Abstract: This paper is aimed to explore how international mobility (IM) practices are used to support the development of cross-cultural competences in two Polish-based subsidiaries providing business services within MNCs. It is based on case study analyses, which allowed to include different points of view, i.e. head of HR, Polish ex-assignees, and co-workers of foreign assignees. Research reveals differences in terms of cross-cultural competence content and the manner in which it is enhanced by IM practices.

Key words: cross-border cultural competence, international mobility, business services

1. Research was financed by the National Science Centre, based on decision No. DEC-2012/07/D/HS4/00741.
Introduction

As international activities of MNCs involve dealing with global integrity-local responsiveness tensions in multiple foreign markets (Evans et al., 2011) and also addressing their internal diversity-related challenges (Doz, Prahalad, 1991), cross-cultural competences have been acknowledged as a critical factor for developing relationships in such circumstances (Dickmann, Yechuda, 2011, p. 102; Rozkwitalska, 2011, p. 93). They also play a crucial role in business services provided by subsidiaries for their foreign customers, which relies on interpersonal contacts and effective communication. We claim that in-company development of such skills can benefit from international mobility, i.e. sending own employees abroad and hosting delegates from other entities of an MNC.

Therefore, this paper is aimed to explore how international mobility (IM) practices are used to develop cross-cultural competences with a particular emphasis on two Polish-based subsidiaries providing business services. Their choice is implied, on the one hand, by the dynamic growth of the business service sector in Poland (Górecki et al., 2016), on the other, by the pivotal role of cross-cultural competences for cooperation with various entities of the MNCs that these subsidiaries belong to. The paper is based on case study analyses which allowed to include three points of view (i.e. of head of HR, ex-assignees, and co-workers of foreign assignees).

Literature review and research propositions

Intercultural encounters, once the rare exception in organizational settings, have become commonplace among professional populations, such as researchers and engineers, and also among those working in customer service, or other functions (Lokkesmoe et al., 2016, p. 156). Thus, the development of cross-cultural competences is being seen as a central con-
cern for various organizations, including business services often based on direct relationships established among units located all over the world (Imai, Gelfand, 2010). According to L.J. Rassmussen and W.R. Sieck (2015) cross-cultural competence reflects the ability to understand people from different cultures and engage with them effectively. Considered as a process, it involves learning based on: (1) awareness – respectful and sensitive attitude towards values, beliefs, practices and behaviours of people from other cultures, (2) skill – the ability to behave in culturally appropriate manner, and to conduct accurate assessment, (3) knowledge – an understanding of culture-bond behaviours, views and needs, (4) encounters – personal experience in face-to-face cross-cultural interactions, (5) desire – the willingness to actively develop own competences within this domain (Chang, 2007, pp. 226–227). Other conceptualizations usually delineate several sets of cultural knowledge, skills, and personality traits (for review see: Johnson et al., 2006; Van Dyne et al., 2012). Cultural intelligence (CQ), perceived as a closely related construct (Lokkesmoe et al., 2016). It consists of mental, behavioural, and motivational components, which allow an individual “to detect, assimilate, reason, and act on cultural cues appropriately in situations characterized by cultural diversity” (Van Dyne et al., 2012, p. 297). Yet, Johnson J.P. and colleagues (2006, p. 535) incorporate CQ into a multidimensional model of cross-cultural competence, arguing that the former is ‘the ability to learn’, whereas the latter reflects ‘the ability to perform’. What needs to be emphasized is that such competences are only partially inherited, and partially acquired through learning, of which the most valuable part comes from an individual’s experience (Rassmussen, Sieck, 2015; Lokkesmoe, 2016).

As for MNCs, cross-cultural competence can be found among human resource development (HRD) priorities, though diverse models of corporations reflecting strategic management mentalities imply different approaches to cross-border relationships, and thus to the usage of HR practices aimed to support them (Dickmann, Yechuda, 2011; Evans et al., 2011).
Much of attention in the extant IHRM literature is focused on formal trainings addressed typically to long-term expatriates (mostly, in spe). In particular, cross-cultural trainings have long been advocated as a tool facilitating interactions with foreigners, yet in practice a gap between such formal support and real needs of individuals undertaking international assignments (IAs) is often reported (Enhert; Brewster, 2008, p. 112). Accordingly, some authors strongly recommend the provision of in-country, real-time learning opportunities and the usage of diverse alternatives to formal programs in order to enhance aforementioned competences (Osland et al., 2006; Enhert, Brewster, 2008). The alternatives available in MNCs include several types of IAs regarded here not only as organizational practices ensuring international mobility, but also as opportunities to take part in cultural encounters, and thereby to develop own competences (Starr, 2009).

The idea to enhance experience-based knowledge of an individual has been acknowledged as one of key motives to send employees abroad for almost a half of a century (Edström, Galbraith, 1977). However, throughout decades the range of practices fostering IM has been widened. Not only are the IAs different in terms of their duration (from several days to several years) and direction of employee flow (between headquarters and subsidiaries, and amongst subsidiaries), but also the assignees represent a diverse population with respect to their job or country of origin (Purgał-Popiela, 2012). These changes deserve more attention resulting in up-dated concepts reflecting emerging patterns of IM. Taking the abovementioned complexity of cross-cultural competences and diversity of IA types together, we propose:

**Proposition 1.** Different components of cross-cultural competence are developed in diverse contexts shaped by IM practices determined by corporate strategic mentalities.

On one hand, such diversity of IM practices implies a variety of opportunities to gain intercultural experiences by assignees and those who host them. On the other hand, the actual usage of these opportunities to devel-
op cross-cultural competence and the effectiveness of such endeavours still remain under-studied. Nonetheless, not all cultural encounters during a stay abroad entail competence enhancement, since stress experienced by assignees sometimes triggers rather emotional strategies than problem solving activities aimed to overcome difficulties in the unfamiliar socio-cultural environment. Moreover, as recent research in Polish-based subsidiaries demonstrates that development of host employees’ competences can be also jeopardized by inappropriate strategies undertaken by expatriates, and/or their ethnocentric attitude (Rozkwitalska, 2011; Zając, 2012, Purgał-Popiela, 2015). Additional challenges emerge from non-standard IAs that entail a shorter preparation for departure, less time to build relationships and get familiar with the new environment, and a greater preoccupation with the home unit matters during the stay (Starr, 2009; Shaffer et al., 2012). Hence, we propose:

**Proposition 2.** Perceived effects of cross-cultural competence development are differentiated by the type of IM-related experience.

International assignees are often sent and hosted by subsidiaries providing business services to numerous foreign customers belonging to corporate network. Several reports reveals that in Poland these entities are more and more numerous, they eagerly employ foreigners and offer the ever-growing range of services for customers all over the world (Górecki et al., 2016). This, in turn, gives rise to considering cross-cultural competences when promoting and developing people. Moreover, the role of such an activity (as a prevention measure) has become even greater, due to the whole sector exposure to high employee turnover fuelled by a strong competition amongst employers. However, as P. Sparrow and colleagues claim (2013, p. 1781) “even within a particular business sector considerable insight to the business model is needed before patterns of international mobility are interpreted”, whereas its dynamics is “of-
ten the real driver of the IM requirement in terms of the sorts of capabilities needed”. Accordingly, in subsidiaries operating in the same country and sector, but owned by various MNCs, different patterns of cross-border employee transfers, and HRD activities can emerge due to different corporate business concepts. Therefore, we propose:

**Proposition 3.** Specificity of the subsidiary development resulting from a corporate business concept determines the importance of cross-cultural competence and opportunities to enhance it through IM practices.

Accordingly, this paper presents the issue of cross-cultural competences in the context defined by HRD and IM practices in Polish-based subsidiaries acting as corporate centres providing business services, though demonstrating different patterns of activities. This allows a discussion of how these competences are perceived within a specific business model and, in turn, how this affects the usage of IAs as an HRD tool from three complementary points of views expressed by HR director, Polish assignees, and co-workers of foreign assignees.

**Materials & Methods**

To explore the above propositions a deductive approach is applied. Hence, these statements derived from literature review undergo a first reality check by case studies in order to find whether and how far they can be held and what other factors should be considered in further research. To prevent an excessive number of potential determinants, our analysis is focused on two Polish-based subsidiaries labelled as: SE-BS and NL-BS which belong to two very large MNCs from culturally-close countries. Both are characterized by a stable economic situation, similarity of rendered services.

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3. In Hofstede’s 6-D Model, Netherlands and Sweden, from which these MNCs originate are: non-hierarchical, individualistic, highly feminine, weakly avoiding uncertainty, pragmatic, and indulgent, https://geert-hofstede.com/ [23 Aug 2016].
Developing Cross-cultural Competences through International Employees Flow – Experience of Subsidiaries Providing Business Services

es, and good employer branding. They differ because of their status in the MNC and relationships with other corporate units which are reflected in their employment and HR policies.

The research, conducted between March and May 2016, draws on data collected through three tools (scenarios based on semi-structured interview guidelines dedicated to the head of HR and structured questionnaires addressed to two groups of Polish employees: former assignees and people interacting with foreign assignees during their stay in Poland4). In total, analyses covered 2 transcriptions of in-depth interviews, 29 questionnaires, internal and web-based documents. The scope of interviews covered themes such as: status of these entities in MNCs, their contribution to corporate network, strategic concerns of managing people, IM, and HRM support for cross-border interactions. Both questionnaires were focused on circumstances of interaction with foreign location/assignee and perceived impact of such interactions on participants learning results. Due to the nature of study, a predominant method was qualitative analysis, supported by coding (in case of interviews and open questions from questionnaires), content mapping, and aggregating (in case of questionnaires) to organizational level.

Results

Due to spatial constraints, it is impossible to include interviewees’ answers, thus the results of case studies are presented in the form of:

- separated summaries based on in-depth interviews and available documents
- a table comparing four groups of employees who filled in the questionnaires.

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4. For both groups such experience had to meet time requirements, i.e. to last at least several days, and occur no sooner than two years ago. With help of HR departments these employees were identified and involved in research.
**SE-BS** was established in mid 90s in order to support other corporate entities selling various products (e.g. vehicles, spare parts, and machines used in transport and construction industry) of which a large proportion in manufactured in Poland. Its activity was primarily focused on financial instruments addressed to business customers from Poland as a part of complex offer combining the purchase of equipment with financial services. In time, SE-BS has become a regional centre that develops and coordinates operations in dealer and customer financing, insurance, and related services, whose scope encompasses ten CEE countries. It employs 70 people, of which a great majority are Poles with at least 5 years tenure. Unlike the whole sector, the company has not been affected by the high employee turnover. Neither employment structure, nor its size have changed recently, since “we have very strong focus on effectiveness of our structure ... what I am trying to say, is that our headcount is now very optimal” as the HR director explained. In fact, “optimal” serves as summary of SE-BS strategic concerns, including key aspects of value created for customers. Its relatively small size and stability allow to retain direct, close relationships that facilitate on-the-job training, informal knowledge sharing, team work, and open communication. However, being a part of a world-wide MNC which performs a mixture of regional-global strategies, entails SE-BS involvement in a regional cooperation within the CEE, and sharing global values, which is strengthened by extensive usage of common, corporate knowledge resources and by implementing corporate HR standards (covering required competences, employee development, and IM). Accordingly, when seeking for new employees, the company emphasizes opportunities to develop industry expertise, gain international exposure, and interact with the core business of the group. Corporate and SE-BS managers regard IM as a necessity for keeping integrity, and at the same time – a method of experience-based development. The most important developmental IM practice are short-time IAs (up to 6 months) in both directions, i.e. inflow and outflow, but importantly – beyond the CEE. This kind of experience is incorporated
into personal business plans that are drawn for each individual (as agreements between employees and their managers). An interviewee highly appreciated the usefulness of IAs in her company, since cross-cultural encounters resulted in better cultural awareness and openness of assignees, and thus easier cooperation within the MNC, including the CEE:

We are working in such an international environment that the openness to other cultures is very important to us. I remember for instance ...the Baltic countries are such countries, where ... it’s hard to work with. Some of them are very hermetic, have their own ... so this cultural openness helps a lot, and these short assignments work that people begin to think differently, they see that not only my values are important and ... that others think and see everything differently.

Other typical opportunities of such encounters cover: an annual “kick-off” meeting organized by SE-BS for CEE-located staff and occasional business travels (IBT) for training or specific problem-solving abroad (for a few days). The former are focused on clear communicating vision, strategies and integrity of operations in the CEE, thus cross-cultural competences remain “in the shadow”, the latter are much more diverse (from “core expertise” to soft skills). For last few years IM practices have not been changed and the most likely scenario is continuity.

**NL-BS** has been operating for 5 years, and throughout this time its activity has grown sharply in terms of geographical scope, range of services, and global expertise, as well as employment size. The centre provides financial services to about 30 corporate entities (“operating units”) located in Europe (mainly) and other parts of world which retained their “national specificity” that is “they work on their own systems, have own working languages, own national brands”, according to the interviewed HR manager. Such approach corresponds with the MNC strategy of local responsiveness, which mostly relies on acquiring domestic businesses. It also implies (for NL-BS) the necessity to work on diverse tools preferred by such internal customers and use their national languages. Therefore, when a finan-
cial process, which initially was performed by an operating unit, is taken over by NL-BS, the centre has to ensure people who will be able to meet the above requirements. It is usually achieved by relocating some of these employees who did this job in this to Poland unit, and by seeking for competent candidates who communicate in this unit’s language. Consequently, NL-BS employs over 700 people of almost 30 nationalities, and the proportion of transferred staff in employment exceeds a dozen percent. Major strategic concern pertains to employee and knowledge retention, due to highly competitive local labour market, and thus turnover, which is the highest amongst young people (students, graduates) in the first years of their work for NL-BS. Emphasis on individual development and IM opportunities is treated now as a valuable method of solving this problem. The company uses diverse forms of IAs, i.e. international business travels (IBTs), short-time and extended up to a year in both directions. Sending people for IBTs and short-time IAs supports taking over a process and solving specific customers’ problems but is also regarded as key aspect of building relationships. Thus delegates are prepared by managers (via talks, discussion of typical problems) to fulfil their roles with care, sensitivity and empathy. Longer IAs (one or two per year) are aimed to develop talents, in particular their professional expertise and leadership skills. Yet, the greatest contribution to cross-cultural interactions provides short visits of operation units’ teams. They usually encompass workshops, discussions, and integration events. The manager argued that:

What is important... is this cultural aspect ... not only in terms of nationalities, but also of organization cultures. We are a kind of a patchwork of very different people from different organizations... and there is nobody who could shape the corporate [global] culture. Therefore, we began to use these visits more, so as to soak with this culture. So, when a boss, or a leader is to arrive, we ask for preparing a kind of business up-date... to learn what has happened in Portugal for instance, how this business is operating there, what changes and
problems they cope with. This is an open session, and the second level are “lead talks”, that is ... meetings for managers and leaders. This inspires people and shows them how in different parts of the world people think, and deal with diverse leadership issues.

The above practice proved to be successful, thus it will be maintained, but the same cannot be said about other IAs. The expected change relies on an slight increase of employee inflow from new established centres and a decline in sending people abroad (due to completing “transition stage”).

Table 1. Participants of cross-border encounters and their experience in SE-BS and NL-BS

<table>
<thead>
<tr>
<th>Former Polish assignees</th>
<th>SE-BS (5)**</th>
<th>NL-BS (8)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Job Expertise</strong></td>
<td>non-managerial finance No(5)*</td>
<td>non-managerial finance No(2), Yes(6)* usually: 3</td>
</tr>
<tr>
<td><strong>Previous foreign assignments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Their last stay abroad</strong></td>
<td>4-12 months(3)*, up to a week(2)</td>
<td>1-3 months(3), 1-4 weeks(3)*, up to a week(2)</td>
</tr>
<tr>
<td><strong>Length of stay abroad</strong></td>
<td>to knowledge exchange and support host unit (2), to train others (2), personal development (1)*</td>
<td>to solve business process-related problems (4), to acquire information on host unit practice (5)<em>, to enhance: professional expertise (5)</em>, business knowledge (3), culture-related (5)<em>, leadership skills (3)</em></td>
</tr>
<tr>
<td><strong>Goals (coded)</strong></td>
<td>No(5)*</td>
<td>Yes(5), No(3)*</td>
</tr>
<tr>
<td><strong>Prior contact with host staff</strong></td>
<td>One nation (4), Multinational (1)*</td>
<td>One nation (4), Multinational (4)*</td>
</tr>
<tr>
<td><strong>Diversity among host staff</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key learning results (coded)</td>
<td>- progress in technical skills (2)</td>
<td>- progress in solving-problems skills (3)</td>
</tr>
<tr>
<td></td>
<td>- enhanced knowledge of advanced tools and systems (3)</td>
<td>- better understanding of stakeholders expectations (1)</td>
</tr>
<tr>
<td></td>
<td>- better understanding of business process (2)</td>
<td>- progress in technical skills (4)</td>
</tr>
<tr>
<td></td>
<td>- new knowledge on host unit culture (4)</td>
<td>- enhanced professional expertise (1)</td>
</tr>
<tr>
<td></td>
<td>- better understanding of host unit point of view (2)</td>
<td>- better understanding of customers and business specificity in host country (1)*</td>
</tr>
<tr>
<td></td>
<td>- better understanding of national cultures and mentalities at workplace (1)*</td>
<td></td>
</tr>
<tr>
<td>Participants of interactions with foreign assignees</td>
<td>SE-BS (7)</td>
<td>NL-BS (9)</td>
</tr>
<tr>
<td>Job Expertise</td>
<td>managerial (2), non-managerial, (5) finance (4), sales (1), general management (2)</td>
<td>managerial (3), non-managerial (6), finance (5), sales (1), general management (3)</td>
</tr>
<tr>
<td>Last interaction with assignee</td>
<td>- 1-3 months (3), 4-12 months (2), longer than a year (2)</td>
<td>- several days (2), 1-4 weeks (1), 1-3 months (2), 4-12 months (2), longer than a year (2),</td>
</tr>
<tr>
<td>Time span of interaction</td>
<td>- No(5), Yes(2)</td>
<td>- No(6), Yes(3)</td>
</tr>
<tr>
<td>Prior contact with assignee</td>
<td>team member (4), team leader (3), trainee (1)</td>
<td>team member and consultant (3), trainee (1), trainer (4)</td>
</tr>
<tr>
<td>Assignee status in relationship with respondents (coded)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Areas of the highest perceived progress due to interaction (rating based on self-evaluation made by respondents)</td>
<td>1st multicultural teamwork</td>
<td>1st knowledge on global business and multicultural teamwork</td>
</tr>
<tr>
<td></td>
<td>2nd communicating with foreigners</td>
<td>2nd function-related expertise and communication with foreigners</td>
</tr>
<tr>
<td></td>
<td>3rd understanding cultural differences</td>
<td>3rd technical skills</td>
</tr>
</tbody>
</table>
Absence of progress in:
- communicating with foreigners,
- multicultural teamwork,
- understanding cultural differences refers to:

A manager (age: above 55, expertise: finance/accounting) involved in teamwork with assignees (from subsidiaries) for longer than a year, who knew them earlier personally

4 people: all managers involved in teamwork with assignees (from subsidiaries and HQ), and a sales professional who trained an assignee (subsidiary); two had no prior contacts; length of interaction - from several weeks to longer than a year.

*co-occurrences of learning outcomes related to cross-cultural competences, and IM-related experience of those who declared it.

** (5)- number of respondents presented in brackets

Source: own study.

Conclusions

The above results suggest that despite similar profiles of these subsidiaries, their IM practices differ, which in turn highlights the importance of corporate models/mentalities, and their specific paths of evolution. Although, in both cases, cross-cultural competences seem to be an important condition of successful cooperation with foreign partners, their required “content” and methods of their development do not resemble each other, as one might expect.

Regionally integrated SE-BS is a strongly embedded participant of corporate culture, tightly linked to its regional partners via common systems, language, repositories, communication channels etc. At the same time, its crew is a compact, stable and rather homogeneous community. Thus key cross-cultural competences are cultural diversity awareness and openness that counterbalance the company’s characteristics. Hence, short-term IAs are used to develop prospective individuals through experiencing another point of view. Importantly, such a developmental stay refers to a location beyond the CEE.
In NL-BS, which is obliged to follow the corporate strategy of local responsiveness when providing services to operating units, multicultural teamwork seems to be an everyday experience due to national diversity of its crew. However, when coping with foreign entities, being cross-culturally competent means being able to communicate in manner preferred by such a partner, and to build relationships with sensitivity and respect for their local specificity.

In SE-BS all assignees asked about what they primarily learned due to their stay abroad, pointed to the specificity of host unit culture, only one man declared better understanding of national culture influences. His IM-related experience was unique (when compared with others) only in terms of national diversity among the employees he interacted with, and the main goal of his IA, i.e. personal growth. On the contrary, assignees from NL-BS did not notice any change, except for one person who reported a better understanding of host country business specifics. This lack of perceived IAs impact can stem from prior (larger in NL-BS) interactions with foreigners at work, i.e. earlier stays abroad, and working in multinational teams in Poland (in NL-BS). The latter may also explain the differences between companies in perceived cross-cultural competence development perceived by Polish employees as a result of their interactions with foreign assignees. In monocultural SE-BS these effects were evaluated as higher, and more frequent compared with patchwork-like NL-BS. On the whole, these results do not clearly confirm a direct link between the type of IM experience and enhancing cross-cultural competences of employees, but rather show that the origin of individual differences lays in the cultural diversity at workplace. To sum up, these case studies suggest that the first and the last propositions can be hold. As for the second, further research is required.
References


