

Cultural Incompetence: Everything you need to know

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Some organizations claim to be culturally or racially fair or transparent when in fact they are *culturally incompetent*. Dr Amaal V.E. Tokars (Former Kendall County Health Department Executive Director) states, "When you look around your place of employment, would you be surprised to see a wide variety of nationalities represented? Many would not. Today, most companies try to preserve some degree of cultural competence, accepting and understanding the value of cultural diversity in the work environment. Employers boasting policies of "equal opportunity" saturate our society.

However, there is some evidence showing these companies only support cultural diversity to a certain extent, just enough to reduce they are being liable for discrimination. Such employers are tolerant of a wide array of cultures and let them co-exist with the cultural majority, but only to the bare minimum. There is a subtle fear underlying this dislike of anything cultural, a fear of offending, or being offended, a fear of what is different, fear of disruption of the norm. So, despite the employees of various cultures being hired into companies claiming "equal opportunity," in general, it seems to be desired that the resemblance of mainstream consistency is preserved.

Cultural competency is recognized as a vital skill for the business going into 2020. According to the Institute for Future Skills identified there are six key drivers of change and one of these is an increasingly globally connected world. And this world requires people who can adapt to others with a different background, and a different perspective, and find a way to work together in common. Firstly, let's look at what cultural competence means.

What is cultural competence?

In our previous article on [cultural competence](#), we defined *Cultural Competence* as the ability to interact effectively with people of different cultures. Cultural competence comprises four components: (a) Awareness of one's cultural worldview, (b) Attitude towards cultural differences, (c) Knowledge of different cultural practices and worldviews, and (d) cross-cultural skills. Developing cultural competence results in an ability to understand, communicate with, and effectively interact with people across cultures. It goes beyond merely recognizing and tolerating people of different cultural backgrounds but rather embracing, understanding and effectively interacting with other people of different cultures. Cultural competence is the anchor of forming strong cultural relationships, which are

critical for business success in this age of pervasive globalization and increasing diversity.

Examples of Cultural Competence

- Providing good interpreters
- Employing, keeping and promoting professionals from the minority group
- Cultural awareness

What is Cultural Incompetence?

On the other hand, Cultural Incompetence is the opposite of the above. Cultural incompetence fails to acknowledge diversity in culture. *Cultural incompetence* in business can result in accusations of racism, loss of corporate clients, or possible lawsuit of breach of contract.

The Effects of Cultural Incompetence on Business

According to Dale Kim (Managing Director of LINE Indonesia), despite companies and people now operating in an increasingly globalized world, businesses are yet to realize how a lack of cultural competence can affect the bottom line. "Culture is one of the most crucial elements and components of the success the people always talk about. But in the actual execution side of the story, there are so many failures", says Dale Kim. For Dale Kim, taking the time to understand how culture affects behaviour, and being willing to respect what is considered important is critical to the success of his team.

There are things that people need to take into account when working with a wide array of different people from different cultures. The first is to have respect for the people you deal with. To relate with different people, you need to be able to respect their traditions, norms, and other traits. If organizations initiate programs such as health and wellness programs and fail to take into account racial and ethnic differences among their intended populations, employers miss opportunities to maximize the return on their investment of millions of dollars in the health and well-being of their employees whether they are providing disease-management and wellness programs or not (Sims, 2020). In today's global marketplace, you must be culturally intelligent. It's a business imperative.

Instead of implementing diversity in the workplace, some organizations are practising cultural competence by supporting diversity associations, donating to non-profit service groups, and increasing their advertising dollars to target the changing faces of their customers. But when it comes to being authentic in how they integrate cultural intelligence into their business model, this is where the executives begin to get uncomfortable. Being *culturally incompetent* can adversely affect multibillion-dollar global projects-it puts an organization at risk if you don't have people who can communicate effectively with each other especially taking into consideration cultural issues. In healthcare, failure to be culturally competent can lead to patient dissatisfaction and lower quality of care. A culturally competent health care system can help improve health outcomes and quality of care and can contribute to the elimination of racial and ethnic health disparities.

A culturally incompetent organization will fail to thrive in a global market. Many American organizations that even internally if a company fails to embrace its diversity, the diversity of the people that are employed within it, it will fail to thrive within the market. Although we rarely think consciously about our cultural identity, national culture is the kind of culture that most strongly shapes most people's thinking and behavior. In many organizations, people sit in lunchrooms separated by functions: IT people eat with other IT people, engineers eat with other engineers. But if you visit the overseas offices of these same companies, the lunchrooms are more likely to be segregated according to nationality, with Indians seated together at one table, Chinese at another, and Australians at yet another. Nationality is only one of several cultural spheres that influence what happens inside organizations

According to the Society of Human Resource Management (SHRM), Ethnicity, gender, age-group, sexual orientation, profession, and organizational culture are all part of an individual's cultural identity and have profound effects on organizations.

A lack of cultural intelligence results in increased time to get the job done, heightened travel time and costs, growing frustration and confusion, poor job performance, decreased revenues, poor working relationships at home and abroad, and lost opportunities. Conversely, an ex-pat who is *culturally intelligent* will get up to speed on the new assignment more quickly, which in turn makes better use of the costly expense of sending talent overseas or bringing talent in. (Morris,2018)

According to Morris (2018), the following are possible risks if there is cultural incompetence:

- Cultural blunders- hinder the effectiveness of foreign managers.
- Differences impede effective communication.

- Cultural differences may lead to suboptimal productivity and profit margins.
- Lack of cultural understanding can lead to disharmony amongst people.

Examples of mistakes made due to cultural incompetence

According to Commisceo blog below are a few examples of cross-cultural blunders that could have been avoided with appropriate cross-cultural awareness training:

* A company advertised eyeglasses in Thailand by featuring a variety of cute animals wearing glasses. The ad was a poor choice since animals are considered to be a form of low life and no self-respecting Thai would wear anything worn by animals.

*When President George Bush went to Japan with Lee Iacocca and other American business magnates, and directly made explicit and direct demands on Japanese leaders, they violated Japanese etiquette. To the Japanese (who use high context language) it is considered rude and a sign of ignorance or desperation to lower oneself to make direct demands. Some analysts believe it severely damaged the negotiations and confirmed to the Japanese that Americans are barbarians.

* A soft drink was introduced into Arab countries with an attractive label that had stars on it--six-pointed stars. The Arabs interpreted this as pro-Israeli and refused to buy it. Another label was printed in ten languages, one of which was Hebrew--again the Arabs did not buy it.

* U.S. and British negotiators found themselves at a standstill when the American company proposed that they "table" particular key points. In the U.S. "Tabling a motion" means to not discuss it, while the same phrase in Great Britain means to "bring it to the table for discussion."

Benefits of Cultural Competence in Business

According to Nongard (2018) when business leaders focus on *cultural competence* skills there are six predictable outcomes:

- Cultural competence creates rapport

- Cultural competence improves efficiency
- Cultural competence opens new markets and networks
- Cultural competence makes people feel valued and builds loyalty and repeat business
- Cultural competence is interesting, and interest creates innovation
- Cultural competence helps you avoid mistakes, miscommunication, and dissatisfaction
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Research conducted by [professional essay writers](#) shows that globally-minded businesses have a competitive advantage over companies with a more narrow focus. "In an increasingly globalized world economy, workforces that are culturally diverse can help companies expand their business in worldwide markets," writes Haley Smith. "Being able to communicate effectively in different parts of the world is a key benefit, as well as knowing how to create relationships and understand the cultural nuances and differences in doing business in foreign countries. With a workforce that understands these concepts, you create the opportunity to effectively develop your business in a global market."

As the world becomes more internationalized and inter-connected, including in business, being able to value and work with people from different cultural backgrounds will become a skill that sets companies apart. It is crucial for today's business personnel to understand the impact of cross-cultural differences on business, trade, and internal company organization. The success or failure of a company venture, merger, or acquisition is essentially in the hands of people.

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