

3.3.2 Executive Summary: From Intercultural to Transcultural Competence — Rethinking Diversity in Organisations

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Introduction

In today's globally interconnected world, the ability of organizations to navigate cultural complexity has become a vital determinant of success. However, our findings from comprehensive desk research, a multi-country survey, and qualitative interviews suggest that most companies remain under-equipped to turn cultural diversity into strategic advantage. When applied to organisations, the concept of intercultural competence—initially developed to help individuals adapt to different cultural contexts—needs to take into account a broader, relational, and process-oriented model. This is captured in the concept of *transcultural competence*, a model better suited to the dynamic, intersectional, and context-specific realities of modern organizations.

Methodology

This summary is based on a triangulated research design:

- **Desk Research:** Reviewed over 80 academic sources and 12 dominant models of intercultural competence.
- **Survey:** Conducted in 5 countries (France, Luxembourg, Spain, Germany, and Poland), collecting responses from in-house employees (243 participants) and external consultants (88 participants).
- **Interviews:** Conducted in 5 countries (46 people), focusing on real-world experiences of organizational diversity initiatives, challenges, and needs.

The goal was to bridge academic theory and practical implementation, and to identify gaps and opportunities for enhancing diversity strategies.

Key Insights

1. Redefining Culture and Competence

- Traditional, nation-based definitions of culture are outdated. Culture is now recognized as a dynamic system of shared norms, values, and assumptions that cut across nationality, profession, age, language, and more.
- Intercultural competence (IC) is no longer viewed as static knowledge but as a relational, evolving ability to create shared meaning in diverse contexts. IC now implies the ability to engage constructively with multiple identities.

- Transcultural competence is proposed as the next frontier: not just navigating difference, but co-creating new commonalities for long-term collaboration and value creation.

Moving Toward Transcultural Competence

We advocate a **transcultural** approach that reframes diversity as a **source of innovation**. Rather than emphasizing differences, transcultural competence fosters shared meaning through ongoing, relational processes. Key features include:

- Cooperation over adaptation
- Learning over knowing
- Shared value creation over mere inclusion

This requires a shift in **assessment practices**—from evaluating individuals to analyzing **relational events** and organizational behaviors that support dynamic, context-specific collaboration.

The concept of transcultural competence, as articulated by Grünfelder and Baumann Montecinos, offers a strategic upgrade:

- Moves from identity-based categorization to relational co-construction of meaning.
- Promotes context-specific collaboration rather than generalized adaptation.
- Recognizes culture as emergent, not static—an active product of interaction.
- Embeds learning within relationships and practices, not isolated training events.

Transcultural Learning Process:

1. **Mapping:** Understand differences without stereotyping.
2. **Bridging:** Communicate effectively across values and expectations.
3. **Integrating:** Use diversity as a source of innovation and commonality.

This model shifts the focus so that organizations view relational events—not individuals—as the unit of analysis for understanding cultural competence.

2. State of Practice in Organizations

Strategic Disconnect: While 44% of employees view cultural diversity as a competitive advantage, most initiatives are informal and lack strategic integration. Only large organizations consistently embed cultural diversity in strategy; most small and medium enterprises lack formal mechanisms.

Leadership: Dedicated DEI roles are rare (only 16% of employees and 10% of consultants report the presence of a dedicated DEI officer); most diversity management falls under general HR responsibilities or remains informal. Most diversity initiatives are informal or symbolic (e.g., cultural events) rather than systemic (e.g., policy change, structured training).

Assessment Gaps: 66% of employees and 86% of consultants report that cultural diversity is not formally assessed in their organizations.

Motivations: Employees associate diversity with CSR (Corporate social responsibility), while consultants cite legal compliance. Strategic advantage is under-leveraged.

Organizational Maturity 34% of organizations acknowledge the importance of diversity but lack structure; only 6–8% claim full integration. Maturity correlates strongly with company size and international exposure.

Challenges and Needs Identified

From both survey and interview data:

- **Structural Constraints:** Legal limitations on collecting diversity data (e.g., in France) and lack of monitoring frameworks hinder formal implementation.
- **Language and Integration Barriers:** Particularly noted in multilingual environments like Luxembourg.
- **Training Access Gaps:** Access often limited by job status or seniority.
- **Demand for Tools:** Organizations want legally compliant, user-friendly tools that can scale with business needs.
- **Practical Support:** Short, affordable training modules and integration resources are high priorities.

Strategic Recommendations

1. **Embed Cultural Competence in Core Strategy:** Integrate diversity into mission, leadership development, and operational goals.
2. **Adopt Multi-level Assessments:** Use tools that capture individual, team, and organizational dynamics—going beyond checklists to measure context-based behaviors and outcomes.
3. **Invest in Transcultural Learning:** Design learning environments that foster continuous reflection, encourage co-creation, empathy, and shared problem-solving.
4. **Tailor Tools to Contexts:** Develop legally compliant, multilingual, and scalable tools.
5. **Measure Collaboration, Not Just Diversity:** Track the quality of interactions, inclusivity of processes, and resilience of teams in multicultural contexts. Assess not just what people know but how they collaborate across differences.

Conclusion

In a world where culture is co-created every day, transcultural competence is no longer optional. It is the strategic, ethical, and human imperative for any organization aiming to lead in diverse, interconnected environments.

Let's not just manage diversity—let's *make something new* with it.