Harnessing Cultural Diversity to Stimulate Organizational Learning

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An exploration of the relationship between cultural diversity and organizational learning seems particularly appropriate as we enter the twenty-first century. Globalization efforts and demographic changes in today’s organizations have increased interaction among employees from different cultural backgrounds as well as among employees who may differ from each other along gender, racial, ethnic, religious, or numerous other dimensions. Multicultural organizations will thus become the norm rather than the exception in the years to come. At the same time, there has been an on-going search for ways to make organizations more effective as it has become evident that doing what achieved success five years ago or even last year does not necessarily guarantee success today.

Efforts to understand and deal with these trends have been reflected in management research and popular press management literature. During the past two decades increasing attention has been paid to issues relevant to multicultural organizations. Diversity literature has exploded as organizations try to deal with the challenges and make people aware of the opportunities of multicultural diversity (Cox & Blake, 1991; Fernandez & Barr, 1993; Gardenswartz & Rowe, 1993; Gentile, 1996; Golembiewski, 1995; Thomas & Ely, 1996). Cross-cultural management literature has heightened awareness that techniques and practices that work successfully in one culture may not work in other cultures (Adler, 2002; Hofstede, 1997; Laurent, 1983; Schneider & Barsoux, 1997; Trompenaars, 1993). Meanwhile the continuing search for organizational effectiveness has stimulated emphasis on organizational learning in academic literature (e.g., Cohen & Sproull,
1991; Huber, 1991; Popper & Lipshitz, 1998; Schwandt & Marquardt, 2001; Simon, 1991) and on learning organizations in popular management literature (e.g., Chawla & Renesch, 1995; Gilley & Maycunich, 2000; Marquardt, 1996; Senge, 1990; Senge et al., 1999; Yeung, Ulrich, Nason, & Von Glinow, 1999).

Yet these streams of management thought and literature have essentially remained discrete. Golembiewski's (1995) statement that "diversity provides rich data, challenges as well as tests assumptions, and otherwise serves learning" (p. 14) is one of few explicit mentions of diversity's potential for organizational learning. Although efforts to promote organizational learning and to deal with employee diversity have each had substantial impact on management practice during the past decade, surprisingly little connection has been made between practices relevant to both. In this chapter we explore the potential links between cultural diversity and organizational learning and discuss implications of the relationship.

The major contention advanced in this chapter is that cultural diversity of employees in organizations has the potential to stimulate significantly organizational learning. The mere presence of cultural diversity in an organization does not guarantee that organizational learning will take place, however. Conditions to foster the learning must be in place. We believe that organizations that truly value and capitalize on differences of perspectives inherent in a culturally diverse workforce can develop a competitive advantage by enabling diverse employees to learn from each other, by challenging the organization's own past experience, and by applying the learning to optimize organizational strategies, structures, policies, and processes.

To explore potential synergy between cultural diversity of employees and organizational learning, the chapter presents relevant ideas from multicultural diversity, cross-cultural, organizational learning, and learning organization literatures, highlights parallels between individual learning in multicultural environments and organizational learning, and suggests an alternative way to conceptualize organizational learning. The potential relationship between cultural diversity and organizational learning is discussed, including inherent benefits and implications for organizational practice.

**DEFINING CULTURAL DIVERSITY AND ORGANIZATIONAL LEARNING**

First, a brief look at some relevant cultural diversity and organizational learning concepts is appropriate. A thorough review of the literatures, however, is neither feasible nor the intention here. Rather the purpose is to highlight interesting issues that seem germane to our exploration.
Cultural Diversity

Even a cursory glance at the multicultural diversity literature makes it clear that the term diversity is understood in various ways, with each conceptualization leading to exploration of different questions, issues, and organizational practices. Some authors (e.g., Gardenswartz & Rowe, 1993; Loden & Rosener, 1991) have taken the approach of identifying dimensions of diversity, even breaking categories down into primary and secondary dimensions of diversity. Others (e.g., Golembiewski, 1995; Thomas & Ely, 1996) advocate including differences presented by numerous identity groups. Our own preferred definition is broad—with diversity encompassing any kinds of characteristics, background, group membership, or behavior that make people different. In this chapter, however, we focus attention on cultural diversity in organizations spanning national borders or having employees from numerous national/ethnic cultures. Certainly, though, the same arguments could be made for diversity stemming from other kinds of differences.

The prevalent approach to cultural diversity has had a distinct problem-solving orientation. Indeed, only recently has there been much mention of the potential that multicultural diversity offers for organizational effectiveness (Joplin & Daus, 1997; Robinson & Dechant, 1997; Thomas & Ely, 1996). In practice, inherent differences are often viewed as problematic because they contribute to interaction challenges that must somehow be solved. To be sure, when diverse people work together to accomplish organizational goals, they are likely to approach achievement of those goals quite differently. Indeed, there may even be differences in how appropriate the organizational goals are deemed to be. What we are suggesting, however, is that organizations move past a problem-solving mindset to recognizing the very real opportunities presented by cultural diversity in the organization. In addition to opportunities now commonly cited, such as matching employees with diverse customers, better exploration of issues, problems and decisions, as well as increased creativity and innovation (Adler, 2002; Robinson & Dechant, 1997; Schneider & Barsoux, 1997; Thomas & Ely, 1996; Weiss, 1996), we are urging organizations to recognize cultural diversity’s potential for stimulating learning at both individual and organizational levels.

Understanding the effects of diversity on convergent and divergent processes in organizations provides insight into how diversity can facilitate organizational learning. Adler (2002) suggests that diversity is most likely to cause problems in convergent processes in organizations—when employees need to think or to act in similar ways. Communication (converging on similar meanings) and integration (converging on similar actions) is more difficult because of the potential for misunderstanding and disagreement among diverse employees. In divergent processes, however, diversity is a decided benefit. Different perspectives are advantageous when an organization wants
to expand its approach, reposition itself, explore a broader range of ideas, or assess trends that might affect the organization—when it wants to learn.

Organizational Learning

Most organizational learning researchers freely admit that, despite recent interest in the topic, numerous conceptual problems remain (Argyris & Schön, 1996; Cohen & Sproull, 1991; Easterby-Smith, Burgoyne, & Araujo, 1999; Popper & Lipshitz, 1998). Argyris and Schön (1996) suggest that the conceptual ambiguity exists because there are two vastly different communities interested in the ideas—academic researchers and practitioners such as managers and consultants. Thus, organizational learning also has a lack of clarity in definition as well as a similar divergence of conceptual and practical issues studied in the literature.

McGill and Slocum (1993) define organizational learning as “the process by which managers become aware of the qualities, patterns, and consequences of their own experiences, and develop mental models to understand these experiences” (p. 2). Huber (1991) explains that “an organization learns if any of its units acquires knowledge that it recognizes as potentially useful to the organization” (p. 126).

Cook and Yanow (1993) suggest that theories of organizational learning have generally taken one of two approaches, which share some common ideas about the nature of learning but which differ in focus. Many authors (e.g., Argyris & Schön, 1996; Simon, 1991) have explored how individuals learn in organizational contexts. The second approach (e.g., Cyert & March, 1963; Duncan & Weiss, 1979; Weick, 1991) has applied theories of individual learning to organizations, positing that organizations can learn because they possess cognitive capacities equivalent to those of individuals. Not surprisingly, there has been substantial debate about whether organizations, as entities, are capable of learning.

For our purposes, the questions of whether an organization is a cognitive entity capable of learning or whether organizational learning results from aggregated individual learning are not critical issues. Both individual and organizational learning are important if organizations are to be successful in achieving their goals. Moreover, the issue is not how the organization learns but that learning can take place, if conditions are right to foster it. Individuals can learn and their aggregated learning can influence what the organization "knows." Moreover, the resulting organizational learning will undoubtedly be more than the sum of what individuals learn (Schwandt & Marquardt, 2001). Yet unless organizations pay attention to integrating the knowledge at the organizational level, the learning remains haphazard, isolated in various pockets of the organization, and does not achieve the maximum impact.
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Easterby-Smith (1997), in a review of organizational learning disciplines, describes a "cultural perspective," which views culture, whether in an organizational or national form, as both a cause and effect of organizational learning. Easterby-Smith contends, however, that this cultural perspective has emphasized: (a) questioning whether learning ability is an attribute of particular national cultures; (b) questioning the transfer of ideas among cultures plus, more specifically, whether models developed in one culture are appropriate in other cultures; and (c) suggesting that the very concept of learning may vary in different cultural contexts. Recognition of using differing cultural perspectives as an impetus to organizational learning seems strangely absent in this cultural perspective, however.

The contention that ideas and models are context specific and difficult to transfer elsewhere is well supported in the cross-cultural literature (Hofstede, 1997; Schneider & Barsoux, 1997; Trompenaars, 1993). Indeed, this difficulty of transferring learning into different cultures makes it all the more imperative that organizations with culturally diverse workforces and organizations with operations in numerous cultures develop ways to integrate different perspectives into new frames of reference the organization can use to understand and evaluate what it does.

Popular management literature has emphasized applied organizational learning, normally associated with the label of the learning organization. The learning organization literature is both pragmatic and full of prescriptions (Garvin, 1993; Marsick & Watkins, 1999; Nevis, DiBella, & Gould, 1995; Senge, 1990; Senge et al., 1999). Certainly, however, the emphasis in this stream of literature on awareness of mental models, deeply ingrained assumptions and beliefs about how things work, is consistent with the idea we are proposing regarding organizational learning facilitated by cultural diversity. It is by making mental models explicit and, furthermore, challenging and broadening them that individuals and organizations learn. The exploration of the differing assumptions and perspectives of culturally diverse people is one way to surface and challenge mental models. Surprisingly, however, the learning organization literature makes little mention of this basically untapped potential of cultural diversity. Gregory (in Senge et al., 1999) contends that "the link between diversity and learning is all too rarely made" (p. 277).

A POTENTIALLY SYNERGISTIC RELATIONSHIP

Our focus on potential synergy between cultural diversity and organizational learning grew out of discussions of interviews conducted with members of multicultural teams in Luxembourg (Trefry, 2000). The respondents reported benefits of cultural diversity in their teams which echo the advantages typi-
cally cited in the diversity and cross-cultural management literature. Particularly striking, however, was how those interviewed, without exception, stressed the personal benefits of working in a multicultural environment—benefits such as increased adaptability, flexibility, and readiness to accept people. The multicultural team members reported growing ability to cope with the unexpected and thus enhanced self-confidence. In addition, respondents talked about how exposure to different perspectives forced them to re-examine their own perspectives and resulted in development of broader personal perspectives (Trefry, 2000).

The parallels between the personal learning these multicultural team members described and some of the rhetoric in popular management learning organization literature (Marquardt, 1996; Senge, 1990; Senge et al., 1999) was fascinating. Our discussion of the common issues led to the development of some premises which help to explain how we think the link between cultural diversity and organizational learning may work.

1. Exposure to differences in perspectives (from whatever influences) can serve as an impetus to on-going examination of our own beliefs, values, and perspectives, whether at a personal level or at an organizational level. As Gentile (1996) eloquently asserts, "it is precisely through our interactions and confrontations with difference—of perspective, of prior experience, of style, of identity—that we come to recognize the limits of our own perspectives, experiences, and styles" (p. 1).

2. Thoughtful examination of our beliefs, values, and perspectives and how they compare with the beliefs, values, and perspectives of others often leads to the broadening of our own perspectives. At an organizational level examination of differences in beliefs, values, and perspectives will mean a broadening of the criteria used to understand and explore any given issue.

3. Broadening our perspectives can also be explained as expansion of our frames of reference, or mental models, that we use to perceive and interpret issues and situations. It is this expansion of our frames of reference that creates the real potential for both individual and organizational learning.

4. Expanded frames of reference can spur increased flexibility and adaptability in individual as well as organizational behavior. Flexibility is enhanced because it becomes easier to see a broader range of possible actions and responses.

5. The broadened perspectives and flexibility to respond to unexpected or changing circumstances, described as personal benefits by respondents working in multicultural teams, can, at an organizational level, offer potential for increased organizational effectiveness and competitive advantage, the often-stated goals of organizational learning. Pascale (1990) suggests that continual learning is synonymous with the flexibility and self-renewal that enables organizations to be successful over time. Surviving organizations "constantly and obsessively question their modus operandi. It is this con-
tinual questioning that generates the next paradigm . . . and the next . . . and the next” (p. 29). Indeed, a continuous exploration of what we know and how we do things in organizations is at the heart of organizational learning.

Thus, we focus our exploration on the potential contribution of cultural diversity to organizational learning by proposing an alternative way to conceptualize organizational learning:

Both individuals and organizations “learn” from expanding the frames of reference through which they view and interpret what they see and experience.

There are subtle differences here from McGill and Slocum’s (1993) emphasis on awareness and development of mental models. We believe that learning involves more than just understanding our current and past experiences and being able to explain them with our mental model/frame of reference. Rather, learning involves not only recognition of but also challenging our current frames of reference, sometimes breaking our existing links among assumptions and conclusions. Furthermore, learning involves expanding our current frames into broader, more sophisticated frames of reference that take additional factors into account and that can reconcile differing and even contradictory perspectives.

Frames of reference act much like a window frame, which literally frames what one sees through a window. The frame emphasizes whatever lies within it and obscures outlying images. The same situation, however, can be viewed through multiple frames of reference. Two people using different frames of reference may see and understand something quite different.

Individuals in organizations use their own perceptual lenses and frames of reference to see and understand what the organization does but, over time, many common organizational frames of reference are built up. These frames of reference represent the organization’s collective assumptions and beliefs about its relationship to customers and about how to conduct business. True, frames of reference stem from the insight of individuals but, like organizational culture, there is a high degree of commonality in how people in an organization view what happens and how they interpret and evaluate things.

Therefore, much as the Luxembourg multicultural team members described the personal learning and growth they experience by being exposed to the diverse perspectives of their colleagues from other cultures, organizations also can learn from the exploration of different perspectives inherent in a multicultural workforce. The key is that exposure to different perspectives stimulates and accelerates the exploration of our own perspectives, the challenging of the customary ways we think and approach tasks, and the expansion of the frames of reference we use to understand and evaluate situations. Furthermore, both individuals and organizations can benefit from a virtuous cycle. The more we challenge and expand our frames of reference, the greater
ability to do so we develop and the more habitual the challenging and expanding becomes. Indeed, theorists such as Grant (1996) argue that it is the development of learning capability, rather than the knowledge acquired through organizational learning, which is key to organizational effectiveness.

**POTENTIAL BENEFITS OF LEARNING FROM CULTURALLY DIVERSE PERSPECTIVES**

Recent diversity literature has expanded our awareness of the benefits of diversity. We believe, however, that one of the most important benefits of cultural diversity stems from its potential to stimulate both individual and organizational learning and the resulting expansion of frames of reference used to understand what the organization does. The advantages of such expanded thinking for the organization are numerous and offer potential competitive advantage. Exploring what the organization does and how it does it from multiple perspectives enables a more thorough evaluation of decisions and problems (Preskill & Torres, 1999). Insight facilitated by expanded frames of reference can generate new approaches to business issues and practices.

Learning stimulated by cultural diversity also challenges the thinking of individuals and groups. Different perspectives represent, in a sense, divergent views of reality; therefore, the more perspectives we understand on the situation in question, the more complete view we have of reality. By trying to understand and reconcile diverse and even contradictory perspectives, we challenge ourselves to think at higher levels of intellectual complexity and to recognize that there are indeed many different ways to achieve goals. Taking into account and integrating diverse perspectives allows both individuals and organizations to see possibilities not seen before, to connect things and ideas in new ways, and to piece together patterns that may not have been previously apparent.

Perhaps the most important source of competitive advantage stemming from organizational learning lies in developing organizational flexibility, adaptability, and ability to change as appropriate in different contexts. However, a critical question must be raised: will expanded organizational frames of reference, created by integrating perspectives of culturally diverse people, automatically lead to adaptation and change in the organization? The question parallels an interesting debate in the organizational learning literature about whether organizational learning results in change. Huber (1991) suggests that "an entity learns if, through its processing of information, the range of its potential behaviors is changed . . . More organizational learning occurs when more and more varied interpretations are developed, because such development changes the range of potential behaviors" (p. 126).
An argument can be made that we do not necessarily change our behavior when we learn something new, nor do we necessarily need to change it. The advantage of organizational learning is more an issue of flexibility. What we have learned may enable us to change our behavior if we so choose. Learning, whether at the individual or organizational level, expands our range of options. Wijnhoven (2001) suggests that the topic of organizational learning is popular currently because it involves efforts to expand an organization's repertoire of actions to deal with increasingly complex and dynamic environments. Such flexibility is important in today's organizations, in order to be more congruent with the needs of changing environments and the needs of specific markets and cultures.

**IMPLICATIONS FOR ORGANIZATIONS**

So what do all these ideas mean for organizations hoping to maximize the learning potential inherent in cultural diversity? In this final section we discuss the necessity for a proactive and strategic approach to learning from diversity, give several examples, and briefly outline organizational aspects that will need attention.

**A Strategic Approach to Learning**

When individuals alter their behavior it is usually with the hopes of obtaining better results. Likewise, at the organizational level, learning is often aimed at increasing the range of behavioral options, better matching organizational behavior and strategies to the requirements of different situations, and achieving better results. As is the case for individuals, the learning may result from acquiring relevant knowledge, purposeful exploration, or from experience, either positive or negative.

Although experience is a good teacher, relying on it solely presents several problems. Valuable resources, time, and reputation may be lost in the meantime. Moreover, we do not always learn from negative experiences because we are likely to attribute the problems or lack of success to other factors. Indeed, we are often inhibited in our ability to learn from experience by our operative frames of reference. Thus, a more proactive strategic approach to learning from cultural differences is necessary in order to develop the learning process and to achieve the best organizational results. Such an approach can enable management, and employees at all levels, to deliberately integrate different perspectives into existing organizational frames of reference and to create new and broader frames of reference. In addition, a strategic approach will accelerate the learning, enable integration of the learning into management practices, and will magnify the learning phenomenon and its benefits.
Two examples help to clarify the idea of a strategic approach. One possibility is the periodic purposeful exploration of what the organization—or division, department or team—does and how it does it, viewed from the perspectives of people with different cultural backgrounds. The goal is to use diversity of perspectives to develop understanding of organizational issues and the factors that affect organizational practice. But the sharing of differences must go beyond perspectives on any particular issue, however. Exploration of the concerns and values underlying those perspectives will go a long way toward uncovering the assumptions that heavily influence our thinking and our decision-making but which are rarely explicit. Why are such concerns important in a given culture? Why are various outcomes valued? Why are certain practices desirable or undesirable?

Another possibility is adding a few extra steps to the organization’s existing decision-making process in order to explore the perspectives and underlying assumptions of different cultures. It is essentially an extension of what some companies already do in varying the characteristics of products or services and how they are marketed in different locations. The same consideration can be given to other organizational issues, to management practices and to interaction among people. For example, in problem-solving or deciding what actions should be taken, people can share their own perspective, why such a perspective is appropriate in their own culture, and what cultural values, concerns and assumptions influence that perspective. Differences as well as common elements can be explored in order to integrate all concerns into the decisions made.

Organizational Aspects Requiring Attention

Our contention is that important learning can occur at both individual and organizational levels by interacting with those of different cultures—but in both cases, there must be openness and willingness to learn as well as value placed on learning. Moreover, organizations must be willing to view the time and effort needed to learn from differences as a strategic investment. Organizational support for learning will require management infrastructures consistent with such goals as well as changes in organizational culture, policies, processes, and procedures. Each of the issues summarized briefly below will require substantial attention.

Organizational Culture. The organizational culture must value organizational learning, diversity of backgrounds and cultures, and differences of perspective. The culture must be one that makes it normal, desirable, and safe to learn from differences. Management rhetoric about value placed on learning will be important but, by no means, sufficient. There must be congruence between what people hear and what they experience.
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Learning Processes and Procedures. Organizational support should involve explicit strategies for organizational learning and the development of learning infrastructures, processes, and techniques employees can use in achieving the learning. Organizational ground-rules for airing, exploring, and learning from differences are crucial. As Schein (1993) puts it, "we will need technologies and mechanisms that make it possible for people to discover that they use language differently, that they operate from different mental models, and that the categories we employ are ultimately learned social constructions of reality and thus arbitrary" (p. 44).

Training. Training efforts should help employees understand that learning from our differences will naturally involve discomfort, misunderstanding, and occasional conflict, but that those uncomfortable times can lead to growth and learning both for the individual and the organization. They need to be convinced that the time, effort, and discomfort are worthwhile. In addition, cross-cultural training is imperative for increasing sensitivity to cultural differences and enhancing cross-cultural interaction skills that will enable organizational learning.

Organizational Selection Processes. Because there is variation among people in terms of their willingness to be exposed to cultural differences and their seeming ability to learn from those differences, organizations must pay careful attention to selection of employees who will be working in cross-cultural situations and those in key positions who can significantly contribute to organizational learning.

Organizational Reward Processes. Organizational learning achieved through exploration and integration of different perspectives must be rewarded. Those who demonstrate success in learning from differences should be in appropriate senior positions and should help to guide the learning process of others.

Organizational Structure and Policies. Traditional organizational mindsets and structures emphasize convergence of thought and practices. Yet the more sophisticated thinking enabled by learning from cultural differences would reflect the systems principle of equifinality—that there are, indeed, numerous way to achieve a given goal—and that there are rarely single right answers or courses of action.

If flexibility and adaptability are to be stimulated by understanding different perspectives, then managers must find ways to translate this flexibility of thought into flexibility of action. Rigid organizational structures and policies that require total integration of practices will destroy the very flexibility the organization needs to react appropriately in different contexts.

Allowing flexibility of action and structures to achieve the organization's purposes makes it all the more imperative that there is clarity of goals, desired results, and broad operating principles. But then individuals and groups need
the flexibility to achieve those desired goals and results in the most appropriate way in given contexts.

CONCLUDING THOUGHTS AND DIRECTIONS FOR RESEARCH

Organizations of the twenty-first century face myriad opportunities as well as challenges, all of which are influenced and even intensified by interaction with each other. Current frames of reference guiding what an organization does and how it does what it does must be continuously challenged and new ways of approaching business created. Such ability for self-challenge and self-renewal has received attention during the past decade in organizational learning and learning organization literature. Yet today few organizations could truly claim to be learning organizations. As McGill and Slocum (1993) suggest, “the actual building and maintaining of a learning organization is a Herculean task” (p. 12).

Another major concern occupying the attention of managers during the same time period has been the increasing emphasis on multicultural diversity and cross-cultural management. Organizations today face many challenges stimulated by the growing cultural diversity of their workforces and expanded operations across national borders. Simply having an international workforce, however, does not necessarily mean that an organization and the individuals in it are prepared and able to demonstrate effective international organizational behavior and to develop effective international strategies.

Achieving effective interactions among culturally diverse people, building appropriate context specific and international management strategies, and ensuring continued organizational success in a constantly changing business environment all require learning at every level in organizations. We have argued that the very diversity that heightens challenges for today’s organizations also, fortunately, offers immense potential for accelerating individual and organizational learning.

We will be the first to admit, however, that future research on the relationship between cultural diversity and organizational learning will be difficult at best. The organizational learning literature is plagued not only by conceptual discrepancies but also by lack of operational definitions of learning, which will be needed to measure organizational learning. Moreover, whereas the presence of cultural diversity in an organization is easy enough to determine, how that diversity is approached and used is not so simple to measure systematically. Nonetheless, the aspects needing attention identified previously provide a starting point for characterizing an organization’s approach to learning from diversity.
We firmly believe that the presence of such research problems does not diminish the importance of the ideas. The value and attention organizations place on learning from cultural diversity can be a powerful theme to unite organizational efforts to succeed in today's global marketplace.

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