

# Chapter 29

## Cross–Cultural Competences in the New Economy

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### ABSTRACT

*Cross-cultural knowledge management in the e-environment results from interactions with others from different cultures that require new understanding and interpretations. The authors find that few studies have been conducted to address the objective of identifying the competences that are needed to promote learning and information processing in the 21st century. The authors' primary goal is to identify competences that will promote learning and information processing in global organizations. The chapter outlines a taxonomy of competences necessary for cross-cultural learning in the global e-environment based on Kolb's Experiential Learning Theory.*

### 1. INTRODUCTION

The new economy is characterised by two pervasive trends: increasing globalization and a revolution in electronic communication. These render a number of key challenges for HRM. One particular challenge is the intercultural competencies of the company's workforce, as well as the specific skills related to electronic communication.

General-purpose technologies, such as ICTs, have strong economic and lifestyle influences on

all sectors and aspects of modern life. The new global e-environment has a profound impact on economy and the basic competences for the future (Şimşek, Altun, Ateş 2010). For instance, Autor et al. (2003) argue that computers substitute for workers in performing cognitive and manual tasks that can be accomplished by following explicit rules. Computers also complement workers in performing non-routine problem-solving and complex communications tasks.

Meanwhile globalization means that cross-cultural experiences occur in many forms: en-

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counters with individuals of different cultures, overseas customers, suppliers, colleges, short visits to international divisions and emersion of a new host culture (Yamazaki & Kayes, 2004).

Moreover, the nature of the Internet, as a critical enabler of e-commerce and e-services, raises questions about the robustness of trust across cultures and usefulness and ease of use (Guo et al., 2010). Because all international business activity involves communication, competencies for intercultural communication allow employees to work effectively in international environments.

Whereas communication is a process, culture is the structure through which the communication is formulated and interpreted. Culture deals with the way people live. When cultures interact, adaptation must take place for people from different cultures to communicate effectively. With intercultural business communication, being aware of each culture's symbols, how they are the same, and how they are different is important.

At the heart of any successful intercultural team in the e-environment lies a group of individuals possessing competences to manage a complex, ambiguous and often stressful process. In this chapter we present the taxonomy of these competences from the perspective of ability to learn and improve each competence every day.

Our point of departure is that effectiveness, ability to deal with cultural uncertainty, and cultural empathy toward others can be enhanced through training (Matveev and Nelson 2004). For instance, Kayes et al. (2005a, 2005b) propose that organizations can improve the process of learning in a cross-cultural context through Experiential Learning Theory (Kolb, 1984). Experiential learning focuses on how individuals draw on direct experience with the world to solve problems, make sense of everyday events and create new knowledge. By integrating recent development on adult learning through Experience Learning Theory, and the latest research in cross-cultural learning and the definition of e-competencies, we

outline a set of competences essential for communication between cultures.

In this chapter, we first consider different concepts in the literature of intercultural competence and digital competences. Cultural Competence, Cultural Intelligence and e-maturity are considered capabilities that can be measured. Instead, we are interested in the abilities to learn these last capabilities. To address this question, in the third section, we propose the four learning styles of the Experiential Learning Theory to understand the knowledge management process and the competences related in the e-global environment. In fourth section, we present the conceptualization and taxonomy of these competences to manage each phase of the learning process. We conclude the fourth section with the implications for HR Managers. Finally, some brief conclusions are offered.

## **2. MAIN PURPOSE**

Communication is expressed through media, which take numerous forms from spoken and written messages to mediated ones (Schiller and Cui, 2010). Although face-to-face conversation still takes the primary role in our daily work communication, its dominant position is consistently being replaced by computer-mediated communication, such as e-mailing, teleconferencing, video conferencing and web conferencing.

The globalization of business has highlighted the need to understand diverse cultures, especially for multinational and trans-cultural organizations, and substantial progress has been made in describing and conceptualizing cultural differences (e.g., Hofstede, 2001). It has become clear that the essential competence for success in managing the global organization lies in acquiring appropriate skills and knowledge. To gain a better understanding of this process of learning organizations could improve their understanding of on-line collaboration and knowledge flux. We suggest that on-line cross-

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