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3.3.3.1 Overview of the Evolution of Concepts and Approaches to Intercultural Competence

(i) Origins and Development of Intercultural Competence

The field of intercultural communication and intercultural competence (IC) is widely regarded as a relatively young field that continues to evolve (Croucher et al., 2015; Fantini, 2020). There appears to be a consensus in the literature that the origins of the field are closely tied to the post-World War II context in the United States (e.g., Arasaratnam-Smith, 2017; Baldwin, 2017; Fantini, 2020; Koester & Lustig, 2015; Kulich et al., 2020; Martin & Nakayama, 2022), particularly the founding of the Foreign Service Institute under President Truman. This institution aimed to better prepare diplomats and service workers for cross-cultural engagement, marking the formalization of the field. Edward T. Hall, a key figure at the Institute, laid much of the theoretical groundwork by linking culture and communication, emphasizing the interdisciplinary nature of the field (Arasaratnam-Smith, 2017).

Driven by postwar pragmatism, early approaches to culture focused on nationality and international comparisons. Over time, the 1970s and 1980s brought efforts to measure intercultural competence, resulting in a growing body of literature and models (Martin et al., 2020; Kulich et al., 2020). Still, many critiques challenge the U.S.-centric, linear narrative of the field's development, advocating for more global and inclusive perspectives (Dervin & Jacobsson, 2021; Baldwin, 2017).

(ii) Defining Culture Beyond Borders

Understanding intercultural communication and competence starts with defining culture, as it is often misunderstood and misused—frequently limited to national cultures—despite its broader relevance to identities, interactions, and organizational dynamics. In the last chapter of *The SAGE Handbook of Contemporary Cross-Cultural Management*, Maznevski (2020) argues that we need to take our own definitions of culture more seriously and apply them more broadly beyond just national cultures. Distinguishing culture from country is important because culture can exist within various groups that do not necessarily align with national boundaries. A culture can be defined by any group of people that shares norms and values, which may differ significantly even within the same

country. The concept of culture is often equated only with national cultures, despite many scholars acknowledging that culture is not limited to countries. For example, regional cultures, religious groups, and professional communities can have distinct cultural identities that are not tied to national culture. This distinction helps to avoid oversimplification and stereotyping, allowing for a more nuanced understanding of social dynamics and interactions within diverse groups.

Maznevski provides a broad and functional definition of culture that extends beyond national identity, emphasizing its role in shaping interactions, providing social identity, and evolving over time. She argues that culture is not limited to geography or nationality but can be understood as any identity-based social group with shared norms, values, and assumptions that guide behavior. "Culture is the shared way of interacting of a group of people. It is a set of artifacts, norms, values, and underlying assumptions that a group of people agrees will guide how they interact together to attain survival, prosperity, happiness, or another goal the group believes is important" (2020, p. 537). We share Maznevski's definition of culture.

According to Maznevski, culture serves two primary functions: efficiency, by creating a common framework for interpreting actions and communication within a group, and identity, by providing individuals with a sense of belonging and self-definition. According to Maznevski (2020, p. 537) "Culture's first function for social groups is efficiency towards the aim of the group. Within the group, people know how to interpret potentially ambiguous words or actions, they know how to evaluate what is good or bad." Maznevski (2020, p. 537) explains that culture's second function is identity, emphasizing that individuals have a fundamental need to define themselves and belong to a group. This sense of belonging provides a strong source of identity when the group is clearly defined and adheres to shared norms, values, and assumptions. Feeling included and needed by a group enhances one's social identity, particularly when that group is positively regarded by others." Additionally, she highlights that cultures adapt and evolve in response to changing social, technological, and environmental contexts. This perspective shifts the focus from traditional national cultural differences to a more fluid, multi-layered understanding of culture, which is particularly relevant in today's interconnected and diverse world.

Internal diversity within a culture plays a crucial role in driving cultural adaptation. As Maznevski notes, "Cultures are not inherently effective or ineffective, good or

bad. All cultures evolved to solve a set of social needs in a particular context, and they are effective at solving that set of needs in that context. Of course, if the context (e.g., the social or technological or physical climate) changes, the culture may no longer solve its members' needs effectively. Cultures therefore change over time" (2020, p. 538). This reflection is very important for business.

Maznevski reintroduces culture as a dynamic, identity-based social system that transcends national boundaries, shaping interactions and evolving in response to social, technological, and environmental changes. Maznevski's call to action for interculturalists is to "mainstream" intercultural competence research and practice by six methods: applying insights and research from the field to crossing and intersecting all types of cultures, not just international ones; integrating different theoretical perspectives on cross-cultural management and diversity management; conducting more research on how cultures intersect and affect each other across time and situations; making intercultural competence part of every leader's vocabulary and repertoire, whether or not they work internationally; broadening the context of intercultural competence models and research to include non-international cultural intersections; and exploring whether there is a subset of intercultural competencies specifically needed for managing cultural intersections within countries. Expanding the concept of n-cultural individuals and organizations, she highlights their ability to navigate and integrate multiple cultural frameworks, leveraging diversity as a resource for innovation and adaptability. She supports this perspective by citing works from Brannen and Thomas (2010), who explore the complexities of cultural identity and its fluid, multilayered nature.

The concept of culture can be broadened beyond nationality to include other cultural affiliations, such as professional or digital communities following Fitzsimmons (2013), Pekerti, Moeller, Thomas, and Napier (2015), and Vora et al. (2019). In this view, everyone can be considered n-cultural to some degree. The concept of n-cultural individuals - people who simultaneously identify with and navigate multiple cultural identities - can be extended to organisations, leading to n-cultural organisations. These are organisations that actively integrate and operate within multiple cultural frameworks, drawing from diverse national, professional, industry, digital, and organisational cultures to enhance their effectiveness.

Understanding culture as a dynamic and relational concept means recognising that it exists not only between nations and communities but also within organisations. Peter Drucker famously said, "*Culture eats strategy for breakfast*", emphasising the importance of aligning organisational culture with business strategy to drive success. To achieve this, companies encourage employees to embrace core values as part of their broader organisational vision. Similarly, Higgins (1991) underscores the strong link between culture and strategy, noting that a company's cultural type is shaped by its strategic performance and the level of risk taken in decision-making. As ELEVATE emphasises the importance of intercultural competence in business, it is essential to consider how organisational culture interacts with corporate strategy and employee behavior. Given that organisational culture encompasses the past, present, and future of an organisation, it has been defined as "the multifaceted learned structure and practice of the people who lead and people who follow, people who work together and build a history that shapes the future" (Schein & Schein, 2019, p. 23). A concept of "negotiated culture" introduced by Brennan and Salk (2000) emphasises how organisational culture but also cultures within small teams inside or across organisations, for example, evolve through interactions, shaped by the various cultures and identities of the organisational members.

(iii) Overviews of Dominant Models of Intercultural Competence

In the field of intercultural training, the most common form of training initially was, and probably still is, "country-specific" training based on the trainer's deep knowledge of a particular country. The commercial success of training on intercultural competence has encouraged the proliferation, over the years, of a multitude of competing models and associated tests, notably in the English-speaking world. In this regard, well-known comparative models are often used such as *The 6-D model of national culture* proposed by Hofstede¹, the *7 Dimensions of Culture* proposed by Trompenaars and Hampden-Turner², or more recently *The Country Mapping Tool* by Meyer³. However, there is growing consensus that knowledge alone – frequently associated with knowledge about nations – is insufficient (Deardorff, 2006; Dervin & Tournebise, 2013). These national comparative models have faced growing criticism for their overly

¹ See

<https://geerthofstede.com/culture-geert-hofstede-gert-jan-hofstede/6d-model-of-national-culture/>.

² See <https://www.thtconsulting.com/models/7-dimensions-of-culture/>.

³ See <http://erinmeyer.com/tools/culture-map-premium/>.

simplistic nature leading to reductive categorisation that overlook the complexity of culture (e.g., Dervin & Tournebise, 2013; McSweeney, 2013). They are representative of a positivistic approach to culture which has growingly been challenged in academic circles (Poutiainen, 2014).

In this light, scholars speak of “theoretical turbulence” (Dervin & Tournebise, 2013; Poutiainen, 2014) in which the specificity of “intercultural competence” models is to try to move beyond the sometimes-stereotyped nature of country training, looking instead at the types of general competencies which seem to be associated with successful management of international teams, or on foreign assignments. On one level, intercultural competence training can thus be seen as more generally applicable than its country-specific counterpart, helping managers to become competent across a wide range of geographical zones, even if the competence typically includes attributes such as curiosity or the desire to gain knowledge about specific countries and associated cultures, in order to become a more effective communicator in those contexts.

Several scoping reviews have been published to try to bring together and characterise these different models and the tools they have spawned (Arasaratnam, 2017; Berninghausen & Hecht-El Minshawi, 2014; Fantini, 2007; Gregersen-Hermans, 2017; Holliday, 2016; Lustig & Koester, 2012; Perry & Southwell, 2011; Spencer-Oatey, 2022; Spitzberg & Changnon, 2009; Spencer-Oatey & Franklin, 2009; Wiseman & Koester, 1993). These tend to underline that models of intercultural competence often draw on similar concepts. In this regard, categorising intercultural competence into **knowledge, skills, and attitudes** is a central theme in numerous works by intercultural scholars (Arasaratnam, 2017; Dunne, 2011; Fantini, 2009; Spitzberg & Changnon, 2009) (see Appendix 1 for an example).

There is a plethora of intercultural competence models that assume that intercultural competence learning occurs in stages (*cf.* overviews by Lane, 2012; Spitzberg & Changnon, 2009). One of the examples of such a model which is frequently adopted to inform intercultural competence training and evaluation (Peng et al., 2020), is the Developmental Model of Intercultural Sensitivity (DMIS) developed by Bennett (1986). The DMIS comprises six stages, transitioning from ethnocentric stages (denial, defence, and minimisation) to ethnorelative stages (acceptance, adaptation, and integration). Each stage reflects a distinct way of perceiving cultural differences, with the model positing that intercultural sensitivity

grows as individuals progress through these stages. Other well-known developmental models include Lysgaard (1955) U-curve hypothesis and the W-curve model proposed by Gullahorn and Gullahorn (1963), which both assume that individuals move through different stages of "culture shock". Yet, these models have received increased criticism (*cf. infra* for a further discussion on criticism on dominant models), as those models only offer limited insights into how an individual transitions through the stages (Mitchell & Paras, 2018; Taylor, 1994; Vromans et al., 2023). And even more so, developmental models seem to hold less weight when intercultural competence is considered as an ongoing, lifelong process (Arasaratnam, 2017; Dervin, 2023). Also, as stated by Arasaratnam-Smith (2017) "intercultural competence is not something that can be guaranteed, like learning a computer software or learning the lyrics of a new song" (p.15-16).

Hence, a **process-oriented perspective** has increasingly gained support in the literature (e.g., Deardorff, 2017, p. 20; Jones, 2013; Sabet & Chapman, 2023). One widely adopted model that clearly visualises IC as a process (as stated as well by Peng et al., 2020; Sabet & Chapman, 2023), is the Process Model of Intercultural Competence by Darla Deardorff (see Appendix 2).

Building upon this foundation, the multidimensional model of cultural competence (MDCC) proposed by Sue, D.W (2001) offers a framework that expands the understanding of cultural competence beyond individual interactions (see Appendix 3). From a different perspective, Matveev (2002) proposed the Collaborative Intercultural Competence Model (see Appendix 4), which defines the intercultural competence construct relating it to the context of multicultural teams, while accounting for the moderating effect of communication and culture orientation of the professional context.

All approaches considered, Matveev (2017, p.18), in his book *Intercultural Competence in Organizations: a Guide for Leaders, Educators and Team Players* generalises intercultural competence models into the following types: (1) compositional models, which enumerate the constituent traits or competencies required for effective intercultural functioning (e.g., Spitzberg & Changnon, 2009); (2) relational models, which focus on the co-construction of shared meaning and mutual understanding in intercultural communication; (3) behavioral models, which emphasise observable actions and practices; (4) developmental models, which trace the growth of IC over time; (5) causal models, which map the

relationships among variables contributing to IC; and (6) collaborative models, which focus on the operationalisation of IC in professional, often team-based, settings. Schmidmeier et al. (2020) offer a comparable classification scheme (see Appendix 5), suggesting increasing scholarly interest in organising and differentiating the diverse conceptualisations of intercultural competence.

Despite these efforts, there remains no universally agreed-upon **definition of intercultural competence**, nor a singular framework that encompasses its full complexity. Terminological variation abounds, with related concepts such as “cross-cultural competence,” “global competence,” and “intercultural communicative competence” often used interchangeably (Schauer, 2016), though subtle differences exist in their emphases and disciplinary roots.

An extensive literature review conducted by Lloyd, S., & Härtel, C. (Lloyd, S., & Härtel, C., 2010, pp. 845-875) identified intercultural competencies as falling into three categories: cognitive, affective and behavioral (for details see Appendix 6).

More recently, scholars have begun to explore intercultural competence as a multi-level construct that operates not only at the individual level but also across dyads, teams, and organisations (Leung et al., 2014). Drawing on team dynamics literature, Chan (1998) outlines five theoretical models for aggregating individual competencies to higher levels of analysis: direct consensus, referent-shift consensus, dispersion, aggregation, and hybrid models. For instance, some studies propose that a group’s overall intercultural competence can be estimated by averaging the IC levels of individual members (Adair et al., 2013), while others argue that minimal variance or the presence of a highly competent team leader can significantly enhance team performance (Chen & Lin, 2013). While these propositions have the merit of opening the conceptualisation of intercultural competence beyond the individual, they still do not provide satisfactory explanations for questions linked e.g. to how individual intercultural learning results are made available to the organisation.

(iv) Assessment Tools in the Area of IC

Assessment plays a central role in education and business, with distinct rationales underpinning each context. In education, assessment supports teaching and learning processes (Rea-Dickins, 2004), while in business it is often target-driven, linked to KPIs. Rea-Dickins (2004) argues that assessment is

intrinsic to teaching, and by extension, learning also involves assessment. Such assessments can foster learner autonomy (Lamb, 2010) by promoting self-awareness and responsibility for one's intercultural development.

However, assessing IC presents unique challenges due to its conceptual complexity. Deardorff (2006) notes difficulties in identifying IC's components, compounded by Western-centric models which emphasise individual over collective dimensions (Miyahara, 1992; Yum, 1994). In her study of U.S. and international experts, Deardorff (2006) found consensus on the centrality of "understanding others' worldviews" (Fong & Furuto, 2001; Ibrahim, 1985; Sue & Sue, 1990), and on the use of mixed methods—such as observations, case studies, and interviews—to assess IC. Experts emphasised evaluating IC through its individual components rather than holistically, acknowledging the influence of social, historical, and situational factors.

A variety of instruments exist to assess different facets of IC. Fantini (2009) lists 44 tools, while Matsumoto and Hwang (2013) and Henning (2021) provide reviews of test validity and methodology. The Multicultural Personality Questionnaire (Van der Zee & Van Oudenhoven, 2000, 2001) and its adapted form (Arasaratnam, 2009) measure personality traits associated with IC. Other widely used tools include the Intercultural Sensitivity Scale (Chen & Starosta, 2000), the Cultural Intelligence Scale (CQS), the Intercultural Development Inventory, and the Cross-Cultural Adaptability Inventory. The Intercultural Competence Inventory (Matveev, 2002), Intercultural Readiness Check, and the Intercultural Competence Profiler also provide targeted assessments. Richter et al. (2023) catalogue 105 such tools, with an in-depth comparison of 68, affirming the need for a multidimensional approach (see the summary in Appendix 7).

Fantini (2009) draws attention to the fact that "in all cases, it is important to remember that a single instrument alone is usually inadequate for measuring all aspects of intercultural competence" (p.465).

For a short description of some of the more well-known tools and assessments see Appendix 8.

(v) Criticism of Dominant Models and Associated Tools

A number of key texts in the field of intercultural communication and cross-cultural management have identified potential blind spots in many of the

dominant approaches to intercultural competence (Dervin et al., 2020; Hoffman & Verdooren, 2019; Holliday, 2016). Even if models of intercultural competence go beyond approaches to interculturality based on national dimensions, they still too often fall into the trap of discussing “my culture” and “their culture” as unified (generally national) wholes. Andreas Jacobsson sees this as particularly problematic and challenging, since these approaches seem to support the reductionist ideologies responsible for essentialising racism and the rise of extreme-right movements in many countries around the world:

“The focus on functionalist competence goes hand in hand with an essentialist understanding of culture, that in many cases have directed intercultural communication education towards ‘culturalisation’ and racialisation rather than emancipation, imagining culture as determinism for the behaviour of individuals. An inherent systemic racism in most educational settings and the ‘racism of low expectations’ connected to migrants and pupils with migrant family backgrounds is a tough nut to crack.” (Dervin & Jacobsson, 2021, p. 61)

Reducing competence to national cultures ignores more nuanced approaches to cultures as multiple, constructed and emergent in communication (Frame, 2012; 2014), whereby competence does not relate to familiarity with a dominant national model, but the ability to mobilise multiple identities and cultures to anticipate possible reactions and make oneself predictable for one’s conversational partners. Shared references linked to personal interests, professional training, religion, etc. may be equally if not more important than differences in place of birth or early education.

Zhu (2014) also problematizes the very idea of “categorizing and describing national cultures in terms of core values (p.190) (Van Maele, J., Messelink, A., 2019, pp.141-161). An essentialist approach is particularly vulnerable to reductionism, as it emphasises cultural regularity over variability and hence ignores the complexity of the way cultures are used in situations of communication. It may as well lead to considering culture as determinant of behavior (Zhu, 2014; Brandt & Mortensen, 2015). Essentialist approaches are criticised for failing to recognise that culture is just one of the many factors that could influence an individual's behavior and that as Scollon and Scollon (2001) put it: “Cultures do not talk to each other; individuals do” (p.138). A

non-essentialist view recognizes that culture itself is dynamic. It “seeks to interpret how participants make (aspects of) cultural identities relevant or irrelevant to interactions” (Zhu, 2014, p. 211). The non-essentialist approach puts a greater emphasis on the self than on “the other”. Becoming aware of the complexity and multiplicity of oneself is considered a prerequisite to recognize and be empathetic towards the complexity of other individuals and their patterns of belonging (heritage culture, prescribed culture, emergent culture). Instead of teaching causal models, a non-essentialist approach to intercultural training focuses on understanding when and how culture is made relevant by individuals themselves (Van Maele, J., Messelink, A., 2019, pp.141-161). Müller-Jacquier and Whitener (2001) and more recently Fetscher and Groß (2024) present a different framework for working with the critical incidents in a non-essentialist way. In this framework the aim is not a transfer of knowledge but rather enabling trainees to come up with multiple explanations, not merely cultural, of an event. It allows them to extend their frame of reference and be able to view an intercultural situation from multiple perspectives, as well as use their own personal experiences as a basis for learning. It has a non-prescriptive aim of raising cognitive, affective and behavioral awareness of the self in relation to the other.

Fred Dervin is one of many researchers who point to the socially constructed nature of competence, stressing that it is not a trait acquired once and for all, but rather something which is negotiated in an interaction (Spitzberg, 2009), and which is associated with several individuals rather than just one (Lustig & Koester, 2012; Perry & Southwell, 2011). Thus, Dervin underlines that “researchers [...] shouldn’t be interested in the question ‘what’s the student’s culture/identity/intercultural competence/sense of acculturation?’ but rather ‘how do they construct their culture/identity/intercultural competence/sense of acculturation?’.” (Dervin, 2011, p. 41). Like identity and culture, attributions of competence are negotiated with other people, through interactions, at a given time, in a given situation (Dervin & Gross, 2016). As Lily Arasaratnam puts it:

“It is imperative to observe that, in defining intercultural competence, one must consider the concept holistically, seeing that there are multiple elements at play here, not just an individual’s own abilities. That is, interpersonal communication inherently involves the perception and abilities of more than one person, which in turn are influenced by the individuals’ cultural worldview as well as the

parameters of the context in which this communication takes place.”
(Arasaratnam, 2017, p. 9)

This obviously raises concerns for intercultural competence assessments as most of the tools fail to take into account situational and contextual factors. As Borghetti (2017) observes:

“The issue of assessing intercultural competence seems to fit well with a global society where increasingly something must be “proved”, that is assessed and/or certified, to be real. This holds the consequence for individuals that there is a need to make even personal and private preferences visible and explicit, such as, in the case of IC, “interest in cultures”, “empathy”, “positive self-image”, and so on” (p.1).

Borghetti (2017) continues by stating that a “controversial point for the assessment of IC is the relationship between intercultural competence and interculturally competent performance” (p.5). Here, the interactional element of intercultural competence is important as Koester and Lustig (2015) outline that “competent intercultural communication is not something one *does* but rather something that one *is perceived to be*. One’s motivations, knowledge, and skills lead to a context-specific impression that desirable outcomes (effectiveness, appropriateness, and perhaps satisfaction) have been achieved” (p.20)⁴.

(vi) Calls for Renewed Approaches

The complexity of intercultural competence presents challenges for its training and assessment. Giuliana Ferri highlights that assessments must consider the “situated, experiential, messy, contradictory, immanent and subjective character of intercultural learning” (Ferri, 2018, p. 98). This implies a shift from evaluating individual traits to examining interactions shaped by diverse identities and contextual factors developed over time.

One framework addressing this is MICC, developed by Lotta Kokkonen and Teija Natri, which integrates linguistic elements and emphasises reflection over evaluation. Rather than measuring competence, MICC encourages peer feedback and self-assessment contextualised to specific interactions: “The only

⁴ ‘Does’ and ‘perceived to be’ italicized as in original.

ones able to assess what is being interpreted as effective and appropriate in a given situation and context are the ones participating in that interaction” (Kokkonen & Natri, 2024, p. 36; see also Gibbs & Simpson, 2005; Olbertz-Siitonen, 2021). The authors caution against misusing MICC as a quantitative assessment tool, noting the risks of reverting to positivist tendencies that align with neoliberal metrics of success (Holliday, 2023, p. 152).

Further criticism of dominant intercultural competence models centers on their Western, “Euro-American conceptualizations” (Croucher et al., 2015; Steyn & Reygan, 2017). While Ferri warns that calls for decolonisation can risk neo-essentialism, these critiques have gained traction. As Robert Gibson reports:

“Deardorff (2009) tries to compensate for the western Anglo-Saxon bias of the literature by including approaches from other countries in her handbook on intercultural competence. Nwosu (2009) describes the need for models suitable for use by the 3,000 ethnic groups with 1,000 languages in 54 countries on the African continent. He identifies five important dimensions which he considers to be especially important in this context: ‘approach to self and other, approach to social relations, approach to time, approach to work and communication forms and styles’. Manian and Naidu (2009) stress the concept of ‘oneness’ in India: ‘India’s contribution to intercultural competence is in the core principle of ‘oneness’ of recognizing differences while focusing on commonality.’ Moosmüller and Schönhuth (2009) point out that there is ‘a challenge for theorists and researchers to criticize and deconstruct the old concepts of intercultural competence and to intensify efforts to construct and refine new concepts’.” (Gibson, 2021, pp. 62–63)

Indeed, taking other perspectives into consideration is clearly an important objective and worthwhile endeavour, yet the extent to which such deconstruction of intercultural competence is possible and / or desirable is still open to some debate. Notably, it appears important that new concepts are introduced and discussed in relation to existing models, to show what added value they bring, and not simply presented as a somewhat mysticised “non-Western” alternative which is valid simply because of neo-essentialised claims to a particular heritage.

According to Fred Dervin and Zehavit Gross (2016, p.5) an approach to intercultural competence that fails to pinpoint coherently, cohesively and consistently to the complexity of self and other fails to accomplish what it should do: Helping people to see beyond appearances and simplifying discourses - and thus lead to 'realistic' encounters.

3.3.3.2 Organisational-level Approaches to Intercultural Competence

The concept of Organisational Intercultural Competence (OIC) was developed to extend intercultural competence from individual capabilities to organisational systems. OIC reflects an organisation's ability to integrate intercultural principles into policies, practices, and culture. Intercultural competence and DEIB (Diversity, Equity, Inclusion, and Belonging) strategies may be aligned, creating a more cohesive organisational framework.

Keršienė and Savanevičienė (2005) argue that organisational multicultural competence results from aligning strategic objectives with individual competencies, fostering innovation and providing a competitive advantage through collective learning. Their model integrates individual competencies into organisational structures to enhance cross-cultural competence. They later expanded this into a framework outlining the roles of geocentric organisational characteristics and cultural integration strategies in developing OIC (Keršienė & Savanevičienė, 2009) (see Appendices 9 and 10).

Various models of organisational intercultural intelligence (OIC) have emerged. Ang and Inkpen (2008) conceptualised firm-level cultural intelligence (CQ) through three dimensions: managerial, competitive, and structural. This model, based on Huber's (1990) definition of organisational intelligence, posits that organisations enhance CQ by recruiting culturally adept leaders and creating processes that leverage cultural assets.

Van Driel and Gabrenya (2012) emphasise that organisational CQ involves interpreting and diffusing cultural knowledge to adapt practices in international contexts, further linking CQ to organisational intelligence.

Moon (2010) defined organisational CQ as the ability to manage effectively in culturally diverse environments, proposing three capabilities: processes, positions, and paths (see Appendix 11 for details). Yitmen (2013) expanded this,

defining organisational cultural intelligence as the capacity to adapt and gain competitive advantages in diverse cultural settings, linking it to dynamic capabilities (Teece et al., 1997). Chen et al. (2012) focused on motivational CQ, highlighting leadership and organisational culture as key drivers of firm-level CQ. Trickey and Bennett (2023) defined OIC as the coordination of behaviors that enable adaptation to changing social conditions.

(vii) Organisational Practices in Relation to DEIB

There is a growing recognition of the necessity of bridging those two fields and leveraging the benefits (e.g. Meir, Bertolt, 2012, pp. 370-37; Green, Chauhadry, 2023, Maznevsky, 2020). Historically, the intercultural training field has focused on navigating global cultural differences, while DEIB centred on domestic diversity. An important critique of the intercultural field by the DEIB field is its failure to recognise power dynamics around human differences and using a value-neutral approach to obscure them. This may make the DEIB connection weak and performative. Lee and Song (2019) summarised that intercultural competence development is a volatile and continuous learning experience, it is difficult to grasp and requires time and opportunities for refinement. Cultural trainings usually focus on the performative aspect of cultures rather than exploring the cultures from within through a postcolonial lens. Other overarching critiques of intercultural competence programming is that it does not reach far enough in addressing structural and systemic oppression and has limited empirical evidence (Abrams & Moio, 2009). For organisations to become more inclusive and equitable, power structures need to be addressed and challenged by revising and enhancing policies, programs, and practices to address structural and systemic inequities and exclusion (De Wit & Leask, 2015).

Intercultural tools are adapting to include DEIB contexts. Cross-cultural management research has been reviewed in the direction of integrating the non-essentialist understanding of culture, since it has been recognised that essentialising culture along with identity is not conducive to paving the way for the democratisation of an organisation. It is necessary to understand the meanings of the actions of managers and employees, as well as other stakeholders, within their context which comprises cultural systems and institutions within a wider socio-cultural-historical-political context. An appropriate organisational structure and culture should be found from within a

non-essentialist paradigm that allows both internal and external stakeholders to exercise agency and choice without domination (Nathan, 2015, pp. 101-124).

(viii) From Intercultural to Transcultural Competence

A completely different approach is the one proposed by Grünfelder and Baumann Montecinos (2023), who move beyond the concept of intercultural competence to introduce **transcultural competence**, which they define as:

“a general competence of individuals or organisations to intentionally develop new commonalities in contexts of cultural complexity. It refers to the ability and willingness to engage in context-specific processes of constructing new shared meaning and action beyond existing practices by shared experience and mutual learning as a means and result of being in relation. The new commonalities are based on a sense of belonging to a heterogeneous community of experience rather than on overcoming one’s own identity in a process of homogenization. New forms of cooperation and the expansion of existing cooperation corridors may be the goals and results of applying transcultural competence”
(Grünfelder and Baumann Montecinos, 2023: 25–26).

When applying a careful analysis that starts from the relational event, oversimplification of cultures is avoided. In this new approach, knowledge about a certain culture is also crucial, always being careful not to stereotype or make too general assumptions. In order to pursue successful multicultural interactions, organisations should identify the most relevant relational events they deal with, taking into consideration that the different actors involved in these relations influence each other and learn correspondingly.

Delving into their proposal, the authors state that these interactions permit the individuals involved in them to learn from each other and create shared meanings and practices based on these shared experiences⁵. Consequently, understanding

⁵ This approach aligns well with recent calls for assessment through “peer feedback and self-assessment contextualised to specific interactions: “The only ones able to assess what is being interpreted as effective and appropriate in a given situation and context are the ones participating in that interaction” (Kokkonen & Natri, 2024, p. 36; see also Gibbs & Simpson, 2005; Olbertz-Siitonen, 2021).” (see above)

these interactions as learning processes, organisations must strengthen and plan them strategically. The authors called this phenomenon the **Transcultural Learning process** and they find similarities with the MBI approach of Distefano and Maznevski (2000): mapping (understanding differences), bridging (communicate, take differences into account), and integrating (bring together and leverage the differences).

The concept of **transculturality** introduced by Baumann Montecinos and Grünfelder referring to Welsch (1999) addresses the complexities of cultural interactions in a globalised world, particularly for multinational enterprises (MNEs) facing cultural diversity and challenges. They argue that traditional approaches, which often emphasise differences between cultures, fail to capture the dynamic and relational nature of cultural interactions. The transcultural approach encourages moving beyond mere recognition of cultural differences to actively developing new commonalities that facilitate cooperation and shared value creation. This shift is seen as essential for effectively connecting global strategies with diverse local realities in a context of increasing cultural complexity and global tensions.

The difference between intercultural and transcultural competence lies in their focus and approach to cultural interactions. Intercultural competence is primarily concerned with an individual's ability to effectively navigate and manage cultural differences. It emphasises the recognition and handling of these differences at an individual level, often through strategies of adaptation and adjustment. In contrast, Grünfelder and Baumann Montecinos (2023, pp. 25–26) argue that transcultural competence goes beyond merely recognising cultural differences. It focuses on developing new commonalities and fostering cooperation in contexts of cultural complexity. Transcultural competence involves a relational process where individuals or organisations intentionally engage in creating shared meanings and actions, thus promoting long-term cooperation and mutual learning.

We propose **transcultural competence** as a more effective approach than **intercultural competence**, as it moves beyond managing cultural differences to actively developing commonalities that foster cooperation in complex cultural settings. While intercultural competence focuses on individual adaptation to cultural differences, transcultural competence emphasises the relational process of constructing shared meaning and action, enabling long-term cooperation and mutual learning (Grünfelder & Baumann Montecinos, 2023, pp. 25–26). Unlike

intercultural competence, which often reinforces binary cultural distinctions, transcultural competence ensures that organisations and individuals engage in dynamic, context-specific interactions, facilitating new forms of collaboration without homogenisation (Grünfelder & Baumann Montecinos, 2024), making it particularly relevant for multinational enterprises operating in culturally diverse environments.

(ix) Methods Used for Organisational-level Assessments

This chapter explores various approaches to assessing cultural competence in organisations, focusing on three main perspectives. First, it examines models that emphasise policies, procedures, and institutional practices. Second, it considers approaches that attempt to predict the behaviour of cultural groups based on aggregated traits or tendencies. Finally, it turns to frameworks that prioritize relational dynamics and the fluidity of intercultural encounters.

Cultural Competence Assessment for Organizations (CCAO)

A tool developed by The Centre for Culture, Ethnicity and Health (CEH). Based on the CEH's Cultural Competence Framework, which was adapted from Lewin Group's 'Indicators of Cultural Competence in Health Care Delivery Organisations' as well as a review of local and international instruments for measuring cultural competence.

For the purpose of this tool, cultural competence was defined as *“a set of congruent behaviors, attitudes, and policies that come together in a system, agency, or among professionals and enable that system, agency, or those professionals to work effectively in cross-cultural situations”*.

CCAO helps organisations recognise barriers that prevent vulnerable communities from being able to access and use their services. It asks organisations to reflect on their policies, procedures and practices in the following cultural competence domains:

1. Organisational values: An organisation's perspective and attitudes with respect to the worth and importance of cultural competence and its commitment to provide culturally competent care.
2. Governance: The goal-setting, and other oversight vehicles an organisation uses to help ensure the delivery of culturally competent care.

3. Planning and Monitoring/Evaluation: The mechanisms and processes used for: a) long- and short-term policy, programmatic, and operational cultural competence planning that is informed by external and internal consumers: and b) the systems and activities needed to proactively track and assess an organisation's level of cultural competence.
4. Communication: the exchange of information between the organisation/providers and the clients/population, and internally among staff, in ways that promote cultural competence.
5. Workforce development: An organisation's efforts to ensure staff and other service providers have the requisite attitudes, knowledge and skills for delivering culturally competent services.
6. Organisational infrastructure: The organisational resources required to deliver or facilitate delivery of culturally competent services.
7. Services and interventions: An organisation's delivery or facilitation of clinical, public-health, and health-related services in a culturally competent manner.

Indicators in the profile were classified into four types: 1) structure indicators, 2) process indicators, 3) output indicators, 4) intermediate outcome indicators.

The outcomes of the assessment can be used to make changes in policies, planning processes and service delivery to ensure that cultural diversity issues are a key consideration in all aspects of an organisation's work. Assessment should not be an isolated effect, but integrated into an organisation's regular performance and quality assessment activities. Given its scope of indicators and the several indicators relating to integration (Intermediate Outcomes Indicators: organisational perspective, client perspective, community perspective), this tool begins to assess the "institutionalisation" of cultural competence in an organisation, i.e. the extent to which cultural competence is an integral part of the organisation's service, management and business functions (Linkins, McIntosh, Bell, Chong, 2002).

Intercultural Viability Indicator (IVI)

Trickey and Bennett state that, *"while there are many tools to evaluate individual intercultural competence, there are no instruments, to our knowledge, that measure intercultural competence at an organizational level"* (Trickey and Bennett, 2023, p.3) and, as a consequence, the authors developed their own proposal. In addition to them, many other authors insist on the little attention that

the literature has dedicated to the organisational level intercultural competence (Driel and Gabrenya, 2012; Moon, 2010; Gröschke, 2010; Janssens & Brett, 2006).

Their instrument measures the potential of an organisation to adapt competently to new social environments involving cultural diversity. It predicts the probability of an organisation's future intercultural competence and ability to adapt to changing multicultural settings, by assessing the coordination of probability of certain desired intercultural behaviours occurring (Bennet, 2021; Trickey and Bennett, 2023). It is not meant to be a description of either individuals' or organisations' intercultural competence; it is rather a description of probability.

The authors argue that intercultural competence at a group level necessarily needs to be approached considering that organisations are coordinating systems that make some behaviours more or less likely. This is the idea that underlies the concept of organisational culture (Kwantes & Glazer, 2017) and, extrapolated to the IVI proposal, it implies that the group can generate positive or negative synergy effects in comparison to individual performance.

In the IVI measurement, the unit of analysis is the group; meaning that it is treated as a unique entity and not as an aggregate or average of individual scores. It focuses on the relationship between individuals' perceptions of their own intercultural behaviour and their perceptions of group behaviour.

Concretely, the IVI tool is based on the DMIS and new research employing quantum measurement, where an algorithm creates interaction between individual and group scores, yielding a Contextual Viability Score. Statistical transformations compile the CVS scores into a single Intercultural Viability Score for the organisation. The results help to answer the question "how relatively well are we doing in creating a climate of respect for diversity that will serve us in the future"? Viability of groups and divisions within the organisation can be compared. IVI findings indicate whether to focus more on individual development or on group processes. It also allows comparison to a baseline of multiple organisations.

Intercultural Competence (ICC) Criteria

ICC criteria are based on the framework outlined by Farnicka & Bettin (2017), to provide a structured methodology for evaluating and enhancing intercultural

readiness within organisations. ICC-Based Organizational Assessment Framework defines that organisations must be evaluated not only on their compliance with legal diversity requirements but also on their ability to create an environment that actively promotes intercultural dialogue and competence. Proposed by Salto Organization here is a summary of eight key indicators presented in the report (P. Bortini, M.A. Behrooz, 2011 p.22-23) that serve as a foundation for assessing intercultural competence at the organisational level.

Key Indicators for Organizational ICC Assessment:

1. Active Engagement Against Social Injustice & Discrimination
 - Organisations should demonstrate active participation in addressing social inequalities and discrimination.
 - Engagement can be measured through policies, diversity initiatives, and support for underrepresented communities.
2. Promotion and Protection of Human Rights
 - An organisation should show commitment to human rights advocacy through its policies, partnerships, and workplace culture.
 - This includes ensuring representation and protections for marginalised groups in decision-making processes.
3. Understanding Culture as a Dynamic Process
 - Culture should be seen as an evolving, multidimensional aspect of organisational life.
 - The organisation should encourage continuous learning and awareness about cultural identities, historical influences, and shifting societal norms.
4. Building a Sense of Solidarity
 - Employees and stakeholders should feel a sense of mutual support and responsibility for fostering inclusivity.
 - Organisations should implement programs that promote cultural awareness and shared responsibility for equity.
5. Managing Uncertainty in Intercultural Interactions
 - Organisations should equip employees with tools to handle ambiguity and cultural misunderstandings.
 - Providing intercultural training and support networks can enhance employees' confidence in diverse work environments.
6. Encouraging Critical Thinking in Intercultural Contexts

- Employees should be trained to critically assess cultural assumptions and biases.
 - Encouraging open discussions about diverse perspectives can help deconstruct stereotypes and challenge systemic barriers.
7. Developing Empathy and Perspective-Taking
- Organisations should foster an environment where employees actively seek to understand different cultural perspectives.
 - Structured dialogue programs and mentorship initiatives can support this goal.
8. Coping with Ambiguity and Cultural Complexity
- Employees should develop resilience in dealing with cultural differences and unexpected challenges.
 - The organisation should promote adaptability as a core competency, ensuring that employees can navigate diverse cultural expectations effectively.

Organisational Intercultural Intelligence

Due to the limited number of references related to the assessment of intercultural firm-level competence, it might be necessary to broaden the perspective to assessment of intercultural organisational intelligence, in the search of inspirational tools and models.

Even though organisational level constructs can be addressed from different perspectives, in the intercultural competence field, the most common way to measure organisational competence is through the aggregation of individual-level scores; however, van Driel and Gabrenya (2012) empirically proved that the structure of individual intercultural competence can not be identically replicated at organisational level. While individuals' CQ comprises four components (knowledge, metacognition, motivation and behaviour), organisational level CQ showed no evidence of metacognition, suggesting that it is a fundamentally individual-level component. Consequently, as long as metacognition-like competencies at organisational level are not identified and measured, this approach would receive no empirical support. Besides, as mentioned in Section 1, trait-based approaches to assessing / measuring competence have their limitations, as it is essential to consider relational and potentially collective dimensions, which underscore the dynamic and context-dependent nature of competence beyond static individual traits.

Another approach is to understand organisational intercultural competence as a purely firm-level phenomenon. Van Driel and Gabrenya (2012) proposed a method based on reports from organisational members on shared characteristics and representations that are successful in cross-cultural or multicultural activities, such as cultural training. The research question was: “Can organizational attributes that contribute to cross-cultural functioning be assessed empirically using organization members’ reports?” The final OCQ included 25 items, 6 to 7 items for each CQ component. All items were framed in terms of what individuals have observed of their organisations’ functioning. Respondents were asked to indicate the extent to which the items accurately described their organisations on a 5-point Likert-type scale. Examples of items include the following:

Knowledge: “My organization has knowledge of the cultural norms and values of other cultures.”

Metacognition: “My organization has a strategy for obtaining knowledge about other cultures.”

Motivation: “My organization views learning about other cultures as important.”

Behavior: “My organization changes its practices as required in other cultural settings.”

Their initial proposal of 25 items framed in the context of CQ components (knowledge, metacognition, motivation and behaviour), found evidence only for actions undertaken by organizations (represented under the Metacognition and Behaviour components) and cultural knowledge (represented under the Knowledge component).

Another alternative approach is centred in organizational performance (van Driel and Gabrenya, 2012). Instead of focusing on individual-level inputs, this proposal brings attention to the outcome, understanding cross-cultural competence as an antecedent to successful intercultural performance. The authors developed a 13 items measure of organization-level cross-cultural performance using a self-report method about consensually accepted attributes of organizational performance that individuals are able to know and report.

In all of their empirical studies, van Driel and Gabrenya (2012) used individual-level data to assess organizational-level phenomenon.

Ang and Inkpen (2008) propose a framework of firm-level cultural intelligence composed of the three elements: managerial, competitive, and structural.

The first dimension of their model responds to the belief that the possession of CQ by firm's managers is a valuable resource, especially when the CQ resides in its upper echelons or top management team (TMT). Studies have found a significant relationship between TMT characteristics and firm strategies (e.g., global strategy) and performance (e.g., Carpenter, Sanders, & Gregersen, 2001). Forming appropriate mental models allows TMTs to cope with fast changing external environments and, thus, the diversity and cultural intelligence (metacognitive, cognitive, behavioural and motivational CQ) of the TMT may contribute to an enhanced ability to make competent decisions in an international arena. They propose that this logic could also be extended to those employees who are daily in contact with international counterparts as their ability to acquire, process and interpret external information will be key to generate the right inputs for the company.

At a firm level, individuals' competence is not sufficient to create sustainable competitive advantages so the second dimension focuses on the processes and routines that enable the company to defend their competitive factors. Competitive Cultural Intelligence involves identifying key competitive factors, being able to evaluate cultural risks and integrating these in their decision-making processes.

The third dimension, the structural cultural intelligence, refers to the importance of developing culturally intelligent structural norms on how the firm organises and develops routines for hierarchical or reporting relationships. Structures facilitate combining resources and capabilities situated at any point of the organisation and reflects how actions and strategies are formulated and implemented. In this sense, centralised and decentralised organisations are distinguished. Under the concept of structure, organisations should consider: formal and informal internal organisation, interorganisational interface with intercultural counterparts and governance norms, routines, processes and practices.

Despite being a theoretical contribution to the field of Organizational Cultural Intelligence, Ang and Inkpen (2008) proposed a measurement tool composed of 28 items to operationalise each of the three dimensions of firm-level cultural intelligence.

Inspired by this model, Lima *et al* (2016) developed a five-factor 21-item scale to measure organisational-level cultural intelligence, which was not based on individual scores, nor used a referent-shift approach. The five factors are: (a) leadership behaviour, (b) adaptability, (c) training and development, (d) organisational intentionality, and (e) organisational inclusion. The model showed acceptable validity and significant correlation among the five factors, suggesting that they are interrelated and form a broader concept of cultural intelligence.

For more details and examples of IC Quantitative Assessment Tools see Appendix 12.

Coherently with their transcultural competence proposal, Grünfelder and Baumann Montecinos (2024) have recently come up with a completely different approach to intercultural management research, considering the unit of analysis not the individual or the entity, but the relational events occurring within a context- and time-specific transaction. This idea contrasts with the assumption of considering entities as having independent, self-contained existence and inherent qualities that can be measured. Against this backdrop, the challenge for international organisations is to find ways to relate all the different actors and their polyvalent settings to do the best possible next step together.

In order to make the paradigmatic shift proposed by Grünfelder and Baumann Montecinos (2024), it is necessary to depart from the observation that the reality of international corporates is shaped by the multiple and fuzzy cultural affiliations of their stakeholders (Bolten, 2020; Sackmann, 2023) as well as their polyvalent contexts, decision logics, communicative patterns, resources and interests (Baumann Montecinos, 2022; Wieland, 2020).

The overarching goal of the assessment would be then to immerse ourselves and understand those realities "from within". It would focus less on the "what is" and more on the "going beyond" or even "beyond beyond" for achieving organisational goals, namely shared value creation.

With this approach, the notion of "beyond" emphasises that management must go beyond the mere recognition, tolerance or management of cultural differences, and actively develop new commonalities to ensure the continuity of cooperation. Commonalities refer to the observation that different actors (e.g., individuals or organisations) can have and can develop something in common (e.g., shared understanding, meanings and/or actions) and yet remain different (Grünfelder &

Baumann Montecinos, 2024). Cultural differences are resources for cooperation and commonalities allow those resources to be related.

This approach changes the unit of analysis from entity-level (organisations) to organisational events that can be defined as the nodes of relational processes, in which the relational events themselves will invariably change all actors and elements involved (Rovelli, 2021), as Abbott described already in 1996: “What comes out are new actors, new entities, new relations among old parts”. It is based on the recognition that each relational event is context- and time-specific and therefore unique has multiple implications for theory and practice. Against this backdrop, the proposed definition of transcultural competence wants to emphasise that it is a relational process that resides between and even beyond people in a context and evolves as people engage with each other and develop commonalities, which in turn continues their cooperation. Taking a relational perspective can address multiple of those shifts (e.g., from a static to a processual perspective, from decontextualised to context-rich accounts, etc.), bearing in mind that relations among different entities are constantly changing and emerging processes that are co-created and always context-dependent (Szkudlarek et.al, 2020).

In practice, this means that management must always start by analysing specific **relational events** (e.g., a compliance or product quality issue with a supplier in country X) (Fig. 1). Therefore, a careful step-by-step analysis can be applied, which includes identifying the relevant stakeholders with regard to the relational event, analysing the respective resources, interests and values of the stakeholders and finally possible intrapersonal, inter-organisational and intercultural value conflicts (Wieland and Baumann Montecinos, 2024).

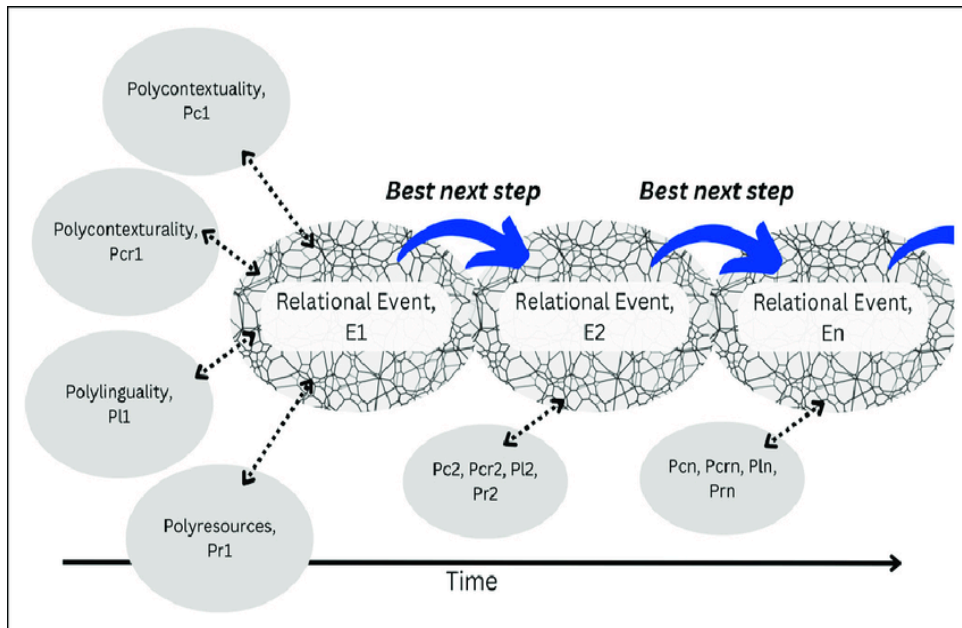


Figure 1. Relational events (own illustration, Grünfelder & Baumann Montecinos, 2024).

It is to understand what is the next step an organisation wants to take and how it wants to ensure the continuity of cooperation and shared value creation in this process, “how do we go through it together in order to maximise shared value creation”.

Coming back to the example, taking the next best step together for an MNE could mean to try new communication formats with their suppliers and customers from India or Spain, based on an analysis of the contexts, decision logics, language games and resources of the involved actors and corresponding pragmatic considerations of what could be appropriate for this specific constellation. Importantly, identifying relational events includes shifting the focus to the corresponding mutual learning processes.

Assessment questions:

- Does our organisation see cultural differences as resources for cooperation?
- Is stakeholder interaction an important part of our business model?
- Does our organisation ensure the continuity of cooperation with key stakeholders?

- What commonalities (shared understanding, meanings and/or actions) are developed to achieve this goal?
- How does our organisation implement the continuity of shared value creation in a diverse network of stakeholders?

It would be a key competence to search for, as it is an application of the **individual and organisational transcultural competence**. For transcultural management, “doing something together” can be seen as a framework condition that holds manifold strategic implications, and that being able to foster, create and use opportunities for shared practice is considered an important individual and organisational competence to deal with cultural complexity (Grünfelder & Baumann Montecinos, 2024) (Fig. 2).

These commonalities ensure and determine the ongoing cooperation that in turn is the starting point for the continuity of shared value creation over time.

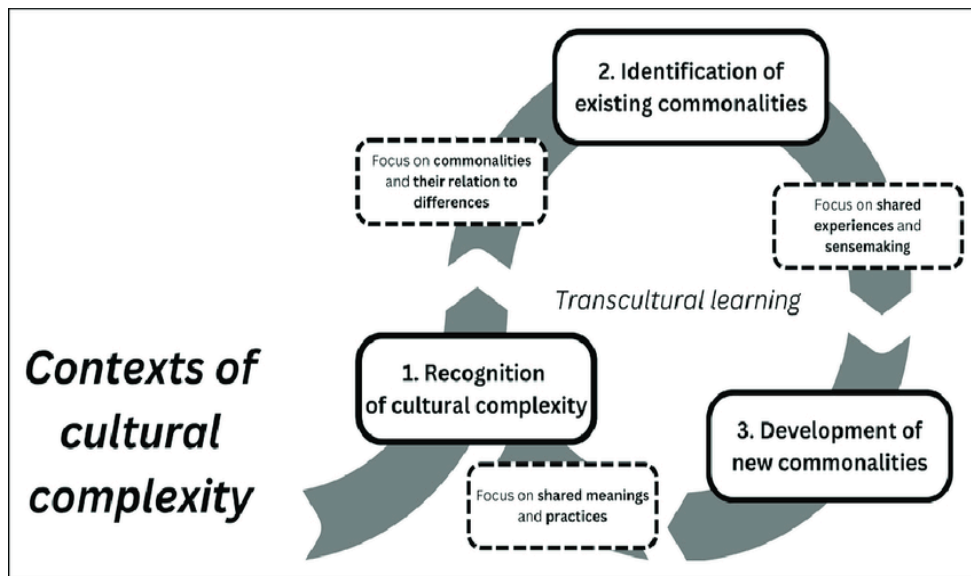


Figure 2. Transcultural learning model (own illustration, Grünfelder & Baumann Montecinos, 2024, based on Baumann Montecinos, 2022).

(x) The Need to Assess Transcultural Competence in Organisations

1. Organisational learning is the foundation of transcultural competence
 - Organisational competence is “the ability and willingness to engage in context-specific processes of constructing new shared meaning and action beyond existing practices by shared

experience and mutual learning as a means and result of being in relation.” (Grünfelder and Baumann Montecinos, 2023: 25–26).

- Since learning occurs within relations, organisations must evaluate how well knowledge-sharing, adaptation, and collaboration function in relations that involve cultural aspects.
- 2. Senior management’s role in enabling transcultural competence
 - Leadership interaction is a part of shaping transcultural competence by designing learning environments that support cultural complexity.
 - Organisations must assess the role of managerial decisions in promoting or hindering transcultural competence, particularly in areas such as team diversity management, decision-making, and structural design.
- 3. Diversity alone does not guarantee learning or transcultural competence
 - Simply having diverse teams does not automatically enhance transcultural competence; what matters is how organisations leverage diversity to create new commonalities and take the best next step toward constructive collaboration.
 - Instead of viewing diversity as a challenge, organisations should assess how well they enable the construction of communalities and constructive next steps in their ecosystem.
- 4. Structural and task design influence organisational adaptability
 - Organisational structures and processes need to facilitate dynamic, context-specific learning.
 - Task design should allow for autonomy, interdependence, and resource allocation that supports transcultural collaboration.
- 5. Assessing transcultural competence through purpose, process, and practice

To assess organisational transcultural competence, we propose measuring and evaluating the maturity of the following dimensions:

- Purpose (values & alignment):
 - Clarity and consistency of stated organisational values (e.g., innovation, inclusion, collaboration).
 - Employee perception of alignment between leadership actions and company values.
 - Presence of culture-driven strategic goals.
- Process (structures & systems):

- How values are communicated, reinforced, and adapted (e.g., leadership communication, policies, training programs).
- Decision-making structures that reflect cultural priorities (e.g., inclusion in hiring, innovation in R&D investments).
- Mechanisms for feedback and adaptation (e.g., surveys, cultural audits, employee voice initiatives).
- Practice (behaviors & workplace norms): observable daily behaviors that reflect cultural values (e.g., collaboration in teams, knowledge-sharing, leadership inclusivity).
 - How employees and leaders demonstrate cultural commitment in meetings, projects, and interactions.
 - Informal norms that shape workplace interactions (e.g., psychological safety, approach to conflict resolution).
- 6. Assessment of transcultural competence is key to strategic success
 - As organisations operate in increasingly complex, global environments, they need to evaluate how well they foster culturally inclusive, constructive learning mechanisms.
 - Measuring transcultural competence will help organisations determine whether they effectively support cultural diversity, enhance collaboration, and sustain long-term innovation in a globalised world.

By systematically assessing transcultural competence, organisations can strengthen their ability to adapt, learn, and thrive in multicultural environments, ensuring they remain competitive and future-ready.

3.3.3.3 Conclusions

In this desk research, we support Maznevski's broad and functional definition of culture as a dynamic system of shared values, norms, and assumptions that shape interaction and identity beyond national borders. Culture is not static; it evolves through interaction, influencing and being influenced by individuals, teams, and organisations. This perspective invites a shift from traditional national models to a multi-dimensional understanding of identity-based cultures—including professional, generational, and organisational frameworks.

Intercultural competence, therefore, is best understood not as familiarity with a fixed cultural code, but as a relational ability to navigate and mobilise multiple identities for effective, context-specific communication. Culture emerges in interaction, and competence involves creating shared meaning, anticipating diverse perspectives, and making oneself predictable to others.

ELEVATE addresses key gaps in this area: the absence of tools that assess intercultural competence at the organisational level, the need to consider context and relationships rather than fixed individual traits, and the importance of integrating DEIB principles into assessments. We support a holistic, lifelong model of intercultural competence development that spans individuals, teams, and systems.

To move further, we advocate for *transcultural competence*—a relational, emergent process that goes beyond managing differences to actively constructing new commonalities for shared value creation. Unlike traditional approaches that view diversity as a challenge, transcultural competence leverages it as a source of innovation and adaptability. It reframes success as the ability to co-create understanding in complex cultural environments without erasing difference.

Organisational learning lies at the heart of transcultural competence. According to Grünfelder and Baumann Montecinos (2023), organisational competence is defined as “the ability and willingness to engage in context-specific processes of constructing new shared meaning and action beyond existing practices through shared experience and mutual learning.” As such, assessment must focus not only on what diversity exists but how effectively organisations learn, adapt, and collaborate across cultural lines.

Leadership plays a pivotal role in enabling transcultural competence by designing inclusive learning environments, aligning structures with cultural values, and supporting task designs that encourage autonomy and interdependence. Simply having diverse teams is not enough; organisations must evaluate how well they create conditions for communalities to emerge and cooperation to flourish.

We propose assessing transcultural competence across three dimensions:

- Purpose (alignment between stated values and practices);

- Process (structures, systems, and feedback mechanisms);
- Practice (observable behaviours and workplace norms that embody cultural values).

By systematically evaluating these dimensions, organisations can measure their capacity to engage with cultural complexity, foster meaningful collaboration, and sustain innovation. In doing so, they position themselves not only for strategic success, but for ethical leadership in a world where culture is constantly being made—and remade—in relationship.