

## Chapter 8

# Managing Intercultural Service Encounters: Establishing the Need for Intercultural Training

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### ABSTRACT

*Global service sector growth and the contracting out of services have produced a complex business environment that has major challenges for corporate success. Nowhere is this more evident than in intercultural service encounters where the delivery of service standards has become integral to developing a competitive advantage and inducing customer loyalty. This chapter identifies the various aspects of service delivery that are significantly influenced by culture. The chapter explains the dimensions of culture that have been found by cross-cultural researchers to be essential to service delivery success and describes how cross cultural training can be used effectively in the international service sector.*

### INTRODUCTION

Global service sector growth and the contracting out of services have produced a complex business environment that has major challenges for corporate success. Nowhere is this more evident than in intercultural service encounters where the

delivery of service standards has become integral to developing a competitive advantage and inducing customer loyalty. Such service interactions explicitly involve cross-cultural dimensions and are often accompanied by the demands of working in a second language. This increases the likelihood of a mismatch between customer expectations and perceptions of service quality which can result in

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low levels of customer satisfaction. This in turn can have a negative impact on business relationships and jeopardize corporate sustainability within the global business environment. Indeed, Hofstede (1980) argues that, 'the survival of mankind will depend to a large extent on the ability of people who think differently to act together.' Inherent in this quote is the need to gain insights into the norms of other cultures particularly in the context of business relationships. In order to understand the development of service provider-customer relationships during a multicultural service encounter, however, the concept of culture and its influence on the development of relationships needs to be understood. This chapter aims to review and reflect upon existing cultural dimensions proposed by eminent cross-cultural researchers. In particular, it seeks to identify the cultural differences that might cause conflict between service employees and their customers during intercultural service encounters and provide insights for service providers to engage successfully in the global business environment.

The chapter begins with a definition of culture as it pertains to the business environment. Cultural dimensions are discussed and previous empirical research on cross-cultural consumer behavior is presented to highlight the importance of each dimension in delivering culturally appropriate service. The implications of cross-cultural misunderstanding on issues such as loyalty, respect, trust and relationship development are then explained and recommendations are provided in relation to intercultural competence training with an emphasis on Eastern versus Western cultures.

## **DEFINITION OF CULTURE**

Defining culture can be difficult because culture can be defined in a variety of ways and is often dependent on the disciplinary background of those that seek to define it. Some anthropologists, for example, assert that culture is created by humans,

whilst others, such as behavioral anthropologists, believe that culture is a determinant of human behavior. The complexity of the phenomenon is highlighted by Kroeber & Kluckhohn (1985) who note that there are over 160 definitions of culture within the literature. Despite disagreement in terms of how culture can be defined, however, scholars agree that people from different cultural backgrounds commonly have different perceptions of the world and are thus likely to act differently when they experience the same circumstances. Thus intercultural service encounters can be perceived in different ways by different cultural groups with subsequent implications for service evaluation, satisfaction and loyalty. At its core; however, every society consists of one dominant culture and several subcultures (Reisinger & Turner, 2003). The dominant culture literally means the culture that dominates how most people in a society behave in general, while the subculture refers to the culture that is shared by a specific group of people based on race, ethnicity, geographic region or economic or social class. This chapter provides insights into the differences in dominant cultures and focuses on the impact of these cultures on service providers and their customers during intercultural service encounters.

## **THE IMPACTS OF CULTURAL DIFFERENCES DURING SERVICE ENCOUNTERS: THE EAST - WEST PERSPECTIVE**

Many aspects of service can be significantly influenced by culture. Issues that have been frequently cited by cross-cultural researchers as areas where culture can have a marked influence relate to customer expectations, the evaluation of service, service recovery (Armstrong, Mok, & Go, 1997; Hernandez, et al., 1991; Lee & Ulgado, 1997; Mattila, 1999; Mattila & Patterson, 2004; Sultan & Simpson, 2000; Wong, 2004; Yau, 1988), host-guest interactions (Reisinger, 1997;

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