

Egypt on

Egypt On essay series



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Dr. Guy Fielding
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CROSS-CULTURAL COMMUNICATION AND OFFSHORED CONTACT CENTERS

Egypton 

Introduction

The landscape of today's offshoring and outsourcing industry is constantly evolving and Egypt's Information Technology Industry Development Agency (ITIDA) has partnered with some of the industry's leading thinkers and advisors to create a series of essays looking at key business issues and trends affecting the industry. The series will look at a range of topics from the ease of doing business to education and resources.

This essay, '*Cross-cultural Communication and Offshored Contact centers*' by Dr. Guy Fielding, looks in depth at the contact center

industry; its creation, how it has grown, developed and prospered and considers how "mental models" of communication have impacted how it operates.

Cross-cultural Communication and Offshored Contact centers

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Contact Centers and Communication

The contact center industry is remarkable. It is remarkable because it was created, and has grown, developed and prospered despite its own pervasive misunderstandings of its core activity, namely the process of one human being communicating with another.

The “mental models” of communication that we carry in our heads have an enormous impact of how we operate in the ‘real’ world, and the problem is that many of the models that are pervasive in the contact center industry are deeply flawed.

Perhaps the most fundamental is the equation of communication primarily with the transfer of information. This theory was

developed by engineers to understand how telephone circuits could be optimized to transfer information. It was then borrowed by psychologists who attempted to use it to understand human communication.

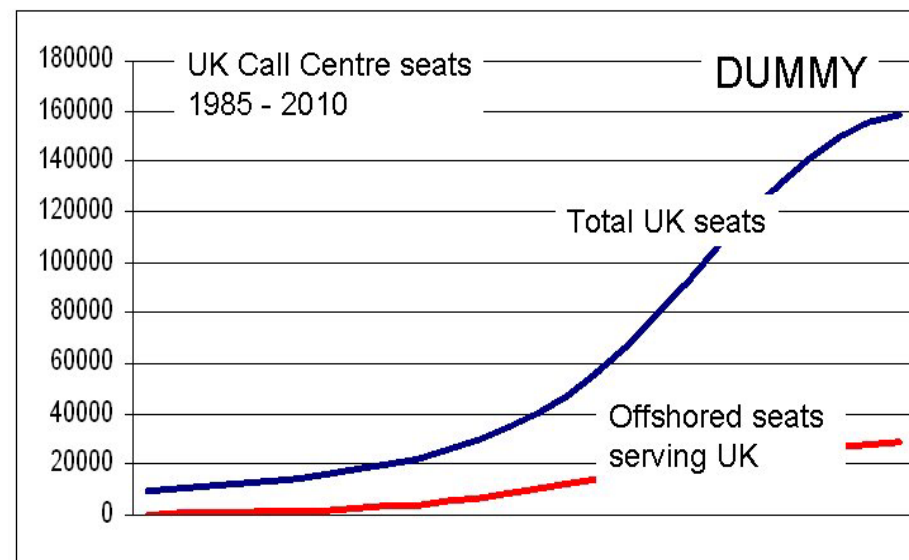
However, human communication involves much more than the transfer of information. Rather, it is primarily about creating, maintaining and negotiating identity and relationships. Fundamentally it is about enabling co-ordination, co-operation and collaboration.

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The influence of this flawed model on how we think about communication is apparent in our notions of quality when applied within contact centers. In manufacturing, uniformity and consistency are key characteristics of quality. However, the key to good human communication is not uniformity and consistency, but adaptability and variation. Good communication involves saying different things to different people in different ways at different times.

And yet despite this and other fundamental misunderstandings of human communication the contact center industry is remarkably successful and becomes ever more essential to the way that we lead our lives.



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Contact Centers and Cross-culture communication

Like contact centers as a whole, the growth and success of offshored contact centers has occurred, not because of the validity and sophistication of our understanding of cross-cultural communication, but despite it. Given this, it seems that there is an enormous opportunity to perform better by developing and applying a properly grounded understanding of culture and cross-cultural communication to the way we run the next generation of off-shore contact centers.

When the offshore contact center industry first began to tackle the issue of understanding culture and preparing people to communicate across cultures, culture seemed to boil down to three things: accents and accent neutralization, the ability to talk about the weather, and knowing what had happened in last night's episode of "East Enders". Unfortunately, these three things do not

constitute 'culture', and mastering them does not mean that you can competently communicate across cultures.

The early pioneers of offshoring will hopefully overcome these initial false starts, whilst the second wave of offshoring locations, such as Egypt, South Africa and central European locations can from the outset adopt a much more sophisticated, and useful understanding of what culture is and how cross-cultural communication can best be managed.



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Understanding Culture and Cross-cultural Communication

A reasonably consensual definition of culture is that offered by Kate Fox (2004, p10):

“the sum of a social group’s patterns of behavior, customs, way of life, ideas, beliefs and values”

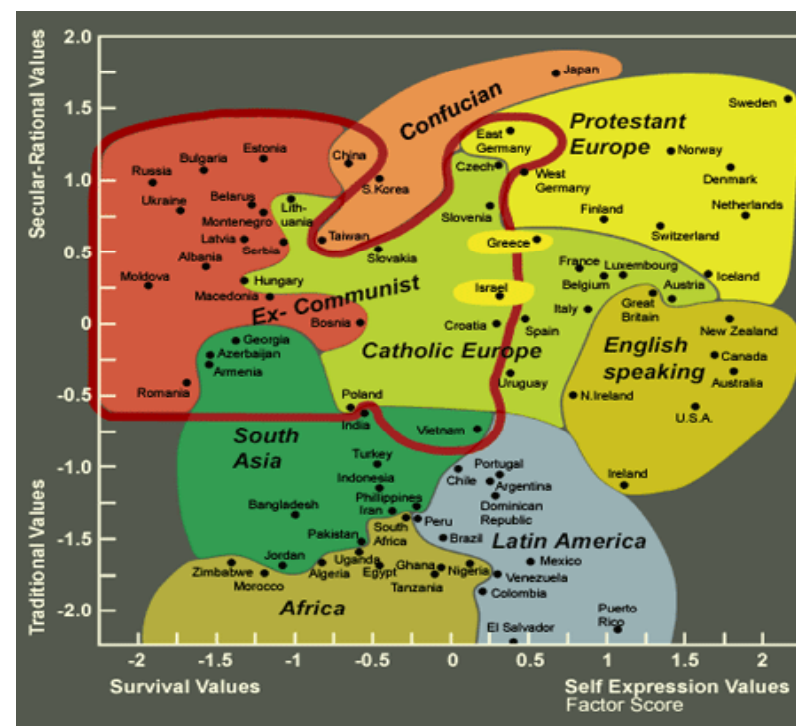
This conceptualization of culture makes it clear that there are two rather different things in play:

1. behaviors: i.e. “patterns of behavior, customs, way of life”
2. Psychological concepts: i.e. “ideas, beliefs and values”

There have been numerous attempts to develop an effective and efficient way of describing culture such as the World Values Survey (Inglehart and Welzel; see <http://www.worldvaluessurvey.org/>).

This argues that the differences and similarities across all of the different domains related to culture can be organized in terms of two major dimensions: “Traditional-Religious” vs “Secular-Rational” and values of “Survival” as opposed to values of “Self-expression”.

We can map each national culture within this two-dimensional space:



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Whilst this is a useful way of describing broad cultural differences, to better manage offshore contact center operations we need a more fine-grained way of describing cultural differences, focussing on differences which have a direct relevance to, and impact upon, communication within and across those cultures.

In our own work at horizon2 we have examined communication quality for a number of clients, comparing on-shore and offshore contact centers, trying to identify the reasons for diminished customer experience in offshore contact centers. Our findings support the notion that the cause is fundamentally more complex than issues of accent, clarity of speech and speed of conversation, and that a sophisticated understanding of cultural differences is essential if good customer experiences are going to be created across cultural boundaries.

Hofstede (e.g. 1984) described a culturally-sensitive model of communication differences and identified four primary dimensions for describing the differences between cultures:

Power Distance: refers to the degree to which power, prestige and control of resources are equally/unequally divided.

Individualism: describes the extent to which a culture allows and recognizes individualism rather than the collective good.

Masculinity: denotes a culture's valuing of traditionally male attributes such as task orientation and competitiveness versus traditionally female attributes such as an orientation to social relationships and collaboration.

Uncertainty Avoidance: concerns a culture's tolerance of uncertainty, and the extent to which the members of that culture feel threatened by uncertain or unknown situations.

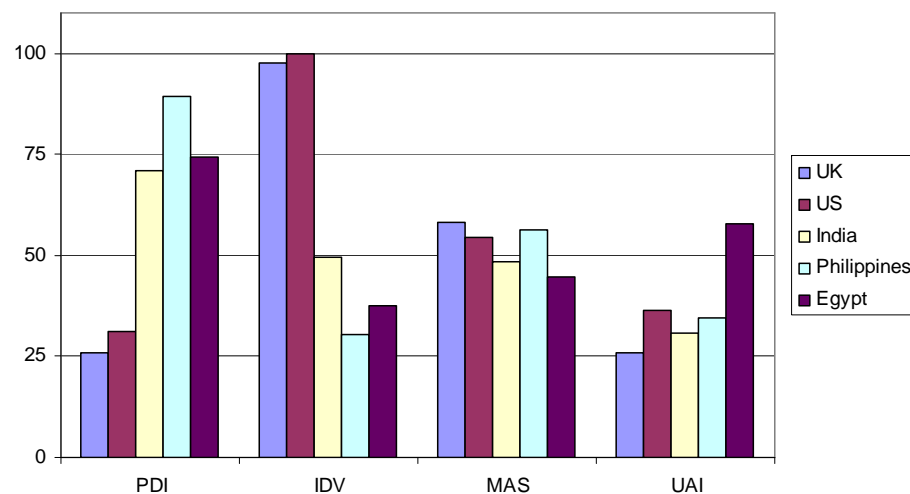


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In his original research Hofstede collected and analyzed data from over 100,000 IBM employees covering more than 70 countries and this data allowed him to position each of these cultures with respect to these descriptive dimensions, and therefore to compare countries and cultures.

Comparison of UK and US with Offshore Locations in terms of Hofstede Dimensions.



The graph shows that for both the Power Distance and the Individualism dimensions, for example, there are big differences between the UK and the US on the one hand, and all of the offshore locations considered.

For any pair of cultures it is possible to summarize the Hofstede data in terms of a single “Cultural Distance/Similarity” measure, and, as we might expect, that with respect to the UK, the “old colony” countries are culturally the closest to the UK, followed by the European countries, then the more central European countries and then the Scandinavian countries. Considering the major off-shore locations, as a whole India (20th) is “closer” to the UK than the Philippines (34), and Egypt (39).

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Ranked Similarity of Cultures to the UK, using Hofstede data

1 United States	26 Iran	51 Greece
2 Australia	27 Israel	52 Slovakia
3 Ireland	28 Poland	53 Ecuador
4 Canada	29 France	54 Costa Rica
5 New Zealand	30 Morocco	55 Uruguay
6 Switzerland	31 China	56 Bulgaria
7 Germany	32 Malta	57 South Korea
8 South Africa	33 Spain	58 Surinam
9 Italy	34 Philippines	59 Venezuela
10 Netherlands	35 East Africa	60 Peru
11 Luxembourg	36 Vietnam	61 Chile
12 Hungary	37 Brazil	62 El Salvador
13 Sweden	38 Japan	63 Portugal
14 Jamaica	39 Egypt	64 Romania
15 Finland	40 Pakistan	65 Russia
16 Denmark	41 Taiwan	66 Panama
17 Norway	42 Turkey	67 Guatemala
18 Estonia	43 West Africa	68 Guatemala
19 Czech Republic	44 Bangladesh	
20 India	45 Malaysia	
21 Austria	46 Indonesia	
22 Belgium	47 Singapore	
23 Argentina	48 Mexico	
24 Hong Kong	49 Colombia	
25 Trinidad	50 Thailand	

Examination of this ranking also shows some surprising results. For instance, it suggests that not only India (ranked 20) but also Iran (ranked 26) are culturally more similar to the UK than Poland, France and Spain. One implication of this is that it suggests that Hofstede's original four dimensions do not fully capture all of the most important similarities and differences that characterize cultures.

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More recent work by other researchers has suggested that two further important dimensions should be added to Hofstede's original scheme:

Contextuality: high context cultures place greater emphasis on the context/situation and the relationship in interpreting messages, whilst those in low-context cultures rely more heavily on the explicit message

Accessibility-Immediacy: the degree to which people within the culture are easily contactable vs valuing privacy, avoidance and distance

Hofstede also proposed adding a further dimension, that of **Long-Term Orientation**, which indicates the time perspective of a culture. High long-term orientation cultures value long-term commitments and have a great respect for tradition.

Adding these dimensions recognizes additional degrees of similarity amongst European cultures and identifies key ways in which they are different to other cultures.

The Impact of Cultural Differences on Communication

Although we can produce sophisticated descriptions of cultural differences, the real question of course is whether these cultural differences actually matter? In the context of an off-shored contact center can differences between the culture of the customer and the culture of the agent cause problems, and if so what can be done to manage and minimize them?

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For example, consider the dimensions of Power Distance, Individualism and Uncertainty Avoidance, which are the cultural dimensions where significant differences between the UK and possible offshore locations are most likely:

Power Distance: Although the UK is by no means an equal society in practice, the rhetoric of our culture is aggressively egalitarian, with a rhetoric that people should not be treated differently because of how much money they earn, or the particular position they were born into. To the extent that we do differentiate and treat customers differently it has to be (seen to be) based on characteristics that are relevant and functional to that interaction.

But in many cultures, as we have seen, it is considered not only to be appropriate to know who a person is, and to treat them differently as a consequence, but in fact it is important that people with more power and status should be treated differently and more deferentially than those who don't.

Individualism: Societies such as the UK and the US are highly individualistic. This means that the relation between the individual and the group, and the status of those groups relative to the individual is different. Individuals are expected to look after themselves (and possibly their immediate family). In collectivist societies people are integrated into strong, cohesive in-groups, such as extended families, and neighborhoods, which support and protect them. In such societies, interactions occur between people who already know each other, and who know what the relationships between them are relative to the group to which they both belong. In such societies which group you belong to, and your position within it, has a major impact on how you are treated, indeed, on who you will even seek to do business with or offer help to at all, and when you do, how this is done.

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Contact centers typically consist of a series of interactions between strangers and the interactions are not located within a network of introductions and pre-existing obligations. This model is happily consistent, both ideologically and in practice, with highly individualistic culture but it is completely alien to collectivist cultures.

Responding Successfully to Inter-cultural Differences

When we consider these differences as a whole a number of conclusions are clear.

Firstly, the simple, culture free, view of communication as the transmission of information is quite simply an inaccurate and inadequate basis on which to operate a contact center.

Secondly, because communication is a deeply culture-embedded activity, to do it well requires a sophisticated understanding of that culture. We are nearly all high-achievers with respect to

understanding our own culture, the problem is that that competence is usually an unconscious competence: we don't know what it is that we do that is a good cultural fit, we just do it. That may sit hard when we need to tell somebody else how to "fit in".

Thirdly, if you are going to operate offshore then there are going to be significant inter-cultural differences that will have important implications for communication. If they are not dealt with, they have the potential to be extremely damaging to the viability of an offshore operation.

Finally, it is possible, although challenging, to be a member of one culture and to consciously acquire the competences needed to communicate competently with another culture. Successful cross-cultural communication demands a sophisticated and determined effort to understand and respond to the particularities of the cultural differences that have to be negotiated.

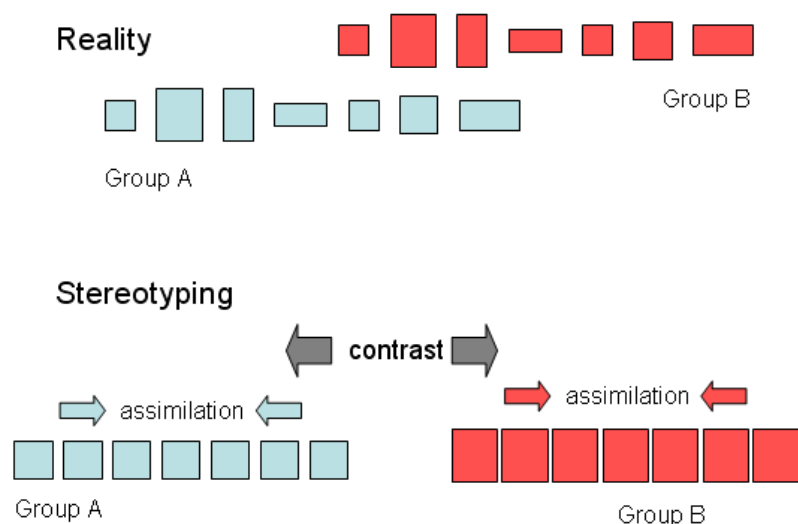
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Ironically, a key to communicating across different cultures is to recognize differences within cultures. The psychology of stereotypes is based on two fundamental processes, those of contrast and assimilation. These processes mean that the content of a stereotype mis-represents the stereotyped group by amplifying the differences between the stereotyped group and other groups with which it is compared, and at the same time overstates the similarities of members within that group.

All the analyses of cultures that we have examined so far are themselves subject to these processes of contrast and assimilation. We should not forget that, for instance, India is not a single homogenous culture, but a country with over 400 languages and six major religions. Similarly the UK also does not constitute a single homogenous culture. There are clear differences, for instance, between the Anglo-Saxon culture of England and the Celtic cultures of Wales, Scotland and Ireland.

So the problem the contact center faces means that it needs to see beyond national cultures, and instead to consider the particular sub-cultures it is dealing with. We must recognize that all contact centers operate across cultures. A typical UK contact center is staffed by agents who are not representative of the customer base they are talking with. The differences between Generation Y, Generation X and Baby Boomers are as much cultural differences as are differences between the British and agents from India or Egypt.



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It therefore follows that agents are always likely to be dealing with cultural differences between themselves and any given customer, and that the exact nature of these differences will change from customer to customer. The key skill of an agent is their ability to recognize and respond to these differences.

horizon2's studies have shown that this level of adaptive capability is something that offshore contact centers tend not to be as good at as onshore operations and yet it is this ability to adapt the conversation to recognize and respond to differences between customers that is the key to a good contact center experience.

An enlightened contact center will recognize that sub-cultures need to be understood and that it should respond sensitively and appropriately to differences in its customer base. What is required is the recruitment and training of agents who have cross-cultural communicative competence, wherever the contact center is located.

Managing Cross-cultural Communicative Competence

Cross-cultural Communicative Competence is a layered ability, with four main components:

Awareness: the agent recognizes that there are differences, and that these differences are important because they have consequences

Knowledge: the agent knows what the differences are, which means understanding both the other culture and their own culture, and how the differences can be managed so that they know how to interact appropriately and effectively

Attitudes and Motivation: the agent feels positively toward the other culture, sees the differences as differences, not as indications of error or inadequacy, and wants to communicate in ways that are effective even if these are not how they would normally communicate

Behaviors: the agent is able to produce the behaviors that are necessary to interact appropriately and effectively



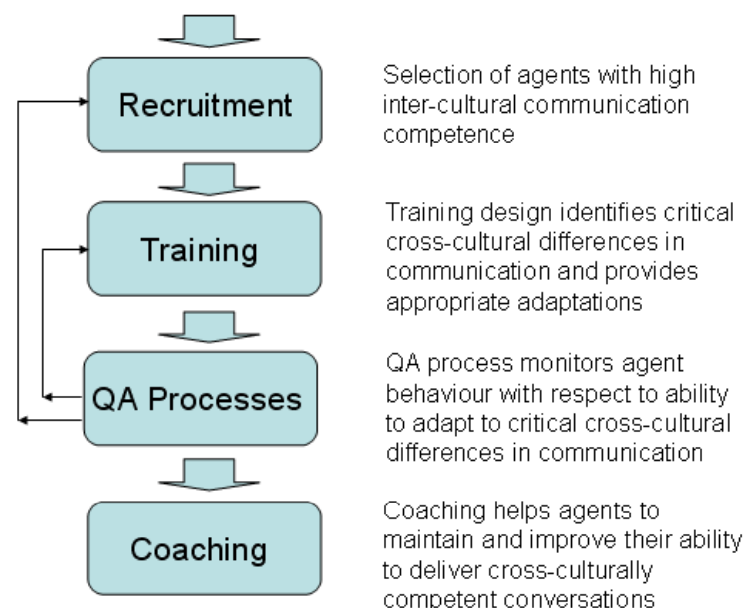
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As with all agent skills, there is a sequence of steps required to deliver effective cross-cultural conversations. Start by recruiting agents who not only have the generalized skills needed to be successful contact center agents, but who also have a specific ability to be able to communicate across cultures and sub-cultures. Initially, the elements of awareness and attitude are more important than those of knowledge and behavior, because if agents have awareness and the right attitudes then knowledge and appropriate behaviors can be developed.

The organization also needs to have a quality management system in place that is culturally sensitive. That is, when monitoring and coaching agents the QM framework needs to recognize the same culturally specific communication behaviors that agents will have mastered during training. Obviously, the QA process needs to be conducted by people who are assuredly competent communicators within the target culture, if not native to that target culture. One way of doing this is for the offshore operation to out-source their QA process to an on-shore QA provider who can quality check conversations with a 'client country' mindset. (Of course, outsourcing the QA process can also provide additional benefits to

the client organization over and above this specific cross-culture focus. It is perhaps ironic that outsourcers have been slow to recognize the benefits of themselves using outsourced QA, for instance to drive their own strategic change.)



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Introducing this notion of cross-cultural communication competence suggests that one of the criteria that should be considered when choosing an offshore location is whether or not the members of a culture/country have a generally high level of cross-cultural communication competence.

The Future for Off-shored Contact centers

We have argued that whilst first generation offshore contact centers have succeeded, they have done so in spite of a low-level understanding and response to the issue of cross-cultural communication. We suggest that a more sophisticated approach is not optional, but is in fact necessary because we are also in the midst of a profound change in the role and nature of the contact center.

This change is driven by the current growth in the availability and capabilities of self-service and “non-voice” contact channels. The rapid growth of these channels means that whilst the total number

of contacts between an organization and its customers is increasing rapidly, the absolute number of “live agent” conversations is decreasing. A key factor for the offshore contact center industry is that the cost of self-serve or automated service is a fraction of that of live agents, whether they are located onshore or offshore.

This growth is also having a profound impact on the nature of conversations. They are more complex, involving multiple and interdependent tasks, or are more unstructured, involving customers who don't quite know what the problem is or how to address it, and therefore which don't fit easily into the heavily constrained scripted or structured call processes that have to date been the staple of the contact center industry.



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This shifting call profile means that the role of the agent is changing, and is becoming both more demanding and more important. The agent not only needs to be an expert communicator, but in particular needs to be an expert relationship manager. They will need to be highly experienced in their field, possessing considerable knowledge, and empowered to solve complex problems over a multitude of channels.

This means that the contact center agent will become more recognizable as a professional knowledge worker and these kind of people are an expensive resource, and they are people who are difficult to find, recruit and retain.

These pressures are of course a major opportunity for providers of offshore contact centers, but they are also a challenge. The greater demands on the agent to deliver high quality conversations mean that understanding and dealing with cross culture communication problems becomes an imperative. As the role of the contact center, and the role of the agent within it changes, then this will require a much more sophisticated response to the issue of cross-cultural communication. The contact centers that recognize and respond to this challenge are the ones who will prosper, wherever they are located.

About the author

Dr. Guy Fielding

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Dr. Guy Fielding is a founder and the R&D Director of horizon2, a leading UK Customer Contact consultancy. As a psychologist specializing in interpersonal and organisational communication he applies this expertise to helping organisations improve their communication with their customers, for instance in understanding, designing and implementing improved customer contact strategies and interactions.

He has delivered significant projects working with leading UK and multi-national companies, in industries such as utilities, telecoms, media, IT, travel and transport, healthcare, financial services and insurance, as well as for government organizations such as Police forces (emergency and non-emergency calls) and Not-for-Profit

organizations. He has published widely in academic, industry and professional journals, and is a frequent speaker at industry conferences and events.