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10 Communication competence in cross-cultural business interactions

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Introduction

Evidence abounds of an increasing escalation of business globalization (Bartlett, 1989; Nadso, 2001; Prince, 2001; Sands, 2001). Increasing competitive pressure is being placed on international firms to develop worldwide communication networks within their own firms, as well as with their suppliers, customers and their external constituencies such as government agencies and special interest groups (Babcock and Babcock, 2001; Fisher et al., 2001b). This phenomenon is compounded by the constant development in technologies that allow a rapidly expanding number of messages to be exchanged within a short span of time and across large geographical distances. Communication skills that bridge cultural boundaries are therefore critical to both employee and organizational effectiveness.

These trends mean that today’s organizations must find effective ways to manage the increasing heterogeneity in their workforces and consumer bases (Ashkanasy et al., 2002a). Research indicates environments where diversity creates productive conflict result in organizational effectiveness such as greater innovativeness (Jackson et al., 1992), improved problem solving and decision making, and higher levels of creativity (Härtel and Fujimoto, 1999). On the other hand, failing to equip employees with the skill to deal with diversity runs the risk of promoting destructive conflict in the organization (Watson et al., 1993; Ayoko et al., in press), which results in reductions in team performance and increased turnover and absenteeism (Hambrick, 1994), as well as negative effects on individuals’ emotional well-being (Fujimoto and Härtel, in press).

The organizational implications of diversity mean that individuals who come from different cultures and possess different language competence levels will require specific strategies that can help them achieve effective communication during business interactions. This is because it is anticipated that their roles as producers and customers will add value to interrelated global business networks (Porter, 1985). This is, however, no easy task. The diversity literature paints conflicting pictures of the effects of cross-cultural (compared to mono-cultural) interaction (for example Milliken and Martins, 1996; Chatman et al., 1998;
Härte and Fujimoto, 1999). Specifically, studies show that, in comparison to homogeneous workgroups, diverse workgroups suffer from:

- greater conflict
- more turnover
- higher stress
- more absenteeism
- greater communication problems (O'Reilly et al., 1989; Zenger and Lawrence, 1989; Alder, 1991; Tsui et al., 1992)
- less trust
- lower job satisfaction
- low cohesion
- poor social integration (Hambrick 1994).

While the greater likelihood of these difficulties occurring in diverse workgroups is well established, research in this area has offered organizations little information upon which management practices for interactions for culturally diverse workforces and customer bases can be formulated (cf. Pelled et al., 1999). One of the goals of this chapter is to examine the issue of communication competence in cross-cultural business interactions. To begin this journey, we must first understand what culture is.

Culture

Culture has been studied widely within the cross-cultural management arena and refers to the symbolic dimension of human action. As discussed in Chapter 13 in this volume, it refers to the sum of the learned values, beliefs, attitudes, practices and customs of a group, which are passed from one generation to another (Collier, 1989). Culture is, therefore, a historically derived system of shared symbolic ideas and meanings that a community uses to interpret and give meaning to their experience (Gudykunst and Kim, 1984; Collier, 1989).

Individuals’ dispositions are informed by their early social and cultural experiences and, consequently, with respect to communication in groups and organizational contexts, culture shapes our interaction goals, which in turn, have implications for our styles of interaction, our interpretation of behaviours and communications, and our management of cultural conflict (Hofstede, 1995; Zorn and Violanti, 1996; Kozan and Ergin, 1998; Weaver, 1998). For example, national culture was found to influence organizational managerial values in twelve Thai-owned companies and thirteen American-owned companies in Thailand (Sorod, 1991). Communication competent strategies were also found to vary by organizational type (for example, government, state enterprise, or private business) in Thailand (Komin, 1995). These findings illustrate that conflict management skills may not only vary across cultures but also across organizational types (Komin, 1995).

The salient differences among cultures have been classified according to Hof-
stedel's (1980) research on individualistic and collectivist societies (Triandis, 1990), which are sometimes referred to as low and high context cultures (Hofstede, 1980, 1991). On the one hand, collectivist cultures place greater emphasis on group goals, co-operation, and interdependence of self within the group (Triandis, 1990; Srpe, 1998). On the other hand, individualist cultures place greater emphasis on personal goals, competition, and independence of self from groups (Triandis, 1990; Srpe, 1998). Numerous studies have demonstrated that the effect of these differences in workgroups is manifold (for example Smith et al., 1995; Selmer, 1997; Hall et al., 1998; Pillai and Meindl, 1998; Tinsulanonda, 1998; Von Glinow, 1998; Gibson, 1999; Jung and Avolio, 1999; Kuntonburt, 1999; Scandura et al., 1999; Ayoko and Härte, 2000; Drost and Fisher et al., 2000). Namely:

- culture tends to lead to different preferences and responses to leadership style
- leaders tend to hold more positive views and interactions with employees similar to themselves and more negative ones with employees different from themselves
- trust tends to be more difficult to achieve among members of diverse workgroups
- decision making tends to be more innovative when diverse perspectives are used
- decision making tends to be diminished and slower when diverse perspectives are ignored or argued over without resolution
- job satisfaction and organizational commitment, especially of minority members, tends to decrease when diversity is not valued
- job satisfaction and organizational commitment tend to increase when diversity is valued, which improves performance
- turnover of minority members tends to increase when diversity is not valued, which increases the homogeneity and ‘groupthink’ in an organization
- task performance tends to diminish when the differences in a group are responded to with destructive conflict and communication patterns, whereas it tends to increase when the differences in a group are responded to with constructive conflict and communication patterns.

Although studies abound comparing collectivist and individualist cultures, the factors that foster effective communicative interactions between individualist and collectivist cultures are not thoroughly documented in the literature. This chapter attempts to fill this void by examining communicative competence in business interactions across cultures.

The relationship between culture and communication

The communication literature has documented the interdependent relationship between culture and communication well (Gudykunst, 1997). Culture, as
defined earlier, provides the structure of the communication process (Birdwhistle, 1970) whereas communication involves the verbal and non-verbal transmission of information (Keesing, 1974, in Gudykunst, 1997). Therefore, the relationship between culture and communication has been described as a point between the two extremes of these constructs, that is, between culture and communication itself (Keesing, 1974, in Gudykunst, 1997). In other words, the way in which people communicate is influenced by their culture and, in turn, their culture is influenced by the way they communicate. As such, academics and scholars alike must be aware that culture plays an important role in the communication process. (See Gudykunst, 1997 for more extensive discussion.)

Skills needed to communicate cross-culturally

There are a myriad of skills and competencies that facilitate cross-cultural communication (Lloyd and Härtel, 2003). A communicatively competent individual has both the knowledge of the appropriate communication patterns for a situation and the ability to apply that knowledge (Cooley and Roach, 1984: 25). Researchers have also used a rule-based approach to conceptualizing communication competence (Harris and Cronen, 1979), identifying both strategic and tactical communication competence (Jablin et al., 1994) as vital components in the process. Strategic communication deals with knowledge of organizational realities, what things mean in the organizational context and how they differ between organizations. Tactical communication competence, in contrast, is defined as an individual’s ability to follow and manipulate regulative rules. Tactical communication competence, therefore, includes communication skills and performance capability to achieve personal, group, and organizational goals.

Based on theories of social cognition (Sypher 1984, Sypher and Zorn, 1986), tactical communication competencies, as opposed to strategic communication competencies, are viewed from a skill/performance perspective (cf. DiSalvo, 1980; DiSalvo and Larsen, 1987). Such skills include advising, persuading, instructing, interviewing, exchanging information, public speaking, leading discussions, delegating, problem solving, and listening (cf. DiSalvo, 1980; DiSalvo and Larsen, 1987). Underlying these skills are communication skills and knowledge communication. While these dimensions are generally germane across cultures, the specific characteristics of each dimension are likely to vary from culture to culture. Thus, cultural variability may be a major factor for which members from different national cultures develop their understandings of the strategic communication knowledge and tactical skills needed for communication competence.

Business communication is a dynamic, two-way, multiple influenced, and transformational translation process (Sherblom, 1998). The complexity and variety of the translation process is intricate given that individuals send and receive messages via multiple languages and cultures in varying business and social environments. Skills that enable individuals to be open to differences in interaction preferences are therefore critical to achieving positive outcomes in cross-cultural business interactions (Härtel and Fujimoto, 2000). This set of skills
Communication competence

is what we call business communication competence (BCC) across cultures. Our BCC strategies are firmly anchored in communication accommodation theory (CAT) (Giles, 1973; Giles and Powesland, 1975) and specifically refer to an individual's capability to use CAT communication strategies such as approximation, discourse management, interpersonal control, and interpretability to achieve effective interactions in a cross-cultural business environment. We propose in this chapter that these BCC strategies are a useful tool that can lead to effective cross-cultural business interactions both external and internal (i.e. cross-cultural co-worker relationships) to the organization. In the next section, we present the theoretical underpinnings of the proposed BCC strategies.

Theoretical background: Communication accommodation and categorization theories

Communication accommodation theory (CAT) examines the attitudes, motivation, intentions, and identities that intervene between objective social and contextual variables and the individual's language behaviours. Designed to explain the cognitive and affective processes fundamental to speech convergence or divergence (Giles, 1973; Giles and Powesland, 1975), CAT clarifies and describes the communicative behaviours arising in interactions and their subsequent effects.

CAT rests on the premise that group interactions and goals are driven by the interpersonal history between the interacting parties and the individuals' propensity to view an encounter in intergroup terms (Watson and Gallois, 1998). The type and course of an ongoing discourse is then shaped by these predispositions, attitudes, and views. In other words, the participants' perceptions, speech behaviour, language use, and subsequent responses are influenced as they negotiate meaning. In this way, each participant develops and evaluates the other in order to gauge and modify his/her initial perception and orientation for further interactions.

Specific strategies are employed to communicate modifications to speech behaviour during interactions. Participants, for example, approximate or converge on their counterpart's language use (i.e. using the same language structure, accent, dialect, speech rate, and lexical diversity as their interlocutors) to gain acceptance or approval and close the social distance between them (Coupland et al., 1988; Gallois et al., 1988). Such movement is explained, as we show next, by social identity theory (Tajfel and Turner, 1986), social categorization theory (Turner, 1987) and the similarity attraction paradigm (Bryne, 1971).

Social identity theory (Tajfel and Turner, 1986) asserts that individuals identify themselves with respect to group memberships and tend to classify others into one or more categories in order to identify similarities and differences. Therefore, an employee's perception of who they are, based on cognitive and social evaluations, can determine who they seek to interact with in their organization (Ashforth and Mael, 1989). Individuals establish a positive social identity and confirm association by showing preference to members of their own
social category, which has the effect of disadvantaging out-group members. The
differential treatment, in turn, disrupts group interactions (Lehn et al., 1999).

Categorizing individuals in a workgroup into different groups can aggravate
hostility or animosity within the workgroup, evidenced by relationship conflicts
(Lehn, 1995, 1997). Outcomes of studies in this area also show that people
employ demographic characteristics (basing salient social categories on demo-
graphic attributes) to categorize others and predict their likely behaviours
(Allport, 1954). Since individuals seek situations which reinforce their self-
identity, it is argued that a threat to individual self-identity (through categoriza-
tion) impacts negatively upon self-esteem, which in turn results in the
individuals’ withdrawal from the context to avoid further threats and declines
in self-esteem. It is our contention that employees interacting with co-workers,
customers, and clients who are culturally different from the majority group in
the local culture may perceive threats to their self-identity, which may lead
them to avoid or minimize contact with culturally different others or to seek
alternative work. Skills in communication competence across cultures may min-
imize perceived threats and assist in resolving this dilemma (Ayoko et al., in
press).

Like social identity theory, the self-categorization paradigm refers to the
process by which people define their self-concept in terms of their membership
in various social groups. In this case, a salient social category functions psycho-
logically to influence a person’s perception and behaviours of another individual
(Turner et al., 1987). Members of a salient group are more likely to co-operate
with in-group members and to compete against out-group members.

In the same vein, the similarity attraction paradigm (Bryne, 1971) postulates
that interpersonal attraction and liking is heightened by similarities in attrib-
utes, values, and demographic variables such as race, ethnicity, and gender. In
particular, individuals who are similar in ethnicity may share common values
and attitudes and may find the experience of interacting with each other easier,
positively reinforcing, and more desirable (Williams and O’Reilly, 1998). Given
the predictions of social identity, social categorization and similarity attraction
theories, it is anticipated that interactants in business environments are more
likely to engage in communications with business partners whose communica-
tive behaviours and styles are similar to theirs, thereby leading to the exclusion
of business colleagues that are dissimilar.

CAT also proposes that participants in an interaction use a divergence stra-
gy, heightening the speech differences between themselves and others to
increase social distance (Beebe and Giles, 1984) and to distinguish in-group and
out-group membership (Giles et al., 1987; Gallois et al., 1988). In addition,
speech accommodation levels are associated with the extent to which people
identify with a salient in-group (Gallois et al., 1988), so that speakers who
identify highly with a salient in-group are more likely to maintain their lan-
guage style or even to diverge from an out-group member to signal differences in
their identity. Furthermore, participants maintain communicative behaviours so
that there is no movement towards or away from other speakers. Street (1991)
argues that where there is role, power, or status between interlocutors, complementary behaviour may occur where parties mutually maintain their social differences through their communicative interactions.

To model the overall communication process, CAT now incorporates additional conversational strategies such as interpretability, discourse management, interpersonal control, and relational needs (Coupland et al., 1988). Interpretability refers to attention to others' interpretative competence or ability to understand. Modification processes for complex speech include decreasing the diversity of vocabulary, increasing clarity by changing pitch and tempo, clarifying and repetition, as well as selecting topics that are safe and familiar areas for the other person. However, strategies are subject to constant changes as participants negotiate meaning through the interpretative competence of their partners (Giles et al., 1991).

Discourse management strategy, on the other hand, involves judging and responding to the conversational needs of others (Giles et al., 1987), such as making decisions about the discourse, and the management of communication breakdown (cf. Hamilton, 1991). In addition, it includes the willingness by participants to facilitate others' contributions to conversation repair and dealing tactfully with threats.

Interpersonal control is concerned with role relations between interactants. It decreases or increases the flexibility to change roles during an interaction (Gallois et al., 1988). Thus, role relations can be positive (keeping a person in a role to reduce uncertainty) or negative when interactants use language devices to place a person in a role they can control, or suppress their own disclosure to offer the floor to their partners (Giles and Coupland, 1991).

Drawing from the work on face dualism, positive face, negative face, and face threatening acts, the newest addition to CAT models the strategies for relational needs of the interactants. It includes the ability to influence the relational and emotional aspects of the relationship with the other interlocutors (Gallois and Giles, 1998). Based on a framework integrating the theories described above, this chapter explores the communication issues, skills, and interventions required for cultural heterogeneity in the contemporary business interactions environment. In this chapter, we apply a unique approach to examine cross-cultural business interactions outside the organizational environment (cross-cultural client collaborations), inside the organizational environment (cross-cultural coworker relationships) and at the interface of the internal and external organizational environment (cross-cultural service provisions). This holistic approach is depicted in Figure 10.1.

Finally, communication competence within a speech community exists when the systematically possible, the feasible and the appropriate are linked to produce and interpret naturally occurring cultural behaviour. Sectors of competence involve the degree to which something is formally possible, feasible (given the means of communication available), appropriate (for example, adequate, happy, and successful in relation to the context in which it is used and evaluated), and performed. Communication competence and membership of a
Cross-cultural interactions with others outside organization’s local culture

Level 3: Cross-cultural client collaborations

Cross-cultural interactions at the organization interface with local culture

Level 2: Cross-cultural service provision

Cross-cultural interactions within the organization

Level 1: Cross-cultural co-worker relationships

Figure 10.1 Multi-level analysis of cross-cultural business interactions

given culture can, therefore, combine to cause poor group processes. We propose that the CAT-based business communication strategies (BCC) are useful in disentangling the communication difficulties in business interactions. Next, we discuss in detail the three levels of cross-cultural interactions depicted in Figure 10.1 and the communication competence and strategies that are likely to produce effective intercultural business interactions at these different levels.

Communication competence for cross-cultural co-workers within the local culture

As previously described, the operation of social identity processes and similarity attraction tends to activate negative stereotypes and prejudices, causing group members to make biased attributions (Jackson et al., 1993). Hence, within groups or organizations having employees from both the cultural majority and minority, minority group members are likely to report higher levels of differentiation, and in-group favouritism by majority group members, leading to intergroup anxiety and negative social identification (Brown and Smith, 1989). Consequently, key outcomes for the self and the organization will suffer, which in turn, will result in organizations systematically and organically driving out culturally dissimilar members (Byrne, 1971; Schneider, 1987).

Heterogeneity, particularly observable heterogeneity, more often than not arouses responses founded on biases, prejudices, or stereotypes (Milliken and
Martins, 1996). Biases, prejudices, and stereotypes themselves originate from social identity and self-categorization processes, bringing about discrimination and self-segregation, which in turn, disrupts group interaction (Jehn et al., 1999).

Integrated threat theory addresses the potential causes of negative attitudes towards culturally dissimilar others. Stephan and Stephan (1996) identified four types of threats that act as predictors to the attitudes towards the out-group, namely realistic and symbolic threats, intergroup anxiety and negative stereotypes.

A threat to the very existence of an in-group is referred to as a realistic threat, whereas a symbolic threat refers to threats concerning the in-groups' 'way of life' (Stephan and Stephan, 1996). Intergroup anxiety describes feelings of threat, based on interactions with the in-group whereas negative stereotypes directed towards the out-group are another cause for threat and conflict. Research has shown that inter-group anxiety and negative stereotypes are stronger predictors of prejudice towards immigrants when compared with realistic and symbolic threats (Stephan et al., 1998).

Social category membership provides a platform to activate the triggers of conflict. Perceived dissimilarity, for example, is based on observable attributes, which are likely to produce negative short-term effects driven by evoked stereotypes and prejudice (Härtel and Fujimoto, 2000). These, in turn, may lead to negative conflict, thus inhibiting optimal performance. Conflict, in turn, negatively affects innovation, decision making, and group outcomes (Tannenbaum et al., 1996). Isolating the participant's capacity to effectively communicate and manage conflict in a business environment in a particular culture (as manifested by their communicative behaviours) should significantly impact the quality and efficiency of such interactional outcomes. We propose that the principle hurdle to successful business interactions and negotiations is conflict, and that skills and strategies in communicative competence are the key to effective interactions across culture.

Our research has demonstrated that the triggers of conflict in culturally diverse groups are often related to cultural differences such as values, beliefs, and different interpretations of space (Ayoko and Härtel, 2002). Interview respondents indicated that cultural differences underpinned member differences in work orientations and views of how individuals should interact with one another. They also identified that the way people talk, and communication styles, triggered conflict. Interviewees indicated that speakers of English as a second language used English differently, which led to misunderstandings from English speakers.

Communicative competence for cross-cultural service provision within the local culture

This chapter examines not only the skills required to work effectively in multicultural workgroups, but also the skills required to interact with a multicultural customer base and engage in cross-cultural client collaborations.
Research suggests that service providers attract customers of nationalities identical to themselves (Harrison-Walker, 1995). The reciprocal can therefore be assumed, namely that service providers are more attracted to customers who match their own cultural background (Härtel et al., 1999).

As the core source of business, customers provide a stimulus for achieving and maintaining a sustainable competitive advantage (Schuler, 1996). In particular, customer service and satisfaction are the main areas where organizations can set themselves apart from their competitors (Bovens, 1996). Failure to better understand the changing customer market and their specific needs puts organizations at risk of losing their competitive edge (Wah, 1999) as unsatisfied customers readily take their business elsewhere (Schneider and Bovens, 1985).

Although the behaviours of the service provider are influential in a customer's evaluation of service quality (Mohr and Henson, 1996), to date little attention has been given to the challenges faced by frontline employees interacting with culturally diverse customers. As highlighted by Strauss and Mang (1999), there are two causes of deficiencies in intercultural service encounters, namely provider and customer performance gaps. An intercultural provider performance gap occurs when foreign customers' expectations are not met by the performance of the provider, which can be attributed to the physical environment, service personnel, or delivery systems (Strauss and Mang, 1999). In contrast, the intercultural customer performance gap illustrates situations where the behaviours of the foreign customer do not meet the expectations of the service provider (Strauss and Mang, 1999).

Studies show that the greater the distance between the cultural and behavioural norms of the provider and customer, the greater the likelihood that expectation differentials will occur (Strauss and Mang, 1999). Because our focus is on the skills required by organizational employees, our research addresses the intercultural provider performance gaps that arise from the behaviours of service personnel. In other words, such gaps emerge when a 'provider does not show the level of competence, empathy, politeness, or assistance that foreign customers expect' (Strauss and Mang, 1999: 332).

The underlying assumption here is that the behaviours of the service provider, including what is said and how they behave, impact upon repeat purchases (Berry and Parasuraman, 1991). Particular focus is placed on the communication patterns adopted by service employees when interacting with culturally dissimilar customers. Therefore, it is proposed that the characteristics of a provider's verbal and non-verbal behaviours and the subjective meanings customers attribute to these behaviours can be linked to customer satisfaction and repeat patronage. Further, we argue that service providers dealing with customers of different cultural backgrounds might experience cognitive dissonance. Research shows that providers are friendlier in terms of smiling and being more pleasant when interacting with culturally similar customers in comparison to interaction with culturally dissimilar customers (McCormick and Kinloch, 1986).

In an Australian study undertaken by Barker and Härtel (2002), white cus-
tomers rated provider behaviours significantly higher than non-white customers and were more satisfied than non-white customers. The results provide strong evidence of inequity and variable quality in cross-cultural service provision, underscoring the need for organizations to train and monitor the communication competence of service providers.

Communication competence for cross-cultural client collaborations outside the local culture

Upon examination of research in the diversity arena, it is apparent that most diversity research has been conducted within the context of the internal organization, specifically in relation to enhancing the effectiveness of heterogeneous groups (see Miltiken and Martins, 1996 for a review). Of the organizational studies of cultural diversity in the external environment, most have focused on expatriate adjustment. Recently, however, attention has turned to cultural differences in short-term employee collaborations with clients abroad (Fisher et al., 2000) or in customer service contact (Barker and Härter, 1999). In this section, we summarize the literature used in the analysis of communication competence for cross-cultural client collaborations outside one's local culture.

Early research on communication competence in different cultures focused on the identification of traits that contributed to intercultural effectiveness (for example, Bochnert, 1973). However, the lack of strong empirical support for the link between traits and communication competence has now led to an emphasis on behaviour.

Today, intercultural communication effectiveness is generally identified as comprising three abilities: (a) the ability to communicate effectively; (b) the ability to establish interpersonal relationships; and (c) the ability to cope with psychological stress (Gudykunst and Hammer, 1984; Hammer, 1987; Dean and Popp, 1990). Our research indicates, however, that there may be differences across cultures in the relative importance of each ability to being interculturally competent, and the skills that are associated with each ability (Fisher et al., 2000; Fisher and Härter, 2002).

A number of issues limit the applicability of most research on intercultural communication effectiveness to contemporary intercultural encounters. First, there are concerns that the Western managers described in the research, and their relationship with others in the organization, do not reflect the full scope of the relationships that exist in the current international business environment.

Second, the organizational context within which businesses operate is dramatically different from that of earlier decades. In particular, the growth of information technology has changed the nature and style of communication (Fisher et al., 2001b). The impact of geographic distance, for so long a key aspect of research into the head office–subsidiary control relationship, has been reduced by technology. The use of technology has allowed the growth of virtual teams in a number of organizational areas, most notably in research and development, marketing and customer service. There is evidence that virtual
communication influences trust, decision making, and leadership (Gibson, 1999). In international business contexts, culture further adds complexity to virtual communication relationships.

Finally, there are questions related to the relationship between intercultural communication effectiveness and effectiveness in intercultural contexts. Frequently, in communication research, these terms are used as synonyms. However, effectiveness is a broader construct than communication effectiveness. Achievement of organizational and management goals need to be taken into account.

Managers and their relationship to others

Research conducted on cross-cultural interaction needs to be broadened. To date, much of the research on interactions with persons outside one's local culture is based on either the working experiences of male Western expatriate managers who have stayed abroad for an extended period, working for a Western home country multinational operating in a host country, or the intercultural communication and management experiences of international students in Western countries.

Expatriates are proposed to gain intercultural communication skills and, consequently, intercultural effectiveness through a cultural learning process (Furnham, 1987). Generally, the research addresses only the behaviour of the expatriate, from the expatriate's viewpoint, and their opinion on how this behaviour contributed to their intercultural communication success. This focus on the expatriate manager appears to be out of harmony with modern communication theory (Berlo, 1960; Limaye and Victor, 1995), which discusses sender and receiver transactions, rather than the information-giving focus subscribed to by the traditional models of communication (Shannon and Weaver, 1949).

Haworth and Savage (1989), Limaye and Victor (1995) and Asante (1980) cite the importance of considering the host country national as an active participant in the communicative process. The host country national brings with them perceptions, biases, and expectations, as well as task specific skills, communication skills, and knowledge of the organization and national cultural environment in which the communication is occurring. All of these can contribute to the degree of effectiveness of the communicative process. Another underlying theme in the literature is that the expatriate is the more senior member in the organization. This contrasts with the diversity literature, where the cultural minority is generally the junior organizational member. Fisher et al., (2000) note that the power relationship in cross-cultural client relationships do vary, and that with the growth of globalization, expatriates will increasingly be the subordinate rather than the supervisor or advisor (Fisher et al., 2001b).
Intercultural communication effectiveness and effective performance in cross-cultural contexts

The intercultural communication literature frequently uses a single measure of performance of expatriate effectiveness that is often a self-rating by the expatriate. The importance or contribution of various characteristics to overall performance is then rated, again by the expatriate alone. Thus, the link between intercultural communication items, and actual performance, relies on the link between item importance and a potentially biased self-assessment of overall performance.

More recent research shows differences between the weight placed on the importance of intercultural items and their actual contribution to overall performance of Western expatriates as rated by both the expatriate and non-Western counterpart (Fisher et al., 2002a). The existence of either a crossvergence or mutual adaptation in perceptions of communication expectations can also be inferred from this research of Western expatriates in a non-Western setting (i.e., Thailand). Put simply, it appears that the Western expatriate manager adjusts to the non-Western business environment, while at the same time the non-Western counterpart adjusts their expectations of the Western expatriate manager. This finding should not be surprising given the globalization of business, the increasing mobility of qualified managers and professionals, the growth of international education, and the emergence of world-class universities in non-Western countries. Nonetheless, additional research is needed to clarify if this creates a new, unique cultural environment, as crossvergence theorists would argue, or is evidence of mutual adaptation only. Notwithstanding this, it is important for researchers and practitioners to be aware of the need to take into account the values, attitudes, and contributions of all people in a communication process, not just the Western expatriate manager.

Communication issues raised by diversity

There are at least seven communication issues raised in the foregoing sections. These include:

- knowledge of organizational rules and norms regarding communications within and across hierarchical boundaries, including face-to-face and e-mail exchanges, public speaking, dissemination of information, negotiating, interviewing, giving directions, and chairing meetings
- communication skills necessary to achieve personal, group, and organizational goals in the context of the employing organization
- knowledge of cultural differences in interaction goals
- knowledge of cultural differences in conflict management
- understanding that culture may impact on the way in which the primary spoken language is used
• understanding the triggers of conflict including different work orientations, different value orientations, and different interpretations of space
• understanding the impact of technology on communications between diverse persons.

Communication competencies for a diverse world

The communication issues associated with cross-cultural business interactions can be effectively dealt with if one possesses the appropriate competencies or knowledge, skills, abilities, and personal characteristics. We suggest that the core competencies required are:

• cultural awareness
• emotional competence
• openness to dissimilarity
• conflict management skills.

In order for individuals to interact effectively in the cross-cultural situation, they need to possess self-awareness of the influence of their own culture on their attitudes, perceptions, values, and behaviours, and awareness that people from different cultural backgrounds have also been socialized by these types of influences in their local culture. Such cultural awareness, coupled with an empathetic perspective, will help motivate individuals to enact BCCs.

Emotional competence means that an individual has the ability to accurately detect their own and others' emotions and regulate both to keep communications productive (Härtel et al., 1999; Huy, 1999) and to maintain emotional well-being (Fujimoto and Härtel, in press). This competency includes the ability to interpret both verbal and nonverbal behaviour and to do so non-judgmentally (Kibby and Härtel, 2002). More detail on developing these skills can be found in Chapter 8 in this volume.

Openness to dissimilarity is the term coined to describe individuals, groups or organizations who see difference as an opportunity rather than a threat, are willing to interact and have relationships with dissimilar others, and are not prone to making in-group/out-group distinctions (Härtel et al., 1999; Fujimoto et al., 2000; Härtel and Fujimoto, 2000; cf. Hargie, 1997). Openness to dissimilarity is a prerequisite for appreciating and adapting to cultural differences (Lloyd and Härtel, 2003), and has been linked with non-discriminatory behaviour (Härtel et al., 1999), conflict resolution and group cohesion (Ayoko and Härtel, 2000). Consequently, a key BCC is to be aware of the inclination to be attracted only to similar others and to take personal and social steps to overcome this (Härtel and Fujimoto, 1999). In other words, social norms need to be established that value diversity of backgrounds and perspectives and that discourage sub-groupings. Individuals need to accordingly solicit views from all parties related to the interaction goal, ensure information exchange among all relevant parties, and seriously consider all viewpoints.
As we have demonstrated throughout this chapter, one of the crucial stumbling blocks diverse interactants are likely to face is conflict. Without conflict management skills, such conflict is likely to degenerate into destructive conflict. Therefore, a key BCC comprises understanding the conflict cycle, understanding conflict management skills, and knowing how and when to implement them (Ayoko et al., in press). This competency would also include adopting a collaborative negotiation style and dealing with all interactions with tact, diplomacy, and respect.

Conclusion

In this chapter, we have explored the communication issues, skills and interventions required for cultural heterogeneity in the contemporary business environment. We examined cross-cultural business interactions at three levels:

- inside the organization
- at the interface of the organization and its external environment
- in the environment outside the organization.

Our interest was to identify communication competence in an intercultural context as a means of managing diversity, the term we use to refer to situations involving employees from both cultural majority and minority groups.

We proposed that BCC derived from CAT offers insights into the communication competencies and strategies that are likely to produce effective intercultural business interactions at these different levels, thereby increasing organizational efficiency at individual, group and organizational levels.