

Intercultural Service Encounters (ICSEs): Challenges and Opportunities

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Background

- **Early research mostly descriptive in nature**
 - Culture shock (Stauss and Mang, 1999), perceived discrimination (Barker and Härtel, 2004), and behavioral biases in the employees' responses (Martin and Adams, 1999; McCormick and Kinloch, 1986)
- **Recent studies go deeper into the process**
 - Cross-cultural interaction comfort (Paswan and Ganesh, 2005), ethnocentrism (Javalgi and Martin, 2007; Sharma, 2005a; Ueltschy et al., 2007), ethnic/cultural dissimilarity (Etgar and Fuchs, 2011), reactions to service failure and recovery (de Matos et al., 2011; Wang and Mattila, 2011)
 - Intercultural sensitivity of employees (Sizoo, 2006; Sizoo et al., 2005) and emotional stress and coping strategies for employees Wang and Mattila, 2010)

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Intercultural Service Encounters

1. Sharma, P., Tam, J. L. M. & Kim, N. (2009) Demystifying Intercultural Service Encounters: Toward a Comprehensive Conceptual Framework. *Journal of Service Research*, 12(2), 227-242.
2. Sharma, P., Tam, J. L. M. & Kim, N. (2012) Intercultural Service Encounters (ICSE) Framework: Extension and Empirical Validation. *Journal of Services Marketing*, 26(7), 521-534.
3. Tam, J. L. M., Sharma, P. & Kim, N. (2014) Examining the Role of Attribution and Intercultural Competence in Intercultural Service Encounters. *Journal of Services Marketing*, 28(2), 159-170.
4. Sharma, P., Tam, J. L. M. & Kim, N. (2015) Service Role and Outcome as Moderators in Intercultural Service Encounters. *Journal of Service Management*, 26(1), 137-155.
5. Sharma, P. & Zhan, W. (2015) Consumer Ethnocentrism vs. Intercultural Competence as Moderators in Intercultural Service Encounters. *Journal of Services Marketing*, 29(2), 93-102.
6. Sharma, P., Zhan, W. & Su, Y. (2016) Role of Personal Cultural Orientations in Intercultural Service Encounters. *Journal of Services Marketing*, 30(2), 223-237.
7. Tam, J. L. M., Sharma, P. & Kim, N. (2016) Attribution of Success and Failure in Intercultural Service Encounters: Moderating Role of Personal Cultural Orientations. *Journal of Services Marketing*, 30(6), 643-658.
8. Gaur, S. S., Sharma, P., Hejianto, H. and Kingshott, R. (2017), "Impact of frontline service employees' acculturation behaviors on customer satisfaction and commitment in intercultural service encounters", *Journal of Service Theory and Practice*, 27(6), 1105-1121.
9. Fung, C.T., Sharma, P., Wu, Z. and Su, Y. (2017), "Exploring service climate and employee performance in multicultural service settings", *Journal of Services Marketing*, 31(7), 784-798.

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Original ICSE framework (Sharma et al. 2009, JSR)

- **Scope**
 - Introduces perceived cultural distance (PCD) as a key driver of interaction comfort and inter-role congruence
 - Highlights the focal role of intercultural competence (ICC) in intercultural service encounters
 - Examines key customer outcomes e.g. adequate and perceived service levels and satisfaction
 - Focuses on both customers and employees
- **Methodology**
 - Qualitative (50 In-depth interviews) with both customers and employees in five service categories (F&B, Retailing, Entertainment, Hospitality and Transportation)

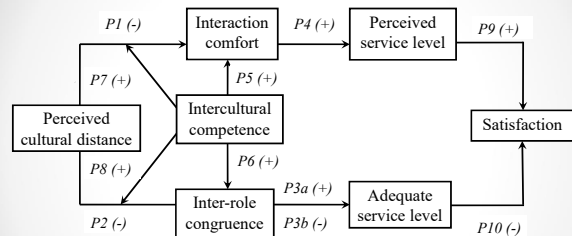
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Introduction

- **Definition & Scope**
 - Interaction between customers and employees from different cultures (Stauss & Mang 1999) in terms of nationality, ethnicity, language, religion, customs etc.
 - Increasing importance with rapid increases in international travel, tourism and migration - almost 250 million immigrants (United Nations 2015) and 1.2 billion tourists (World Tourism Organization 2016)
- **Motivation**
 - Understand the unique challenges posed by the differences in the perceptions, expectations and evaluations of culturally diverse customers and employees (Sharma et al., 2009)

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Original ICSE Framework



Sharma, Piyush, Jackie L. M. Tam, and Namwoon Kim (2009), "Demystifying Intercultural Service Encounters: Toward a Comprehensive Conceptual Framework". *Journal of Service Research*, 12 (2), 227-242.

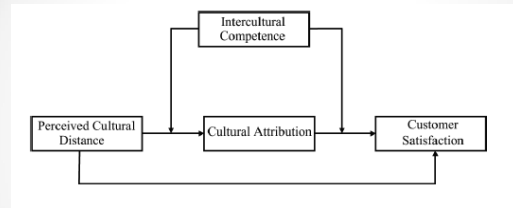
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Modified ICSE framework (Sharma et al. 2012, JSM)

- **Scope**
 - Incorporates differences between customers and employees in the relationships among various constructs
- **Methodology**
 - Field-experiment using between-subjects design with 241 customers and 204 restaurant employees
 - Used imaginary scenario of a service failure in a restaurant setting with photos of waiters to manipulate PCD
- **Results**
 - Found support for most hypothesized relationships
 - PCD and ICC have unexpected effects on interaction comfort

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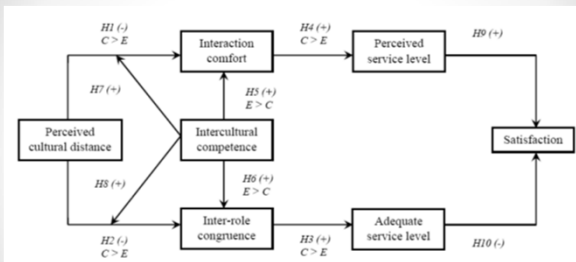
Role of Cultural Attributions



Tam, Jackie L. M., Piyush Sharma and Namwoon Kim (2014), "Examining the Role of Attribution and Intercultural Competence in Intercultural Service Encounters", *Journal of Services Marketing*, 28 (2), 159-170.

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Modified ICSE Framework



Sharma, Piyush, Jackie L. M. Tam, and Namwoon Kim (2012), "Intercultural Service Encounters (ICSE) Framework: Extension and Empirical Validation", *Journal of Services Marketing*, 26 (7), 521-534.

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Extended ICSE Framework (Sharma et al. 2015, JOSM)

- **Scope**
 - Explores moderating effects of service role (customer vs. employee) and service outcome (success vs. failure)
 - Direct and indirect effects of perceived cultural distance on interaction comfort, service quality and satisfaction
- **Methodology**
 - 2 X 2 X 3 between-subjects experiment with undergraduate students to manipulate service role, outcome and PCD, using imaginary scenarios
- **Results**
 - Customers show higher PCD, lower interaction comfort, service quality and satisfaction, and stronger negative moderating effect of perceived cultural distance
 - Service failure leads to lower interaction comfort, service quality and satisfaction, and these effects are stronger for customers

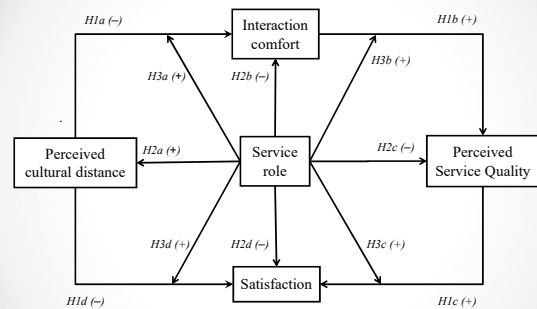
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Role of cultural attributions (Tam et al. 2014, JSM)

- **Scope**
 - Examines the role of cultural attributions and intercultural competence to predict customer expectations and evaluations in intercultural service encounters.
- **Methodology**
 - Field-experiment using between-subjects design with 236 actual customers using mall-intercept
 - Used imaginary scenario similar to Sharma et al. (2012)
- **Results**
 - Cultural attributions partially mediate the influence of PCD on customer satisfaction in intercultural service encounters
 - ICC moderates this mediating role of cultural attributions
 - Explains the unexpected findings in Sharma et al. (2012)

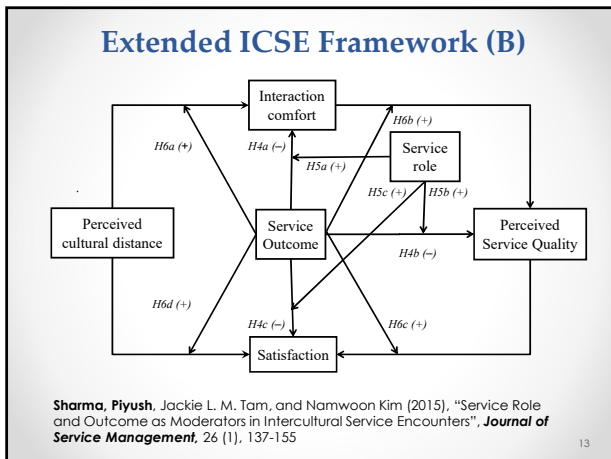
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Extended ICSE Framework (A)



Sharma, Piyush, Jackie L. M. Tam, and Namwoon Kim (2015), "Service Role and Outcome as Moderators in Intercultural Service Encounters", *Journal of Service Management*, 26 (1), 137-155

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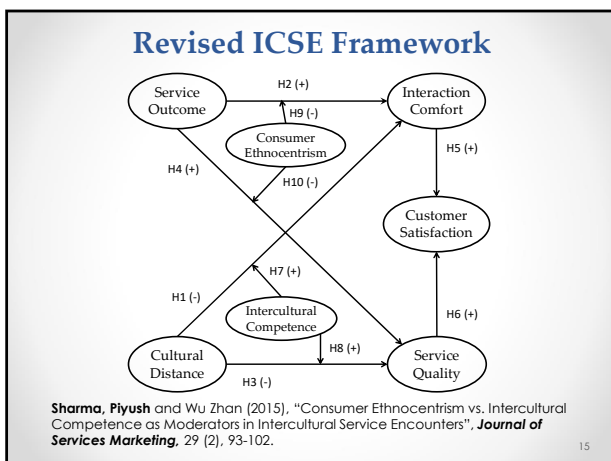
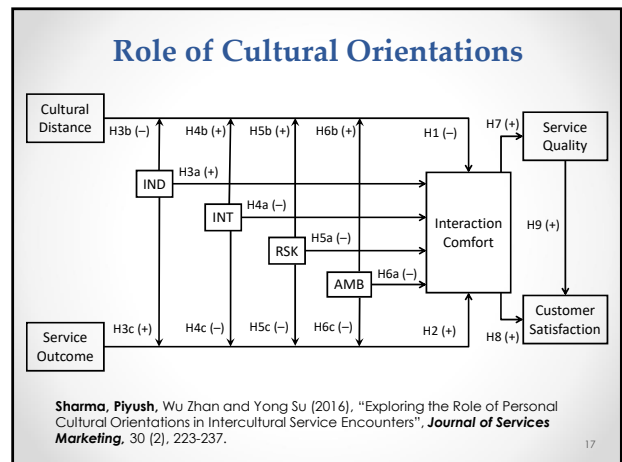


PCO Framework (Sharma, Zhan and Su 2016, JSM)

- Scope**
 - Investigates the moderating effects of personal cultural orientations (e.g. independence, interdependence, risk aversion and ambiguity intolerance) on customer expectations and evaluations in intercultural service encounters
- Methodology**
 - 2 X 2 between-subjects experiment with 160 customers each in two countries (Australia and China) using imaginary scenarios
- Results**
 - Independence (Interdependence, risk aversion and ambiguity tolerance) lead to higher (lower) interaction comfort, service quality and satisfaction, and reduce (increase) the negative effects of high PCD and service failure

Revised ICSE framework (Sharma and Zhan 2015, JSM)

- Scope**
 - Explores the contrasting moderating effects of consumer ethnocentrism and intercultural competence on the impact of service outcome and perceived cultural distance
- Methodology**
 - 2 X 2 between-subjects experiment with university students in Australia, using imaginary scenarios to manipulate service outcome (failure vs. success) and PCD (low vs. high)
- Results**
 - Consumer ethnocentrism (Intercultural competence) negatively (positively) moderate the effects of service outcome (failure vs. success) on interaction comfort and perceived service quality, which in turn drive customer satisfaction



ICSE Attributions Framework (Tam et al. 2016, JSM)

- Scope**
 - Investigates the mediating roles of four types of attributions (employee, firm, self and cultural differences), and
 - Moderating roles of four personal cultural orientations (independence, interdependence, power and social inequality)
- Methodology**
 - Scenario-based field-experiment with 640 Chinese and Western customers using mall-intercept
- Results**
 - Both cultural and non-cultural attributions mediate the impact of service outcome on customer satisfaction
 - Personal cultural orientations moderate many of these effects
 - Extends prior work by Tam et al. (2014) on cultural attributions

