

**CROSS-CULTURAL COMPETENCE AS AN EFFECTIVE MEANS OF
TEAM-BUILDING IN MULTINATIONAL COMPANIES**

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Abstract: *It is difficult to imagine modern management without such thing as a team. Therefore one of the main aims company management faces is creating and developing such mechanisms and strategies that can help a team to act like one unit. But this process is much more difficult in big multinational companies. Thus many modern researchers point out that cross-cultural competence and the ability to adapt to local business styles are very important prerequisites for international business. Therefore this article describes such phenomenon as cross-cultural competence.*

Key words: *cross-cultural competence, multinational, companies, international, management, business, culture, traditional, behavior, attitude, negotiations.*

**МЕЖКУЛЬТУРНАЯ КОМПЕТЕНЦИЯ КАК ЭФФЕКТИВНОЕ СРЕДСТВО
ТИМБИЛДИНГА В МНОГОНАЦИОНАЛЬНЫХ КОМПАНИЯХ**

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Аннотация: *Современный менеджмент сложно представить себе без такого явления как группа. При этом одной из важнейших задач, стоящих перед руководством фирмы, является выработка и развитие таких эффективных механизмов и стратегий деятельности фирмы, которые помогут ей действовать как единое целое. Но зачастую, этот процесс намного сложнее в больших многонациональных компаниях. Таким образом, многие современные исследователи отмечают, что межкультурная компетенция и способность адаптироваться к местным стилям ведения бизнеса являются очень важными предпосылками для международного бизнеса. Поэтому данная статья описывает такой феномен как межкультурная компетенция.*

Ключевые слова: *межкультурная компетенция, многонациональный, компании, международный, управление, бизнес, культура, традиционный, поведение, отношение, переговоры.*

It is known that the process of globalization comes with many cross-cultural challenges. A few decades ago multinational companies could say that the international business world was based on Western style and they could export their traditional management styles around the whole world. But the situation in recent

years has changed a lot. If earlier we could say that “Business is the same all over the world”, nowadays it is not quite true. The rapid and successful development of former developing countries has strengthened the confidence of companies in the markets and it leads to the development of many culturally different management styles.

If you are an entrepreneur, you can see that there are great differences in international business negotiations between different countries. Some scientists are sure that the explanation of this phenomenon is that culture influences negotiating styles doing business in different ways, because negotiators and businessmen who come from other nations are quite different from us in manners, behaviors, language, beliefs, etc. Culture affects negotiations even before negotiators and businessmen meet each other face to face. Good, effective communication is always an important element of a successful business encounter. But only in recent years, culture and cultural difference between management styles are being more widely discussed in international management research and in organizations. The reason is too big the financial losses based on cross-cultural mistakes, and as the result too high the number of misunderstandings or conflicts.

And in order to understand the influence of culture on management style and decision making, we can use cross-cultural studies and different nations’ cultural weaknesses and strengths to anticipate an opposing nation’s possible behaviors in the process of management, and understanding the cultural factors that may influence their decision making. It is commonly believed that cross-cultural studies are focused on certain phenomena and discuss the similarities and dissimilarities between different countries. Although this kind of research may be limited in terms of the chosen countries or certain behaviors, it still has great value in terms of helping us to understand management style since it discusses the different values, attitudes, and decision making patterns of people in different countries. Therefore, the findings of this kind of research can be used as the foundation based on which a cross-cultural theory of international management can be developed.

The methods of management are different with cultures. Some people may adopt a more direct or simple method of communication, whereas others may adopt a method that is more indirect or complex. Each culture has its own standards, and one behavior that has a certain meaning and understanding in a certain culture could be interpreted differently in another.

When managing people from foreign nations or regions of great cultural differences, their cultural traditions are to be observed. Because the style and pattern of communicating are influenced by cultural characteristics and differences, the process and result of management will also differ because of participants’ cognitive differences in interpreting each other’s interdependence and authority.

Different cultures also have different core values that determine the courses of action. Since cultural differences often lead to behavioral differences, it is indeed difficult for people of different cultural backgrounds to communicate with each other.

Thus the idea of “cross-cultural management” is becoming more and more accepted. The more markets in which a company operates, the more multicultural

staff, and their attitudes must be observed and learned. This makes it even more difficult for companies to prepare employees for possible challenges in international business.

At the beginning of every cross-cultural management process it is an encounter between two or more members of different cultures. At this encounter both participants communicate, watch, and react to each other's behavior. This behavior and communication is often not interpreted in the correct way, but according to the cultural program of the observer. Because it is difficult to understand the other's thinking, interpretation is often wrong. These misunderstandings do not lead to the expected outcome. Many international business encounters end in emotional stress and the feeling of helplessness. And, even worse, both communicators do not get information on how to behave differently or to interpret the situation. Prejudices or negative stereotypes are strengthened and can even lead to a complete collapse of the business relationship between the two companies. Thus in order not to make such mistakes every member of a team is to know about such phenomenon as cross-cultural competence. Nowadays modern researchers are sure possessing of such skill as cross-cultural competence can prevent such mistakes of misunderstanding in the process of successful team building.

In the wide sense cross-cultural competence is the ability to communicate effectively and appropriately with people of other cultures.

In interactions with people from foreign cultures, a person who is interculturally competent understands the culture-specific concepts of perception, thinking, feeling, and acting.

Cross-cultural competence is also called «intercultural competence».

The basic requirements for cross-cultural competence are empathy, an understanding of other people's behaviors and ways of thinking, and the ability to express one's own way of thinking. Rathje S. points out that cross-cultural competence is a balance, situationally adapted, among four parts:

- self-confidence (knowledge of one's own desires, strengths, weaknesses, and emotional stability);
- cultural identity (knowledge of one's own culture);
- knowledge (about other cultures and other people's behaviors);
- empathy (understanding the feelings and needs of other people)

The development of intercultural competence is mostly based on the individual's experiences while he or she is communicating with different cultures. When interacting with people from other cultures, the individual experiences have certain obstacles that are caused by differences in cultural understanding between two people from different cultures. Such experiences may motivate the individual to acquire skills that can help him or her to communicate his or her point of view to an audience belonging to a different cultural ethnicity and background.

Chang L.C. writes that cross-cultural competence can be described through three main concepts: values, attitudes, and behavior. All three signify culture and allow us to differentiate from other cultures. "The cultural orientation of a society reflects the complex interaction of values, attitudes, and behaviors displayed by its members."

Values and attitudes shape and influence actions and behavior of human beings. They cannot be seen and understood easily.

The visible parts of cross-cultural competence are behavior, language, symbols, rituals, and artifacts.

Values are described by very general rules that define acceptable and nonacceptable behavior (good and bad, right or wrong) in each culture. An example of a value is individualism, which can be found in most Western industrialized countries, or the wish to seek self-fulfillment. In Asian cultures, however, the wish to create a harmonious environment with one's peers is a most important value that influences all other cultural aspects.

Attitudes are based on those values and refer to an expression of a value as it relates to a tendency of behavior. They are expressed mostly by sentences beginning with, "It's better to..." or "I should..." An example for an attitude based on individualistic values is the intention to take care of one's interest even if other members of a society do not support this.

The most important and visible aspect of a culture is behavior. Behavior is based on values and attitudes, which strongly define our behavior. Action based on individualist values and attitudes are contradictions in a discussion of performing very individualistic tasks. Behavior is the most visible part of culture; values and attitudes cannot always be seen or understood as easily.

Cross-cultural misunderstandings are based on the fact that we only see each other's behavior, but not the attitudes and values that explain it.

In order to understand better the peculiarities of doing business in Asian countries we describe the features of Chinese culture.

The Chinese value interpersonal relationships, followed by morality and law. Since the Chinese economy as well as its relevant laws have only been developing for a number of years, there is not yet a complete set of business laws available. Nevertheless, the implementation of a contract often relies on interpersonal relationships. The people in mainland China highly value "harmonious relationships", and their leaders would never reveal "bad news". Negative news would only be announced by an opponent's assistant after a negotiation has ended, especially during the feast that is held after a contract has been signed. Therefore, in order to reduce possible risks during the initial stages of a negotiation or communication, you should clearly state that new negotiations would be needed when something unexpected has happened that changes the agreements.

The Chinese people do business based on their relationships, which would be used to pressure a party who hesitates and to accuse him of being neglectful of their relationships. Many Chinese people are willing to shake a foreigner's hand, but they wait to see if the foreigner reaches out his hand first. According to traditional Chinese manners, you should nod when you greet someone, unlike the Japanese people who make a 90 degree bow. Chinese are natural born business people and they love a good bargain. Therefore, their business model is to set a high price first and make concessions slowly.

In international management culture is certainly not the only important factor. Next to cultural differences, local industry structure and business practices, laws and the economic situation, and customer taste and consumer behavior also play important roles when developing business practices for overseas markets or when attempting to sell a product in a foreign country. Thus, cross-cultural management is a topic often neglected in business schools and management programs, sometimes it is even considered a “soft skill,” less important than hard skills like operations management or other classic management disciplines. Many managers still believe that business practices and industry rules are the same in most places and cannot really differ so much even when doing it on the other side of the globe. But nowadays in the process of globalization culture and cultural differences do matter in international business and if they are ignored it can bring serious barriers to international business success.

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