

Cultural Competence: Everything You Need Know

Author: Tatenda Sayenda . November 2020

Embracing cultural norms in business is the key to penetrating new markets, attracting international customers, and enabling a local product or service to find a global audience. For a business to excel there is a need for cultural competence. The ability to embrace different cultures both internally and externally.

What is Cultural Competence?

Cultural competence refers to the ability to interact effectively with people of different cultures. Cultural competence comprises four components: (a) Awareness of one's cultural worldview, (b) Attitude towards cultural differences, (c) Knowledge of different cultural practices and worldviews, and (d) cross-cultural skills. Developing cultural competence results in an ability to understand, communicate with, and effectively interact with people across cultures. To understand cultural competence, it is important to grasp the full meaning of the word culture first.

According to Chamberlain (2005), culture represents “the values, norms, and traditions that affect how individuals of a particular group perceive, think, interact, behave, and make judgments about their world”. While a few individuals seem to be born with cultural competence, the rest of us have had to put considerable effort into developing it. This means examining our biases and prejudices, developing cross-cultural skills, searching for role models, and spending as much time as possible with other people who share a passion for cultural competence. The term multicultural competence surfaced in a mental health publication by psychologist Paul Pedersen at least a decade before the term *cultural competence* became popular. Most of the definitions of *cultural competence* shared among diverse professionals come from the healthcare industry. Their perspective is useful in the broader context of diversity work.

Benefits of Cultural Competence in business

Understanding cultural differences and building a culturally competent company is essential for the success of your business. *Cross-cultural competencies* keep businesses from making unwise decisions, especially in advertising. Recent notable failures of *cultural competence* are the Clicks South Africa incident where they pulled a racially insensitive advert featuring different textures of women's hair, and black-African hair was portrayed as bad textured hair, whilst Caucasian hair was portrayed as the ideal texture for the hair.

Cross-cultural competencies go far beyond simply helping a company avoid racial stereotyping and exposing an internalized bias. Cultural competencies are also far more practical than being reserved for elite international companies doing business abroad. *Cross-cultural competencies* are essential for every business, even a local business, because everywhere there are people, there are differences. Research has

shown that diverse teams make better business decisions 87% of the time.

According to Nongard (2018) when business leaders focus on *cultural competence* skills there are six predictable outcomes:

- Cultural competence creates rapport
- Cultural competence improves efficiency
- Cultural competence opens new markets and networks
- Cultural competence makes people feel valued and builds loyalty and repeat business
- Cultural competence is interesting, and interest creates innovation
- Cultural competence helps you avoid mistakes, miscommunication, and dissatisfaction in doing business in foreign countries. With a workforce that understands these concepts, you create the opportunity to effectively develop your business in a global market."

Research shows that globally-minded businesses have a competitive advantage over companies with a more narrow focus. "In an increasingly globalized world economy, workforces that are culturally diverse can help companies expand their business in worldwide markets," writes Haley Smith. "Being able to communicate effectively in different parts of the world is a key benefit, as well as knowing how to create relationships and understand the cultural nuances and differences

According to Lamson (2018), Cultures are complex and fluid, not static. Determining your organization's *cultural competence* requires understanding nuanced interactions and behaviours. The challenge is, you are not just determining your employees' abilities to work with people from different backgrounds, ethnicities, age groups, or religious traditions, and you are also evaluating the depth of knowledge and experience within the company as a whole to identify any gaps. It is important to evaluate the degree to which an individual or a team can step outside their cultural boundaries and become comfortable with new and unfamiliar customs and practices. In global settings, business people are confronted not only with different cultural expectations but with the complexities of a particular country's business environments including legal, economic, technological, political, and social considerations.

How to develop Cultural Competence in your Organisation

Mita Mallick, the Head of Diversity and Cross-cultural Marketing at Unilever, says "While companies are focused on a diversity of representation and who gets to sit around the table, they can no longer ignore how their products, services, and content show up in the marketplace. Consumers are voting with their wallets and want to buy from inclusive companies and brands."

Building *cultural competency* in a business or team is an ongoing exercise, one that is, of necessity, responsive, and fluid. Taking steps to develop cultural competence in your organization builds one of the most valuable assets your organization will have--one that will yield tremendous benefits over the years to come. [Mita Mallick](#), the head of diversity and *cross-cultural* marketing at [Unilever](#), says, "It's not the job of your employees to lead diversity and inclusion efforts on top of their day jobs. You need a diversity and inclusion strategy, which then informs the structure you will need to implement your

vision. You need to commit to investing with headcount/resources, budget, and time. If you don't see the benefits of having a diversity and inclusion team, your organization will be left behind in the marketplace."

Lamson (2018), provides the following tips for developing *cultural competency* in your organization:

1. Conduct executive interviews with a cultural expert to evaluate your team.
2. Identify the gaps and create a strategy for developing cultural competence.
3. Develop and implement training and coaching with a true cross-cultural expert.
4. Emphasize communication and relationship building across geographic barriers.
5. Practice active listening.
6. Be sensitive to language barriers and bridge any linguistic divides.
7. Encourage sensitivity to issues like time, local customs, religious matters, and etiquette.
8. Practice effective cross-cultural team-building.
9. Solicit feedback from your team as they put the training to use in the workplace.
10. Conduct a review and reassessment of your team's performance and modify your training and coaching as needed.

Cultural competence should impact all areas of your business from hiring practices to company culture to marketing. Being aware of the space you take up, and exist within, will allow you to navigate those differences with empathy and understanding. *Cultural competence* is important for both your bottom line and creating a workplace culture that employees are proud of. A 2017 Deloitte study showed that over 75% of employees at all levels would consider leaving their current organization for a more inclusive one.

As our world becomes ever more interconnected and globalized, cultural competence is an essential skill for almost every workplace. Ultimately, *cultural competence* can benefit your company in many ways. You'll have better employee retention, customer satisfaction, and attract the top talent and customers. Cultural diversity impacts every area of your business, and you should give it the attention it deserves when you're developing your overall business strategy (Riserbarto, 2020).

Tatenda Sayenda-Havire is a Consultant at Industrial Psychology Consultants (Pvt) Ltd, a management and human resources consulting firm. Phone +263 (242) 481946-48/4

References:

10 Tips To Develop Your Firm's Cultural Competence, Melissa Lamson, 2018
(<https://www.inc.com/melissa-lamson/cultural-competence-your-most-valuable-business-asset.html>)

6 Ways Businesses Benefit From Cultural Competence, Dr. Richard Nongard, 2018
(<https://www.business.com/articles/business-cultural-competence/>)

<https://cdn.ymaws.com/www.naswaz.com/resource/resmgr/imported/CulturalCompetence.pdf>

Cultural Competence: What Is It and How To Develop It At Your Company, Rebecca Riserbato, 2020 (<https://blog.hubspot.com/marketing/cultural-competence>)

<https://thehumancapitalhub.com/articles/Cultural-Competence--Everything-You-Need-Know>