Discourse Analysis of Cross-Cultural Competencies in International Business Management

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Abstract

A broad range of literature available discusses the activities to prepare managers for becoming cross-culturally competent. In keeping up with the increased emphasis of cultural competences in the international business management, the major question is, what kind of cross cultural competencies would make firm managers better to respond to the whole range of challenges that globalization offers?. Consequently, this paper has reviewed the concept of culture in the literature through discourse analysis and found that in the field of international business management, the concept of cross-cultural competence is still viewed as the skill or ability of providing effective cross-cultural interactions and the ability of the business to function effectively in different culture environment. Discourse analysis is a qualitative research approach that offers the potential to challenge our thinking about the reality of culture in any social settings.

Keywords: Cross-cultural, Competence, International Business Management

1. Introduction

Over the last few decades there has been an increasing evidence of globalization in business and other life arenas. The shift from domestic to international and global business has brought the need for managers to engage effectively in transnational business activities. Success in such activities requires a thorough understanding of the process of cross-cultural management and the ability to function effectively in a cross-cultural or multicultural setting (Ottewill & Laughton, 2000). It has become evident that for a manager to work in a global environment, it is not enough to possess technical skills alone. In order to succeed in this new, fast-paced, diverse and complex global economy, and be effective when functioning in cross-cultural situations, additional knowledge, skills, and abilities are required. These often include the ability to communicate in more than one language, the ability to cooperate with people of different cultural backgrounds, and the ability to appreciate and accept other cultures. In other words, the concept of

cross-cultural competence (Allard, 1995) has become a very important element in the successful practice of global managers. Hence, the main purpose of this paper is to examine the literature discussions on the culture models / dimensions and their relation to international business management and the need for cross-cultural competencies necessary for international managers in order to function effectively and deal with challenges brought forth by globalization.

A great deal of the literature in the past two decades has focused on the calls for and discussion of the need to develop cross-cultural competence. For instance, Ferraro (2002) advocates that managers need to develop a new mindset, which he calls "global brains" (p.23). In his view, this involves a wide range of competencies, including thorough understanding of cultural differences; interpreting information and making decisions that are not dependent entirely on one's own cultural assumptions; seeing interconnections; balancing contradictions; building personal relationships; becoming perceptually acute; maintaining mental flexibility; and maintaining integrity without sacrificing one's own cultural values. Kedia & Mukherji (1999) also acknowledge that there is a growing need for managers to become global managers with a global perspective, which consists of a mindset, knowledge and skills. A global mindset, in its simplest form will allow a manager from one part of the world to be comfortable in another on account of knowledge and skills that are based on understanding and awareness. They argue that a global manager has to be able to lead and to motivate diverse work groups, which requires knowing how to use knowledge of cultural differences.

2. Research Design

The data used for analysis in this study is the sixty one (61) most cited articles published in the peer review journals on culture from 1952 to present. The main aim is to have an in-depth understanding of how the definitions, importance and effect of culture on individual behavior and organizational performance are been discussed in the literature. Qualitative research method and desk-top research strategy (induction process) is employed. In inductive process, logical generalizations are developed from specific cultural concepts: reasoning moves from the particular to the general as posited in grounded theory to explore unforeseen cultural issues that emerge from the data. Thematic/semantic analysis was used to analyze the data. The analysis of the content, chapter headings and subheadings of the selected articles were reviewed. For example, cultural concepts (explanatory ideas) such as knowledge, belief, values, behavior, norms, art, morals, law, custom and any other capabilities and habits acquired by man as a member of society were identified from the data in the first stages of analysis and

given a label that describes them. Concepts which are closely linked in meaning were grouped into categories. Categories which have similar meanings formed the themes.

3. Conceptualizing Culture

Culture is a difficult and complicated phenomenon. There is a great diversity of definitions and descriptions of culture; some of them are very wide and some are very narrow. Researchers/scholars of culture before this paper have developed their personal definitions of culture and have not agreed on the precise meaning of the concept. Kroeber & Kluckhohn (1985) analyzed 164 definitions of culture found in anthropological literature between 1871 and 1950. Based on their analysis, they found that it is possible to group definitions of culture into six broad categories*:* descriptive, historical, normative, psychological, genetic, and structural, which are briefly described below.

3.1. Definitions of Culture

Descriptive definitions attempt to enumerate the content of the culture. Among them is the classic definition by (Geertz, 1973) who defined a culture as a complex whole which includes "knowledge, belief, art, law, morals, customs, and any other capabilities and habits acquired by man as a member of society" (p.27). *Historical* definitions emphasize shared social heritage or tradition, and include Post's (1997) claim that, "culture consists of those patterns relative to behavior and the products of human action which may be inherited, that is, passed on from generation to generation independently of the biological genes" (p.734). *Normative* definitions focus on rules and ways of behaving. From this perspective, Kroeber & Kluckhohn (1985) summarizes culture as the "distinctive way of life of a group of people and their complete design of living" (p.213). *Psychological* definitions rely on how processes such as adjustment, learning and development are designed by a group. For instance, Deshpande, & Viswesvaran, (2015), posit "culture as particular adjustment of man natural surroundings and his economic needs" (p.298). Black, & Gregersen, (2009) insists that "culture is the sociological term for learned behavior, behavior which in man [humankind] is not given at birth, which must be learned from grown people by each new generation" (p.54). The *genetic* definitions focus on culture as products, ideas, or symbols. Schneider, & Barsoux, (1997) defined culture as an "artifact and the part of the environment which man has himself created and to which he must adjust himself" p.37. The *structural* definitions (Smith, 2004, p.29), "emphasis on the organization of culture as a system of interrelated and interdependent habit patterns of response".

Based on their analysis, Yates, & Cutler, (2006) developed their own comprehensive definition of culture and suggested that despite differences in emphasis among definitions, most social researchers would define culture more or less as follows: "Culture consists of patterns, explicit and implicit, of and for behavior acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiments in artifacts" (p.81). The essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other as conditioning elements of further action. In other words, the conception of culture according to Kroeber & Kluckhohn, (1985) posited that culture is an abstraction, not a thing. More specifically, it is "an abstraction from behavior" (p.104). From all of the above, it could be possible to conclude that culture is a construct describing something that is enduring and constant in social life.

Prior to Kroeber & Kluckhohn (1985), Moore & Lewis (1952) collected from diverse anthropological writings what they considered to be the essence of the concept of culture. They also emphasize that culture is an abstraction, which refers to a very large category of phenomena. It designates knowledge, skills and information which are learned. Furthermore, it is social knowledge because it is taught and learned by many individuals, and therefore shared. It tends to continue over generations, and therefore, it is adaptive. They stated that it tends to be integrated and its contents tend to be mutually reinforcing. Taking into account these characteristics of culture described by Moore and Lewis (1952), it can be seen that culture is a broad concept encompassing the totality of knowledge and experience that people learn from each other and share with each other.

Over the period of time, following the studies of Kroeber and Kluckhohn (1985) and Moore & Lewis (1952), consensus over the definition of culture has not been reached. A great amount of new material has been published recently (Adler, 2007; Berthon, 1993; Geertz, 1973, Hall, 1977, Hofstede, 1991; Trompenaars & Hampden, 1998). Hofstede (1991) defines "culture as the collective mental programming of the people in an environment. Culture is the collective programming of the mind which distinguishes the members of one human group from another" (pp.38-38). By this definition, Hofstede (1991) emphasizes that culture is not a property of the individual, but of groups. He argued that "culture is not a characteristic of individuals; it encompasses a number of people who were conditioned by the same education and life experiences" (p.61) and distinguishes culture from human nature and from personality. He points out that "personality is the individual's unique personal set of mental programs that she or he does not share with other human beings" (p.62). He also notes that culture is a

collection of shared characteristics, which are possessed by people who have been influenced by similar social, educational, and life experiences. Because of their similar backgrounds, the people in any given culture might have similar mental programming. Therefore, one can speak of the culture which differentiates people in a given group from people in other groups at the same level (e.g., "a family, a tribe, a region, a national minority, a profession, or a nation" (p.71).

Berthon (1993) sees culture as the results of human actions and shows the clear link between the idea of mental programming and consequences of behavior which result from this programming. Based on the analysis above, it is possible to conclude that culture consists of the framework that is used in order to impose some sort of order and coherence on one's perceptions of the world. By doing this, some perceptions are admitted, some are rejected, and others are combined (neither rejected nor admitted). When individuals share the same culture, their thought processes, habits and behavior may be very similar. They understand what things mean and they know what is expected from them. When business people come from the same culture, they tend to share the same values, the same approaches to dealing with things, and know what to do and what to say.

However, when people come from different cultures, they often are in conflict and do not know what to do or to say. Finally, the concept of culture that this paper chose to be the most relevant to issues of international business / management combines the following elements from the definitions discussed earlier. Culture is learned, shared and transmitted from one generation to the next by families, social organizations, government, schools, churches, and so forth. Common ways of thinking and behaving are developed and strengthened through what Hofstede calls "collective programming of the mind" (p.37). Culture is also dynamic and multidimensional and consists of a number of common elements, which are interdependent and influence each other, including: language both verbal and nonverbal; economics; religion; politics; social institutions, social strata and family structure; values; attitudes; manners; customs; material items; aesthetics; education (Hofstede, 1991; Trompenaars & Hampden-Turner, 1998). The issues of cultural differences and the practice of international management / business are further explored subsequently in this paper.

4. Culture and International Business Management

The term culture, whether it is applied to a country or a particular organization, or a profession, has been widely used by scholars as an exploratory variable. Research reported by Adler (1983; 1997), Becker & Fritzsche (1987), Hall (1977), Hofstede (1980), Stephens & Greer (1995), and Trompenaars & Hampden-Turner (1998), all indicate the persistence and

continued relevance of cultural differences as related to management in the international business settings. Dunning (1997) asserts that culture is central to international business research and that "firms, which are best able to identify and reconcile differences, or even exploit them [cultural differences] to their gain, are likely to acquire a noticeable competitive advantage in the marketplace" (p.196). His view suggests that there is a need for studies that focus on explaining business and management phenomena across and between cultures.

Harris & Moran (1996) summarize reasons why international business managers and professionals should advance their culture learning. This summary emphasizes that learning to manage cultural differences in international business is a way to develop global and cosmopolitan perspectives and behavior. In their view, cultural differences are perceived and used as resources not obstacles or barriers to effective cross-cultural functioning. Schneider and Barsoux (1997) emphasize a very important point by stating that in order to deal simultaneously with multiple cultures, managers need to develop a culture-general approach, rather than developing a substantial knowledge of one particular culture (culture-specific approach).

According to culture-general approach, it is important to identify commonalties that transcend cultural borders and are relevant to any particular situation. This approach is a contrast to a culture-specific approach, which develops knowledge and skills related to one particular culture and emphasizes how different it is from other cultures. Schneider and Barsoux (1997) believe that *culture-general* approach is the one that should be favored by managers in international management / business operations.

4.1. Reasons for Managers and Businesses to Advance their Culture Learning

i. Culture gives people a sense of identity, whether in nations, or corporations, especially in terms of the human behavior and values to be encouraged. Through it, organizational loyalty and performance can be improved.

ii. Cultural knowledge provides insights into people. The appropriate business protocol can be employed that is in tune with local charter, codes, ideology, and standards.

iii. Cultural awareness and skill can be helpful in influencing organizational culture. Furthermore, subsidiaries, divisions, departments, or specializations have sub-cultures that can foster or undermine organizational goals and communications.

iv. Cultural concepts and characteristics are useful for the analysis of work culture in the disappearing industrial and emerging meta industrial work environments.

v.   Cultural insights and tools are helpful in the study of comparative management techniques, so that we become less culture bound in our approach to leadership and management practice.

vi.   Cultural competencies are essential for those in international business and trade.

vii. Cultural astuteness enables one to comprehend the diversity of market needs, and to improve strategies with ethnic groups at home, or foreign markets abroad.

viii. Cultural understanding is relevant to all relocation experiences, whether domestic or international. This is valid for individual managers or technicians who are facing a geographic transfer, as well as for their families and subordinates.

ix.   Cultural understanding and skill development should be built into all foreign deployment systems. Acculturation to different environments can improve the overseas experience and productivity, and facilitate re-entry into the home and organizational culture.

x.   Cultural capabilities can enhance one's participation in international organizations and meetings. This is true whether one merely a conference abroad, is a delegate to a regional or foreign association, is a member in a world trade or professional enterprise, or is a meeting planner for transnational events.

xi.   Cultural proficiency can facilitate one's coping with the changes of any transitional experience.

 Source: Adapted from *Managing cultural differences: Leadership strategies for a new world of business* (pp.15-16*)*, by P.R. Harris and R.T. Moran, 1996, Houston: Gulf Publishing Company.

4.2. Application of Models of Culture in International Business Management

Various studies have pointed out to the existing differences among cultures international business activities. The first step in understanding encounters in cross-cultural situations in the international management / business environment is to present a model of culture. A relatively small number of models have been developed in order to systematically study cultures and how they differ. Examples of culture models, which have been successfully applied to international management/business, include Hall (1959), Hofstede (1980), Kluckhohn and Strodtbeck (1961), and Trompenaars & Hampden-Turner (1993). Based on their studies, this paper document and conclude that the culture model is a tool for developing understanding of the manager's own culture, the culture of others, and cross-cultural encounters. For the purpose of international management, the most useful culture models are those that distinguish dimensions of culture. Phatak (1989) insists that international managers need to develop a conceptual

framework in order to look for similarities or analyze differences between their native culture and the foreign culture. Therefore, identifying various dimensions of culture along which cultural differences can be measured is a very useful approach.

4.2.1. Cultural Dimensions

Researchers such as Kluckhohn and Strodtbeck (1961), Hall (1977), Hofstede (1980), Laurent (1986), Ronen and Shenkar (1985), Trompenaars and Hampden-Turner (1993) and others, believe that their research has proved that cultures differ on important dimensions such as human nature, attitude toward nature, activity orientation, human relationships, relation to time and space orientation, communication styles, and formal organizations. (Darlington, 1996, p. 47 - 51) summarized these different dimensions used by researchers over time as shown in the table below.

Sources / Dimensions	Kluckhohm & Strodtbeck (1961)	Hall (1960, 66, 73) Hall & Hall (1987)	Hofstede (1984, 1991)	Trompenaars & Hampden-Turner (1994)	Maznevski (1994)
Human Nature	Good, Evil, Neutral, Mixed: Changeable, Unchangeable	Agreements	Uncertainty Avoidance Index	Universalism: Particularism	Good/Evil: Changeable
Relation to Nature	Subjugation Harmony Mastery		Uncertainty Avoidance Index	Inner: Outer Directed	Subjugation Mastery Harmony
Activity Orientation	Doing, Being, Being-in-becoming	Monochronic, Polychronic (interacts with individualism)	Masculinity Index	Achievement: Ascription Analyzing: Integrating	Doing, Being, Containing and Controlling (Thinking)
Human Relationships	Individual, Collective, Hierarchical	Amount of space, Possessions, Friendships Communication	Power Distance Index, Individualism Index	Equality: Hierarchy Individualism: Communitarianism	Individual, Collective Hierarchical
Relation to Time	Past, Present, Future	Past, Future	Long-term Orientation	Sequential: Synchronic	
Space Orientation	Public, Private, Mixed	Public, Private			

Source: Darlington, G. (1996). Culture a theoretical review. In P. Joynt & M. Warner (Eds.), Managing across cultures: Issues and perspectives (pp. 47- 51).

This paper focuses on Hofstede's model of culture. The differences in management styles and practices in international business are very often based on this model, which deals primarily with differences between national cultures. Various scholars have analyzed and assessed Hofstede's model and they found it to be largely validated. Yates and Cutler (2006) reviewed the research which has been conducted since 1980 within the various business disciplines using Hofstede's model and they found Hofstede's model is used on both micro- and macro-levels of analysis (i.e., country, organization and individual). They emphasize that the model is successful in conducting empirical and conceptual research, as well as in managing cultural applications in international business and management. Yates and Cutler (2006) conclude that since there is an increasing amount of research using Hofstede's model, international content of business operations should incorporate the model into their learning approach.

Yates and Cutler (2006) emphasize the distinctive features of this model, "its simplicity, quantitative evaluation, dimensional independence, applicability from macro to micro levels of analysis, and validity across a heterogeneous array of subjects" (p.82). Smith (2004) summarized the findings of the meta-analysis of Hofstede model based research studies in the field of international business. Based on this, he concluded that cultural diversity is not disappearing and that the two of Hofstede's dimensions, the Power Distance Index and the Individualism Index, have parallel dimensions in the analyzed recent large-scale survey studies. Moreover, the researcher asserts that these two dimensions are consistently connected to everyday behavior and difficulties experienced in cross-cultural negotiation, joint venture management and team work in multinational corporations. Also, it is considered that Hofstede's book, *Culture's Consequences* (1980), which identified significant national cultural differences between countries, was instrumental in the debate about the nature and influence of national culture on international management (Neal, 1998).

To connect culture to management, it is important to consider an empirical model of culture developed by Hofstede (1980), which provides cultural dimensions as a framework for understanding cultural variation in national, organizational or individual context. Hofstede's model distinguishes five dimensions of culture that are based on an empirical analysis of the enormous database (116,000 questionnaires were administered in two waves – 1968 and 1972). Hofstede surveyed employees of one multinational organization in 40 different countries. From these data, four dimensions were found to differentiate cultures. These dimensions, which focus on differences in work-related values, include (1) Power Distance Index; (2) Uncertainty Avoidance Index; (3) Individualism – Collectivism Index; and, (4) Masculinity – Femininity Index. And more

recently, Hofstede and Bond (1988) added a fifth dimension (5) Long-term Orientation.

These dimensions are described by Hofstede as follows. The Power Distance Index is "the extent to which a society accepts the fact that power in institutions and organizations is distributed unequally" (Hofstede, 1980, p.45). The Uncertainty Avoidance Index is "the extent to which a society feels threatened by uncertain and ambiguous situations by providing career stability, establishing more formal rules, not tolerating deviant ideas and behaviors, and believing in absolute truths and the attainment of expertise" (Hofstede, 1980, p.46). The Individualism – Collectivism Index, implies a loosely knit social framework in which people are supposed to take care of themselves and their immediate families only, while collectivism is characterized by a tight social framework in which people distinguish between in-groups and out-groups; they expect their in-group (relatives, clan, organizations) to look after them, and in exchange for that they feel they owe absolute loyalty to it. (Hofstede, 1980). The Masculinity – Femininity Index expresses "the extent to which the dominant values in society are 'masculine' that is, assertiveness, the acquisition of money and things, and not caring for others, the quality of life, or people" (Hofstede, 1980, p. 46).

And finally, the Long-term Orientation is the time orientation and the extent to which "the values on the one pole are more oriented towards the future (especially perseverance and thrift); they are more dynamic. The values on the opposite pole are more oriented towards the past and present; "they are more static" (Hofstede, 1991, p. 52).

These cultural dimensions express themselves in the international management arena in a number of different ways. For example, performance orientation is associated with high masculinity; and people orientation is associated with high femininity. The existence of low uncertainty avoidance implies a willingness to take risks and accept organizational change. An individualist-oriented involvement with organizations is related to material advantages, where tasks prevail over relationships. On the other hand, in a collectivist-oriented involvement, relationships are more important and prevail over tasks. If power distance is low, inequalities between subordinates and superiors are minimized, but inequalities are desired and expected when the power distance is high.

Long-term or time orientation refers to the extent to which a culture has a short-term or long-term orientation or respect for traditions and adaptation of traditions in a modern context. Employees in short-term oriented cultures are more likely to give way to social pressures for achievement and status, and tend to expect quick results. In contrast, employees in long-term oriented cultures tend to be more willing to

persevere through slow results that promise long-term achievement (Hofstede, 1991). Also, employees in short-term oriented cultures will be more likely to break the rules to achieve immediate results. For example, managers may be more willing to compromise the quality of their work to achieve short-term goals. Hofstede's dimensions, as well as dimensions developed by Kluckhohn and Strodtbeck (1961), Hall and Hall (1990), Trompenaars and Hampden-Turner (1998) and Trompenaars (1993), clearly suggest that cross-cultural differences in decision-making and communication may arise in management practice. Therefore, they are useful points of reference for analysis when exploring and trying to understand another culture.

4.2.2. Cross-Cultural Managerial / Business Competence

Many attempts have been made to define and redefine cross-cultural competence over the years. This has resulted in a wide variation of terminology and definitions, pointing to a wide range of implications of cultural competence across different disciplines. For the purpose of the present study, it is important to explore the most consistent definitions of cultural competence as a base from which to work. The research in the areas of intercultural, multicultural, global, international, cultural and cross-cultural competence represents separate parallel lines which have not yet merged together. While some studies have looked specifically at global knowledge, attitudes, or behaviors, most research looks at some combination of these different traits. Before the researches on the broad and sometimes elusive concepts of the competencies, which have been used interchangeably in the literature, are elaborated upon. A brief description of *competence* in general is discussed.

4.3 What is Competence?

Queeney (1997) summarized a traditional view of competency. According to the researcher, competency has three components: knowledge, skills and abilities. Knowledge is a body of information that has to be mastered by a professional in a particular field. Skills are what enable a professional to utilize the knowledge when performing a particular work or assignment. Abilities concern the application of knowledge and skills in the practical settings, where judgment is used to deal with real situations. In addition to these capabilities, there is context, a factor that has received a little consideration in the past, but in order to be a competent practitioner, a professional must be able to employ knowledge, skills, and performance abilities within a specific context, or practice setting. Competence concept can be further elaborated under the headings of intercultural, multicultural, global, generic cultural, cross cultural competencies.

4.3.1 Intercultural Competence

A comprehensive review of research on intercultural competence was conducted by Dinges (1983). Based on various models of intercultural competence, (Dinges, 1983, p.115) extracted the following dimensions of this competence: "information processing; capacity for learning and change; communication style; stress tolerance; interpersonal relations; motivation and incentive; personal development; life stage; and context of situation". A more recent review of empirical studies of intercultural competence conducted since 1983 was summarized by Dinges and Baldwin (1996). They emphasize the increasing sophistication of design, sampling, measurement and interpretation of the notion of intercultural competence; however, they emphasize that many studies still lack the conceptual framework by which the research has been guided.

4.3.2 Multicultural Competence

This kind of competence is required for a diverse and global society, and can be found in the literature on relations between cultural groups within the United States context. There has been recognition that multicultural and intercultural research can and should inform one another (Bennett, 1993; Fantini, 1991; Lambert, 1994; Triandis, Kurowski, Tecktiel & Chan, 1993).

4.3.3 Global or International Competence

In 1993, the Council on International Educational Exchange gathered experts from many disciplines in order to discuss what global competence means. In the conference proceedings, entitled "International Exchange and Global Competence". Lambert (1994) reviewed the internationalization literature and constructed the concept of global competence, which describes the qualities necessary for professional practice in an international setting. He conceptualized global competence as consisting of five components:

- World knowledge
- World language proficiency
- Empathy (the ability to recognize validity in other points of view)
- Approval (the ability to appreciate aspects of other cultures)
- Task performance (the ability to achieve specific goals in a different cultural environment).

In the same proceedings, other questions were raised. Is the concept of global competence plural rather than singular? Is it the expression of a nation as a whole rather than of an individual? Should global competence be defined by national or cultural boundaries? Is the global competence an artifact of the American culture? (Carter, 1994; Lambert, 1994; Merkx, 1994; Roeloffs, 1994).

4.3.4 Generic Cultural Competence

A framework for cultural competence was developed by Choi and Kelemen (1995) which provides an analysis of the linkage between business strategy, decision-making and issues of cultural conflicts. Choi and Kelemen state that there are at least four major sources of intercultural conflict in international business: national, corporate, organizational and professional. A practical framework for being sensitive to these conflict situations was provided through four areas of generic cultural competence:

- Language expectations
- Cultural windows
- Negotiation
- Business ethics.

4.3.5 Cross-Cultural Competence

Black and Mendenhall (1990) developed three-dimensional taxonomy of cross-cultural competencies:

- Self-maintenance dimension
- Cross-cultural relationship dimension
- Perceptual dimension.

Their taxonomy has received recognition in the international management literature (Deshpande & Viswesvaran, 1992; Leiba-O'Sullivan, 1999). Based on her work, Leiba-O'Sullivan (1999) developed a new perspective on the topic of cross-cultural competence. She framed her investigation within the context of Black & Mendenhall's (1990) study and made a distinction between stable and dynamic competencies as well as added new dimensions to the framework and argues that stable competencies are essential for the acquisition of dynamic competencies, and therefore, she emphasizes their interdependence.

The areas of intercultural, multicultural, global, international, cultural, and cross-cultural competencies represent parallel focuses in research in international business management. Moreover, very often such terms are used interchangeably (Chaney & Martin, 2000). It is understandable when one considers that there is no central consensus in definition of these terms in the literature and research. The lack of the central and single vision might be seen as strength, especially when scholars from all the above mentioned areas work together in constructing the concept of competence desirable for working and living in a global world. For the purpose of this study the term cross-cultural competence was chosen as the most appropriate within the context of international management. In summary, there is extensive research across disciplines which investigate the question of how to prepare cross-culturally competent managers (Chen &

Starosta, 1996; Hinckley & Perl, 1996; Post, 1997; Shanahan, 1996; Spitzberg & Cupach, 1989). From the numerous definitions of competence provided earlier, it could be concluded that competence can be described as knowledge, skills, abilities and attitudes required of a manager for a successful performance in a global environment.

4.4 Learning Cross-Cultural Competence

Based on the analysis of the articles (data) reviewed in this study, this paper document that many researchers have studied the subject of the learning process by which one gains cross-cultural competence and become proficient in more than one culture. A review of some models of intercultural competencies by Hess (1994) indicates that the process is unclear, and also that learning for the specific context of international management has not yet received particular attention. Hence this paper argues and speculate that maybe, the models are not specifically designed to show the learning of cross-cultural competence for international business or management purposes. Hess (1994) argued that Culture learning, when done properly, calls for cognitive, affective, and behavioral knowing. Cognitive learning is typically associated with traditional mastery of a subject through conventional intellectual disciplines. The subject matter might include a theory of the culture, a description of the people and their customs, and analyses of cultural differences. Affective learning is the development of attitudes about others on a gut-level.

Managerial success would come through experiencing and recognizing feelings of acceptance, respects, tolerance for cultural differences. Behavioral learning suggests that one lives differently than one did before as a monoculture or ethnocentric person. This emphasis on integration of all three dimensions, cognitive, affective and behavioral, appears to be a very useful holistic approach in developing cross-cultural competence. A good example of such an approach would be the *Third Culture Approach* by Gudykunst, Wiseman and Hammer (1977), which is very often cited in the literature (is well-received in the field). Under the *Third Culture* approach, a manager displays cultural competence, when he/she interprets and judges cross-cultural situations, neither from an ethnocentric perspective nor from an idealized host culture perspective, but assumes a neutral position. In order to achieve this neutral position, Gudykunst and Hammer (1983) emphasize the importance of the affective component of cultural competence, which may be called cultural sensitivity. In their model, cultural sensitivity is the prerequisite for the acquisition of knowledge, cognitive dimension, and skills, behavioral dimension.

Therefore, the researchers see cultural sensitivity as a psychological link between one's own and another culture, and a basis for the development of knowledge and skills needed to successfully function in culturally overlapping situations. Many scholars who concentrate on competence training agree on the fact that the process of learning cross-cultural competence is developmental. Brislin, Landis, & Brandt (1983) refer to the developmental approach and, therefore, suggest an explanation and description for how intercultural behavior arises. In this approach, the individual has to consider the following six steps: (a) past experiences with people of the target culture; (b) role and norm differences; (c) anxiety; (d) the goals of the cross-cultural training; (e) perceptual and cognitive sets of a world-view; and, (f) self-image, which means the ability to see oneself be able to "walk in the other's moccasins" (p. 5). First of all, this model describes what cross-cultural behavior is. Secondly, it outlines a strategy for manager's cultural competencies development. One of the drawbacks of this model is that the application seems to be culture-specific, which is a rather limited approach for cultural competency acquisition, but an appropriate one for the training with specific focus.

Albert (1983) developed an informal model of culture learning, which is similar in its holistic approach to Hess's (1994) model, described earlier in this section. Albert's model depicts learning as being *spiral* in which new information, when learned cognitively, proceeds to experiential and behavioral phases. Each phase prepares the manager for further learning. Several other developmental models were developed by scholars (e.g. Bennett, 1986; Gudykunst, Wiseman & Hammer, 1977; Gudykunst & Hammer, 1984; McCaffery, 1986).

5. Conclusion and Discussion

This paper has examined the literature on the culture models / dimensions and their relation to international business management and the need for cross-cultural competencies necessary for international managers in order to function effectively and deal with challenges brought forth by globalization. These models share an important premise that cultural competency learning is an ongoing/incremental process, that a manager's internal perceptions are the starting point for learning cross-cultural competence, and that these perceptions are challenged through personal experiences. However, to date, there has been no adequate model to explain the managerial process of learning cross-cultural competence, and its application in international business management.

Based on this review, it is imperative for companies to prepare globally and cross-culturally competent managers. Companies from different

countries are managed based on distinct values, beliefs and priorities. Culture directly influences management specific characteristics and forms affecting actions. One of the problems that make the understanding of the relation between culture and International business management more difficult, according to Adler, (1983), is the comprehension of what is understood as "culture" (p.32) A second reason, according to the same author, is the conjecture that all members of a certain "culture behave identically" (p.29), that is, follow the same cultural stereotypes. A third and last reason is the "lack of a systematic reflection" (p.42) regarding the forms by which culture manifests itself in the business surroundings as there is no single objective or clear definition of culture.

A common point in literature is that culture is known as a system of shared ideas, thoughts and meanings. Like countries, the organizations have a culture, an organizational culture influences the perception and the understanding of the organization, its reality and its performance by the people who are a part of it. Many companies fail in their international experiences exactly for not adjusting themselves to and acquiring the local culture-competencies. Cultural differences can also explain the differences between two populations. Stoner and Freeman (1995) argue that the entrepreneurism level in Japan and in the United States is different due to the cultural differences that exist. While the American culture emphasizes individualism, the Japanese culture emphasizes group action and cooperation in addition to the cooperation between the government and companies.

In the field of international business management, the concept of cross-cultural competence is still viewed as the skill or ability of providing effective cross-cultural interactions and the ability of the business to function effectively in another culture. Cross-cultural competence in business terms is sometimes referred to as global or transnational competence. In order to compete effectively in the global marketplace, manager and professionals need to possess global or cross-cultural competencies apart from the abilities that are demonstrated in the domestic aspect or within the organization. Professionals in the international business aspect require new set of knowledge and skills as they venture into a broader, more dynamic, and global marketplace.

In the opinion of this paper, there are other important required competencies necessary for international business management such as knowledge, skills, abilities, and other characteristics which are interrelated with each other. However, the most required global competency that is crucial in facing the challenges of the international business environment is culture. Learning cultural competencies or awareness sensitivity is important in managing cross-cultural conflict, adaptability to new situations, and cross-

cultural adjustment, abilities to manage change, manage uncertainty, dealing with paradox, being inquisitive, working in international teams, and language skills.

At an individual manager's level, cultural competence requires three crucial concepts: cultural awareness, cultural knowledge, and cross-cultural skills. It takes more than knowing and being aware of the cultural diversities and possessing the necessary skills. When a manager is culturally competent, there is this deeper level of assessing one's cultural assumptions, prejudices, values, and beliefs. It takes on an affective level where the manager is able to view the world through another person's eyes or understands that other people may perceive the world through different perspectives. A culturally competent manager veers away from ethnocentric attitude, shows increased flexibility and openness, and exercises non-judgmental viewpoints. At an organizational level, cross-cultural competence is observed in every member of the team or the group and seen in all levels of the hierarchy. Cultural competency must be revealed or reflected in an organization's mission, policies, practices, advocacy, and philosophy. Moreover, it must also be shown through active involvement in the larger community and partnerships with other organizations. The increasing importance of having cross-cultural competence both at individual and organizational levels is now evident throughout many fields and industries.

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