

# Developing Cultural Competences

Vanessa Bachofer\*  
Carolina Franco Ruiz\*\*  
Maryori Vivas L.\*\*\*

Recibido: junio de 2009 - Aprobado: agosto de 2009

## RESUMEN

Este documento trata la gestión intercultural como fuente de ventajas competitivas, la cual con el desarrollo del comercio internacional toma mayor relevancia. Las empresas que se expanden en mercados internacionales deben adaptarse a diferentes culturas con el fin de comunicarse de manera efectiva con el personal local y poder obtener los mejores resultados. Este trabajo es basado en la metodología de investigación y acción e incluye el análisis del contexto intercultural de la compañía Skanska Property CZ.

**Palabras Clave:** Cultura, cultura nacional, compañía internacional, cultura corporativa, cultura corporativa de una empresa internacional, contexto intercultural de una empresa, comunicación intercultural, ventaja competitiva, competencias culturales, inteligencia cultural.

## ABSTRACT

This contribution deals with a topic of intercultural management as a source of competitive advantages whose significance together with the development of the international trade becomes more important. Firms that expand into foreign markets must adapt themselves to different cultures to be able to communicate effectively with the local background and to achieve the best possible results. This entry is based on the methodology of action research and includes the analysis of the intercultural context of the company Skanska Property CZ.

**Key words:** Culture, national culture, international company, enterprise culture, enterprise culture of an international firm, intercultural context of an enterprise, intercultural communication, competitive advantage, cultural competences, cultural Intelligence.

Para citar este artículo: Bachofer, V., Franco, C. y Vivas, M. (2009), "Developing Cultural Competences". En Revista Universidad & Empresa, Universidad del Rosario, 17: 223-243.

\* vanessa.bachofer@web.de

\*\* franco\_ruiz@pef.czu.cz

\*\*\* maryori.vivas@gmail.com

## I. INTRODUCTION

Today, more than ever, globalization is in demand of business professionals with additional skills that will set them aside from the average professional. It's simply not enough to know about foreign trade, logistics, production and technology. It is basically mandatory to understand the market in which your product and services are offered.

Boundaries for international businesses are becoming increasingly nonexistent. In numerous countries of the world, free trade agreements have become a priority for governments as part of their economic strategy, and those are providing access to thousands of consumers never before expected. A cultural understanding is essential to offering global products with local features.

By the same token, cultural understanding provides a skillful edge to managers who deal with international businesses. We are incrementally living global lives. But managers live lives that are more global than most. (cf. Thomas & Inkson, 2003: 6). Global business implies global schedules, global and multicultural teams and global challenges as well.

In the past, "global business" meant "big business". Nowadays, this has changed dramatically; starting with e-commerce and Internet tools that

afford businesses the opportunity of an international and global reach while maintaining resources at reduced levels. This implies that anyone who launched their products into a given market place must be aware of global business and cultural implications as well.

"Global" is among the most overused and least understood word in business today. The phrase "going global" is used to refer to everything from opening a firm's first international sales office to taking a trip outside the United States. One company with operations in Mexico and Brazil calls itself "global" when it is really "hemispheric". An Asian consumer products company has been pursuing what it calls "globalization" by moving from its Philippine and Hong Kong bases into Indonesia, Singapore, and Malaysia, a strategy that was at best regional. An increasingly global economy is clearly important to businesses today, and understanding of global strategy is a critical element in any leader's repertoire. Information technology and trade that link the world have made export markets a vital part of the sales growth plan for manufacturing and, increasingly, service companies of all sizes. Even companies with a low percentage of international sales have international suppliers, compete with international companies in their home markets, and must meet world class quality standards in order to hold their local business (cf. Kanter, 1995).

Cross-cultural management provides the understanding of cultural matters that determine consumers' behavior, trends and preferences. Culture goes beyond the simple "folklore" representing the heritage and tradition of people... It represents the way they are.

While technology has brought the world together, it is still fundamentally the people that are the important focus. Technology is simply the means to communicate and assist what is really at the heart of every product and service: human beings.

Whether dealing with issues of marketing, managing, or negotiating, the success or failure of a company abroad depends on how effectively its employees can exercise their skills in a new location. That ability will depend on both their job-related expertise and the individual's sensitivity and responsiveness to the new cultural environment (cf. Ferraro, 2002: 7).

Why do we have to develop Cultural Intelligence and Cross-Cultural Management?

- Creates competitive advantages in your company.
- Provides accurate understanding of cultural matters in order to facilitate access to new markets.

- Helps save time and therefore save money.
- Increases your ROI.

One of the ways of overcoming cultural differences is to become "culturally intelligent". That means being skilled and flexible about understanding a culture, learning more about it from your ongoing interactions, and gradually reshaping your thinking to behave yourself more appropriate.

For business' international expansion in order to access new markets, at first glance could be thinkable to take first those culturally similar, however cases such as the one of small and medium companies in Chile demonstrate the opposite. A business study prepared by Universidad de Chile analyzing the called "Born Global", with 110 small and medium Chilean companies are created with an exporter profile, shows are characterized because export to foreign markets culturally distant like Japan, China and Holland, among others (Cancino & Bonilla, 2009).

Why do we have to invest time and resources in Cultural Intelligence and Cross Cultural Management? Research has shown that failures in overseas business setting most frequently result from an inability to understand and adapt to foreign ways of thinking and acting rather

than from technical or professional incompetence (Black, Gregersen & Mendenhall, 1992; Tung, 1988). For example Eurodisney now called Disneyland Paris, shows how the lack of cultural sensitivity and the negative infiltration strategy brought loss of time, money and reputation from which they have only recently begun to recover.

## II. A DEFINITION OF CULTURE

Culture is a universal orientation system typical of a society, organization or group. This orientation system is built upon specific symbols and is passed down in the respective society, organization or group. It influences the processes of perceiving, thinking, evaluating and acting of all members and thus defines their affiliation to a society (cf. Thomas, 1993: 380).

The understanding of culture as an orientation system implies a set of collective goals, culture specific rules of action and a culture specific reservoir of stories. Collective goals are broken down by the members to an individual level and appropriated to a specific situation. The term “culture specific rules of action” refers particularly to social codes, such as codes of demand and assessment or values. By means of the cultural specific reservoir of stories the members of a culture form, arti-

culate and pass down their identity, their collective and individual understanding of themselves and the world. These goals, codes, rules and stories are often only implicitly present in acting and at the most in the form of insinuations. At this point Cross Cultural Psychology comes into play: It identifies, comprehends and explains actions in a determined manner trying to read “cultural codes” over the agents’ shoulders (cf. Straub, 1999: 166 and 185).

We *see* culture in everyday behavior, but such behavior is controlled by deeply embedded mental programs. Culture is not just a set of surface features, such as our mannerisms, our ways of speaking to each other, the way we dress. In fact, these surface social behaviors are often manifestations of deeply embedded, culturally based values and principles (Thomas & Inkson, 2003: 22).

This understanding of culture implies the following tasks of cross-cultural management:

1. Identification of effective characteristics of the respective culture specific orientation system.
2. Gathering of differences, commonalities and compatibility between different orientation systems.
3. Development and testing of learning methods which allow the in-

corporation of foreign orientation systems into the own system (cf. Thomas, 1996: 112).

The so called “cultural standards” are central characteristics of a culture specific orientation system. Cultural standards are understood to be all types of perceiving, thinking, evaluating and acting that are believed normal, self-evident, typical and binding by the majority of the members of a specific culture (cf. Thomas, 1996: 112). Values constitute the main cultural differences. Systematic differences exist in the following dimensions:

1. Values about power and inequality (Power Distance PDI).
2. The relationship between the individual and the group (Individualism IDV).
3. The social roles expected from men or women (Masculinity MAS).
4. Ways of dealing with the uncertainties in life (Uncertainty Avoidance Index UAI).
5. Whether one is mainly preoccupied with the future or with the past or with the present (Long-Term Orientation LTO) (cf. Hofstede, 1997: 236).

Such cultural standards are the basis for the evaluation of own and foreign

behavior. Central cultural standards exist in every culture. However, they become effective only in their specific cultural context. Thus, central cultural standards of one culture can be completely non-existent in another or only be of subordinate importance. Equally it is possible that different cultures feature similar cultural standards which yet may fulfill distinct functions or apply in distinct fields of action or whose range of tolerance differs (cf. Thomas, 1996: 113). This usually unconscious conditioning—the “mental software”—leaves individuals a considerable freedom to think, feel and act but within the constraints of what their social environment offers in terms of possible thoughts, feelings and actions (cf. Hofstede, 1997: 235). Cultural standards range from general values to very specific, mandatory behavioral rules. Cultural standards have a certain range of tolerance inside of which individual or group specific stamping is accepted. Outlying behavioral patterns and attitudes are rejected and sanctioned (cf. Thomas, 1996: 112).

Cultural programming starts usually in the family where a young child is brought up. It continues at school and later on at work. The behavior at work is an extension of the behavior acquired in the family and at work. Politics, the relationships between citizens and authorities, religious beliefs, secular ideologies,

scientific theories are extensions of mental software demonstrated in the family, at school, at work and in government relations. Therefore, they reinforce the dominant patterns of thinking, feeling and acting across all spheres (cf. Hofstede, 1997: 235 et seq.). Particularly important is the fact that individuals who have been successfully socialized within one culture do *not* perceive consciously cultural standards in their action-regulating function. Not until they get in touch with partners, who have been socialized in another culture, cultural standards become perceivable (cf. Thomas, 1996: 113).

In a nutshell, there are some basic characteristics that apply to any culture, which are worth being taken into account:

1. Culture is shared.
2. Culture is learned and is enduring.
3. Culture is a powerful influence on behavior.
4. Culture is systematic and organized.
5. Culture is largely invisible (cf. Thomas & Inkson, 2003: 24 et seq.).

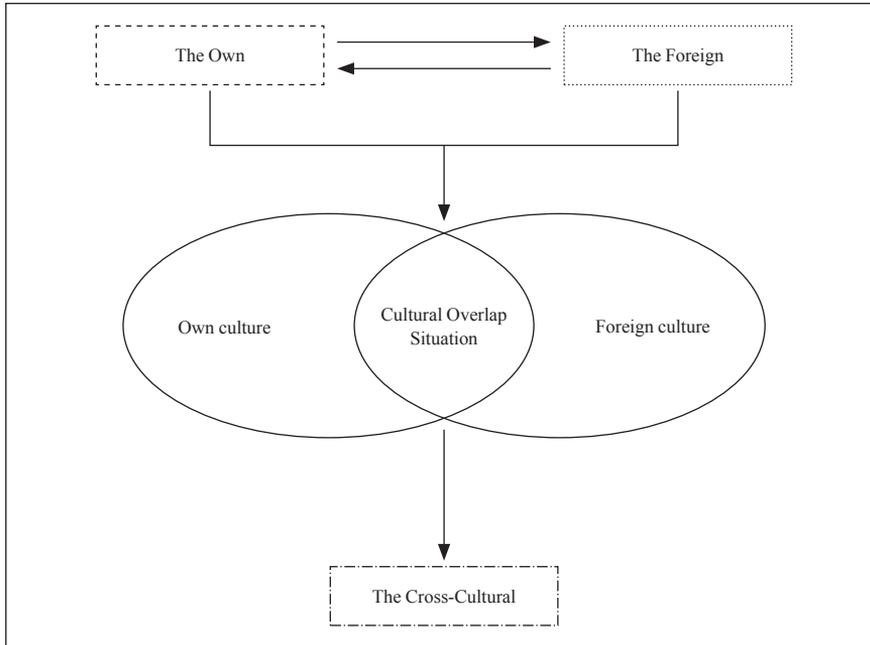
### III. CULTURAL OVERLAP SITUATIONS

Usually, we aspire to be sufficiently well informed about ourselves and our environment in order to assure an optimal ability to act. We succeed if we possess reliable information and experience and if our environment, especially our interaction partners behave the way we expect them to. Our own orientation system fails as soon as we have to deal with a foreign, unknown environment and as soon as the behavior of our partners becomes unpredictable, i.e. as soon as the behavior of our partners is regulated by unfamiliar values, codes and criteria. The behavior of our partners —socialized in a foreign orientation system— cannot be anticipated in a secure way (cf. Thomas, 1996: 113). This usually happens in so called “Cultural Overlap Situation” (cf. Thomas, 2005: 34).

#### A. The Own

“Everybody looks at the world from behind the windows of a cultural home and everybody prefers to act as if people from other countries have something special about them (a national character) but home is normal. Unfortunately, there is no normal in cultural matters” (Hofste-

**Figure 1. Cultural Overlap Situation According to A. Thomas (Thomas, 2005: 33)**



de, 1997: 235). Basically, everyone assumes that others behave the way they do. They think that the way they perceive and evaluate their environment, anticipate and try to influence (the) others' behavior is correct and appropriate. As soon as something goes wrong, i.e. something unexpected and unfamiliar happens, the individual takes notice of their own cultural standards —so far applied in an unconscious way (cf. Thomas, 2005: 34 et seq.).

## B. The Foreign

Individuals from other cultures have grown up over many generations under other geographic, climatic, economic, politic, social and intellectual-cultural circumstances under which other values, rules and codes have become mandatory and under which these individuals have developed other forms of perceiving, feeling and acting. These individuals as well assume that every other person in the world does behave the way

they do and the way they consider correct and leading to success (cf. Thomas, 2005: 36).

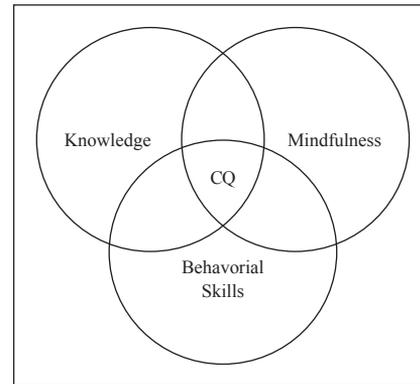
### C. The Intercultural / Cross-cultural

We can reflect the “own” and take notice of the “foreign”. We also can take notice of both and compare intrigued without modifying our behavior and way of thinking. As soon as we have to cooperate with persons of other cultures, this is not sufficient. The “own” and the “foreign” have to be synchronized in order to make efficient communication negotiation possible (cf. Thomas, 2005: 37). If we think, feel and act so differently, how can we manage to work together? An increased consciousness of the constraints of our mental programs versus those of other is crucial for successful communication and interaction. Such a consciousness can be developed and that while we should not expect to become all alike, we can at least aspire to become more cosmopolitan in our thinking. Successful intercultural encounters are only possible if the partners believe in their own values. A sense of identity comes with strings attached to the feeling of security from which one can meet other cultures with an open mind. One does *not* need to think, feel and act in the same way in order to agree on practical issues and to cooperate (cf. Hofstede, 1997: 237).

## IV. CULTURAL INTELLIGENCE - CULTURAL SKILLS

The good news is that intercultural communication can be learned. “Cultural intelligence, the capability to deal effectively with people from different cultural backgrounds, is a multifaceted competency consisting of cultural knowledge, the practice of mindfulness, and a repertoire of behavioral skills” (cf. Thomas & Inkson, 2003: 182 et seq.).

**Figure 2. Components of Cultural Intelligence (CQ) (Thomas & Inkson, 2003: 16)**



*Knowledge:* We have to learn about other cultures if we have to interact with them. We should learn about their symbols, their heroes and their rituals. While we might never share their values, we may at least obtain an intellectual grasp of where their values differ from ours (cf. Hofstede, 1997: 230 et seq.).

*Mindfulness*: The recognition that I carry a particular mental software because of the way I was brought up and that other brought up in a different environment carry a different mental software for equally good reasons (cf. Hofstede, 1997: 230 et seq.; Thomas & Inkson, 2003: 15).

Mindfulness means being aware of our own assumptions, ideas, and emotions. At the same time it is noticing what is apparent about the other person's assumptions, words, and behavior. In a subsequent step it implies using all of the senses in perceiving situations, i.e. viewing the situation from several perspectives and attending to the context to help to interpret what is happening. Finally, this leads to creating new mental maps of others and creating new and more sophisticated categories for others. Seeking out fresh information in response to confirm or disconfirm the mental maps, and using empathy equally are part of the process of acquiring mindfulness (cf. Thomas & Inkson, 2003: 183). To be capable of observing the behavior of others, being mindful of it and reflecting on it, and being skilled at modifying one's own behavior on response, is a key component of cultural intelligence (Thomas & Inkson, 2003: 116).

The key elements of cultural intelligence are knowledge and mindfulness. However, in themselves they are not enough. Becoming cultu-

rally intelligent is about acquiring behavioral *skills* (cf. Thomas & Inkson, 2003: 183). *Skills* are based on mindfulness and knowledge plus practice. It is essential to recognize and apply the symbols of the other culture, recognize their heroes, practice their rituals, etc. Not until then, we can experience the satisfaction of getting along in the new environment, being able to resolve first the simpler and later on some of the more complicated problems (cf. Hofstede, 1997: 230 et seq.). The main goal is not to become more skilled, but to develop a repertoire of skilled behaviors and to know in which situation to use each one (cf. Thomas & Inkson, 2003: 183). Doing so involves knowledge of the likely behavior of partners of different cultural backgrounds. Quite helpful at this stage are generalizations from cultural values like individualism vs. collectivism, masculinity vs. femininity, etc., according to Hofstede. Mindful observation helps you refine these expectations over time (cf. Thomas & Inkson, 2003: 138 et seq.).

## V. CORPORATE CULTURE

Culture represents a very complex influence of the entourage inclusive knowledge, skills, beliefs, value scales, laws, public morals, etiquette and a range of other habits, wills and abilities of each person as a member of a given society. Nevertheless the character and incidence of the

mentioned culture elements can be markedly different in each particular nation (Donnelly, Gibson, Ivancevich, 1995). The basic characteristic of each culture is, that all its members (or almost all) share up the same learnt behavior, which is transmitted from generation to generation, from the old to the young. Thus, it is not transferred biologically. And finally, culture forms people's behavior and its conception of the world (Šroněk, 2000).

Most of the definitions of corporate culture agree in that, it is a set of conceptions, values, norms, and ways to behave, that are shared and also relatively long term maintained in each corporation. Outwardly, culture makes itself felt like a form of social intercourse among the staff and also like the way the staff together sustain habits, manners, rules and material accessories. All the factors mentioned before have a significant influence on the managing processes and have a control function. In other way this means, that corporate culture makes possible co-ordination, integration, identification and in a certain manner motivation of workers inside the firm and allows workers to opt for the right way of behavior, to value different kinds of demonstration and behavior and to distinguish desirable from undesirable. Thus, corporate culture is formed and interpreted by the employees of the company and is the result of the process of learning,

coordination and adaptation (Horalíková, 2000).

Culture, cultural differences and knowledge of them play an important part in the international economic relations and have its meaning at marketing, foreign investments at international companies, international trade negotiations and at work of multicultural teams (Šroněk, 2000). The fast go of the economic globalization and globalization of the economic processes forms a completely new situation not only for developing new systems of intra-plant proceedings, but especially change the social role of the manager and his professional, social and intercultural competencies as well (Nový, 1996).

## A. Skanska Property Czech Republic - Case Study

### 1. Objectives

- Based on the mind map for the analysis of the intercultural context of the corporate culture of an international company created by the author, describe the intercultural context of the company Skanska Property CZ as a member of the international group Skanska.
- Refer to the competitive advantages that arise from the intercultural context of the company as a member of an international group.

## 2. Methods

This contribution is based on the methodology of action research. For the analysis of the intercultural context of the corporate culture of the company Skanska Property s.r.o., was used the mind map created by the author on the basis of content analysis of texts (see scheme 1). Next for the description of the intercultural context of the company were used interrogating methods and document analysis. First was conducted an structured directed interview with the managing director of Skanska Property, who was expatriated and came from Sweden and after a similar but more informal interview with the office manager and the property manager from the Czech Republic. Within the frame of the document analysis were used the following company documents: working code, the code of conduct, letters and emails, reports, company newsletters, annual reports.

## 3. Results

### *Norms and Values*

The norms and values valid for all the organizational units of the Skanska Group are summarized in the working code and the code of conduct. Every employee has to know and respect them. To the most important values belong: responsibility towards the countries in which the

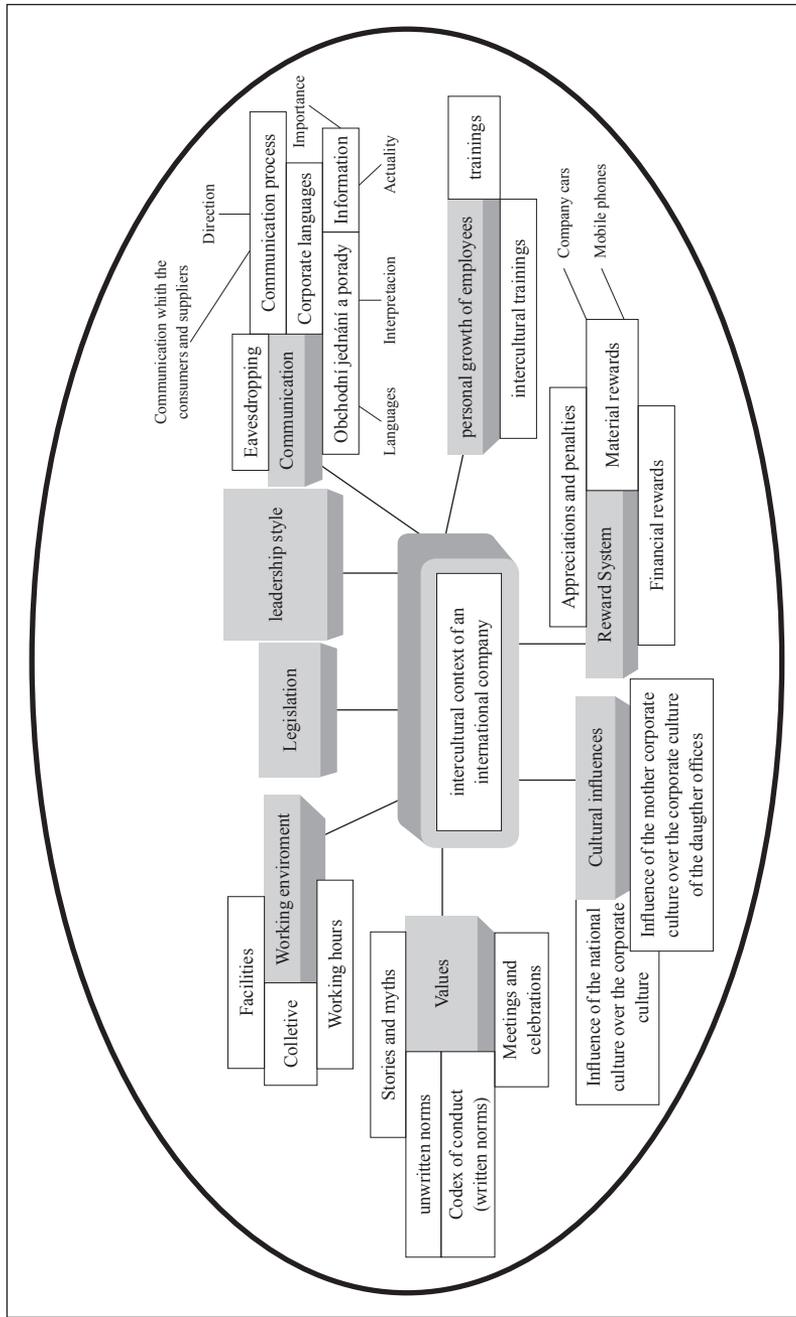
company operates, towards the employees, commercial partners and the company in general, respect and dignity, ethical commerce —fighting corruption and safety of health and environment. The leading manager of each country is responsible for implementing such values in the individual organizational units of the company.

The most important values of Skanska Property are respect, tolerance and good team work. Informal activities, such as a one-week-long stay of the entire team in the mountains or the visit to Sweden, are a source of many times remembered witty stories. Such activities enhance tolerance and respect among the individual members of the team. To the most important unwritten norms of the company belong: keep everyone informed, no speaking in Czech in the director's presence, no sharing of salary details, celebrating the birthday of every employee, celebrating Christmas and company achievements such as the completion of a project.

### *Communication*

English is the official language within the entire company, even though it is originally Swedish. This means that all international meetings and councils are carried out in English. Both oral and written communication among the individual branch

Scheme 1. Mind Map for the Analysis of the Intercultural Context of the Corporate Culture of an International Company



offices of the company is also carried out in English.

Letters, plans for each year, reports, company newsletters, annual reports etc. worked out by the mother company are sent out in English to all the branch companies around the world. The magazine *Worldwide*, which keeps the investors and employees informed about any important investments, projects and company successes around the world, may serve as an example. The company's annual reports are also in English. That is the means through which the mother company keeps in touch with the individual branch companies around the world.

The official language of the company in each country is usually the language of the given country, because the company tries to adapt to the local conditions of the country in which it operates. Most of the executive managers and employees are local inhabitants. Despite that the communication with the mother company has to be carried out in English. All the plans and reports need to be translated into English language.

That is also the reason why one of the requests for the post of the top executive managers, the leading local managers and the managers of the intercultural teams is to be able to communicate in English language.

It is upon the director of the given sections, whether he will require a certain level of language knowledge relative to the individual employment positions, or not. Managers of the intercultural team do not have to know the language of the country in which they will be working.

Because the company functions within the Project Development Europe, in which the top managers in the post of a managing director live as expatriates, one of the crucial requirements for the local employees is an excellent level of English language. This is also due to the fact that the team is not very big and requires immediate co-operation, communication and understanding.

The internal environment of Skanska Property supports open, exact and clear communication. The members of the team talk to each other in Czech, but communication with the director and at the meetings is carried out in English. The meetings take place twice a month and are of both formal and informal character. Less formal, but still having an informative character, are business breakfasts and meetings. The director attends twice a year to the Project Development Europe meeting and once a year to the meeting "Top 250", where all the Skanska managers from all over the world meet. He eventually relates the information to his employees.

The director of the Skanska Property evaluates the communicational system of the company the following:

- The employees of the company are thoroughly informed about the global goals, values and activities of the company, about its current situation and future prospects.
- The company tries to minimize the number of communication channels.
- The team is very small – which minimizes the risk of misunderstanding.
- Excellent social and communicative skills of the manager and his team
- The ability to actively listen to the leading executive.
- The feedback coming from the employees —openness in the communication.
- The inclusion of an expatriate manager allows smoother communication between the directorate and the branch company.

### *Cultural Influences*

As it was said earlier on, the Skanska Company tries to adapt to the conditions of the countries in which it

operates. It creates local companies for its international markets, which are in most of the cases lead by local managers. That is the reason why the national culture of the hosting country exerts big influence upon the company culture of the individual branch companies. Nevertheless the company tries to approach its clients as one body with the same attitude towards the customers and markets all over the world. This is achieved through the “company culture”, which is reflected primarily in its global goals, strategies and the above mentioned values and shared by all the branch companies around the world. This means that it is a compromise between giving sufficient space for individual approach towards the creating a company culture in every daughter company, which springs from the customs and specifics of the hosting environment, and the respect for a “centralized power”, or in other words a global company culture.

Even though the above description includes the characteristics of the so called “polycentric company culture”, the company shows aspects of a “geocentric company culture” in the following areas:

- The company tries to link effectively all the regional units of the international company. This is achieved through various regular meetings, during which the solutions of the possible problems

are explained from various standpoints, the knowledge about the international market is deepened, the flexibility is improved and an atmosphere of co-operation among the individual branch companies around the world is created.

- The company is more horizontally than vertically organized.
- The power of decision making is transferred to a greater extent to the individual regions. The top managers in the individual countries have high power. They are explained, what needs to be done, but it is upon them, how they execute the case in the given territory, following of course the values and strategies of the company.
- The central directorate takes part in choosing the key employees and makes sure that the candidate's profile corresponds to the company culture.
- Despite the national cultural differences it is possible to define the company as a body with a strong internal integrity.

For smoother creation of the local branch offices the company prefers local managers with a high degree of qualification and better knowledge of the market and local conditions, to expatriate managers. The organizational unit called Project Develo-

pment Europe is an exception. This section has its branch companies in Poland, Hungary and the Czech Republic (Skanska Property), its managers in the international market are mostly Swedish. They have empowerment and responsibility for leading the individual branch companies and for creating an ideal coexistence of the company and the national culture.

It could be said that the company culture of Skanska Property CZ employees is a result of the combination of the national culture, worldwide company culture and also the Swedish culture, which the top manager tries to implement in the company. This however may also lead to internal misunderstandings. Primarily because of the fact that it is very hard for the employees to accept the three cultures at the time and to understand the mentality of the top managers, who change in the post approx. every two years. The employees might promote the Swedish culture instead of the company culture, which is another possible danger.

To make sure that the profile of the Skanska Property CZ employees corresponds to the profile of the worldwide Skanska company culture, the director contacted the company Profiles International, which monitored the profile of the individual employees in psychological tests and consequently recommended their

amendments in order to come closer to the company culture.

The director of the company Mr. Björn Mattsson describes the influence of the mother company upon the company culture as follows: “The mother company leads the way, shows us the most important strategies and goals, it is upon us how we reflect them at the local level”.

#### *Legislature and Relationship with the Government*

The code of the Skanska Company states that its conduct will be in accordance with the legal regulations of the countries in which it operates, that it respects the International Declaration of Human Rights and accepts these rights in relation to its employees and the communities in which it works and lives. The company’s aim is to follow the legislative and other regulations related to the natural environment and the health safety of its employees.

The working conditions that it offers to its employees are in accordance with the legislative regulations of the given countries. The company will not employ a person younger than 15 years of age. In the countries where the conditions are different, the company follows the given age limit.

Property CZ follows the valid legislature of the Czech Republic given

by the legislative and other regulations in accordance with the values accepted by all the branch companies around the world. To make sure that the local legislative conditions are fully respected, the company co-operates with external local professionals.

#### *The Personal Growth of Employees*

The directors of all the branch companies around the world are responsible for the personal growth of their employees. The director has to decide which sequence of training will take place in the company and whom will it be directed to, eventually create a program in co-operation with the personnel department.

The company does not organize specific courses or culturally focused training for the international managers. It’s left up to the initiative of the manager to collect information about the new culture, eventually about how to manage the cultural shock and lead a new team in a foreign cultural environment.

The Skanska Property CZ does not have a special program for the employee development, which would include training for the individual managers. Furthermore the conditions that the employees need to fulfill in order to be promoted or to have the opportunity to work in a branch company abroad are not defined.

In the system of training the employees themselves request from the manager a certain type of training according to their own needs, which they believe will improve their working efficiency. In most of the cases, in the words of the office manager, the director tries to satisfy his employees' requests. This system is adequate and at the same time motivating. Regarding the fact that the Skanska Property CZ team is made up of 7 employees (managers), who enter a frequent and open communication with the director. Thanks to this the director has a clear picture of what the individual employees need in order to improve their work efficiency.

Business visits to foreign branch companies, which would provide new experience and cultural skills, are being granted only exceptionally. None of the managers from Skanska Property has yet taken part in a business stay abroad. The tendency is to send out Swedish managers to foreign countries rather than the other way round. That is also why the majority of the expatriate managers are Swedish. The director of the company Mr. Björn Mattsson claims the reason for this being that the companies as well as their employees are locally focused. The employees' skills and the way they promote them may not always be suitable in another country. That is why the company prefers a team

made up of local employees. Nevertheless such business stays represent for the company a valuable source of positive competition, not only due to its motivational effect, but also due to the widening of perspectives and knowledge of the employees and in turn of the company as a whole.

### *The Reward System*

The top managers of the organizational units of the company around the world are responsible for determining the level of salaries and a system of bonus rewards for the individual branch companies abroad, the decisive factors being the legislative regulations and the level of average salary at the given posts in each country.

*Material rewards in Skanska Property are as follows:* High salary for the managers, higher than the average in the Czech Republic at similar posts (true for the branch companies of the Project Development Europe), high bonus rewards for the accomplishment of goals (the goals need to be of adequate level, the company does not tolerate simple goals), the company offers an opportunity of making use of the company's car or provides a financial lease with very advantageous conditions, the company provides a phone with a free credit and food tickets.

*Among the non-material rewards are:* The director's and team apprai-

sals and acknowledgements for good work, the opportunity to contribute to the important decision-making process in the company the director solely informs about what is needed to be done. Apart from that he lets the individual managers perform their tasks in the way they like.

### *The Working Environment*

The effort of the Skanska group is to create conditions for a safe and harmless work in all its branch companies, minimizing any risks to its employees and surroundings, which are in accordance with the legislature of the Czech Republic given by the jurisdiction and other regulations to the securing of safety and protection of the employees and workers and are furthermore in accordance with the principles ČSN EN ISO 9001: 2001, ČSN EN ISO 14 001 and OH SAS 18 001.

Skanska Property CZ consists of a team of young employees —their age ranging from approx. 25 - 45 years—. It is a group, where, as it's apparent from the first sight, the employees get on well with one another and respect each other. At the background is the director of the company, who makes sure that an organizational climate, which supports open co-operation, is created. This is achieved through for example the managers sharing a common open space, or through allowing the

team to take part in the key decision-making processes and to be initiative and inventive while solving the projects.

The working site was built within the company's own project called Bredovsky Dvur. The interior corresponds to modern trends. It is open, light and cozy. All the employees had a word in deciding the final appearance of the working place and thus created for themselves a nice, friendly, inspirational and motivating environment, which provides better conditions for their work, with which the managers are satisfied.

The working hours are established according to the standards of the given country, where the company operates. The working hours in the Czech Republic are approx. from 8 a.m. to 5 p.m.

### *The Sources of Competitive Advantages*

The sources of competitive advantages in Skanska Property CZ as a member of the international group Skanska, resulting from the intercultural context are summarized as follows:

- *An optimum balance between decentralization and integration:* Construction and development are the issues of local markets, which is the reason why it's essential to maintain a decentrali-

zed approach. At the same time, however, Skanska is one company and thus requires a unison leadership, consistent norms and procedures in order to protect its financial position and commercial brand. That is why the decentralized-integrated model is the best way of how to create an added value for the clients, employees and investors.

- *A local approach:* The employees know very well their national market and respect the conditions of the national culture. This secures for the company better conditions for being well accepted at the market, for competing with the other national companies, for acquiring a better flexibility to be able to react to the specific needs of the market and create better conditions for the success of the company. The local approach, on the other hand, allows the company to work on a good reputation by contributing to the problem solving at the national level, for ex. unemployment. By accepting the local legislative regulations the company enters into a good relationship of cooperation with the local state offices, which are responsible for the branch of construction.
- *Marketing designed especially for the individual clients and investors:* Allows timely reactions

to their specific needs and demands, being closer to them and improving the company's image.

- *The presence of the Swedish manager:* Allows better communication between the Branch Company and the directorate, and represents a very important source of information concerning the entire global organizational culture between the company and the other local employees and managers of the company's branch office.

## VI. CONCLUSION AND DISCUSSION

Managers working in an international field have to face greater demands, since every manager needs to adapt to the different culture and at the same time carry out their daily work duties. The manager in such a position should be, in general, more open-minded in relation to foreign cultures, more socially sensitive, have better language skills, and any other aptitude that will better the understanding. This requires that the company provides its employees with sufficient information regarding the foreign culture.

By Improving the qualification and intercultural skills of international managers the company will get competitive advantages, for example organizing intercultural trainings

for managers working at foreign markets. The most effective of said training are those focused upon interaction, communication and intercultural assimilation. The intercultural training should be lead by specialized professional consultants, which the company would hire externally. All of this should be taken care of by the Personnel Department. To reduce the cultural conflicts between the manager coming from a different culture and the employees, who are local, it is essential to focus the training on them as well.

The company may improve its potential and loyalty of its employees, since it offers them the possibility of personal and career growth. International companies have, due to their operational field, a greater opportunity for employee development than companies of local type for example.

The intercultural context of an international company affects and transforms corporate culture, in the measure norms and values, communication; reward systems among others become different. A proper cultural sensitivity with an appropriate strategy will provide saving of time, money and success to a company abroad.

## LITERATURE

Kanter, R. M. (1995), *World Class: Thriving Locally in the Global*

*Economy*, New York: Simon & Schuster.

Cancino, C. & Bonilla, C. (2009), *Los factores claves de una rápida internacionalización de las pymes chilenas*, Santiago de Chile: Universidad de Chile.

Donnelly, J. H., Gibson, J. L. & Ivancevich, J. M. (1995), *Management*, Praha: Grada.

Ferraro, G. (2002), *The Cultural Dimension of International Business*, Prentice Hall.

Hofstede, G. (1997), *Cultures and Organizations: Software of the Mind*, New York: Harper & Row.

Horáliková, M. (2000), "Podniková kultura". In: J. F. Palán, et al. *Moderní řízení podniku*, Praha: Verlag Dashöfer.

Nový, I. (1993), *Podniková kultura a identita*, Praha: VŠE.

Nový, I. (1996), *Interkulturální management*, Praha: Grada.

Šroněk, I. (2000), *Kultura v mezinárodním podnikání*, Praha: Grada.

Straub, J. (1999), *Verstehen, Kritik, Anerkennung. Das Eigene und das Fremde in den interpretati-*

*ven Wissenschaften*, Göttingen:  
Wallstein.

Straub, J. & Thomas, A. (2003), “Positionen, Ziele und Entwicklungslinien der kulturvergleichenden Psychologie”. In: A. Thomas, *Kulturvergleichende Psychologie*, 2. Auflage (2<sup>nd</sup> ed.), Göttingen: Hogrefe.

Thomas, A. (1993), “Psychologie interkulturellen Lernens und Handelns”. In: A. Thomas, *Kulturvergleichende Psychologie. Eine Einführung*, Göttingen: Hogrefe.

Thomas, A. (1996), “Analyse der Handlungswirksamkeit von Kulturstandards”. In: *Psychologie interkulturellen Handelns*, Göttingen: Hogrefe.

Thomas, A. (2005), *Grundlagen der interkulturellen Psychologie*, Nordhausen: Interkulturelle Bibliothek.

Thomas, D. C. & Inkson, K. (2003), *Cultural Intelligence. People Skills for Global Business*, San Francisco: Berrett-Koehler.