ARTICLE 3

Johnson, J., Lenartowicz, T. and Apud, S. (2006) Cross-cultural competence in international business: Toward a definition and a model

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Explanatory note

Failures of international ventures are often linked to firms' inabilities to cope with foreign cultures. In particular, expatriate failures among US managers signify the need for greater cross-cultural competence. In this conceptual study, the authors seek to define cross-cultural competence and devise a model appropriate for international business, drawing on considerable relevant research. Much of this research is in areas not directly addressed to business, but which offers insight and analysis relevant to international business. The authors emphasize the need to define and assess cross-cultural competence in terms of performance rather than simply knowledge and skills. They also stress the importance of understanding the environment of the foreign culture, including economic, political, technological and social aspects.

This article demonstrates the value of a multidisciplinary approach to international business research. Many of the concepts used are introduced in the textbook: cultural distance; high/low context cultures; tacit knowledge.

A few unfamiliar terms arise which are clearly explained in the article. Among them are:

- Metacognition (p. 531) In relation to acquiring cultural knowledge, the metacognitive approach looks at a higher level of knowledge acquisition, examining the personal aspects, nature of the information and process of using acquired knowledge.
- **Cultural intelligence** (p. 535) The ability of a person to adapt in interactions to people from other cultures.
- **Polycontextuality** (p. 537) The distinction between high and low context cultures is not as clear-cut as it might seem. Even in low context cultures, contextual clues such as gestures and facial expressions, as well as the use of irony, can make intercultural communication more complex, notably in multicultural teams.

Chapter links

This article is of relevance to Chapters 2, 4, 7, 9 and 12.

Questions

Part A: Grasping key points

- 1. What are the three antecedents to cross-cultural competence identified by the authors, and how does the authors' definition of cross-cultural competence build on them?
- 2. In what ways do institutional ethnocentrism and cultural distance act as negative external moderating factors?
- 3. What are the weaknesses of cultural training programmes as highlighted by the authors?

Part B: Building skills in critical thinking

- 1. In what ways does the authors' model represent an advance on existing ideas, definitions and conceptual tools?
- 2. How can the model contribute in practice to reducing the risks of failure in international ventures?
- 3. The authors highlight poor understanding of the foreign environment (including economic, legal, technological) as causes for failure of international ventures (see Figure 2). Does their model address these issues, or are there deeper educational roots which should also be addressed?