# International business for managers

Business

This report is generated in order to identify and analyse the competencies for international managers, as our company is looking to train the managers for international assignments. I have not discussed hierarchical model in this report as for me it is understood that a manager who is chosen for any international assignment should possess those competencies in default setting. Not all managers are able enough for international projects because of the deficiencies they have in the competencies discussed in hierarchical model. Those competencies are technical competencies, business competencies, knowledge management competencies, leadershipcompetencies, social competencies and intrapersonal competencies.

Although for international managers few of these competencies needs to be outstanding and rest should be perfect. I have analyse and identified the areas where international managers needs to focus on, with the help of Leonard-Barton work I have tried to point out those key areas. Work and experience from many other authors and scholars have been taken into account. Cross cultural (C/C) competencies have been my main focus. How managers from different cultural background with different concepts and ideas can mould their thinking according to theculturethey will be working in is discussed in this report.

I have also discussed my competencies and skills by taking guidance from CIPD think performer vision. The abilities that need to work on and those I already possess are all discussed in the personal list of competencies section. At the end of this report I have concluded the topic by highlighting the rapidly changing global world and business trends. My view is that if an

organisation is in static position it can never progress and can not keep the pace in the competition. For an organization to keep the competitive edge it needs to be dynamic in its policies and strategies. With the changes for example technological changes, managers needs to develop their skills in order for the organization to maintain a strong grip on the market.

2. Introduction

Organizations change and organizations compete for the same resources, competencies, and customers. These are the cruel realities of management that cannot be neglected. This also means that the notion of strategy and strategic management cannot be neglected as an integral part of what managers do. Strategy is about affecting the overall activities of an organization in ways to make the organization a winner. Strategy is about survival in fierce competition. Expatriates who are unprepared for the challenges of an international assignment are likely to have difficulty adjusting abroad and are likely to experience culture shock (Oberg, 1960).

Poorly adjusted expatriates are, in turn, likely to perform poorly (Ones & Viswesvaran, 1997). While the cost of training, relocating, and compensating employees for expatriate assignments is estimated to be $80, 000 U. S. for each expatriate (Dowling, Schuler, & Welch, 1996), the costs associated with expatriates'failureto adjust and perform in foreign cultures have been estimated at well above twice that amount (Briscoe, 1995; Dowling, et al., 1996). In the international management literature, myriad lists of cross-cultural (C/C) competencies have been posited to be helpful for C/C adjustment (e. g., Hammer, Gudykunst, ; Wiseman, 1978).

Accordingly, extensive evidence exists for the effectiveness of C/C training as a means of providing these competencies and improving C/C adjustment (Black ; Mendenhall, 1990). As we look at the literature and feel like a lot has been learned up to date but still there are some areas of concern that needs some attention. So what are these areas? Well simple enough first of all if managers are trained to acquire C/C competencies, can they acquire those competencies through training and can everyone be equally trained for C/C competencies. Also, is it necessary that all C/C competencies are equally essential for C/C adjustment? Read about the business and society relationship

And last but not least if we go through all the C/C competencies listed in literature, we might not be sure about the validity of the guidelines for determining the contents for all those lists. While looking at the C/C competencies one should not neglect competencies within the organization culture an individual must have. So in order to identify the C/C we will look into the competencies that an individual must possess in order for the organization to maintain a competitive edge over their competitors. In order to find out the usefulness of competencies we first have to identify and analyse those competencies in order to make them effective.

3. Identification and Analysis of Competencies

The first two steps in formulating a competence-based strategy, identification and analysis, are treated together in this report for two reasons. First, the decision-making process of these two steps is different, more intuitive and less tangible, than the decision-making process in the last

step of competence development. Second, there is a tendency that the third step is a matter for the human resource management (HRM) function of the firm alone, whereas the other two steps usually are the matter of top management. Even though if this tendency can be broken, HRM function certainly should be involved in the issues related to competence development as well as the other two issues.

The third reason is that we need to develop a lot more knowledge about how to apply theories and models related to, especially, organizational learning to competence development than what goes for the identification and analysis of competencies. In order to analyse the core competencies lets have a look at Leonard-Barton works(1995). Part of her starting point is that competencies should not be defined as static entities, since: " organizations, like the people who populate them, have invested in knowledge building over the years and have developed particular skills, they still must continue to build and change those skills in response to changing environments" (Leonard-Barton, 1995, p. 17).

In other words, competencies need to be changed all the time. In order to do that, however, managers need at least two abilities: " they must 1) know how to manage the activities that create knowledge and 2) posses an understanding of exactly what constitutes a core capability" (Leonard-Barton, 1995, p. 4). As the time changes and in order to get the competitive edge, the knowledge and competencies that the firm is based on must also change as: "... even seemingly minor innovations that alter the architecture of a product can undermine the usefulness of deeply embedded knowledge" (Leonard-Barton, 1995, p. 17). Thus, innovation, even in the form of not

creative destructive, is a key factor in rendering current core competencies obsolete. This phenomenon is called core rigidities by Leonard-Barton. She discusses four technical competencies as under.

3. 1. Employee knowledge and skill. This is the most obvious dimension according to Leonard-Barton. This is because Leonard-Barton perceives organizations as knowledge. She writes that firms are knowledge as well as financial institutions and that they are repositories as well as wellsprings of knowledge. Expertise collects in employees' heads and is embodied intechnology, and this knowledge is the starting point of core competencies.

3. 2. Physical technical systems. Technological competence accumulates not only in the heads of people, but also in the technical/physical systems that people build over time: databases, machinery, software, and so on. 3. 3. Managerial systems. The accumulation of employee knowledge is guided and monitored by the company's system ofeducation, rewards, and incentives. These systems are often called management systems, and they create the channels by which knowledge is accessed and flows and barriers to the same

3. 4. Values and norms It determine the kind of knowledge that is sought and nurtured, what kinds of knowledge activities are tolerated and encouraged, and so on. In organizations, there are informal systems of caste and status, rituals of behavior, and passionate beliefs associated with various kinds of knowledge. Often the systems in organizations are no less rigid and complex than systems of religion in society as a whole. Thus, values and norms serve as knowledge screening and control mechanisms.

These four elements are a first step toward a structural definition of competence. The four elements can be identified and manipulated by certain processes, thereby enabling us to go one step further. As our organization is looking to develop managers for international assignment, we also have to keep in mind the C/C competencies they will need to perform their job. By going through the literature and looking at the policies adopted by different companies I will go for the following competencies that will be essential for the international mangers in our company.

4. THE C/C RELATIONSHIP COMPETENCY DIMENSION

The C/C Relationship competency dimension is all about willing and able to maintain the interpersonal relationships with host country Nationals. To effectively deal with diversecommunicationstyles, social customs, and the miscommunications that may arise from these; and to accurately understand and empathize with the feelings of another person (Hammer, et al. 1978; Mendenhall ; Oddou, 1985). In this competenciey dimension both dynamic and stable competencies exists. We can include cultural knowledge and conflict resolution knowledge in dynamic competencies and two types of skills can be included that are conflict-resolution skills and C/C Relationship self-efficacy. Dynamic C/C Relationship Competencies are as under:

4. 1. Cultural Knowledge. For the international manager the awareness of the culture of host country is very important as it will make job easy and life smooth in that country. That's why Follet gave it such importance and discusses it as " However, the form of cultural knowledge most relevant to C/C relationships may be conceptual knowledge, particularly about the other

culture (e. g., values) and about one's own (e. g., how one's own cultural values might appear to a cultural outsider). This is because knowledge of the " Other" and of the self can help to provide the most critical piece of knowledge for relationship building: knowledge of how each party's cultural characteristics might affect their interactions" (Follett, 1951).

4. 2. Knowledge of Conflict-resolution Strategies and Conflict-resolution Skills. International manager having substantial amount of knowledge cant stop the rising conflict. He or she must be prepared to deal with conflicts and miscommunication when interacting with culturally different individuals, and to do so in a manner that permits effective work interactions (Hammer, et al. 1978; Mendenhall & Oddou, 1985). So what does that mean? For the international assignment knowledge of conflict resolution strategies is also important which can include familiarity with conflict resolution styles, strategies and tactics and how the culture will influence on those styles and strategies.