

Cross Cultural Training and Global Competencies – A Study of Indian MNC

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Abstract: *Modern global managers are required to possess a set of competencies or multiple intelligences in order to meet pressing global challenges. Hence, expanding global managers' competencies is becoming an important issue. Many scholars and specialists have proposed different sets of competency models containing list of required competencies. In this study efforts have been made to describe the competencies and skills required in expatriates so that they can deal effectively with different organizational climates and cultures among different countries. The paper presents a detailed study of Indian Multinational corporations and the present managerial caliber in these firms. The specific competencies needed for effective global leadership can be gleaned from this research on participants and educators in cross cultural training programs.*

I. INTRODUCTION

Harrison and Hopkins (1967) [1] suggested that among the requisite soft skills associated with effective cross cultural experiences, the expatriate must master the abilities to communicate verbally and nonverbally. (HRM Spring 1990) [2] Compared to the domestic business context, global business is more unpredictable, chaotic and complex. Doing business in the global marketplace multiplies the variables and interdependencies. In the context of global competition, managers not only have to deal with different nationalities and work in different countries, but also face an increasing complexity of organizational structures, innovations in information and communication technology and accelerated product life cycles.

1.1 Global competencies required among managers

Multinational corporations require different set of competencies among their employees to complete their global assignments. Typically these include aspects such as adaptability, flexibility, conflict resolution skills, cross cultural awareness, communication ability, emotional maturity, cultural sensitivity, negotiation skills and team building. The above skills and competencies can be classified as core skills and augmented skills.

1.2 Basic Competency structure used by different International organizations

- Core Competencies: include those key competencies that all employees in the organization must possess to achieve its mandate and vision.
- Technical/ Professional Competencies: include the specific skills and know how to perform effectively within the jobs of the stream.(e.g. ability to use particular software, knowledge in particular area such as finance, biochemistry etc.)

A successful international business manager would need all the skills that are needed in domestic business operations.

Each country having its own ethos, values, business and social culture, he or she has to be a generalizing specialist as well as specializing generalist, adding depth to the breadth of the knowledge and ability as one moves from one. Global managers operate in a matrix-like structure that demands cross functional, cross cultural, cross product/service, international often multi-regional interactions, Hence require following competencies:-

- Knowledge of one's own country: To understand the culture of other countries better, one should know one's home country well. Appreciation of one's history and cultural values, understanding of current social and political issues and business situation are necessary.
- A Global Perspective: A global business manager must have a global business perspective and an understanding of how the world works. Learning, unlearning and relearning are integral parts of the knowledge intensive global business. Aspiring global managers have to be mentally ready to cope with surprises, mistakes, misunderstandings and even blunders in their cross cultural interactions.

- **Understanding of International Business Environment:** To do business in other countries one must know the rules of market, acquire in depth knowledge of the stated and prevailing practices of the business. One must acquire through knowledge about the other country in areas such as tax rules, labour laws, social benefits to be provided to employees, Government and public attitude towards foreign business executives and workers, foreign business investment and ownership.
- **Knowledge of the silent and spoken International language:** Spoken and silent languages are the main channels of communication in any culture. While each country may have one or more official languages, there are many variations in the use of spoken and silent languages within regions of each country. Edward T. Hall in his theory of cultural context explained the relevance of the indirect style of communication and nonverbal behavior in creating and interpreting communication.
- **Interpersonal Awareness:** The ability to gain others' support for ideas, proposals, projects and solutions depends on the ability to notice, interpret and anticipate others' concerns and feelings and to communicate this awareness empathetically others.

1.3 Competencies dealing with Business

- **Building Collaborative relationships :** The ability to develop, maintain and strengthen partnerships with others inside or outside the organization who can provide information, assistance and support.
- **Customer Orientation :** The ability to demonstrate concern for satisfying one's external and internal customers. Every expatriate must have the ability to quickly and effectively solve customer problems and must find ways to measure and track customer satisfaction.
- **Analytical thinking and Technical expertise :** Technical job skills refers to the talent and expatriate a person possesses to perform a certain job or task. Managers need an in depth understanding of competitive products and services within the marketplace.
- **Entrepreneurial Orientation:** It shows the ability of a parent country national to look for and seize profitable business opportunities in Host country environment also the willingness to take calculated risks to achieve business goals.

1.4 Self-management competencies

Such competencies mainly includes skills related to management of self and the inner motivation:

- **Self Confidence-** Faith in one's own idea and capability to be successful, willingness to take an independent position in the face of opposition.
- **Stress Management-** the ability to keep functioning effectively when under pressure and maintain self control in the face of hostility or provocation.
- **Emotional Intelligence and Time Management.**

The above skills and competencies are based on the pre-departure and post-departure training provided to the employees by different firms following Geocentric, Polycentric or even Ethnocentric approach. (<http://www.shrm.org>) [3].

II. Objective Of The Study

- To know about different organizational cultures and behavior of human resources in these organizations.
- To identify what managers perceives as most important factor for career success.
- To analyze the perceptions of the multinational corporation related to cross cultural issues.
- To identify present level of competencies among human resources at key position in Indian MNCs.
- To analyze the scope of improvement among skills of human resources in Indian firms.

2.1 Cross Cultural Dimensions

After an in depth study of core competencies and skills it has been found that in order to deal with different organizational environments it is essential to have a deep knowledge of cross cultural variables among different countries. It requires a comparative approach towards the global management. In this comparative study of cultures MNCs need to deal with the following two aspects

- What is general and universal in the management of organizations?
- What is peculiar or specific to one nation or culture?

According to Peter Drucker; if management is an organ of society culture is its very nature. Therefore for organizational excellence, management must take care of the sensitivities of societal culture.

In order to understand and predict the cultural environment of a particular area one must need to study the variables and dimensions related to that culture. In this study effort have been made to review the work of several research in the field, who have tried to measure or develop dimensions or characteristics criteria through which cultural differences in different countries and parts of the world can be assessed or understood.

Dutch researcher Geert Hofstede found there are four dimensions of culture. Hofstede's research lies fundamentally in the fact that countries are already categorized on dimensions, not necessarily exclusive or exhaustive, but nevertheless dimensions recognized as important. These dimensions include:-

- Power Distance
- Uncertainty Avoidance
- Individualism and Collectivism
- Masculinity and Femininity

Kluckhohn and Strothbeck Theory (1961) was based on the Nature of people, Person's relationship to Nature and other individuals and the conception of space. (Harris, 2008) [4].

Similarly, Hall's theory of cultural context (1959), distinguishes between High context and Low context cultures, mainly characterized by dimensions such as dependence on external environment, Non-verbal behavior and indirect style of communication. (Gupta, 2006). [5]

All these theories explain some dimensions necessary to analyze, predict and define the cultures among different organizations and countries.

III. TYPE OF CROSS-CULTURAL TRAINING GIVEN BY INDIAN MNCs TO THEIR EMPLOYEES

Infosys has developed a unique 4 Step communication process to deal with host country culture

- To understand the offshoring process.
- To understand their offshore partner.
- Collaboratively improve project management skills through cross cultural negotiations.
- Draw up a strategy for continuous process improvement.

3.1 Training related to Cultural and Family issues:

- 81% of companies provided formal cross cultural preparation, 44% on some assignments and 37% on all assignments. Where cross cultural preparation was offered only on some assignments 51% made it available based on the type of assignment, 28% based on host country and 21% based on other criteria.
- Where cross cultural training was offered on all assignments, 60% provided it to the entire family; 27% to the international assignee and spouse and 8% for employees alone. There was an 11% increase in offering cross cultural training on all assignments from the 2011 report.

3.2 Repatriation and Post departure Training:

- 71% of Indian companies had written repatriation policies. The historical Average was 72%.
- 16% of companies had a formal repatriation strategy linked to career management and retention.
- Respondents indicated that 6% of assignments fail.

(*Brookfield Global Relocation trends, 2012 Survey Reports.*)[6]

3.3 Cross Cultural Training Criteria

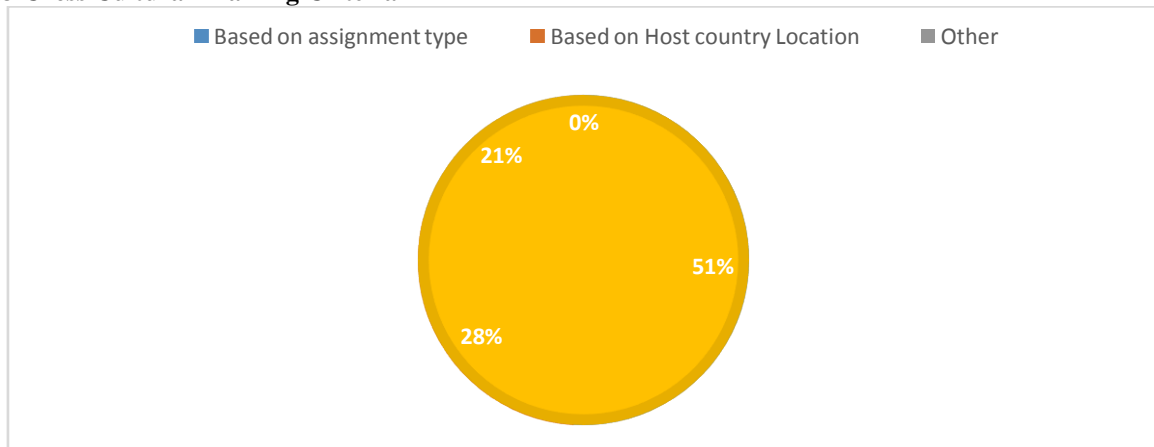


Figure 1

3.4 Competencies Assessed During Cross Cultural Training

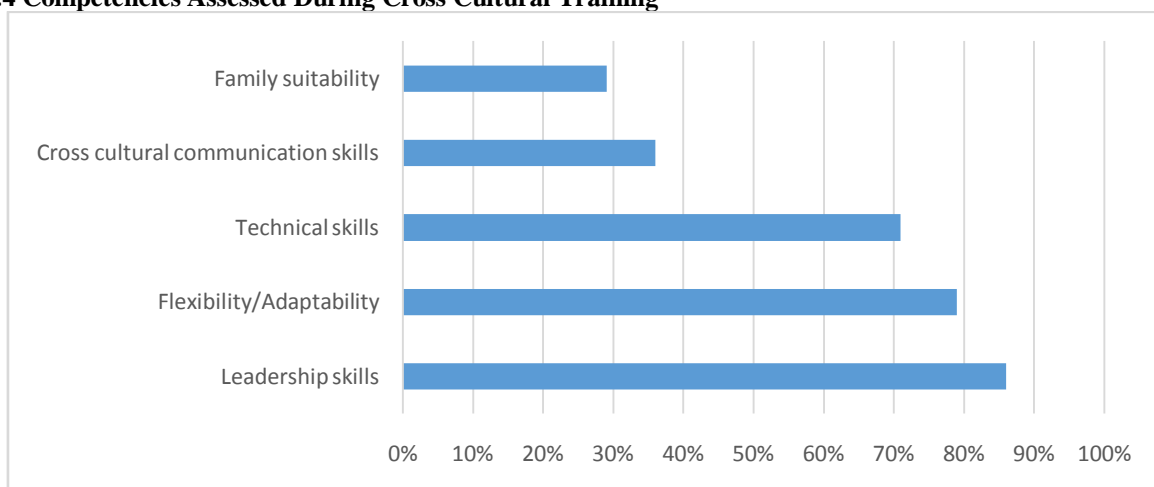


Figure 2

The following Companies participated in the survey:-

Accenture India Pvt. Ltd., IBM India, SAP AG Ltd., Ford Motor Company., Coca Cola , Petrofac Ltd., Philips, Orica Ltd., San disk corporations, Electronics Arts Ltd.

IV. CONCLUSIONS

Even an issue as simple as small talk can be very different in another culture. The best companies know employees build the intercultural skills they need. IBM, Accenture and Coca cola are the top most companies that are taking culture seriously and profiting through Intercultural training for their employees. This training allows their employees to negotiate attend meetings, make presentations and create successful business deals with people from different cultures. Coca cola brings in outside intercultural trainers to work with their employees when they prepare to relocate abroad, the dimensions of national culture theory, postulated by Hofstede are considered to have thrown much light on cross cultural communication. In understanding a national culture, different elements inherent therein need to be analyzed. Most of the multinational corporation provides cross cultural training to their expatriates and employees emphasizing mainly on leadership skills, flexibility and technical skills. Majority of Indian companies had written repatriation policies. The reasons analyzed for turning down assignments were family concerns, spouse’s career and quality of life at the location. Every business organization has to develop intercultural competence among their managers and cross-cultural training in organizational set up to overcome the barriers to cross-cultural communication.

REFERENCES

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