Developing managers’ intercultural competence in small manufacturing enterprises

Ausra Repeckiene
Kaunas University of Technology
Kaunas, Lithuania
ausra.repeckiene@ktu.lt

Renata Zvireliene
Panevėžio kolegija/State Higher Education Institution
Panevezys, Lithuania
renata.zvireliene@panko.lt

Karolina Janickiene
zilinskaitekarolina@gmail.com

Abstract. Diverse and multicultural environment requires that managers of manufacturing enterprises should be able to work with representatives of different cultures. Seeking to maintain long-term commercial relationships, employees should strive for high level of intercultural competence through constant development. Object of the study – development of intercultural competence of managers. Aim of the study – to assess the development of intercultural competence of managers of small manufacturing enterprises. The qualitative research revealed that managers of small manufacturing companies develop intercultural competence informally, by learning from their own experiences, interacting and communicating in different intercultural situations with foreign customers, buyers, and suppliers. It was identified that the primary obstacle to intercultural communication is the inadequate foreign language proficiency of managers. Small manufacturing enterprises do not contribute to the development of managers' intercultural competence. It is noteworthy that the managers develop their intercultural competence in work setting, by sharing intercultural experiences, especially when they face with challenges or when work in unfamiliar cultural environments or unexpected situations. It can be stated that the Story Circles is an appropriate method for developing the intercultural competence of managers in small manufacturing and export companies with limited financial and human resources.

Keywords: intercultural competence development, managers, small manufacturing enterprises.

I. INTRODUCTION

Rapidly changing environment makes an impact on manufacturing enterprises seeking to export their products to other countries. Employees of companies engaged in exports have to adapt to rapid changes themselves too, seeing that proper communication with representatives of different cultures may help preserve long-term international commercial relationships. Thus, employees should strive for high level of intercultural competence through constant development.

Intercultural competence is a multi-layered concept encompassing the following key components: knowledge, attitudes, skills, awareness, and foreign languages [1] – [3]. The following aspects are important for intercultural competence assessment: self-awareness and motivation of the individual; foreign language skills; knowledge about another culture, skills and behaviour; cultural affinity; and intercultural competence development [2], [4] – [5]. Intercultural competence development should be constant and carried out both at the individual and organisational level.

Knowledge of a foreign language as well as ability to communicate, cultural flexibility, knowledge about cultures and they differences, and attitudes are all important for the development of intercultural competence [4], [6] – [7]. Individuals who have attained a higher level of intercultural competence interact in a multicultural setting impartially, without any discomfort. They show more respect and empathy to other cultures [8]. Moreover, a high level of intercultural competence mitigates anxiety in intercultural situations [9].

Intercultural competence might be developed formally, non-formally and informally [10]. Formally, intercultural competence is developed through various training programmes and courses, with focus placed on its certain elements, such as intercultural communication and relationship building or ethnic and gender studies [10]. Intercultural learning may also occur by formalised experiential learning (for example, learning at the workplace, in the course of studies or work abroad. Naturally, this promotes better understanding of the intercultural environment, teaches tolerance and problem-solving, helps practice certain situations, consider future behaviour and strengthen the intercultural skills [9], [10] – [11]. Generally, Lithuanian researchers deem communication and direct contact of cultures through which intercultural experience is gained to be the major method for developing intercultural competence [12] – [14].
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II. MATERIALS AND METHODS

Nowadays, intercultural competence of employees is crucial for all companies and especially those, which cooperate with foreign counterparts. Attainment of the possibly highest level of intercultural competence requires its constant development. The present study is aimed at empirical assessment of managers’ intercultural competence development in small manufacturing companies.

The study is based on two methodological approaches: the framework of intercultural competence includes knowledge, attitudes, skills (interpreting and connecting, discovering and interacting), critical awareness, language proficiency [1] – [2]; intercultural competence is developed through formal, non-formal, and informal methods, using specific tools and measures [10].

Qualitative research was selected seeking to understand the intercultural experience of the participants, delving into their perspectives and reflections on experiences expressed during interviews. A structured interview method was applied in which participants answered specific questions, shared their intercultural experiences and personal views on intercultural competence and its development. Data analysis was conducted following the steps of qualitative content analysis: data preparation for analysis and data analysis [19].

Research participants were provided 15 open-ended questions that are interrelated and correspond to the diagnostic areas and criteria of the research (intercultural competence expression: knowledge, skills, attitudes, awareness, and foreign language proficiency level; intercultural competence development: individual and organisational levels).

For the research, employees of small and medium-sized clothing manufacturing companies belonging to reference [20] were selected. These companies produce and export their articles to foreign markets. According to the data as of 2022, from 112 member companies, 22 (7 small and 15 medium-sized) were involved in in production (sewing clothing) and exporting their products [20]. The participants in the study were managers from these manufacturing companies who directly interact with foreign clients, suppliers, and customers.

Employees holding executive and/or sales manager’s positions and performing functions ascribed to these positions and associated with commercial activities (sales) in foreign markets or directly working with foreign clients were invited to the interview. Executives and sales managers were required to meet the following selection criteria for research participants:

a) Employees work in companies exporting to or operating in more than 2 foreign markets.

b) Employees work in companies operating for more than 5 years.

c) Employees deal with foreign clients in the company for more than 3 years.

The study involved a total of 5 participants, including 4 senior sales managers working in small/medium-sized companies and 1 head of a small company. All participants worked in companies operating for more than 10 years, with experience in export encompassing more than 10 years. The interviews were conducted remotely using the Zoom platform for organisation of remote meetings and video conferences, with each conversation recorded after obtaining the participant's consent at the beginning of the interview. The interview with the head of the company was conducted personally, at the company. Remote interviews lasted for approximately 40 min. on average, whereas the personal interview took 60 min. The research was carried out in October 2022.
During the research, ethical principles were observed, ensuring the anonymity, confidentiality, and data protection of the participants. Participants were informed about their right to refuse participation in the study and to refrain from answering the questions they found unacceptable. Additionally, participants were provided with information about the purpose of the research, its process, and the generalised use of the results.

The data (in the form of audio records) were transcribed into textual format, with each line of the text numbered and printed. Then, text printouts were read and re-read numerous times searching for key meanings, phrases and their similarities seeking to ascribe them to meaning sub-categories and categories and to base them on coded statements of informants. When analysing the research findings, informants were ascribed codes representing their responses.

The first interview participant, representing a small manufacturing company and holding the position of senior sales manager for more than 5 years, with over 20 years of experience in the export field, was assigned code A. The participant of the study who represented a medium-sized manufacturing company, has been working with foreign clients for more than 10 years, and has been in the position of senior sales manager for more than 3 years, was assigned code B. The participant representing a small company, holding the position of senior sales manager for about 6 years, with over 15 years of experience in the export market, was assigned code C. The participant with the code D represented a small manufacturing company, holding the position of senior sales manager for more than 5 years. The last interview participant, assigned the code E, was the head of a small company, leading the company and working with foreign clients, with over 30 years of experience in the export field.

A qualitative content analysis method was chosen to process the texts and analyze the research data. The qualitative content analysis method was used to code and categorize certain meaningful examples (N) of empirical indicators (statements) from interview texts that reflect the experiences and attitudes of the informants in relation to the research questions.

III. RESULTS AND DISCUSSION

Intercultural competence expression

The content analysis of the interview data resulted in 4 categories, the content of which reveals employees' intercultural experience.

The first category Cultural awareness and understanding are crucial when interacting with representatives of another culture. Applying the qualitative content analysis method, four subcategories of intercultural knowledge were identified and presented in Fig 1.

The analysis of informants' intercultural experiences revealed that the majority had limited knowledge about other cultures at the beginning of their work, leading to distrust, which was further intensified by the language barrier: “I couldn't communicate freely and was afraid to speak” [D; 2].

A foreign language could be mastered the most effectively by “<..> directly interacting with foreigners” [C; 3], and “<..> constant communication helps understand how to present specific information” [D; 6]. Intercultural knowledge is crucial in professional activities too, helping to anticipate and identify obstacles when working with representatives of other cultures: "You know the deadlines, know the cultures whose representatives are prone to always being late" [C; 2], and "you can anticipate certain actions and behaviour" [E; 3]. According to the research participants, the acquired experience depends on the culture whose representatives they work with: “Europe differs significantly from Eastern countries. <..> it is always more challenging with people of the East because of their non-European way of thinking” [A; 4]. Different understanding of the work specifics inherent to another culture as well as a lack of experience can result in the loss of clients: “<..> at the beginning of our activities, we lost more than one client” [E; 5].

The second category Attitude and behaviour are crucial for establishing and maintaining long-term relationships with representatives of other cultures. When encountering representatives of different cultures, certain attitudes and behaviours should not become obstacles to achieving common business goals. The prevailing opinion among the informants was that the attitude changed significantly after getting to know another culture, even though there were certain preconceptions at the beginning of communication (Fig. 2).

Interview participants emphasised that in relationships with representatives of another culture, the degree of similarity between the cultures was crucial.

“<..> my attitude underwent significant changes; as we worked with the Japanese, the romanticism disappeared” [E; 1], “the attitude changes more when working with those not similar to us” [B; 2]. Proper treatment of representatives
of another culture is essential for long-term collaboration and can be achieved through respect and tactfulness, as “in communication, there are situations when one can say something using phrases or tone inappropriate to that specific culture” [C; 4].

The third category *Intercultural communication skills* are crucial allowing for a better understanding of that culture when working in international market. Continuous improvement of communication skills helps achieve a high level of intercultural competence; hence, it is essential to understand what contributes to their enhancement. During qualitative analysis, three subcategories of intercultural communication skills were identified (Fig. 3).

![Fig. 3. Elements of intercultural communication skills.](image)

Informants noted that deepening their understanding of other cultures is possible through traveling, reading books, or listening to the experiences of people who already have experience with representatives of other cultures. As the interview results suggested, intercultural knowledge is best acquired through experience. Most often, “live meetings <..>” [A; 8], where direct communication takes place, are helpful. Informal settings that involve conversations such as “<..> during lunch <..>” [D; 3] and touching on personal, life-related topics [A; 3] encourage getting to know representatives of other cultures. According to informants, better understanding and acquaintance with another culture can be achieved in “<..> routine work situations” [C; 1] when looking for "ways to solve various situations <..>" [B; 3].

In order to achieve a high level of intercultural communication skills, polite and large-minded communication is essential. According to the informants, understanding that angry and impolite communication is not the foundation for establishing long-term relationships with representatives of another culture is crucial.

Another important aspect that improves communication skills is continuous communication “<..> with the most diverse cultures” [D; 3].

The fourth category *Intercultural awareness* is one of important dimensions of intercultural competence in order to understand the way cultural differences and similarities affect relationships in work and communication with representatives of other cultures. Two subcategories have been identified under this category (Fig. 4).

![Fig. 4. Elements of intercultural awareness.](image)

Interview participants emphasised more the impact of intercultural differences on intercultural communication. According to them, the advantage of intercultural differences is that they help to better understand another culture or change perspectives, increasing understanding not only in the work environment but also in true-life situations. Moreover, intercultural differences encourage the search for compromises, “<..> gently pressing” as opinions may not align; “<..> it's hard to prove that I am right,” or realizing that behaviour in situations may differ from expectations, requiring adaptation. Despite reaching an agreement posing a significant challenge, the search for compromises “provides motivation to work,” encouraging suppliers and clients to collaborate more effectively.

**Intercultural competence development expression**

The development of intercultural competence is a continuous process carried out at both individual and organisational levels, utilising various methods and tools. The qualitative content analysis identified 2 categories: individual level and organisational level of intercultural competence development. The first category, *Individual-level intercultural competence development*, is composed of 4 sub-categories (Fig. 5).

![Fig. 5. Elements of intercultural competence development on the individual level.](image)

Informants invoke traditional and informal educational tools such as documentaries, books, films in foreign languages, and travel for the development of intercultural competence. According to them, technological tools "<..>", are not that much essential '<..>' [C; 4] for intercultural competence development but are useful for maintaining contacts and intercultural relationships. Participants of the study believed that the best way to develop intercultural competence was through individual, experiential learning, constant communication with representatives of different countries, and reflecting on their experiences.
The second category Intercultural competence development on the organisational level reflects that intercultural competence can be developed at the organisational level. Companies should be interested in fostering intercultural competence among their employees. Qualitative content analysis identified 2 subcategories for intercultural competence development at the organisational level (Fig. 6).

According to informants, sharing international experience with colleagues or executives represents an inherent element of their work, seeing that sharing “<..> helps when solving intercultural problems <..>” [D; 3] in different situations. When telling about their experiences with other cultures, research participants reflect on their own experience and “you start thinking how you would act in other situation or another” [B; 2].

Generally, sharing intercultural experiences as a method of learning was positively evaluated by the informants. In their opinion, it could be an excellent tool, especially helping to develop the intercultural competence of new employees “<..<> when extensive intercultural experience, knowledge, and skills have not yet been accumulated” [C; 5]. Nonetheless, the process should be genuine, with “<..<> no secrets left” [E; 3].

However, the opinions of informants on internal trainings with the moderator (external lecturer) differed. Some stated that they would see it as beneficial “<..<> I would evaluate [it] positively <..<>” [C; 6], “<..<> there are no doubts <..<>” [D; 4], especially when the lecturer is not part of the organisation and “<..<> as an impartial individual, perhaps he would see things differently and bring more considerable benefit” [B; 4]. According to some others, it would be better if the trainings were to be organised by the member of the company (executive or manager) and the lecturer “<..<> was not necessary <..<>” [E; 3]. “<..<> I am not certain if <..<> it would be somehow beneficial for us” [A; 4], “<..<> for me that is a big matter of question <..<>” [D; 4].

The responses of the informants predominantly conveyed the attitude that companies did not contribute in any way to the organisation of intercultural competence development for their employees.

Guidelines for intercultural competence development of managers

The empirical study revealed that in small manufacturing companies, insufficient attention was given to the development of managers’ intercultural competence. Informants typically developed intercultural competence by learning from their own and others’ experiences. This is an informal learning approach focused on personal improvement that relies on individual initiative [21]. The selected informal method for developing intercultural competence aligns with the principles of the educational tool Story Circles [10].

An assumption is made that Story Circles methodology could be a suitable tool for developing intercultural competence among managers working in small manufacturing companies. Since the application of the method does not require significant financial and administrative resources, and the rules of the method are simple, employees could achieve a higher level of intercultural competence by integrating the following guidelines for intercultural competence development in the companies:

• analysis of the need for intercultural competence development of employees.
• preparation of themes for intercultural competence development based on the directions of the company’s activities.
• selection of development methods including the Story Circles.
• principles for organisation of Story Circles for small and medium companies:
  a) anticipation of the frequency use of method in training.
  b) familiarisation of employees with the development method.
  c) employee training moderated by the lecturer.
  d) employee training moderated by CEO or senior manager together with the lecturer.
  e) refelction of sales managers and feedback analysis after the training, moderated by the lecturer.
• additional means for intercultural competence development:
  a) audio and video resource collections about specific cultures.
  b) stories of invited guests who have had experience or who have lived or worked in foreign countries.
  c) participation in exhibitions, cultural events of customers, suppliers or clients.

V. CONCLUSIONS

The qualitative research findings revealed that intercultural competence expression of managers of small manufacturing and exporting companies was primarily reflected in the knowledge and understanding of other cultures and it manifested through experience of interaction with representatives of different cultures. Knowledge of a foreign language and knowledge about cultures and their differences allow for better understanding of other cultures, resulting in building, maintaining and expanding successful business relations with customers and suppliers. Representatives of small business companies perceived intercultural attitude and behaviour as a tool for the ability not to have preconceptions, their respect and empathy for other
Employee intercultural competence development on individual and organisational levels is important for the companies striving to strengthen their partnerships with business representatives of other cultures. The study revealed that managers of small manufacturing and exporting companies primarily developed intercultural competence through informal learning, interaction with foreign customers and suppliers. It was determined that the main barrier to intercultural communication was the insufficient proficiency of managers in foreign languages. Although the work environment was conducive to enhancing intercultural competence, companies did not directly contribute to the development of managers' intercultural competence. Managers independently explored the cultures they work with, maintained commercial relationships, and shared intercultural experiences, especially when facing specific intercultural challenges or operating in unfamiliar or unexpected cultural environments. It can be stated that Story Circles is a suitable method for cultivating intercultural competence among managers in small manufacturing and export-oriented companies, with limited financial and human resources.

REFERENCES


