

The impact of intercultural competence on Franco-German business relations

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Practical background. Intercultural Training has strongly developed in the last decades, as well as the wide range of theoretical approaches to intercultural communication¹. Yet, the Western world concentrates more and more on Eastern markets, and so do the coaches, neglecting the still important intercultural differences between European – and especially Franco-German – businessmen. The ‘clash of civilizations’ seems to take place on the other side of the world, and there are very few specialized inter-European or Franco-German training opportunities like those of Jochen Breuer and Pierre de Bartha².

Research background. There is a lot of literature on intercultural communication, mainly from a linguistic point of view, but very little on the more complex concept of intercultural competence³. Rieger’s “Intercultural Romance Studies” research unit at RWTH Aachen University deals, within the framework of a broad empirical study, with topics such as the teaching of intercultural competence beyond language courses to people involved in Franco-German and Hispano-German contexts in business, media, culture, literature, art, etc. We shall present the results of the first in a series of studies, dealing with business relationships. The enquiry provides assured data on the awareness of the interviewees’ need of intercultural competence in Franco-German business relationships, on the problems and concrete material

losses resulting from the lack of it and on the measures they have taken to fill these gaps.

Aims. This joint venture of practical and research activities aims to bring together Franco-German and Hispano-German partners from three areas: scientists, business people of both technical and commercial orientation and counselors, in order to create an innovative triangle of communication between these three parties on all subjects concerning intercultural competence and its impact on international relations.

Main contribution. The results of Rieger’s enquiry on intercultural competence in Franco-German business relations clearly show the awareness of the interviewees that a lack of intercultural competence causes serious damage to their commercial success, mainly the loss of time and money. They are aware of the need of intercultural training, and complain about the very general configuration of most training opportunities, or, putting it in an exaggerated way: If I have to deal with a partner in Paris, I do not need to know the fifty ways to say “no” in Japan, but I have to cope with his sandwich technique placing criticism.

The results of these special enquiries enable us to formulate clear desiderata and guidelines for the practitioners. Building up on the results of the first enquiry, CultureCom, lead by Dipl.-Kfm. Gottfried N. Klein, now offers highly specialized and individualized training and teaching modules for the German, French and Spanish speaking world, designed especially for expatriates, managers, export business people, but also for students preparing for employment abroad. Nowadays, no student should leave university without a minimum degree of intercultural competence.

Implications. The results of empirical studies can influence the programs of trainers and coaches in the development of intercultural competence directly, allowing them permanent improvement and specialization of their offers for business clients. They generate awareness of the need of specialized intercultural competence in public institutions such as universities. The RWTH University, e.g., has become aware of the need of specialized intercultural competence for engineers in order to meet excellence objectives like internationalization, for both staff and students, and the RWTH Academy of Advanced Vocational Training is taking over a training program from CultureCom in December 2009.

¹ Cf. e. g. Hofstede, Gert Jan, Pedersen, Paul B. and Geert Hofstede: *Exploring Culture. Exercises, Stories and Synthetic Cultures*, Boston 2002; and Lewis, Richard D.: *When Cultures Collide. Leading Across Cultures*, Boston 2006.

² Cf. e. g. Breuer, Jochen and de Bartha, Pierre: *Deutsch-Französische Geschäftsbeziehungen erfolgreich managen. Spielregeln für die Zusammenarbeit auf Führungs- und Fachbene*, Köln 2002.

³ In spite of focussing on Romance Cultural Studies in general, cf. from the past decade e. g. Baasner, Frank (ed.) (2005), *Gérer la diversité culturelle. Théorie et pratique de la communication interculturelle en contexte franco-allemand*, Frankfurt am Main et al.: Peter Lang; *Identität und Diversität. Eine interdisziplinäre Bilanz der Interkulturalitätsforschung in Deutschland und Frankreich / Identité et diversité. État des lieux interdisciplinaire de la recherche sur l’interculturalité en France et en Allemagne* (2005), Berlin: Avinus; *Interkulturalität und wissenschaftliche Kanonbildung. Frankreich als Forschungsgegenstand einer interkulturellen Kulturwissenschaft* (2008), Berlin: Logos; and Lüsebrink, Hans-Jürgen, Walter, Klaus Peter, Fendler, Ute, Stefai-Meyer, Georgette and Vatter, Christoph (2004), *Französische Kultur- und Medienwissenschaft. Eine Einführung*, Tübingen: Gunter Narr (narr studienbücher).

clash of three civilizations”⁵ will focus on the trina-tional melting pot Euroregion, shaped by the Ger-mans, the Belgians and the Dutch (see Table 5).



Table 5: Intercultural Competence Fora Aachen

We would like to extend a cordial invitation to you all to participate, and you will find further information on this event in the flyer that we will put at your disposal during this convention or on www.ikfa.culturecom.eu.

I shall now hand over to Anna Schumacher and to the results of our enquiry on intercultural competence in Franco-German business relations. The results clearly show the awareness of the interviewees that a lack of intercultural competence causes serious damage to their commercial success, mainly the loss of time and money. They are aware of the need for intercultural training, and complain about the very general set up of most training opportunities, or, putting it bluntly: If I have to deal with a partner in Paris, I do not need to know the fifty ways to say “no” in Japan, but I have to cope with his sandwich technique placing criticism.

Empirical study on Franco-German business relations (Anna Schumacher)

The empirical study *France the unknown business partner? Intercultural competence in busi-ness-relations between Germany and France* was carried out from October 2008 to April 2009 in the research unit “Intercultural studies” at the RWTH Aachen University⁶. 1339 companies that have business relations with French companies received a questionnaire with 14 questions concerning three main topics: a. information about the company, b. measures taken to meet the needs of intercultural competence, and c. future measures to meet these needs. The total of replies was about 5%. For this reason, the study does not claim to be representative

⁵ With reference to Huntington, Samuel P.: *The Clash of Civilizations and the Remaking of World Order*, New York: Simon & Schuster 1996.

⁶ Schumacher, Anna: “*Si loin, si proche?*” *Eine empirische Studie zur interkulturellen Kompetenz in deutsch-französischen Geschäftsbeziehungen* (university thesis for degree of „Erstes Staatsexamen“, Download: http://www.culturecom.eu/cc_sponsor.htm).

and can only show future trends in Franco-German business relations.

In the following, I am going to present the highlights of the study which have already been the subject of my university thesis. I chose five topics that are, as I believe, the most important aspects of Franco-German business relations:

1. The demand for intercultural competence.
2. The quality of Franco-German business relations.
3. The losses due to misunderstandings and disagreements that are caused by a lack of intercultural competence in Franco-German business relations.
4. The demand for workshops that improve intercultural competence.
5. Training contents and their relevance.

The demand for intercultural competence

The respondents were asked to rate the demand for intercultural competence in their company on a scale of one to ten (value 1 = low; value 10 = high). More than half of the respondents, namely 63%, rated their demand for intercultural competence as ‘high’ (value 8-10 on the scale, see Table 6). 31% of the respondents quoted it as average (value 4-7 on the scale). Only 6% of the responding companies said they had a very low demand for intercultural competence (value 1-3 on the scale).

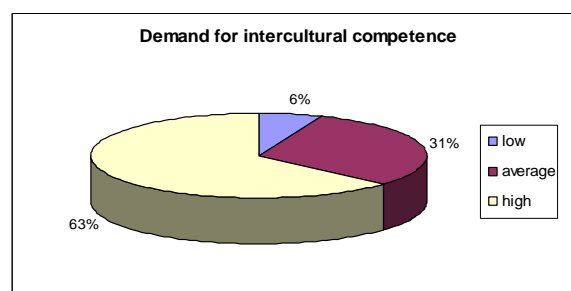


Table 6: Demand for intercultural competence

The distribution of the answers shows that the vast majority of our consulted companies tend to have a rather high demand for intercultural competence. This can be substantiated by calculating the mean of the results: The average of 7 points on the scale ($\bar{x} = 7$) indicates a basically high demand for intercultural competence.

The quality of Franco-German business relations

This question was intended to show how the questioned companies evaluated their business relations with French companies. 67% of the respon-

dents rated their business relations with French companies as very good (value 8-10). 31% of the questioned companies quoted them as average (31%). Only 2% of the respondents answered that their business relations with French companies were bad. The answers' average is at a value of 8 points on the scale, which means that the respondents estimated that they had very good business relations with French companies (see Table 7).

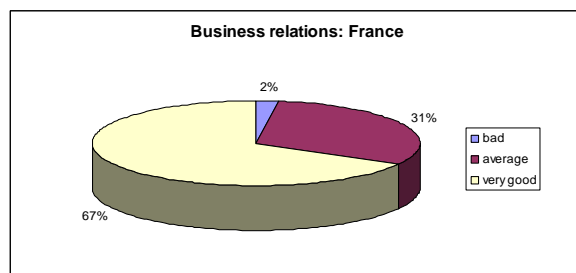


Table 7: Business relations: France

Still, if we take a closer look at the results, there remains one contradictory detail: Even though the majority of respondents rated the business relations with French companies as very good, a few companies rated their business relations with French companies as bad. In another question the respondents were asked to rate their business relations with foreign companies in general and, by comparison, there were more respondents who answered that they had bad business relations with French companies than respondents who rated their business relations with foreign companies in general as bad (see Table 8). This suggests that the cultural differences between Germany and France might be greater if compared to foreign countries in general.

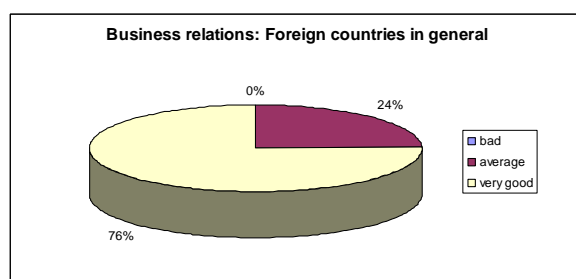


Table 8: Business relations: Foreign countries in general

The losses due to misunderstandings and disagreements that are caused by a lack of intercultural competence in Franco-German business relations

This question was meant to show if and to what extent the quality of Franco-German business relations was influenced by a lack of intercultural competence. The respondents were asked to rate the losses due to misunderstandings and disagreements

that are caused by a lack of intercultural competences on a scale of one to ten.

40% of the questioned companies rated their losses as low (value 1-3). Almost half of the respondents answered that their losses that were caused by a lack of intercultural competence were average (value 4-7). 13% quoted them as high (value 8-10). The results average out a value of 5 points on the scale. Even though this value seems to be neither high nor low, it is important to point out that these are losses that could be prevented (see Table 9).

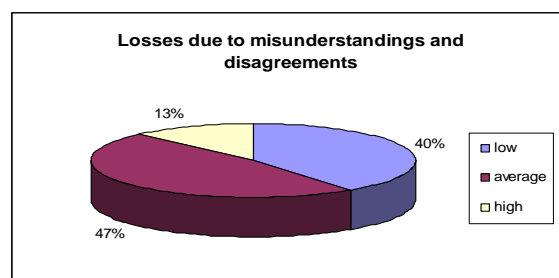


Table 9: Losses due to misunderstandings and disagreements

If we take a look at the losses due to misunderstandings and disagreements quoted in percent, we can see that the majority of respondents did not answer this question (58%). Furthermore, 32% of the questioned companies had losses about < 10 %. 10 % of the respondents answered that they had losses from 10 to 20 % or even more than 20% of their annual sales. This is highly remarkable as some of the questioned companies were aware of losing about one-fifth of their annual sales due to a lack of intercultural competence (see Table 10).

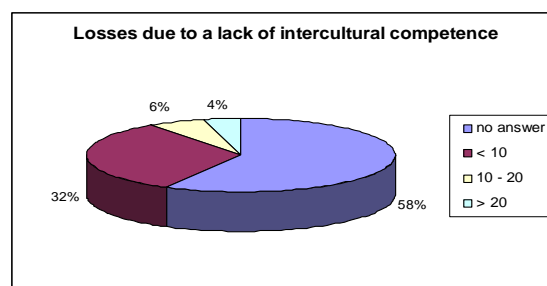


Table 10: Losses due to a lack of intercultural competence

Demand for workshops that improve intercultural competence

As we can see in the results presented above, there should be a high demand for professional training programs to improve inter-cultural competences. We therefore wanted to know, how the questioned companies estimated their own demand for those workshops in percent. The results are surprising: Even though 90% of the questioned companies had losses between < 10 and < 20%, there was only an average demand of 24% for workshops that improve

intercultural competences (see Table 11). The respondents were thus aware of losing up to one-fifth of their annual sales, but they quoted their demand for professional training programs to improve intercultural competences as rather low.

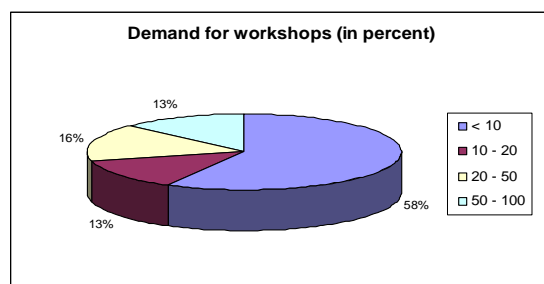


Table 11: Demand for workshops (in percent)

Training contents and their relevance

With regard to future workshops for intercultural training, we wanted to know about the relevance of different training contents. The questioned companies were asked to rate ten different training contents on a scale of 1 to 10 (value 1 = low; value 10 = high). Among them, there were three topics that were rated with a value from 8 - 10 as the most important training contents: *Dos and Don'ts* (75%), *Intercultural Management* (73%) and *Communication at the workplace* (67%) (see Table 12-14).

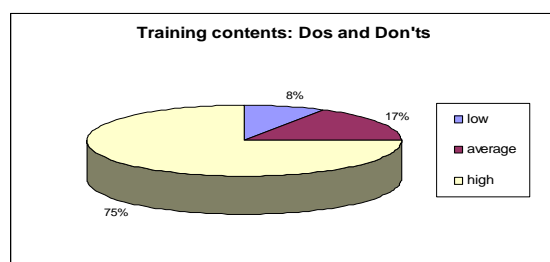


Table 12: Training contents: Dos and Don'ts

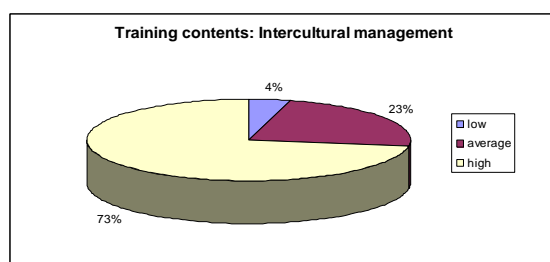


Table 13: Training contents: Intercultural management

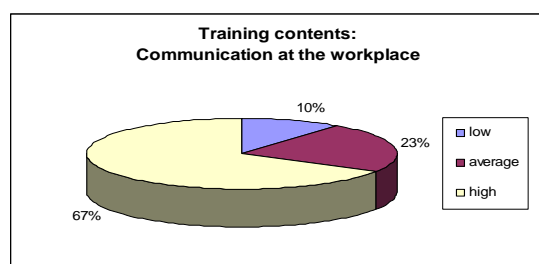


Table 14: Training contents: Communication at the workplace

Furthermore, there were three training contents that were rated the least important: *Business trips*, *Communication in private life* and *Temporary employment abroad*.

The four remaining topics were rated as average: *Theoretical foundations*, *The culture of France and francophone countries*, *Body language and non-verbal communication* and *Ins and Outs* received an average of 6 points on the scale.

The results show that the questioned companies were much more interested in workshops that practise 'soft skills' than a focus on practical experience. It is surprising to see that the respondents would appreciate workshops that teach practical knowledge in a theoretical way. They seemed to underestimate the importance of practical experience (such as living abroad) with regards to intercultural competence.

The highlights of this empirical study show that even though it seems that there are little cultural differences between Germany and France, the exact opposite is true. The questioned companies answered that they had very good business relations with French companies, but at the same time they stated that they had a high demand for intercultural competences and losses from < 10 to < 20% of their annual sales that were caused by a lack of intercultural competence. Furthermore, they only had a very low demand for professional training programs that might improve their intercultural competences and they underestimated the importance of practical experience in Franco-German business relations.

The question is how these intercultural problems can be solved. Gottfried Klein, who works as an intercultural trainer, will now present possible approaches to solve these problems, stemming from his own practical experience.

Impacts on CultureCom (Gottfried Klein)

What conclusions can be drawn from these results by a training and consulting company?

I think that there are two main points that can be made to begin with:

First, there is a high demand for intercultural competence and secondly, there is obviously a considerably bigger problem in international business with France than with other countries. Both messages imply that we – CultureCom – are on the right track as our business is intercultural training and as we decided to concentrate on Romance cultures, starting with France and expanding our offer to Spain in the near future and to Latin America in the coming years. We therefore offer highly specialised and individualised training and teaching modules for the German, French and Spanish speaking world. These are designed especially for expatriates, managers and export business people, but also for students

preparing for employment abroad, since we are convinced that nowadays no student should leave university without a minimum degree of intercultural competence.

We also believe that this study supports us in our decision not to follow the mainstream in the intercultural training business, which nowadays mainly deals with Asia, the Middle East and Eastern Europe.

Yet, the very first question we have to ask is: What are the implications of this study on our concept, that is on our coaching and training program?

For me, knowing a few more details of this study than were presented today, the very first answer which comes to mind is that theoretical aspects are of little or no interest in the day-to-day business of the respondents. Adversely, in my opinion, this is not an efficient way of training people, since without a theoretical basis, the practical contents learned tend to be forgotten much faster. If the specific module we offer is thus not in line with the requirements of the actual respondents, we will have to look for other possibilities to convey a minimum of theoretical knowledge to our attendees. One way will be to embed theoretical foundations in small portions of game and activity sections as well as in other modules of the practical sections of our training concept.

If we create a ranking sorted by percentage according to what the companies would prefer to receive training in, we will find the following aspects:

84%	Dos and Don'ts
82%	Details of communication at the workplace
72 %	Ins and Outs
66 %	Body language and non-verbal communication
60 %	Cultural identity in France and francophone countries
56 %	(Business-) trips in France
54 %	Theoretical foundations
52%	Details of communication in private life
30%	Living in French-speaking countries

This means a clear commitment on part of the companies or their HR-managers to provide intercultural information to people working in France short-term. This also applies to those who liaise with French people in Germany for business meetings only.

Information about living in France and having private contacts to French people seems to be of less importance, which means that there is little appeal to

stay in France for a longer time or even to acquire knowledge about its culture.

We have taken these results into account and adapted our modules and the contents of our open seminars.

Secondly, I would like to point out another obvious problem:

The fact that quite a remarkable number of companies admit to having losses due to misunderstandings and disagreements as a result of a lack of intercultural competence, but do not seem to be willing or able to train their staff. This leads to the conclusion that there is a need for much more awareness in the public for intercultural matters. Managers apparently do not take into consideration that in the long run it will pay off to have well trained people in international business or even having regular coaching alongside the daily business of these people.

The question remains, which could render this kind of public relation for us? The companies offering training in intercultural competence? One thing is clear: a single company will not be able to do so, not even a group of companies. They would be overwhelmed in terms of time, staff and money.

Hence, we draw the conclusion from this study that

1. already in school at least a part of the language lessons must contain teaching units creating cultural awareness.
2. intercultural studies must be more strongly reflected in the universities and colleges.
3. a kind of lobbyism should exist, to convince business leaders and important politicians of the necessity of intercultural training in this more and more globalised world. One solution might be the creation of national and international associations to bring together all these numerous communities mostly driven by universities that exist today. I would also claim that these central organisations like cAIR or IKFA should function as kick-off organisations for creating such associations⁷.

We need more cultural awareness in international business as well as in private communication with other cultures and I am sure that once we have a broad understanding of intercultural problems and how to tackle them, we will find a better understanding and more respect between the people and

⁷ It does not suffice that "The Federal Agency for Civic Education" offers an inexpensive special edition of Nicklas, Hans, Müller, Burkhard and Kordes, Hagen (eds.) (2006), *Interkulturell denken und handeln. Theoretische Grundlagen und gesellschaftliche Praxis*, Frankfurt am Main – Bonn: Campus – Bundeszentrale für politische Bildung 2006.

cultures within the European Union as well as on our globalised planet.

Conclusion (Angelica Rieger)

From our case study and its findings, we may conclude that the results of empirical studies should and can influence the programs of trainers and coaches in the development of intercultural competence directly, allowing them permanent improvement and specialization of their offers for business clients. They also allow to generate awareness of the need of specialized intercultural competence in public institutions such as universities. The leaders of RWTH Aachen University e.g. are slowly but surely becoming aware of the need of specialized intercultural competence for engineers in order to meet excellence objectives like internationalisation, for both staff and students. So are the RWTH Academy of Advanced Vocational Training as well as the RWTH Center for Doctoral Studies that have adopted the training program "International erfolgreich mit interkultureller Kompetenz" – "make success global with intercultural competence" – from CultureCom in February 2010.

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Biographies

Angelica Rieger is Professor of Romance Studies at the RWTH Aachen University. Prior to that she has been teaching at several universities, for example in Dijon, Paris, Berlin, Frankfurt/Main, Graz, Konstanz, and Mainz. Her publications address interdisciplinary and cross-media research with the main focus on the French and Spanish speaking world, as well as medieval studies in romance literature. She is also the co-founder of CultureCom, an intercultural consultancy that is specialised on teaching intercultural competence.

Gottfried Klein has been working as a trainer for a long time. Since 1985 he has been playing executive roles, for example as IT chief-executive for Commodore (USA) or IT director of IP Deutschland (France). He now works as a consultant in the field of the Internet. Based on his own intercultural experiences, he realised the impact of intercultural competence. Therefore, he is the director and co-founder of CultureCom.

Anna Schumacher is a Doctoral Student of Romance Studies (French, Spanish) at RWTH Aachen University. Since 2008 she is working at the Department for Intercultural Studies under the direction of Prof. Angelica Rieger. From October 2008 till April 2009 she carried out the empirical study *France the unknown business partner? Intercultural competence in business relations between France and Germany*. She is also responsible for the organization of the IKFA – the Intercultural Competence Fora Aachen.