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## Intercultural Management and Leadership in the Context of Language Academies

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## **ABSTRACT**

Throughout this undergraduate thesis, a study of intercultural management and leadership will be carried out with a special focus on language academies. We begin by analyzing the importance of cultural values and their effects on the perception of a leader. We then study the role of Strategic Human Resources Management in an intercultural environment. Finally, as an original contribution to this thesis, an investigation is performed that examines three local language academies and their management practices. After reviewing the findings, we hope to propose a sort of 'best practices' for language academies that could lead to a more harmonious relationship between teachers and their managers.

# PART I: INTRODUCTION & METHODOLOGY

## INTRODUCTION

This research arises mainly from the interest of the author in the field of human resources management and culture in general. My experiences as an American expat in Spain, teaching English as a second language in a language academy, also led to this investigation.

Most of the research on intercultural management that has been conducted so far deals with managers training for an international assignment where they will lead a foreign team that generally consists of one culture. This study aims to investigate the inverse of this. Using language academies as an example, we will research what happens when a manager must lead a culturally diverse, international team of individuals who have come to his/her home country.

Evidence suggests that cultural identity can shift the larger the cultural distance is between a foreigner and his/her home country. This shift also depends on the strength of their original cultural identity as well as the reason for their expatriation. These factors, in addition to many others, determine how well a person adapts to a job in another culture.

In a multi-cultural environment like a language academy, cultural empathy would be key to a manager's ability to effectively lead. However, is it necessary, or even recommendable, to change management styles for individual members of one's staff? Would this even be expected or desired by employees? And

finally, why should the managers of language academies care about the results of this investigation? Throughout the course of this thesis, we hope to answer these questions.

## **METHODOLOGY**

Research began with a thorough reading of various materials related to intercultural management provided by professor Basterretxea. Later, a search for more information related to the subject matter and language academies was conducted using Internet search engines and library databases. As a result of this investigation, various books, articles, expert opinions on specialized forums and blogs, and interviews on the subject were obtained.

Of all of the sources found, a selection of the most relevant information was made. Finally, a careful study and critical analysis of said information was performed, and work began on the first draft of this undergraduate thesis.

This thesis has two distinct parts. In the first, conceptual foundations related to culture and strategic human resources management are laid. In the second, an investigation is performed with the cooperation of three local language academies. Through the use of surveys and in-depth interviews with both managers and staff, final recommendations are made concerning the management of such a highly intercultural team.

## **PART II: THEORETICAL FRAMEWORK**

### **CROSS-CULTURAL MANAGEMENT**

In the context of today's globalized market, culture has become an increasingly important factor in nearly all aspects of business management. The following seeks to explain what culture is and how different cultural variables and dimensions influence everyday interactions within an organization. We will also look at how culture can affect communication across cultures and the management of an intercultural staff. Finally, we will take into account motivation and how cultural values impact human resources, which are arguably the most valuable assets in any business.

#### **Culture and Cultural Value Dimensions**

The concept of culture is a bit abstract and as such has many definitions. Geert Hofstede, considered by some to be the father of modern cross-cultural and organizational behavior research, defines culture as "the collective mental programming of the people in an environment (Hofstede, 1980, p. 43)." There are an infinite number of cultures and subcultures in existence, but for the purposes of this study we will refer to the broad category of national cultures. Dr. Hofstede spent the majority of the 70's studying a large set of employee opinion surveys that had been completed by IBM's staff around the world. He found that the answers varied greatly based on the employees' location.

The culmination of his efforts came in 1980 with the publication of his book *Culture's Consequences*. He found four cultural dimensions that defined how national culture differs between countries. These were Power Distance, Uncertainty Avoidance, Individualism-Collectivism, and Masculinity-Femininity. In 2010, Long Term Orientation and Indulgence were also added due to the realization that some of the questions in the surveys, although they had been translated correctly, were formulated from a western point of view.

Together, these six dimensions provide insights into how values in the workplace are influenced by culture. To better explain them, we will take a closer look at each and determine their effects on leadership, communication, and motivation within an organization. First, however, we should mention how one's cultural values might not coincide with their cultural identity (Sussman, 2002). For example, a person from the Basque Country in Spain may identify themselves culturally as more Basque than Spanish. This does not change the fact that deeper Spanish cultural values are also present albeit subconsciously. Therefore, Hofstede's dimensions should theoretically still apply as the differences he found between cultures, or their cultural distances, applied not only based on country but also 'families' of like-minded countries (Brodbeck, 2000).

### **Power Distance**

This dimension refers to the degree to which a person agrees with the amount of inequality within their country or organization. Whereas people from a large power distance (PD) country would prefer their leader to be autocratic, those

from a small PD country would rather have a leader be participative. In his research, Hofstede found that the United States and the United Kingdom ranked quite a bit lower on the PD scale than Spain. As high PD may suggest that subordinates are motivated by their relationship with their boss, a manager in Spain might not realize that their American employee is actually more motivated by teamwork (Deresky, 2003). Also, certain employees from other countries probably wouldn't receive the type of top-down, authoritative communication expected in a large PD culture very well.

Table 1

THE POWER DISTANCE DIMENSION	
SMALL POWER DISTANCE	LARGE POWER DISTANCE
Inequality in society should be minimized.	There should be an order of inequality in this world in which everybody has a rightful place; high and low are protected by this order.
All people should be interdependent.	A few people should be independent; most should be dependent.
Hierarchy means an inequality of roles, established for convenience.	Hierarchy means existential inequality.
Superiors consider subordinates to be "people like me." (and vice versa)	Superiors consider subordinates to be a different kind of people. (and vice versa)
Superiors are accessible.	Superiors are inaccessible.
Those in power should try to look less powerful than they are.	Those in power should try to look as powerful as possible.
Their system is to blame.	The underdog is to blame.

*Source: (Hofstede, 1980, p. 46)*

## Uncertainty Avoidance

This dimension has to do with how people deal with the unknown and the amount of anxiety it can cause. Hofstede lists three ways in which we can create



security: technology, law, and religion (Hofstede, 1983). The more you avoid risk, the harder you tend to work to ensure nothing out of the ordinary happens. Revisiting the comparison between Spain and the USA/UK, Hofstede’s research suggests that Spain is much more likely to avoid uncertainty and risk. It seems that this goes hand in hand with the power distance metric as Spain and other Latin countries score relatively high in both. Having an autocratic boss certainly reduces the level of uncertainty in any job.

Table 2

<b>THE UNCERTAINTY AVOIDANCE DIMENSION</b>	
<b>WEAK UNCERTAINTY AVOIDANCE</b>	<b>STRONG UNCERTAINTY AVOIDANCE</b>
The uncertainty inherent in life is more easily accepted and each day is taken as it comes.	The uncertainty inherent in life is felt as a continuous threat that must be fought.
Ease and lower stress are experienced.	Higher anxiety and stress are experienced.
Time is free.	Time is money.
Hard work, as such, is not a virtue.	There is an inner urge to work hard.
Aggressive behavior is frowned upon.	Aggressive behavior of self and others is accepted.
Less showing of emotions is preferred.	More showing of emotions is preferred.
More acceptance of dissent is entailed.	A strong need for consensus is involved.
There should be as few rules as possible.	There is a need for written rules and regulations.
If rules cannot be kept, we should change them.	If rules cannot be kept, we are sinners and should repent.
There is more willingness to take risks in life.	There is great concern with security in life.

*Source: (Hofstede, 1980, p. 47)*

## Individualism-Collectivism

Michael Jordan once said, “there is no ‘i’ in team but there is in win.” The third dimension examines the duality between “I” vs. “We.” Do we look out for the greater good or ourselves? A breakdown in communication could occur between two cultures as a result of misinterpreted messages. A British person, for example, might consider a Chinese co-worker’s need to consult the group unprofessional and inefficient. Likewise, the person from China could feel rushed into making decisions when working with certain western countries. Of note, is the fact that the USA, UK, and Netherlands are considered to be very individualist while Spain, Austria, and India were in the middle. It is also worth mentioning that collectivist countries always show large power distances, but individualist countries do not always show small power distances (Hofstede, 1983).

Table 3

THE INDIVIDUALISM DIMENSION	
COLLECTIVIST	INDIVIDUALIST
In society, people are born into extended families or clans who protect them in exchange for loyalty.	In society, everybody is supposed to take care of himself/herself and his/her immediate family.
“We” consciousness holds sway.	“I” consciousness holds sway.
Identity is based in the social system.	Identity is based in the individual.
There is emotional dependence of individual on organizations and institutions.	There is emotional independence of individual from organizations or institutions.
The involvement with organizations is moral.	The involvement with organizations is calculative.
The emphasis is on belonging to organizations; membership is the ideal.	The emphasis is on individual initiative and achievement; leadership is the ideal.

Expertise, order, duty, and security are provided by organization or clan.	Autonomy, variety, pleasure, and individual financial security are sought in the system.
Belief is placed in group decisions.	Belief is placed in individual decisions.

*Source: (Hofstede, 1980, p. 48)*

### Masculinity-Femininity

While Hofstede has been criticized for this dimension and its apparent perpetuation of gender stereotypes, one could argue that this was the only way to adequately explain the degree to which a society divides social roles based on sex. In an informal interview with his son, Dr. Hofstede gave an example of what he means by masculine and feminine. He tells a story about something that happened to him on a trip to the USA, which is a highly masculine society compared to his home in The Netherlands. They went on a boat tour in Miami and the guide mentioned the value of every mansion they passed. This is something that struck him as strange because where he comes from, nobody cares about things like that. (Hofstede, Geert Hofstede on Culture, 2011). Spain is actually much more feminine than most English speaking countries. With regards to motivation, this would imply that a more masculine society would look for traditional division of work and roles, whereas a feminine society would be more flexible (Deresky, 2003).

Table 4

THE MASCULINITY DIMENSION	
FEMININE	MASCULINE
Men needn't be assertive, but can also assume nurturing roles.	Men should be assertive. Women should be nurturing.
Sex roles in society are more fluid.	Sex roles in society are clearly differentiated.
There should be equality between the	Men should dominate in society.

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sexes.

Quality of life is important.	Performance is what counts.
You work in order to live.	You live in order to work.
People and environment are important.	Money and things are important.
Interdependence is the ideal.	Independence is the ideal.
Service provides the motivation.	Ambition provides the drive.
One sympathizes with the unfortunate.	One admires the successful achiever.
Small and slow are beautiful.	Big and fast are beautiful.

*Source: (Hofstede, 1980. p. 49)*

### Long Term Orientation

While conducting research together in Asia, Michael Harris Bond and Geert Hofstede posed the following question: ‘What if our western minds are leading us to find the same four dimensions?’ They then conducted another survey, but adapted the questions to account for new cultural variables such as “honoring of ancestors and obedience to, respect for, and financial support of parents (Hofstede, 1988).” They theorize that eastern Asia’s economic growth is strongly associated with its shift toward Long Term thinking compared to western Asia. After analyzing the results of this new study, Spain was found to have a more medium term orientation compared to the short-term orientation observed in the USA and UK. Focusing on the second row of Table 5 below, one could predict possible conflicts between British or American and Spanish employees, as they are not as open to the idea to adapting to a new environment.

Table 5

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THE LONG TERM ORIENTATION DIMENSION	
LONG TERM	SHORT TERM
Most important events in life will occur in the future.	Most important events in life occurred in the past or take place now.
A good person adapts to the	Personal steadiness and stability: a

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circumstances.	good person is always the same.
What is good and evil depends upon the circumstances.	There are universal guidelines about what is good and evil.
Traditions are adaptable to changed circumstances.	Traditions are sacrosanct.
Family life guided by shared tasks.	Family life guided by imperatives.
Trying to learn from other countries.	Supposed to be proud of one's country.
Thrift and perseverance are important goals.	Service to others is an important goal.
Students attribute success to effort and failure to lack of effort.	Students attribute success and failure to luck.

*Source: (Hofstede, 2011)*

### Indulgence-Restraint

The final and most recent dimension is slightly correlated to the previous. It studies the degree to which a culture allows its people to satisfy basic human desires. Eastern European and Muslim societies tend to restrain those impulses whereas indulgence reigns supreme in North and South America. Spain, once again, takes a middle position (Hofstede, 2011). It is easy to see what motivates individuals at different points on the spectrum, but managers should be careful as their behavior could be seen as too easygoing or even oppressive depending on where the observer is from.

Table 6

<b>THE INDULGENCE-RESTRAINT DIMENSION</b>	
<b>INDULGENCE</b>	<b>RESTRAINT</b>
Higher percentage of people declaring themselves very happy.	Fewer very happy people.
A perception of personal life control.	A perception of helplessness: what happens to me is not my own doing.
Freedom of speech seen as important.	Freedom of speech is not a primary concern.

Higher importance of leisure. More likely to remember positive emotions.	Lower importance of leisure. Less likely to remember positive emotions.
In countries with enough food, higher percentages of obese people. More people actively involved in sports.	In countries with enough food, fewer obese people. Fewer people actively involved in sports.
Maintaining order in the nation is not given a high priority.	Higher number of police officer per 100,000 population.

*Source: (Hofstede, 2011)*

Another important study stemmed from Hofstede's findings called the GLOBE (Global Leadership and Organizational Behaviour) Research Project. It not only extends Hofstede's research to many more countries with more current data, but also includes a few new dimensions. These include Assertiveness and Performance Orientation, amongst others. One of the most interesting discoveries concerning managers was the difference between actual practices and desired values. These are represented as "As Is" and "Should Be," respectively in the tables below.

Table 7

**Spain**

<i>Culture Dimensions</i>	<i>"As Is"</i>		<i>"Should Be"</i>		<i>Difference</i>
	<i>Score</i>	<i>Rank</i>	<i>Score</i>	<i>Rank</i>	
<i>Performance Orientation</i>	4.01	37	5.80	41	+1.79
<i>Future Orientation</i>	3.51	45	5.63	27	+2.12
<i>Assertiveness</i>	4.42	17	4.00	18	-0.42
<i>Institutional Collectivism</i>	3.85	51	5.20	12	+1.35
<i>Gender Egalitarianism</i>	3.01	51	4.82	20	+1.81
<i>Humane Orientation</i>	3.32	60	5.69	5	+2.37
<i>Power Distance</i>	5.52	14	2.26	59	-3.26
<i>In-Group Collectivism</i>	5.45	30	5.79	21	+0.34
<i>Uncertainty Avoidance</i>	3.97	37	4.76	27	+0.79

Source: Adapted from *GLOBE Study* (O'Connell, Prieto, & Gutierrez, 2008, p. 637)

Table 8

**USA**

<i>Culture Dimensions</i>	<i>"As Is"</i>		<i>"Should Be"</i>		<i>Difference</i>
	<i>Score</i>	<i>Rank</i>	<i>Score</i>	<i>Rank</i>	
<i>Performance Orientation</i>	4.49	11	6.14	16	+1.65
<i>Future Orientation</i>	4.15	16	5.31	39	+1.16
<i>Assertiveness</i>	4.55	10	4.32	15	-0.23
<i>Institutional Collectivism</i>	4.20	32	4.17	53	-0.03
<i>Gender Egalitarianism</i>	3.34	33	5.06	7	+1.72
<i>Humane Orientation</i>	4.17	26	5.53	23	+1.36
<i>Power Distance</i>	4.88	49	2.85	19	-2.03
<i>In-Group Collectivism</i>	4.25	51	5.77	22	+1.52
<i>Uncertainty Avoidance</i>	4.15	28	4.00	50	-0.15

Source: Adapted from *GLOBE Study* (Hoppe & Bhagat, 2008, p. 500)

Table 9

**England**

<i>Culture Dimensions</i>	<i>"As Is"</i>		<i>"Should Be"</i>		<i>Difference</i>
	<i>Score</i>	<i>Rank</i>	<i>Score</i>	<i>Rank</i>	
<i>Performance Orientation</i>	4.08	34	5.90	37	+1.82
<i>Future Orientation</i>	4.28	11	5.06	53	+0.78
<i>Assertiveness</i>	4.15	29	3.70	33	-0.45
<i>Institutional Collectivism</i>	4.27	30	4.31	47	+0.04
<i>Gender Egalitarianism</i>	3.67	12	5.17	1	+1.50
<i>Humane Orientation</i>	3.72	48	5.43	34	+1.71
<i>Power Distance</i>	5.15	36	2.80	24	-2.35
<i>In-Group Collectivism</i>	4.08	53	5.55	37	+1.47
<i>Uncertainty Avoidance</i>	4.65	14	4.11	47	-0.54

Source: Adapted from *GLOBE Study* (Booth, 2008, p. 344)

The Rank shown represents each country's position out of the 61 countries surveyed, while the Difference was calculated by subtracting the "As Is" score from the "Should Be" Score. If the Difference is positive, society would like to have more of that dimension while a negative score means the opposite. Curiously, the "As Is" results seem to confirm Hofstede's previous work, but we also see that Spain wants to change. A close look at the GLOBE study results confirms that Spaniards would like to be less assertive, more collectivist and gender equal, and with much less power distance.

On the other hand, there are some interesting differences between Spain, England and the USA. For example, people in both the UK and USA are not at all interested in becoming more collectivistic institutionally, but both would like to be more so at home. Each also believes that a reduction in uncertainty avoidance would be beneficial, unlike Spain. Finally, and perhaps most interestingly, both the UK and USA believe themselves to be more future orientated than Spain,



which seems to contradict Hofstede's research. However, all three countries would like to be more future-oriented.

## **STRATEGIC HUMAN RESOURCES MANAGEMENT AND ITS IMPORTANCE**

Throughout history, an organization's human resources were not actually considered to be resources or assets at all, but rather an inevitable cost. This implied that they could be managed in similar ways to other variable costs and staff could be increased or reduced at will without consequence. In recent years, however, we have changed our mindset and begun to see our employees as "one of, if not the most crucial factor in the whole array of competitiveness-inducing variables." (Salaman, Storey, & Billsberry, 2005, p. 1) Strategic Human Resources Management (SHRM) is a fairly new area of study as it only just came into existence in the 80's, but has quickly become one of the keys to the long-term survival of a business.

### **What is SHRM?**

While no singular definition of SHRM currently exists, we will attempt to explain what it is and its application. Perhaps the best place to begin is with the field of Strategic Management. It is generally accepted that the successful management of any business requires a great deal of planning. Strategic Management involves a long process of planning long-term goals and plans of actions to achieve those goals. Typically, the steps are as follows:

1. Strategic Analysis
  - a. An External Analysis

- i. of the business's general environment is usually performed which examines political, economic, social/demographic, and technological factors.
    - ii. of the business's specific environment is also carried out which may use Porter's Five Forces Analysis framework to look at competitors, negotiating power of suppliers, clients, etc.
  - b. An Internal Analysis should study the value chain as well as the functional areas of the business such as production, financials, etc.
2. A SWOT analysis, which uses the previous information to help examine the organization's strengths, weaknesses, opportunities, and threats in the context of its environment, is fundamental.
  3. Goals and measures are set that describe what the organization hopes to achieve in the near future.
  4. Strategies are established that will lead to the attainment of said goals.
  5. Finally, a method of controlling and evaluating whether or not these strategies were effective in achieving the original goals should be implemented as well.

SHRM applies this same process to human resources with the purpose of aiding in the attainment the overall strategic goals of the organization. In an ideal situation, General Management and a company's Department of Human Resources (DHR) would work hand in hand to define organizational goals in a proactive relationship. Too often, however, a more short-term and reactive relationship exists where the DHR has no voice in the setting of goals and simply

adapts to the decisions handed down from upper levels. (Albizu & Landeta, 2011)

### **The Importance of SHRM**

Parting from Michael Porter's theory of Resources and Capabilities, we understand that competitive advantage comes from an organization's capabilities, which are the combination of its resources or inputs. In order for these resources to generate any type of benefit, they should be unique, scarce, inimitable, non-replaceable by competitors, and have a quantifiable value to the organization's activities. Therefore, strategically speaking, a business should pay very close attention to the management of its human resources as they have the power to add so much to value of a product or service.

The DHR in a business can increase efficiency, decrease costs, differentiate services offered, decrease employee turnover while increasing commitment, and create a sense of culture in the workplace. In the case of language academies, this is particularly important, but due to their small sizes many academies do not have a dedicated DHR. Often, the responsibilities of the DHR fall on the shoulders of the owner or general manager. Unfortunately, because of this, day-to-day operations tend to take precedence over the strategic management of HR.

The professors at an academy are one of its most important assets and are the reason why many students decide to stay or leave. Accordingly, management should work to keep its best professors. Communication channels should be open to monitor not only student satisfaction, but also teacher satisfaction. While

a specialized DHR may not exist in the organization, its functions and goals must still be clearly defined and present if any type of long-term stability is to be expected.

## **MANAGEMENT IN LANGUAGE ACADEMIES**

The choice of language academies as the focus of this research is far from arbitrary as they provide the perfect environment to examine the affects of a cross-cultural staff on management. We begin this section by relating key information concerning the popularity of language academies in Spain and then move on to study the difficulties these organizations typically face due to the diverse nature of their employees. Our prior explanations of both cultural values and SHRM should become clear as we analyze this unique business environment.

### **The Rise of Language Academies in Spain**

The formation of the European Union not only created a common currency and open market for trade and work, but also marked the first steps toward globalization in many countries. One might argue that these are one in the same, but that would ignore the social consequences of globalization. A union of European countries where it is possible to travel and work freely is much more complicated than, for example, moving from Texas to New York. Language, a component intrinsically tied to culture, is paramount to the success or failure of a person's professional life in today's European Union.

English has long been considered a universal language in the world of business and more and more jobs require English language skills to even be considered for an interview. Parents in Europe realize the importance of languages and nowadays it is impossible to find a school that does not offer foreign language classes. Given this fact, one would assume that the level of English in Spain is relatively high. Evidence suggests the opposite however.

In a study carried out by the European Survey of Language Competences (ESLC) in February of 2011, over twenty-three thousand students from 13 countries were tested to find their English skills in three areas: Listening, Reading and Writing. The results are as follows:

Table 10

Country	Listening		Reading		Writing	
	CEFR	Rank	CEFR	Rank	CEFR	Rank
Malta	B2	1	B2	1	B2	1
Sweden	B2	2	B2	2	B1	2
Estonia	B2	4	B2	3	B1	3
Netherlands	B2	3	B1	4	B1	4
Slovenia	B1	5	B1	5	B1	5
Greece	A2	7	A2	6	B1	6
Croatia	B1	6	A2	7	A2	7
Belgium fr	A1	11	A2	8	A2	8
Bulgaria	A2	8	A2	9	A2	9
Spain	A1	12	A1	10	A2	10
Poland	A2	10	A1	11	A1	11
Portugal	A2	9	A1	12	A1	12
France	A1	13	A1	13	A1	13

Source: Adapted from *First European Survey on Language Competences (ESLC) – Final Report, 2012*

Spain ranks almost last in each of the three skill sets with a Common European Framework of Reference (CEFR) of A1/A2, which represent the lowest levels of

language comprehension. At these levels, speakers are defined as basic users of English who are only capable of communication on everyday topics with very simple language. Public schools are clearly not preparing Spanish youth for an international job market and parents have increasingly turned to language academies to strengthen their children's abilities.

Another important factor in the recent boom in language academies is the economic crisis that is still being felt in Spain. Unemployment shot from 8.8% in December of 2007 to 26.3% in February of 2013 (Datosmacro.com) and rather than throw in the towel, many Spaniards have decided to further their education. This, of course, has created a sizable increase in the demand of language classes and many new academies have opened in response to this upturn. This is yet another reason for the need to differentiate the services offered at academies and to implement SHRM.

As the demand for teachers increases, their power within an academy also increases. Professors know that there are plenty of academies that need qualified, native speakers of a language. If a manager truly considers their employees as strategically important to the organization, actions should be planned to prevent the flight of their workforce.

### **Peculiarities in the Management of Language Academies**

The heterogeneous nature of a language academy's staff is perhaps its most interesting feature. At any given time, an academy might have employees from England, the USA, China, Germany, Russia, and etcetera all under the same roof.

This is further complicated by the fact that some might have never been outside of their home countries and are in the process of adjusting to a new culture. On the other hand, some might have lived away from home for years or even in various countries. Managing such a diverse team can be extremely challenging.

Research has shown that “a key variable in predicting cultural adjustment has been the degree to which an individual identifies with the home country and the host country; simply put a sojourner’s cultural identity (Sussman, 2002).” This cultural identity is dynamic and can change when someone moves to another country. Sussman also argues that a foreigner’s motivations and expectations regarding cultural adjustment and adaptation depend on how temporary they view their stay in another country. This relates directly to teachers at language academies as they often begin their work at an academy as a means to pay for their ‘escape’ to an exotic destination.

For the sake of argument, let us say that there are three types of foreign language teachers who work at a language academy.

1. The teacher travels to another country in search of adventure, stays for a year or two, and returns to their home country. Adapting to another culture is not considered highly necessary by this person because they know they are not going to stay.
2. The expatriate arrives to a country such as Spain with the intention of only staying for a couple years at the most, but they end up staying. While this teacher will eventually adapt to Spanish culture, it might take years as they might have initially, and unconsciously rejected adaptation.
3. Our third individual is a world traveler and hops from country to country paying for their travels by teaching their native tongue. Due to this

person's travels and experiences, they might have a lack of strong cultural identity and would be highly open to change.

The first two language teachers are the ones most commonly found in academies. They also require the most work on the part of managers, as they are least likely to adapt to new leadership styles very quickly.

Tensions can also arise between professors depending on how the academy has chosen to organize its classes. For example, some academies choose to split their classes and have both a Spanish person and a native speaker of the language teach the class on separate days. In this scenario, the Spaniard would teach the grammar and the native speaker would handle other aspects of the lesson such as listening, speaking, and writing. Professors from individualistic countries would probably take issue with not having complete control of their classes and having to depend on the work of a colleague. On the other hand, the Spanish professors might find their foreign coworkers' reticence toward sharing extremely frustrating and possibly insulting.

In summary, while the management of an international team of professors can be challenging, it is essential that managers take into account their employees' cultural differences. The faculty of a language academy and their happiness is paramount to its success and survival.

## **PART III: FIELD RESEARCH**

A total of 3 language academies and 10 foreign language teachers were interviewed to understand how their current situation compares to the



theoretical framework that has been established. Part three of this thesis is divided into two sections. The first examines responses from the directors of the language academies, while the second makes a comparison to what their employees answered. In the interest of retaining the academies' anonymity, they shall be referred to as Academy A, B, and C.

## ACADEMY INTERVIEWS

### Academy 'A'

The first language academy we will examine is on the larger side. With a total of 34 employees, 18 of which are foreign language professors, it has been in business for almost 40 years. In addition to offering English, German, French, Japanese, and Spanish language classes, it also has programs in tourism and hospitality management. Until recently, the academy was managed by one person who has since retired. As a result, management has been passed down to their 2 daughters.

Being a relatively small business, it does not have a dedicated Department of Human Resources. When asked about their HR policies, 3 key insights were found:

1. A clear distinction is made between the recruitment of Spanish and foreign employees. The search for native speakers of other languages is more active than with their Spanish counterparts. While the academy uses online tools to actively look for foreigners, they prefer a much more

passive approach to hiring others. Based on their experiences, they have found that worrying about finding Spanish employees is unnecessary as they are constantly flooded with letters of interest.

2. They make minimal investments in the professional development of their staff for reasons that will be explained later.
3. There is no type of formal strategic planning performed by management. Years ago, an auditor was hired to put together a strategic plan for the academy. After following the auditor's recommendations for the following year, they were disappointed with the results and never tried again. Additionally, an internal strategic analysis of operations has never been performed. Instead, they focus more on the short term and analyze performance at the end of each year before making plans for the next.

One of the most interesting things gleaned from the interview with this academy concerned their views on the rate of employee turnover. The director revealed that most of their foreign employees last one or two years at the most, but what she said next was most surprising. The simple fact is that they enjoy having high employee rotation. When asked why, she explained that it is better for all parties involved.

With regards to the foreign professors, the students benefit from hearing various accents during their acquisition of the language. Professors get to enjoy a year or two abroad and return home before becoming burned out by the job, which usually translates to a more fun classroom environment. Lastly, the academy saves itself from having to invest too much in the staff. That isn't to say that they neglect their employees. On the contrary, they recently invested heavily in several employees which could be considered "long term" by providing training

and certification for them to become oral examiners for the Cambridge English exams.

The academy also experiences relatively high turnover with Spanish employees as well. Apparently, most of the local professors use the academy as a stepping-stone on their way to a public school. Therefore, due to the surprisingly advantageous nature of their situation, the academy has not felt a need to develop specific strategies to retain its employees.

Academy A is the most risk averse of the three interviewed. They prefer to maintain total control over all operations and are much more autocratic in their management. The directors mentioned how they prefer a large amount of distance between employees and managers as it leads to “more efficient” day-to-day operation. Managers are to be more independent than team-oriented while the opposite is expected from employees. This comes in stark contrast to the academy’s beginnings. In the mid-to-late 70’s the academy was much smaller and the owners often had dinners and weekend trips with their employees. A closer relationship was needed in order to help foreigners feel more comfortable in a time where attacks from the terrorist group ETA were still prevalent.

The main differences between Spanish and foreign employees were that American and British teachers were more hard working and open minded, and that teachers from Asian countries were much quieter and more respectful. While, the academy has had its share of bad employees, they chalk it up to personality traits that should not be generalized.

## Academy 'B'

The second academy interviewed is much smaller and has just celebrated its first anniversary. With a total of 6 employees, all but 1 are professors in the academy and the director also teaches English lessons. Due to its youth and small size it is not nearly as diversified as the academy A and offers mainly English classes, although they list other languages on their website as being available.

Continuing the trend, the school does not have the resources for a dedicated DHR, nor would it make sense. As such, the sole director is responsible for its HR policies. Regarding their recruitment, training, and strategic planning, the director had this to say:

1. They use a combination of techniques in the recruitment of new employees. These include InfoJobs, a Spanish job search website, together with a public Facebook group formed by English professors in the Bilbao area. In addition to these online resources, the Basque Government's employment services agency called Lanbide has aided in the search for qualified teachers. The Facebook group in particular has been a bit ineffective, as most of its members prefer to remain autonomous and work freelance.
2. As for employee training, it has been difficult to estimate how much could be invested in this area as the academy is still in its infancy. However, they have hired a coach to come every month to work with the staff on teamwork and creating effective groups. They have also paid for training related to the use of the online classroom management tool, Moodle.

3. Finally, when asked about their strategic plans, it was clear that this school is committed to thinking more long term, but only in the more traditional sense. In other words, they do not have a SHRM plan. The director definitely has ideas for supporting her employees, but again has not considered a long-term plan as important due to high turnover.

Again, the director viewed this turnover as a good thing and not at all a weakness within the organization. One key difference was evident when she spoke of her Spanish professors, however. It has been her experience that Spanish people would prefer to stay long term. As a result, she has begun to think of ways of retaining them. She mentioned performance-based incentives that would be given according to levels of student satisfaction and rate of return. Besides monetary benefits, she has strived to create an environment with open dialogue between employees as evidenced by their monthly staff meetings. Here, performance is reviewed and ideas for improvement are shared.

Although this second academy did not have any type of formal strategic plan related to its human resources, the director definitely realized that her professors were key to the future success of the school. It was clear that she took her employees very much into consideration when making decisions within the organization.

Academy B takes a much more collectivistic approach to management of its human resources. Teamwork is key at all levels in the hierarchy and they back it up with the measures we have discussed like monthly team meetings, outside coaching, and the joint elaboration of a style guide that establishes common guidelines for behavior. They view risk as a good thing on the condition that it is

not excessive. Regarding power distance, this first year has seen the director making herself available at all times to her staff, but she recognizes that it would be nice to have a head of studies to act as a buffer and field only the most pressing matters to her. She notes that she would like to maintain a close relationship with employees, but not *as* close as now.

The director has had foreign employees from Ireland and the United States and says that both are generally more polite and easy-going than their Spanish colleagues. She has also noticed that they are very shy when it comes to using Spanish and prefer to speak with her in English.

### Academy 'C'

The last academy interviewed is also a year old and even smaller than academies A and B. Led by its two directors, the academy has a total of 5 employees and the number of professors total 4. In addition to the typical languages offered, Academy C differentiates itself by offering Arabic and Italian. As is the case with most academies, however, English is most popular.

Similar to what we have seen in the other two academies, there is no dedicated DHR within the academy. Instead, those responsibilities fall on the shoulders of the two directors who share equally in the decision-making process. One of the owners shared the following concerning their recruitment, training, and strategic planning:

1. The academy initially relied on InfoJobs and Facebook heavily for their recruitment needs, but soon found that they yielded few results. As their grand opening neared, they turned to personal contacts to fulfill their staffing needs and later supplemented vacancies with InfoJobs.
2. With respect to training, the only type of formal instruction employees receive is an initial information session on daily functioning in the academy. The director revealed that due to the lack of permanency it was not necessary to go beyond this introductory training.
3. Finally, academy C takes a very similar approach to strategic planning as academy A. That is to say, it is non-existent. They also use end of year student satisfaction surveys to plan for the year to come, but look no further than the near future. Needless to say, any type of SHRM plan is out of the question at present.

One area that academy C differed significantly from the competition, however, is related to employee turnover. Its director expressed a strong desire to keep employees as long as possible and that they have considered multiple ways of reducing the typical come-and-go found in academies. These mainly include monetary incentives like increased pay, but they are also considering offering permanent contracts to their professors, which is almost unheard of in competing schools. This drastic difference could be due to the fact that in their first year, the owners have experienced some rather bad luck with their teachers. Several of their classes have had three different foreign teachers because they all left mid-year.

It would seem that academy C would be very risk averse, although when asked if they view risk as a good or bad, they felt that taking risks was a necessity.

After opening the academy and surviving the first year, they are more interested in control than any additional risk at the moment and that is a valid stance. When asked about employee-manager distance, they definitively felt that it was important to have distance in order to avoid being taken advantage of. However, they try to keep an open-door policy with their employees so that distance is not carried to any extremes.

Culturally, academy C has noticed that in England there is usually more dialogue between employees and managers than in Spain. Spanish managers are more accustomed to giving orders without their employees questioning, whereas in England there is more of an open conversation about how things should be done. She also noted that the British were hard working; Australians were more relaxed, but generally good employees; and that the Irish were somewhat difficult. Again, the academy has only been in business a year and it is therefore difficult to make unbiased generalizations.

## **EMPLOYEE INTERVIEWS**

As we saw earlier, a foreigner's reason for expatriation can greatly affect their expectations of what a 'good manager' should and should not do. Therefore, one of my first questions for each foreign language teacher was why they had come and how long they had been in Spain. There were a great variety of answers but they can be broken down into three main categories. There are those who came for job/educational opportunities, many others who came for adventure, and lastly a few who came for love. The three who came for romantic reasons have remained in Spain the longest with an average of 8 years.



When asked if they had changed at all, a variety of answers were given, but they mostly corresponded with the time the person had spent abroad. The majority of the professors came to Spain for adventure and felt that they hadn't really changed in their short time here, which is to be expected. The expats who had spent 4 or more years away from home did note changes in their behavior. One such person, from England, told me how he had become more open and less individualistic since his arrival. Another related how much more she felt a need to be out and about and with friends than she had in the UK. This would point to a shift toward more collectivistic behavior and could be attributed to her adaptation to Spanish culture.

Interestingly, only one of the employees did not speak Spanish. After her arrival she did start an elementary level course, but noted that she sometimes felt excluded from conversations with colleagues at the academy who spoke mostly in Spanish in-between classes. On a similar note, one Russian employee who teaches English said it had been more difficult to make Spanish friends than what she was accustomed to. She missed the spontaneous and natural way friendships were made in Russia compared to the sometimes cliquish behavior that certain northern areas of Spain are famous for. I have also noticed in my 6 years in the Basque country that the people, while some of the most open-minded and kind people I have ever met, sometimes make it extremely difficult to enter their social groups called 'cuadrillas'. This has nothing to do with a person being from another country as it happens within the culture, but is notable nonetheless.

Most of the British teachers felt that the distance between employees and managers in Spain was greater than what they were used to which concurs with Hofstede's findings. Most also agreed that subordinates are often afraid to contradict their boss. This contrasts, however, with a German woman's opinion that her previous employers in Germany were much more strict than her bosses in Spain and that there was also much greater power distance back home between managers and their employees. She said there was an overabundance of rules in Germany and that Spaniards could be more likely to take a risk than her compatriots. Suffice it to say that these types of differences between British and German professors pose an interesting challenge for language academy directors.

Related to the Masculinity-Femininity dimension, each and every one of the professors interviewed answered that quality of life was more important to them than recognition of performance or money. This strikes me as particularly interesting because all three of the employers from academies A, B and C said that for their employees, the opposite was true. They argued that because of the economic crisis, quality of life had taken a back seat to a higher salary. One could postulate that what has happened is that the managers' focus on earnings and survival may have led to a skewed view of what is really important for their staff. This kind of myopic thinking could lead to possible conflicts where teachers view more time spent at the academy as a loss of personal time instead of more money and benefits.

On the whole, the results from these interviews corresponded perfectly with the research performed in Part II of this thesis. Unfortunately, due to the small sample size, a quantitative investigation could not be performed, and possible implications of this will be discussed below.

## PART IV: CONCLUSIONS

Throughout the course of this undergraduate thesis I have watched, somewhat helplessly, as it took on a life of its own. The process has been fascinating and has led me to some key conclusions that I never would have imagined when I began my research:

1. There are clear differences between what employees from different cultures perceive as a good leader.
2. Despite these differences, language academies represent a unique environment where it would not be recommendable to adapt one's management style based on an employee's culture. Furthermore, as most professors in academies only stay for a few years, they do not see employer adaptation as necessary.
3. While differences in cultural dimensions such as power-distance could cause conflicts within the organization with long-term foreign employees, Spaniards themselves seem to recognize the need to lessen said distance as well as other "negative" dimensions like assertiveness.
4. Although a high rate of turnover can be considered a good thing in an academy, implementing strategic human resource management should not fall by the wayside. In a services related business it is especially important to plan for long-term success and be proactive.
5. My original assumptions were based on personal experience, but I have come to realize that I am an anomaly or outlier just like other long-term foreigners working at language academies.

In terms of future research related to intercultural management in the context of language academies, a more in-depth investigation is highly recommended. The findings of this study are extremely limited due to the sample size and they might change once more academies and professors are involved. It would be very interesting to perform a more quantitative investigation to see exactly how culture affects management in such a diverse environment. A study of this nature would be interesting, not only from the viewpoint of academies, but also for large international corporations who often lead intercultural teams of this type. As the world continues to become more and more globalized, research of this character will only become more pertinent in business studies.

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## PART VI: ANNEX

### SURVEYS

#### For Employees

1. What made you come to Spain? When did you first arrive?
2. Do you think you've changed at all since you left the UK/etc.?
3. Do you feel in any way "less" (American/British/etc.) than you did before you came to Spain?
4. Do you speak Spanish? (If no, 'Are you learning?')
5. What are some cultural differences between co-workers and bosses here in Spain and your home country?
6. Is Employee-Manager distance smaller or larger in your home country?
7. Do you spend time with Spanish people outside of work?
8. How have your bosses in Spain been different than in your home country?
9. Do you think that to be an effective leader there should be more or less distance between the manager and their employees?
10. How important is it for a manager to be accessible to their employees?
11. Do you think that taking risks is a good thing or a bad thing?
12. Are managers and people in general more or less risk takers here in Spain compared to your home country?
13. Are Spanish managers and people in general more or less individualistic than in your home country?
14. Should important decisions be made as a group or individually?
15. How often are subordinates afraid to contradict their boss?
16. Are people more or less competitive in Spain than your home country?
17. What do you think is more important: quality of life or recognition of performance?

#### For Employers

1. What are the main cultural differences you have seen between employees and bosses from Spain and other countries?
2. Do you think that to be an effective leader there should be more or less distance between the manager and their employees?
3. How important is it to be accessible to your employees? Why/How?
4. Do you think that taking risks is a good thing or a bad thing?

5. Is it more important to be an independent worker or a team player? And which is better in a professor?
6. Should important decisions be made as a group or individually?
7. How often are subordinates afraid to contradict their boss?
8. What do you think is more important for your employees: quality of life or recognition of performance / money?
9. What are some differences between Spanish employees and foreign employees in terms of turnover in an academy?
10. Are there specific ways that your academy tries to retain its native language-speaking professors in such a competitive environment?
11. Could you describe your HR policies?
  - a. recruitment
  - b. training
  - c. strategic planning?