stakeholder theory argues that the board of directors will safeguard not only the interests of shareholders, but also the interests of all stakeholders (Carter et al., 2003; Freeman, 1984; Hillman et al., 2001) and, therefore, the organizations are vehicles for coordinating stakeholder interests (Freeman, 1994). Stakeholders may be placed at risk as a result of a company’s activities, which legitimizes them to claim on a company’s decision-making process (Freeman, 1984). Thus, stakeholders may influence the achievement of a company’s objective, and accordingly, company’s decisions and, therefore, its performance may be affected by the activities of its stakeholders. Stakeholder theory also posits that managers are expected to carry out their fiduciary obligations to all the stakeholders and to protect their long-term interests (Freeman, 1984; Donaldson and Preston, 1995). Hence, the organization will be more successful or more likely to be sustainable, and as a consequence, it may have the ability to attract institutional investors, who wish to invest in the company to maximize their benefits and provide their expertise in investment and managing risk to the company, which may enhance corporate performance. Institutional investors are normally large shareholders and may control resources that can facilitate the implementation of corporate decisions. In this line, institutional investors who make firm-specific investments
and contributions and bear risks in the corporation should participate in corporate decision-making as a way of enhancing corporate efficiency and firm performance.

Concerning board structure, the companies have been pressured to appoint women as directors or senior managers by different stakeholders such as shareholder activists, large institutional investors, politicians, and consumer groups (Fields and Keys, 2003), among others. The integration of minority groups on the boards, such as the presence of women, may help represent all stakeholder interests in boards (Webb, 2004), showing critical and objective judgments in the process of making decisions. Carter et al. (2003) argue that board gender diversity enhances board independence because directors with more traditional backgrounds do not ask questions that would come from directors of a different gender, ethnicity or cultural background. Women on corporate boards might provide a diversity of perspectives and opinions to board discussions and more responsive policies, enhancing more participation in the decision-making process and promoting more democratic decisions (Nielsen and Huse 2010; Webb, 2004). As a consequence, board gender diversity is assumed to avoid problematic confrontations and to make decisions that benefit all stakeholders, particularly shareholders, which may increase firm performance. Thus, from a stakeholder perspective, institutional female directors may increase firm performance.

The resource dependence theory predicts that organizations are open systems and are dependent on contingencies of the external environment (Pfeffer and Salancik, 1978) instead of the relationship between owners and management. Pfeffer and Salancik (1978) assert that there are four benefits that result from the external linkages: (1) provision of resources such as information and expertise; (2) creation of channels of communication with constituents of importance to the firm; (3) provision of commitments of support from important organizations or groups in the external environment; and (4) creation of legitimacy for the firm in the external environment. Broadly speaking, this theory posits that organizations must engage in exchanges with their environment to obtain resources (Scott, 1987) and survive or prosper (Carter et al., 2010). Furthermore, the need to acquire resources creates dependencies between organizations and outside units, considering that the outside units may be the suppliers, creditors, competitors, governmental agencies, or any other relevant entity in a firm’s environment.

Moreover, the extension of resource dependence theory suggests that different types of directors will provide different beneficial resources to the firm as information, skills, access to key constituents and legitimacy (Hillman et al., 2000). Focusing on institutional investors, represented by institutional directors on the board, the resource dependency approach argues that this kind of investors brings greater opportunity for more access to resources such as intangible reputation, legitimacy and tangible contracts and projects, which may enhance the quality of corporate governance and hence increase firm value (Pfeffer and Salancik, 1978; Peng, 2004). Resource dependence theory also posits that a more diverse board will get more valuable resources, since the recruitment of female directors on companies may provide a better connection with the relevant stakeholders of the firms (Pfeffer and Salancik 1978; Lückerath-Rovers, 2013), which should result in an enhanced firm value. Thus, board gender diversity may provide the necessary resources for the companies, different views and perspectives, advice, knowledge of the market and liaison channels with other organizations and, therefore, it could lead to more realistic decisions and more efficiency in the process of decision-making to maximize firm value (Hillman et al. 2002).

In order to emphasize the role of female directors on firm performance, we supplement these three theories with a sociological, cognitive and psychological perspective. Accordingly, building on sociology, cognitive and psychology literature, and focusing on gender diversity on corporate boards, authors such as Bilimoria (2000) and Fondas and Sassalos (2000) argue that the presence of women in the boardroom leads to more civilized
behaviour and sensitive with other perspectives. Jinakopolos and Bernasek (1998) and Byrnes et al. (1999) suggest that women tend to prefer a lower level of risk than men. In the same vein, female directors may exercise greater control over management and may be quicker to detect opportunistic behaviours than male counterparts (Khazanchi, 1995; Rugger and King, 1992). All these qualities of women’s behaviour may align the interests of all shareholders and, thereby, enhance firm performance. According to Erhardt et al. (2003), diversity in a decision-making group enhances performance by increasing decision-making capacity. This opinion is supported by Maznevski (1994), who argues that diversity has the potential to benefit group decision-making, which may improve performance by enhancing integration and communication. Simons and Pelled (1999) showed that cognitive diversity was associated with positive effects on organizational performance. However, Hang (2014) reports that women directors may be less sophisticated and sensitive financially than male investors and, therefore, they would impact negatively on firm value. Thus, based on cognitive, psychological and sociological approaches, women on corporate boards may influence positive or negatively on firm performance.

HYPOTHESES

The relationship between institutional female directors on boards and executive committees and firm performance has received little attention. To our best knowledge, a small number of papers (Barber and Odean, 2001; Hang, 2014; Talpsepp, 2010) analyse this association. While Barber and Odean (2001) and Talpsepp (2010) show that institutional female directors on boards were positively associated with firm performance, since heterogeneous boards produced more opinions and critical questions that could influence firms’ performance (Burke, 1997; Robinson and Dechant, 1997), Hang (2014) suggests that institutional women investors are associated with worse predicted performance, considering that female investors are less sophisticated and sensitive financially than male investors. Thus, this analysis tries to fill this gap in previous literature.

Persistence of financial scandals has questioned the monitoring activities realised by corporate boards, emphasising the need to compose them of outside directors. In this vein, the Spanish Conthe Code (2006) recommends that the majority of members of the board should be composed of external directors (independent and institutional directors), that is, there should exist a proportional relationship between the members who have the share of ownership or represent them (institutional directors) and members who represent the company’s free-floating (independent directors). Regarding the Sub-committees, the Conthe Code (2006) recommends forming executive committees by director category similar to that of the board itself, and supervision and control committees should be formed of external directors. Pucheta-Martínez and García-Meca (2014) report that the proportion of directors appointed by institutional investors on Spanish boards increased from 42.97% in 2004 to 45.45% in 2010, and on audit committees from 77.78% in 2004 to 79.57% in 2010. Similar evidence was provided by López-Iturriaga et al. (2014).

The central role of institutional directors on boards, who represent institutional investors considered shareholders of reference, has been to maximize the benefits of their shareholders. This perception has led some institutional investors to give up their traditional passive role and become actively engaged in management’s activities directly through their ownership, and indirectly by trading their shares. Thus, in recent years institutional investors on boards have engaged actively in the corporate governance problems of companies where they invest (Jacobson and Aaker, 1993; Rajgopal and Venkatachalam, 1997; Wang, 2014), and have monitored dominant shareholders to avoid a possible fraudulent use of corporate
resources and the extraction of private benefits (Chung et al., 2002). Consequently, this argument exposes a positive relationship between institutional shareholding and firm performance (Del Guercio and Hawkins, 1999) since they play a complementary role in governance mechanisms. However, authors such as La Porta et al. (1999), Levine (1999), Levine et al. (2000) and Jara-Bertín et al. (2012) suggest that the influence of institutional directors on firm performance depends on whether the country complies with the civil or common law. It seems that they have much more influence on civil than common law countries. In this regard, García-Osma and Gill de Albornoz-Noguer (2007) show that the monitoring role in European boards within the civil law context is played by institutional directors representing controlling shareholders, and not by independent directors.

Previous research finds that institutional directors have important influence on firm value (Kumar and Sighn, 2012; Pound, 1988; Chen et al., 2003; Sacramento et al., 2013). In this way, Pound (1988), Sahut and Ghar (2010), Aggarwal et al. (2011) and Lee and Zhang (2011) provide evidence that institutional investors are effective in monitoring management behaviour and improving firm value. Contrary to these findings, authors such as Chen et al. (2003), Wei et al. (2005) and Sacramento et al. (2013), among others, showed that institutional investors have a negative influence on firm value, owing to the fact that institutional investors may cooperate with managers and enjoy private benefits of control or preserve their business relations with their firms and as a consequence, they are less motivated to monitor their governance. Morck et al. (1988), Yeh (2005) and Hu and Izumida (2008) found a nonlinear relationship, concretely quadratic, between both managerial ownership and ownership concentration and firm value as a combined result of the alignment and entrenchment hypotheses. This logic is extended to institutional ownership by Navissi and Naiker (2006), who show that active institutional investors exert a quadratic influence on corporate performance. Thus, the alignment effect should result in a positive association between institutional directors and firm value; however, whether institutional investors reach a certain threshold on board, they may therefore entrench themselves and may achieve absolute control of companies and extract private benefits, which may have a negative effect on firm performance. Consequently, this relationship may be an extension of the nonlinear association between institutional ownership and firm value shown by Navissi and Naiker (2006).

Additionally, this idea is consistent with the theory of optimal distinctiveness proposed by Brewer (1991), which argues that the effects of group composition are likely to be nonlinear: very low and very high proportions of demographic characteristics are associated with more negative outcomes, whereas balanced proportions lead to positive outcomes (an inverted U-shape). Furthermore, as more females are appointed as directors, their concentration of power with males would presumably become increasingly noticeable and could possibly generate dissatisfaction with those not holding this power, namely, the increasing numbers of females in the organization. Thus, this dissatisfaction may result in individual outcomes such as turnover or lowered productivity whose collective effect would be detrimental to organizational performance. When power has to be shared among increasingly few members, the restriction to the possible users of this power may lead to lost opportunities to use this power for the good of the company, thus affecting firm value. In line with this idea, Chirinko et al. (1999) and Zou (2010) report an inverted U-shape relationship between institutional directors on boards and firm performance. This nonlinear association shows that institutional directors on boards increase firm performance, but when their presence reaches a certain level, then firm value reduces.

The board’s monitoring role can further be improved by establishing oversight board committees which enable the directors’ duties to be rigorously discharged. They also enhance the confidence of investors. Regarding board sub-committees in Spain, the Conthe code
(2006) recommends forming executive committees, audit committees and nomination and remuneration committees. Spanish listed firms have been obliged to create audit committees since 2002 (Financial System Reform Act of 2002). The creation of board committees is expected to have a positive effect on corporate performance since they increase the monitoring and control of the board (Vafeas, 1999; Klein, 2002), but relatively little empirical research has been conducted in this area (Gales and Kesner, 1994; Dalton et al. 1998; McMullen, 1996). Prior research shows a positive effect on firm performance after the establishment of audit committees (Laing and Weir, 1999; Chan and Li, 2008; Aldamen et al., 2012; Malik et al., 2014) and remuneration committees (Main and Johnston, 1993; Laing and Weir, 1999; Weir and Laing, 2000). In that respect, the existence of audit committees increases firm performance due to better internal control (Chen et al., 2005; Lee and Zhang, 2011). Thus, the establishment of board sub-committees may strengthen the corporate governance of the firms. Authors such as Stapledon and Lawrence (1997) and Laing and Weir (1999) argue that non-executive or outside directors (independent and institutional) on board sub-committees can be more effective in conducting their monitoring role since they are more able to exercise independent judgment. In this way, outside directors feel freer to assess management behaviour and to make key decisions based upon moral grounds (Ellstrand et al., 1999). Laing and McKnight (2002) provide evidence that the presence of non-executive members on audit committees increases corporate performance and Lam and Lee (2010) report that outside directors on nomination committees impact positively on firm value. In this study we focus on the relationship between institutional female directors on executive committees and firm value since the existence of an executive committee could lead to a better separation between the management and control functions of the board. In addition, this committee has the authority to act on behalf of the board of directors when the board does not meet. For this reason, companies with institutional directors (outside) on executive committees have more effective monitoring of management, decreasing agency costs and enhancing firm value. This argument is supported by Al-Matar et al. (2014), who find a significant and positive relationship between outside directors (institutional and independent) on executive committees and firm performance.

Thus, based on above arguments and extending them to gender diversity on boards and executive committees, we predict a nonlinear relationship between institutional female directors on boards and firm value, that is, institutional female directors on boards will have a positive effect on firm performance, but when their presence on boards reaches a certain threshold, then, firm performance will reduce (Hang, 2014). Concerning the influence of institutional female directors on executive committees, we posit a linear association between them and firm performance because the proportion of members on these committees is lower than boards of directors. Accordingly, we pose the first hypothesis in a dual way:

H1a: A nonlinear relationship is expected between institutional female directors on board and firm performance: Institutional female directors influence positively on firm performance, but when they reach a certain threshold, they affect it negatively

H1b. A positive relationship is expected between institutional female directors on executive committees and firm performance

Although it is undoubtedly the influence of institutional investors in the decision-making process of the boards, not all of them are equally willing or able to serve this function (Almazán et al., 2005). Accordingly, previous research argues that business relationships with the company may significantly influence the preferences and incentives of the institutional investors to control corporate decisions. Authors such as Brickley et al. (1988), Agrawal and Mandelker (1990), Hartzell and Starks (2003), Almazán et al. (2005), Borokhowich et al.
Ferreira and Matos (2008) and Ramalingegowda and Yu (2012) provide evidence that institutional investors have different attitude towards R&D investment decisions, earnings management, CEO compensation, anti-takeover amendments and profitability, among others. Thus, this evidence suggests that some institutional investors prefer monitoring firms and exerting influence on managers whereas others choose information gathering and short-term trading profits (Elyasiani et al., 2010). According to Bennett et al. (2003), among institutional investors there are not only legal differences, but also in terms of investment strategy and their incentives and resources to gather information and to engage in the governances of firms.

Therefore, institutional investors cannot be considered as a homogeneous group due to their different incentives and ability to engage in corporate governance (Almazán, et al., 2005; Cornett et al., 2007; Jara-Bertín et al., 2012; López-Iturriaga et al., 2014). In this vein, two groups of institutional investors on boards or their subcommittees can be differentiated, according to their business objectives: pressure-sensitive and pressure-resistant institutional directors (Brickley et al. 1988; Pound, 1988; Kochhar and David, 1996; Bhattacharya and Graham, 2007; Dong and Ozkan, 2008). Pressure-resistant institutional investors (mutual funds, investment funds, pension funds and venture capital firms) only keep an investment relationship with companies whose shares they own. They have a more independent position on the firm and, therefore, they may be less subjected to pressure from the companies in which they invest and are better suited to control and impose controls on corporate managers (Almazán, et al., 2005; Ruiz-Mallorqui and Santana-Martin, 2011; Jara-Bertín et al., 2012; Pucheta-Martínez and García-Meca, 2014). In contrast, pressure-sensitive institutional investors (insurance companies or banks) are likely to keep both investment and business relationships with companies and in order to protect those relationships; they might not be willing to challenge management decisions. Board directors who are representatives of pressure-sensitive institutional investors are likely to assume a higher cost of monitoring than board directors who are representatives of pressure-resistant institutional investors, since they have to make a bigger effort to control corporate managers due to their business relationships (Almazán et al., 2005), who demonstrate that more active institutional investors, such as pressure-resistant, can provide more intense managerial monitoring than pressure-sensitive investors.

Pressure-resistant institutional investors (investment, mutual and pension funds) face fewer conflicts of interests arising from business relationships, and can serve as a monitoring mechanism in mitigating agency problems between shareholders and managers (Brickley et al., 1988; Bhattacharya and Graham, 2007; Cornett et al., 2007). Consequently, pressure-resistant institutional investors on boards are more likely to engage actively in monitoring, resulting in an increase in firm performance (Ruiz-Mallorqui and Santana-Martin, 2011). In this vein, authors such as Pound (1988), Elyasiani and Jia (2010), Ruiz-Mallorqui and Santana-Martin (2011), Muller-Kahle (2012) and Wahba and Elsayed (2014), among others, evidenced that companies with pressure-resistant institutional investors on boards are more likely to have better firm performance than pressure-sensitive institutional investors. This finding is supported by Jara-Bertin et al. (2012), Bhattacharya and Graham (2007) and Sahu (2014), who reported a positive relationship between pressure-resistant institutional investors and firm performance, given that they do not interfere with daily business activities and are better monitors of corporate managers. However, when the presence of pressure-resistant institutional directors on boards reaches a certain threshold, they may behave, respecting firm performance, as institutional directors on boards, as argued in the previous hypothesis and, therefore, they may exert a quadratic influence on firm value. Hence, the alignment effect should result in a positive relationship between pressure-resistant institutional directors and firm performance, but if they reach a certain threshold on boards, then they entrench
themselves and can achieve absolute control of firms and extract private benefits, thereby affecting negatively on firm value. Consequently, this relationship may be an extension of the nonlinear association between institutional ownership and firm performance reported by Navissi and Naiker (2006). In line with this idea, Jiao and Ye (2013) find an inverted U-shape relationship between pressure-resistant institutional directors and firm value. Thus, this evidence shows that moderate levels of pressure-resistant institutional directors on boards enhance firm value, whereas excessive levels of pressure-resistant institutional directors on boards facilitate the obtaining of their personal interests destroying firm value, due to the fact that they have an important influence on firm management.

Concerning pressure-sensitive institutional investors, most of prior research reports that they impact negatively on firm performance (Bhattacharya and Graham, 2007; Ruiz-Mallorquí and Santana-Martín, 2011; Sahu, 2014), given the combination of business and investment relationship. When banks, the most important type of pressure-sensitive institutional investor, are creditors and shareholders of companies, they can perceive that this double role gives them more information than other types of shareholders and, therefore, they may use this information in their own interest (Cuervo-Cazurra, 1999; Gorton and Schmid, 2000; Fernández, 2001). This may encourage the formation of controlling coalitions between these types of institutional investors and managers or other stakeholders, creating corporate groups to extract private benefits. Additionally, the weaker legal protection for investors of the Spanish corporate governance system encourages institutional investors, such as banks, to control and dominate corporate groups (Alie et al, 2007). Nevertheless, pressure-sensitive investors may be interested in contesting the power of other controlling shareholders, avoiding the collusion among other large shareholders, because the cost of extracting private benefits may be higher due to the fact that these institutional investors are under stricter scrutiny by regulatory bodies (Maury and Pajuste, 2005). Thus, as the presence of pressure-sensitive institutional investors on boards increases, they will have more ability and influence to contest the power of controlling owners and to control dominant shareholder, enhancing firm performance (Bloch and Hege, 2001; Gomes and Novaes, 2005). This thesis supports a nonlinear association between pressure-sensitive institutional directors and firm performance based on the expropriation (collusion) and supervision (contest) hypotheses. Thus, low presence of pressure-sensitive institutional directors on boards is negatively associated with firm value since they may create an expropriating alliance with dominant shareholders (Pinto, 2006), but as the presence of pressure-sensitive institutional directors on boards becomes higher, they contest for the power to control other controlling shareholders and, consequently, they engage in tasks that enhance firm value. The paper by Morck et al. (2000) supports this idea.

Regarding the presence of pressure-resistant institutional directors on executive committees, we posit that they will impact positively on firm performance since they will feel freer to exercise independent judgment and take decisions and will be able to monitor managers in a more effective way, given that they do not keep a business relationship with the companies (Ruiz-Mallorquí and Santana-Martín, 2011; Wahba and Elsayed, 2014). A board sub-committee, such as an executive committee with pressure-resistant institutional directors, will act as an alignment mechanism and, therefore, it will enhance corporate performance. Focusing on pressure-sensitive institutional directors on executive committees, it is argued that they will extract private benefits because they will entrench themselves and take absolute control of firms and, as a result, they will have a negative effect on firm performance. The expected signs for both types of institutional female directors can be explained because pressure-resistant institutional investors should be more engaged with financial benefits and the shareholders whose interests they represent, while pressure-sensitive institutional investors are less independent of managers since they keep business relationships with the
companies, and may have influence on the corporate governance problems of the firms. As commented on previously, a nonlinear relationship between pressure-resistant and pressure-sensitive institutional directors on executive committees and firm value is not analysed because their size is, on average, small (2–3 members).

To our best knowledge, there is no research that has analysed the impact of pressure-resistant and pressure-sensitive female directors on boards and executive committees on firm performance. Consequently, this gap in corporate governance literature has to be filled as well. Female directors show more civilized behaviour, are more averse to risk, may be less sophisticated and sensitive financially, may be stricter to monitor management and quicker to detect opportunistic behaviours than male directors, among other things (Khazanchi, 1995; Jinakopoulos and Bernasek, 1998; Byrnes et al., 1999). All these aspects of female behaviour may align with, or diverge from, the interests of all shareholders, depending on the kind of institutional investors who they represent and on the amount of female directors on corporate boards. Hence, based on above arguments, we can expect a nonlinear relationship, concretely quadratic, between pressure-resistant and pressure-sensitive female directors on boards and firm performance. Thus, the presence of pressure-resistant institutional female directors on boards will enhance firm performance, but when they reach a certain threshold, firm performance lowers. Concerning the presence of pressure-sensitive institutional female directors on boards, they reduce firm value, but when they reach a certain level, firm value increases. Also, we posit a positive and negative linear relationship between pressure-resistant and pressure-sensitive institutional female directors on executive committees, respectively, and firm performance. Consequently, our second hypothesis is also stated in a dual way:

\( H2a: \) A nonlinear relationship is expected between pressure-resistant and pressure-sensitive institutional female directors on board and firm performance: Pressure-resistant (Pressure-sensitive) female directors influence positively (negatively) on firm performance, but when they reach a threshold, they affect negatively (positively)

\( H2b: \) Pressure-resistant (pressure-sensitive) institutional female directors on executive committees increase (decrease) firm performance

**EMPIRICAL DESIGN**

**Sample**

The sample for the panel data analysis comprises non-financial firms listed on the Madrid Stock Exchange during the period 2004–2013. We exclude financial companies both because they are under special scrutiny by financial authorities that constrain the role of their board of directors and because of their special accounting practices. The data was obtained from the Public Register of the Spanish Securities Market Commission (CNMV), from the “Sistemas de Análisis de Balances Ibéricos” (SABI) database and from the corporate and annual reports that all listed companies are required to publish since 2003.

We build an unbalanced panel of 989 firm-year observations. The panel is unbalanced because during this time period some firms became public, and other firms delisted as a consequence of mergers and acquisitions. Nevertheless, the estimations based on unbalanced panels are as reliable as those based on balanced panels (Arellano, 2003).

**Variables**

As dependent variable we use Tobin’s Q defined as \( Q_{TOBIN} \) and measured as the ratio between the market value of common stock plus book debt and total assets. Previous studies have also used Tobin’s Q as an approximation of corporate performance (Eisenberg et
al., 1998; Campbell and Minguez-Vera, 2010; Kumar and Singh, 2012; Liu et al., 2013; Sacramento et al., 2013; Ibrahim and Samad, 2014; Vo and Nguyen, 2014).

Several independent variables are also used. INST_WOM_BD is defined as the percentage of institutional female directors sit on the board. Institutional directors are principally appointed by institutional investors, who represent insurance and banking firms or investment funds. Following García-Meca et al. (2013) and Pucheta-Martínez and García-Meca (2014), we define SENSIT_WOM_BD as the proportion of the board female directors who are representative of pressure-sensitive institutional investors (i.e. banks and insurance companies) and RESIST_WOM_BD as the proportion of the board’s female directors who are representative of pressure-resistant institutional investors (i.e. mutual and pension funds). INST_WOM_BD, SENSIT_WOM_BD and RESIST_WOM_BD are defined as the square of the proportion of institutional female directors on boards, of the board’s female directors who are representative of pressure-sensitive institutional investors and of the board’s female directors who are representative of pressure-resistant institutional investors, respectively. These three variables introduce the moderating effect on firm performance of adding a new institutional, pressure-sensitive and resistant female director of the board. INST_WOM_EC is defined as a dummy variable that equals 1 if institutional female directors sit on the executive committee and zero, otherwise; SENSIT_WOM_EC is a dummy variable that equals 1 if pressure-sensitive institutional female directors sit on the executive committee (i.e. banks and insurance companies) and zero, otherwise and RESIST_WOM_EC is a dummy variable that equals 1 if pressure-resistant institutional female directors sit on the executive committee (i.e. mutual and pension funds) and zero, otherwise.

Several factors that may potentially influence firm performance are also controlled. We define INDP_BD as the proportion of independent directors sitting on the board. Authors such as Coles et al., (2001), Chen et al. (2005), Jo and Harjoto (2011), Knyazeva et al. (2013) and Liu et al. (2013), among others, showed a positive relationship between the percentage of independent directors on the board and firm value. Another control variable used is the duality in the position of chairman of the board of directors and chief executive officer (CEO), defined as CEO_DUALITY and measured as a dummy variable equal to 1 if the same person serves simultaneously as CEO and President of the board of directors and zero, otherwise. Carter et al. (2003), Chen et al. (2005), Rashid et al. (2010) and Lee and Zhang (2011) demonstrated a negative relationship between CEO duality and firm value, while other studies (Tian and Lau, 2001; Peng, 2004; Zhang and Li, 2007; Vo and Nguyen, 2014) showed a positive relationship. The ownership concentration is also considered as a control variable, defined as OWNCON and calculated as the proportion of shares held by shareholders holding at least 10% of the firm’s stock. Sacramento et al. (2013) and Sheikh et al. (2013) reported a positive relationship between the ownership concentration and firm value. Management ownership is denoted as OWNMAN and measured as the percentage of stock owned by managers. Previous evidence provided a positive relationship between management ownership and firm performance (Yermack, 1996; Beiner et al., 2006; Attig et al. 2009; Rashid et al., 2010; Ruiz-Mallorquí and Santana-Martín, 2011). The leverage level of the company is denoted as LEV and calculated as the ratio of book value of debt over total assets. Previous literature (Mark and Kusnadi, 2005; Ibrahim and Samad, 2014; Sahu, 2014) shows that high financial leverage was positively related to firm performance. Finally, we also control for profitability, defined as ROA and calculated as the ratio of earnings before interest and taxation (EBIT) over book assets (Campbell and Minguez-Vera, 2008). Carter et al. (2003), Campbell and Minguez-Vera (2008), Kumar and Singh (2012) and Sacramento et al. (2013) provided evidence that firms with a high return on their assets ratio had greater potential for firm value. Dummy variables for each year were used to control for time effects (firm fixed effect). A summary of all the variables is provided in Table 1.
RESULTS

Descriptive analysis

Table 2 offers the mean value, the median, the standard deviation and the 10th and 90th percentiles of the variables.

Table 2 shows that the Q Tobin (the market value of common stock plus book debt divided by total assets) of the firms, on average, is 2.18. Concerning board and executive committee composition, we appreciate that institutional female directors account for 3.82 per cent of directorships on the boards and 6.5 per cent on the executive committees. Pressure-resistant institutional female directors account for 3.37 per cent on the boards and 6 per cent on the executive committees, while pressure-sensitive institutional female directors represent 0.45 per cent on the boards and 0.5 per cent on the executive committees. The proportion of independent directors on the boards is, on average, 32.30 per cent, the ownership concentration represents 53.78 per cent and the management ownership accounts for 26.86 per cent. Finally, the level of leverage is, on average, 57.90 per cent, the return on assets 1 per cent and CEO duality on boards represents 36 per cent.

To test for multicollinearity, we have calculated the Pearson correlation matrix presented in Table 3. The correlation between most of the pairs is low, generally below 0.3. None of the correlation coefficients is high enough (>0.80) to cause multicollinearity concerns (see Archambeault and DeZoort, 2001; Carcello and Neal, 2000), except the pairs INST_WOM_BD-RESIST_WOM_BD and INST_WOM_EC-RESIST_WOM_EC, which are correlated by construction because these pairs are between corporate governance variables. Additionally, the corporate governance variables (INST_WOM_BD, RESIST_WOM_BD, INST_WOM_EC and RESIST_WOM_EC), which show a high correlation, are not included simultaneously in the model. Therefore, we can conclude that the models are free of multicollinearity problems. The variance inflation factors (VIF’s) have been also calculated and none was so high as to indicate multicollinearity problems (see Neter et al. 1985), since all values are below 10, which is generally used as a critical threshold according to Haan (2002).

Univariate analysis

Table 4 presents the mean values of the independent variables between firms with a Q_Tobin higher than, or equal to, 1.57 and with a Q_Tobin lower than 1.57 to test for the presence of differences in means between both groups of firms. The median (1.57) of the Q Tobin was used to create the two groups.

As shown in Table 4, the difference in the means of the variables denoting the percentage of institutional female directors on boards (INST_WOM_BD) and the presence of institutional women directors on the executive committees (INST_WOM_EC) are positive and statistically significant at 1 per cent and 5 per cent, respectively. These results suggest that companies with a Q_Tobin higher than, or equal to, 1.57 have a higher presence of institutional female directors on boards and executive committees than firms with a Q_Tobin lower than 1.57. Thus, we may, therefore, conclude that institutional female directors on boards and executive committees influence positively on firm performance. These results are consistent with earlier papers which focus on gender diversity and firm performance (Atkinson et al., 2003; Liu et al., 2013; Lückерath-Rovers, 2013; Pathan and Faff, 2013; Garba and Abubakar, 2014; Martín-Ugedo and Mínguez-Vera, 2014). It can be also observed
that the difference in the means of the variables representing pressure-resistant institutional women directors on boards (RESIST_WOM_BD) and executive committees (RESIST_WOM_EC) are also positive and statistically significant, while the variables denoting pressure-sensitive institutional female directors on boards (SENSIT_WOM_BD) and executive committees (SENSIT_WOM_EC) are negative, but not significant. These findings show that firms with a higher firm performance have more pressure-resistant institutional female directors on the board and executive committee than companies with lower levels of firm value, while pressure-sensitive institutional female directors on the board and executive committee are higher in companies with a low firm performance. On the whole, and in line with Saunders et al. (2003), Cornett et al. (2007) and Chen and Chen (2008), our results suggest that institutional female directors and pressure-resistant female directors on boards and executive committees enhance firm performance in contrast with pressure-sensitive institutional female directors, who do not have an influence on firm value. Thus, institutional female investors and pressure-resistant institutional female investors appear to exert much more control on the board and executive committee than pressure-sensitive female investors to enhance firm value. This finding is supported by Jara-Bertín et al. (2012), Muller-Kahle (2012) and Wahba and Elsayed (2014), who showed that pressure-resistant institutional investors have better firm performance than pressure-sensitive institutional investors. The lack of effect of women directors representing pressure-sensitive investors (insurance companies and banks) on boards and executive committees seems to be due to the fact that this kind of institutional investor has their managerial monitoring role compromised since they have to keep their business relationships with the firm.

**Multivariate analysis**

In Table 5 we offer the results of the lineal regression for institutional, pressure-sensitive and pressure-resistant women directors on boards. As can be appreciated, we have built four models. In Model 1 we analyse whether institutional female directors on boards have an influence on firm performance, in Model 2 we examine the repercussions solely of pressure-sensitive institutional female directors on boards on firm value, while in Model 3 we evaluate whether pressure-resistant institutional women directors on boards affect corporate performance. Finally, in Model 4 we explore the joint effect of pressure-sensitive and pressure-resistant institutional female directors on boards on firm performance. The statistic tests show that the four models are statistically significant at 1 per cent.

As predicted, the variables representing institutional female directors on boards in a linear (INST_WOM_BD) and nonlinear way (INST_WOM_BD2), concretely quadratic, present the expected signs and are statistically significant at 5 per cent and 1 per cent respectively. Consistent with hypothesis 1a, the results suggest that the proportion of institutional female directors on boards impact positively on firm performance, but when the percentage of women reaches a certain threshold; they have a negative effect on firm value. In the same manner, Frink et al. (2003) found an inverted U-shape relationship between gender diversity and organization performance. A large number of previous studies provide evidence that institutional investors on boards contribute to an increase in firm value (e.g. Tian and Lau, 2001; Chen and Chen, 2008; Yuan et al., 2008; Elyasiani and Jia, 2010; Lee and Zhang, 2011), while authors such as Drago et al. (2011), Kumar and Singh (2012) and Welch and Wang (2013), among others, found that institutional investors were negatively associated with firm value. Kumar (2003), Navissi and Naiker (2006), Al Farooque et al. (2007) and Rashid (2012) showed that there is a non-linear relationship between institutional shareholding and firm performance. In the same vein, Haddaji (2009) and Van Essen et al. (2013) report that an inverted U-shape relationship exists between institutional blockholders’ ownership and firm value.
value and Jara-Bértín et al. (2012) show that in common law countries there is a U-shape relation between institutional ownership and firm performance while in civil law countries there is an inverted U-shape relation between institutional ownership and firm performance. This evidence supports our findings and we can conclude that there is a nonlinear association, concretely an inverted U-shape, between institutional female directors on Spanish boards and corporate performance. Thus, our results are in line with the view that as the level of institutional female directors increases, firm performance enhances, suggesting the supervision (contest) hypothesis, but when their presence on boards reaches a certain threshold, then institutional female directors reduce corporate performance because as power is shared among increasingly fewer people, the restriction on the owners of this power may lead to private benefits, suggesting in this case the expropriation or collusion hypothesis.

To test hypothesis 2a, we use Model 2, 3 and 4. In Model 2, we observe that the variables denoting pressure-sensitive institutional female directors on boards in a linear and nonlinear way (SENSIST_WOM_BD and SENSIST_WOM_BD²), provide the predicted signs, but they are not statistically significant, while in Model 3, the variables pressure-resistant institutional female directors on boards (RESIST_WOM_BD and RESIST_WOM_BD²) offer the expected direction and they are statistically significant. The findings in Model 4, where we analyse the joint impact of pressure-sensitive and pressure-resistant institutional women directors on firm value, confirm the results provided by Model 2 and 3. Accordingly, we can partially accept hypothesis 2a and we may conclude that, as predicted, firm performance enhances with increases in pressure-resistant institutional women directors on boards up to a point, beyond which further increases in pressure-resistant institutional female directors are associated with decreases in firm value. This finding is corroborated by Jiao and Ye (2013), who showed an inverted U-shape association between pressure-resistant institutional ownership and firm performance. Concerning the levels of pressure-sensitive institutional female directors on boards, the findings provide evidence that, contrary to our predictions, they do not impact on firm value neither in low nor in high levels. This finding is supported by Cornett et al. (2007), who report that pressure-sensitive institutional investors do not have an influence on operating cash flow returns, suggesting that these institutional investors are compromised as monitors by their interests in protecting business relations with the firm. Based on agency theory, as the presence of pressure-resistant female directors on boards increases, it implies more engagement in the control of managers, and as a result, firm value enhances, but when they reach a threshold on boards, they achieve excessive power and become entrenched and thereby, pressure-resistant female directors on boards impact negatively on firm value. Hence, pressure-resistant female investors can act in ways that harm the interests of other shareholders and lead to reduced firm performance. Overall, the impact of institutional female directors cannot be only considered as a whole, but must be examined conditionally on the stake of the directors on boards. This result seems to suggest that female directors representing pressure-resistant institutional investors use firm performance as a control mechanism while women directors representing pressure-sensitive do not.

With regards to the control variables, we can observe that independent directors on boards (INDP_BD), ownership concentration (OWNCON), leverage (LEV) and return on assets (ROA) present a positive sign, as predicted, and they are statistically significant. Therefore, these findings show that companies with a high proportion of independent directors on the board, with high ownership concentration and high levels of leverage and return on assets are more likely to enhance firm performance.

In Table 6 we present the results of the lineal regression for institutional, pressure-sensitive and pressure-resistant women directors on executive committees. As can be observed, we have built four models, as for boards. The four models are statistically
significant, as can be appreciated. In Model 1, where we examine whether institutional female directors on executive committees have an effect on firm value, the findings demonstrate that they impact positively on firm performance, as expected. Thus, we can accept hypothesis 1b. This evidence is in line with the results of Al-Matar et al. (2014), who show that outside directors (institutional and independent) on executive committees have a positive influence on corporate performance. In Model 2 we solely analyse the repercussions of pressure-sensitive women directors on executive committees on firm performance and, in Model 3, the effects solely of pressure-resistant female directors on executive committees. The findings show that pressure-sensitive female directors do not have any impact on firm performance, while pressure-resistant female directors enhance firm value. The results in Model 4, where we jointly analysed the impact of pressure-sensitive and pressure-resistant institutional female directors on executive committees on firm value, support the findings provided in Models 2 and 3. According to these results, we also can partially accept hypothesis 2b since high levels of pressure-resistant institutional women directors on executive committees are positively associated with firm performance, but high levels of pressure-sensitive institutional women directors on executive committees do not affect firm value. This result is supported by previous authors such as Saunders et al. (2003), Cornett et al. (2007) and Chen and Chen (2008), among others. Thus, the findings demonstrate a different role on firm performance for institutional female directors representing pressure-resistant institutional investors on executive committees relative to women directors representing pressure-sensitive institutional investors on executive committees. The managerial monitoring role held by female directors on executive committees representing pressure-resistant investors can be supported by these findings since it seems that they, contrary to pressure-sensitive institutional women directors, exercise such control that their presence on the executive committee is positively associated with firm value.

Regarding control variables, as in board Models, independent directors on boards, ownership concentration, leverage and return on assets show a positive sign, as predicted, and they are statistically significant. Therefore, these results imply that as the percentage of independent directors on boards, of ownership concentration, of leverage and of return on assets increases, firm performance increases.

CONCLUSIONS

Previous research has focused on the relationship between institutional investors and firm performance (Brickley et al., 1988; Peng, 2004; Yuan et al., 2008; Jo and Harjoto, 2011; Wahba and Elsayed, 2014), showing that this is one of the issues that has generated most interest and controversy over recent years.

The aim of this paper is to analyse how institutional female directors impact on firm value. Concretely, we examine the effect of institutional female directors as a whole on boards and executive committees on firm performance; and we also explore this relationship differentiating between those institutional female directors who keep business relations with the firm on whose boards and executive committees they sit (pressure-sensitive institutional female directors: banking institutions and insurance companies) and institutional female directors whose business activity is not related to the company in which they hold a directorship (pressure-resistant institutional female directors: mutual, pension and investment funds).

Our results show that institutional female directors have diverse incentives to engage in corporate governance. When institutional female directors are considered as a whole, the findings demonstrate that there is a positive relationship between institutional female directors sitting on boards and executive committees and firm performance, but when they reach a certain number on boards, firm performance decreases. Additionally, our results also confirm
the different roles of both types of institutional female directors, pressure-resistant and pressure-sensitive, confirming that institutional investors cannot be considered as a homogeneous group because they may or may not have business relationships with the company in which they hold a directorship. Depending on business relations, we find that female directors representing pressure-sensitive investors (i.e., banks and insurance companies) on boards and executive committees do not have an influence on corporate performance, while pressure-resistant female directors (i.e., mutual funds and pension funds) on both corporate boards have a positive effect on firm value. However, as shown in institutional female directors as a whole, when the presence of pressure-resistant female directors on boards reaches a certain number, they have a negative influence on firm performance.

Our results have different implications for the corporate governance debate. First, the findings suggest that regulatory bodies should revisit their policies about female investors’ participation in mechanisms of corporate control such as the board of directors and board sub-committees, and their different costs and incentives for corporate governance. Second, policymakers have focused on examining the board composition and have paid little attention to ownership structure. Therefore, our results should encourage the policymakers to change their perspectives about the different types of shareholders in corporate governance since they may have an effect on corporate performance. Third, another implication that can be derived from this analysis is that institutional female investors cannot be considered as a homogeneous group because when they are considered as a whole, they impact on firm value, but when we separate them between pressure-resistant and pressure-sensitive institutional female directors, the first one has an effect but the second does not. Thus, within institutional female investors, directors representing pension, mutual and investment funds on boards and executive committees play an important role in corporate governance since they affect corporate performance. Thus, companies should revisit the presence of this type of institutional female directors on corporate boards. Our findings become relevant for European countries characterized by weak corporate governance and where the most predominant agency conflict is the expropriation of minority shareholder’s wealth by large shareholders. Fourth, our findings highlight that institutional female investors improve monitoring of corporate management and are able to promote good corporate governance practices, affecting firm value. Finally, the last implication of our study is based on the relevance of the combination of agency, stakeholders and resource dependence theories to explain how institutional female investors impact on firm value. The adoption of multiple theoretical perspectives helped us to argue that the institutional female investors improve the monitoring of management as well as providing useful resources to assist in strategic decision-making of the companies, thus influencing corporate performance.

The limitations of this study are the following. First, we would like to highlight the scant presence of institutional women directors on Spanish boards and executive committees. However, the percentage of women on corporate bodies of the firms has increased in recent years due to the publication of recommendations and the Act 3/2007, “The Equality Law”, which was issued in 2007 in order to establish a target gender quota of 40% on boards of listed companies to be reached by 2015. Finally, it is possible that there are unknown factors that could have an impact on our dependent variable. While we have controlled for as many factors as possible based on theory and previous research, empirical and theoretical limitations prevent us from knowing whether all of the important influences have been controlled for and addressed.

This study could give rise to future lines of research. First, future research may study the participation patterns of institutional female directors on corporate boards of companies controlled by individual owners, family and firms mainly controlled by the state, which would...
reflect the interest’s divergence of their owners in the management of the companies. Finally, it would be interesting to examine the repercussion of institutional female directors in smaller and medium-sized companies, because we have only studied the big companies, and findings may not be identical.

NOTES

1 The board size, on average, of Spanish listed firms is 10’40 members, while the executive committee size, on average, is 2’3 members.

2 The relationship between board composition and corporate performance may cause endogeneity problems (Demsetz and Villalonga, 2001; Hermelin and Weisbach, 1998; Villalonga and Amit, 2006). To address this problem, we estimate our model using the instrumental variables method. More specifically, we implement the two-stages least squares method to instrument the corporate governance variables. The results, unreported, corroborate the findings previously reported.

References


## TABLE 1
### Variable Definition

<table>
<thead>
<tr>
<th>Variables</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q_TOBIN</td>
<td>The market value of common stock plus book debt divided by total assets</td>
</tr>
<tr>
<td>INST_WOM_BD</td>
<td>Proportion of institutional female directors on board</td>
</tr>
<tr>
<td>SENSIT_WOM_BD</td>
<td>Proportion of the board female directors who are representative of pressure-sensitive institutional investors</td>
</tr>
<tr>
<td>RESIST_WOM_BD</td>
<td>Proportion of the board female directors who are representative of pressure-resistant institutional investors</td>
</tr>
<tr>
<td>INST_WOM_EC</td>
<td>Dummy variable that equals 1 if institutional female directors sit on the executive committee and zero, otherwise</td>
</tr>
<tr>
<td>SENSIT_WOM_EC</td>
<td>Dummy variable that equals 1 if pressure-sensitive institutional female directors sit on the executive committee and zero, otherwise</td>
</tr>
<tr>
<td>RESIST_WOM_EC</td>
<td>Dummy variable that equals 1 if pressure-resistant institutional female directors sit on the executive committee and zero, otherwise</td>
</tr>
<tr>
<td>INDP_BD</td>
<td>Proportion of independent directors on the board</td>
</tr>
<tr>
<td>CEO_DUALITY</td>
<td>Dummy variable equals to 1 if the same person serves simultaneously as CEO and President of the BD and zero, otherwise</td>
</tr>
<tr>
<td>OWNCON</td>
<td>The ownership concentration of the company</td>
</tr>
<tr>
<td>OWNMAN</td>
<td>Proportion of stocks held by directors</td>
</tr>
<tr>
<td>LEV</td>
<td>Ratio of book debt to total assets</td>
</tr>
<tr>
<td>ROA</td>
<td>Operate income before interests and taxes over total assets</td>
</tr>
</tbody>
</table>
TABLE 2
Main Descriptive Statistics

Mean, median, standard deviation, and percentiles of the main variables. Panel A and B show the continuous and dummy variables, respectively. Q_TOBIN is the market value of common stock plus book debt divided by total assets; INST_WOM_BD is the proportion of institutional female directors on the board; SENSIT_WOM_BD is the proportion of the board female directors who are representative of pressure-sensitive institutional investors; RESIST_WOM_BD is the proportion of the board female directors who are representative of pressure-resistant institutional investors; INST_WOM_EC equals 1 if institutional female directors sit on the executive committee and 0, otherwise; SENSIT_WOM_EC equals 1 if pressure-sensitive institutional female directors sit on the executive committee and 0, otherwise; RESIST_WOM_EC equals 1 if pressure-resistant institutional female directors sit on the executive committee and 0, otherwise; INDP_BD is the proportion of independent directors on the board; CEO_DUALITY equals to 1 if the same person serves simultaneously as CEO and President of the BD and 0, otherwise; OWNCON is the proportion of shares held by shareholders holding at least 10% of the firm’s stock; OWNMAN is the proportion of stocks held by directors; LEV is the ratio of book debt to total assets; ROA is the operate income before interests and taxes over total assets.

Panel A. Continuous variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Mean</th>
<th>Median</th>
<th>Std. Dev.</th>
<th>Perc. 10</th>
<th>Perc. 90</th>
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<tr>
<td>Q_TOBIN</td>
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<td>2,18</td>
<td>1,57</td>
<td>1,86</td>
<td>0,87</td>
<td>4,11</td>
</tr>
<tr>
<td>INST_WOM_BD</td>
<td>989</td>
<td>3,82%</td>
<td>0%5</td>
<td>6,96%</td>
<td>0%</td>
<td>12,50%</td>
</tr>
<tr>
<td>SENSIT_WOM_BD</td>
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<td>0,45%</td>
<td>0%</td>
<td>2,39%</td>
<td>0%</td>
<td>0%</td>
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<tr>
<td>RESIST_WOM_BD</td>
<td>989</td>
<td>3,37%</td>
<td>0%</td>
<td>6,62%</td>
<td>0%</td>
<td>11,11%</td>
</tr>
<tr>
<td>INDP_BD</td>
<td>989</td>
<td>32,30%</td>
<td>31,60%</td>
<td>17,80%</td>
<td>10,00%</td>
<td>57,10%</td>
</tr>
<tr>
<td>OWNCON</td>
<td>989</td>
<td>53,78%</td>
<td>51,02%</td>
<td>40,72%</td>
<td>0%</td>
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</tr>
<tr>
<td>OWNMAN</td>
<td>989</td>
<td>26,86%</td>
<td>18,79%</td>
<td>26,64%</td>
<td>0,03%</td>
<td>64,64%</td>
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<tr>
<td>LEV</td>
<td>989</td>
<td>57,90%</td>
<td>57,40%</td>
<td>37,60%</td>
<td>18,60%</td>
<td>86,60%</td>
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<td>ROA</td>
<td>989</td>
<td>1,00%</td>
<td>2,60%</td>
<td>41,13%</td>
<td>-11,00%</td>
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Panel B. Dummies variables

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<td>INST_WOM_EC</td>
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<td>93,50%</td>
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<td>6,5%</td>
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<tr>
<td>SENSIT_WOM_EC</td>
<td>984</td>
<td>99,49%</td>
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<td>RESIST_WOM_EC</td>
<td>930</td>
<td>94,01%</td>
<td>59</td>
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<td>CEO_DUALITY</td>
<td>356</td>
<td>64%</td>
<td>633</td>
<td>36%</td>
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TABLE 4
Test of Means Comparison

Q_TOBIN is the market value of common stock plus book debt divided by total assets; INST_WOM_BD is the proportion of institutional female directors on the board; SENSIT_WOM_BD is the proportion of the board female directors who are representative of pressure-sensitive institutional investors; RESIST_WOM_BD is the proportion of the board female directors who are representative of pressure-resistant institutional investors; INST_WOM_EC equals 1 if institutional female directors sit on the executive committee and 0, otherwise; SENSIT_WOM_EC equals 1 if pressure-sensitive institutional female directors sit on the executive committee and 0, otherwise; RESIST_WOM_EC equals 1 if pressure-resistant institutional female directors sit on the executive committee and 0, otherwise; INDP_BD is the proportion of independent directors on the board; CEO_DUALITY equals to 1 if the same person serves simultaneously as CEO and President of the BD and 0, otherwise; OWNCON is the proportion of shares held by shareholders holding at least 10% of the firm’s stock; OWNMAN is the proportion of stocks held by directors; LEV is the ratio of book debt to total assets; ROA is the operate income before interests and taxes over total assets. p-value is the significance level to accept the null hypothesis of equality of means between groups. *** Significant at 1%, ** at 5% and * at 10%.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Q_TOBIN (&gt;=1.57) (N=497) Mean</th>
<th>Q_TOBIN (&lt;1.57) (N=492) Mean</th>
<th>Mean difference</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>INST_WOM_BD</td>
<td>4.401</td>
<td>3.253</td>
<td>1.148</td>
<td>0.009</td>
</tr>
<tr>
<td>SENSIT_WOM_BD</td>
<td>0.144</td>
<td>0.720</td>
<td>-0.576</td>
<td>0.149</td>
</tr>
<tr>
<td>RESIST_WOM_BD</td>
<td>3.672</td>
<td>3.065</td>
<td>0.607</td>
<td>0.000</td>
</tr>
<tr>
<td>INST_WOM_EC</td>
<td>0.075</td>
<td>0.054</td>
<td>0.021</td>
<td>0.047</td>
</tr>
<tr>
<td>SENSIT_WOM_EC</td>
<td>0.002</td>
<td>0.008</td>
<td>-0.006</td>
<td>0.543</td>
</tr>
<tr>
<td>RESIST_WOM_EC</td>
<td>0.067</td>
<td>0.052</td>
<td>0.015</td>
<td>0.030</td>
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</table>
TABLE 5
Results of the lineal regression for institutional, pressure-sensitive and pressure-resistant female directors sit on the board of directors

Estimated coefficients (p-value) through the ordinary least square method. Q_TOBIN is the market value of common stock plus book debt divided by total assets; INST_WOM_BD is the proportion of institutional female directors on the board; SENSIT_WOM_BD is the proportion of the board female directors who are representative of pressure-sensitive institutional investors; RESIST_WOM_BD is the proportion of the board female directors who are representative of pressure-resistant institutional investors; INST_WOM_EC equals 1 if institutional female directors sit on the executive committee, and 0 otherwise; SENSIT_WOM_EC equals 1 if pressure-sensitive institutional female directors sit on the executive committee, and 0 otherwise; RESIST_WOM_EC equals 1 if pressure-resistant institutional female directors sit on the executive committee, and 0 otherwise; INDP_BD is the proportion of independent directors on the board; CEO_DUALITY equals to 1 if the same person serves simultaneously as CEO and President of the BD, and 0 otherwise; OWNCON is the proportion of shares held by shareholders holding at least 10% of the firm’s stock; OWNMAN is the proportion of stocks held by directors; LEV is the ratio of book debt to total assets; ROA is the Operate income before interests and taxes over total assets. *** Significant at 1%, ** at 5% and * at 10%.

<table>
<thead>
<tr>
<th>Expected sign</th>
<th>Model 1 Expected coefficient (p-value)</th>
<th>Model 2 Expected coefficient (p-value)</th>
<th>Model 3 Expected coefficient (p-value)</th>
<th>Model 4 Expected coefficient (p-value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>INST_WOM_BD</td>
<td>+ 0.042** (0.044)</td>
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</tr>
<tr>
<td></td>
<td>- -0.002* (0.051)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SENSIT_WOM_BD</td>
<td>- -0.037 (0.573)</td>
<td>+ 0.001 (0.766)</td>
<td>+ 0.056*** (0.009)</td>
<td>-0.002** (0.013)</td>
</tr>
<tr>
<td>SENSIT_WOM_BD^2</td>
<td>-</td>
<td>+</td>
<td></td>
<td></td>
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<tr>
<td>RESIST_WOM_BD</td>
<td>+ 1.872*** (0.000)</td>
<td>1.779*** (0.000)</td>
<td>1.868*** (0.000)</td>
<td>1.838*** (0.000)</td>
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<tr>
<td>INDP_BD</td>
<td>+</td>
<td></td>
<td></td>
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<tr>
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<td>+/-</td>
<td></td>
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<tr>
<td>CEO_DUALITY</td>
<td>+ 0.003** (0.856)</td>
<td>0.003* (0.058)</td>
<td>0.003** (0.044)</td>
<td>0.003* (0.057)</td>
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<tr>
<td></td>
<td></td>
<td>+ 0.003** (0.039)</td>
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<tr>
<td>OWNCON</td>
<td>+</td>
<td></td>
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<tr>
<td>OWNMAN</td>
<td>+</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEV</td>
<td>+</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROA</td>
<td>+</td>
<td></td>
<td></td>
<td></td>
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<td>Included</td>
<td>Included</td>
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<td>989</td>
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<tr>
<td>F^2</td>
<td>84.213(0.000)***</td>
<td>83.707(0.000)***</td>
<td>84.619(0.000)***</td>
<td>75.623(0.000)***</td>
</tr>
<tr>
<td>R^2</td>
<td>59.586</td>
<td>59.440</td>
<td>59.701</td>
<td>59.772</td>
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TABLE 6
Results of the lineal regression for institutional, pressure-sensitive and pressure-resistant female directors sit on the executive committee

Estimated coefficients (p-value) through the ordinary least square method. Q_TOBIN is the market value of common stock plus book debt divided by total assets; INST_WOM_BD is the proportion of institutional female directors on the board; SENSIT_WOM_BD is the proportion of the board female directors who are representative of pressure-sensitive institutional investors; RESIST_WOM_BD is the proportion of the board female directors who are representative of pressure-resistant institutional investors; INST_WOM_EC equals 1 if institutional female directors sit on the executive committee and 0, otherwise; SENSIT_WOM_EC equals 1 if pressure-sensitive institutional female directors sit on the executive committee and 0, otherwise; RESIST_WOM_EC equals 1 if pressure-resistant institutional female directors sit on the executive committee and 0, otherwise; INDP_BD is the proportion of independent directors on the board; CEO_DUALITY equals to 1 if the same person serves simultaneously as CEO and President of the BD, and 0 otherwise; OWNCON is the proportion of shares held by shareholders holding at least 10% of the firm’s stock; OWNMAN is the proportion of stocks held by directors; LEV is the ratio of book debt to total assets; ROA is the Operate income before interests and taxes over total assets. *** Significant at 1%, ** at 5% and * at 10%.

<table>
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<th>Expected sign</th>
<th>Model 1 Estimated coefficient</th>
<th>Model 2 Estimated coefficient</th>
<th>Model 3 Estimated coefficient</th>
<th>Model 4 Estimated coefficient</th>
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<tr>
<td>INST_WOM_EC</td>
<td>+</td>
<td>0.375** (0.016)</td>
<td>0.160 (0.329)</td>
<td>0.236 (0.150)</td>
<td>0.236 (0.150)</td>
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<tr>
<td>SENSIT_WOM_EC</td>
<td>-</td>
<td>0.160 (0.329)</td>
<td>0.160 (0.329)</td>
<td>0.160 (0.329)</td>
<td>0.160 (0.329)</td>
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<tr>
<td>RESIST_WOM_EC</td>
<td>+</td>
<td>1.518*** (0.000)</td>
<td>1.826*** (0.000)</td>
<td>1.874*** (0.000)</td>
<td>1.894*** (0.000)</td>
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<tr>
<td>INDP_BD</td>
<td>+</td>
<td>1.840*** (0.000)</td>
<td>1.826*** (0.000)</td>
<td>1.874*** (0.000)</td>
<td>1.894*** (0.000)</td>
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<tr>
<td>CEO_DUALITY</td>
<td>+/-</td>
<td>0.091 (0.490)</td>
<td>0.018 (0.890)</td>
<td>0.032 (0.799)</td>
<td>0.089 (0.499)</td>
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<tr>
<td>OWNCON</td>
<td>+</td>
<td>0.003* (0.063)</td>
<td>0.003** (0.044)</td>
<td>0.003* (0.062)</td>
<td>0.003* (0.062)</td>
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<tr>
<td>OWNMAN</td>
<td>+</td>
<td>0.001 (0.752)</td>
<td>0.001 (0.693)</td>
<td>0.001 (0.822)</td>
<td>0.000 (0.863)</td>
</tr>
<tr>
<td>LEV</td>
<td>+</td>
<td>0.641*** (0.000)</td>
<td>0.663*** (0.000)</td>
<td>0.685*** (0.000)</td>
<td>0.662*** (0.000)</td>
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<tr>
<td>ROA</td>
<td>+</td>
<td>0.438*** (0.008)</td>
<td>0.451*** (0.007)</td>
<td>0.439*** (0.008)</td>
<td>0.427** (0.010)</td>
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Firm fix effects Included
Observations 989
F 89.820(0.000)*** 88.626(0.000)*** 91.267(0.000)*** 85.670(0.000)***
R² 59.653% 59.430% 60.037% 60.097%
¡ SIETAR Europa says MUCHAS GRACIAS !

A big thank you to all our reviewers of the academic track!

As far as we can remember, this is the first time SIETAR Europa has organized an academic track. The paper acceptance process included the submission of extended abstracts which then went through a double-blind review process. A best academic paper was also nominated by the reviewers for publication in the European Journal of Cross-Cultural Competence and Management (EJCCM). The journal’s website: InderScience Publishing.

Identifying and retaining good reviewers is one of the greatest challenges conferences face. A sincere thank you to all those who supported the SIETAR Europa Congress 2015 academic track reviewing process.

Our gratitude goes to the following individuals:

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<th>Institution</th>
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