

## INTEGRATION OF INTERCULTURAL COMPETENCE IN THE PROCESSES OF ENTERPRISE INTERNATIONALIZATION: POSSIBILITIES OF THE ADAPTATION OF THE MODEL IN THE OPERATION OF SMALL AND MEDIUM ENTERPRISES

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Abstract

The article briefly presents the problems identified during the studies carried out by the authors previously, i.e. the problems of intercultural competence and its integration in the processes of internationalization are disclosed. On the basis of the researches carried out the model of integration of intercultural competence in the internationalization processes is adapted, preparing the plan of development of intercultural competence in enterprises. At the end of the article the guidelines for the application of the model for development of internationalization of small and medium enterprises is presented.

Keywords: intercultural competence, internationalization, small and medium enterprises

### 1. INTRODUCTION

Relevance of the research. Business is a very dynamic and actively changing area, requiring the ability to continually expand the "baggage" of knowledge and experiences. Despite the accumulated both theoretical and practical information, the modern management professional must constantly improve this knowledge and update the old knowledge, in order to correspond the challenges of modern business and global competition. In order to survive enterprises have to expand their business from local to global market. Internationalization is complicated and multidimensional process, describing the increasing geographical extent of the company and involvement into activities of foreign countries (Vabinskaitė, 2009).

It is noted that until the 21st century most of the research in the field of business and management was based on the belief that the decisions of the organization as a united organism, i.e., strategic planning, organizational structure, etc. are the most important. The principle that the decisions of individual managers cannot strongly influence the activities and/or direction of the functioning and principles of the entire organization was followed. Counter, nowadays there is awareness that all decisions depends on competence of manager (Mughan, 2010), especially in small and medium enterprises. Intercultural competence in the internationally operating enterprises helps create the cultural synergy and ensure its international competitiveness. But in the literature on internationalization there is just a formal mentioning about

intercultural problems (Alimienė & Kuvykaitė, 2004; Manolova, 2004; Knowles, Mughan & Lloyd-Reason, 2006) without any deeper consideration except that is useful to know the language. But it is necessary to assess the significance of intercultural competence in the management of the processes of internationalization of enterprises and to form the model of the management of these processes, which would allow to evaluate intercultural competence of the organization, integrating it into the processes of foreign development of the company and identify the weaknesses of the mentioned areas. No less important is the fact that the model of internationalization management should be straightforward, i.e., easily applicable in the activities of the company, without substantially changing the established management standards. This is particularly important for small and medium enterprises, which are limited by the financial resources, limited personnel or insufficient expertise and skills (Forsman, Hinttu & Kock, 2002) so the companies have to implement the changes independently.

The goal of the research: after adaptation of the model of integration of intercultural competence in the processes of enterprise internationalization, to prepare the plan of development of intercultural competence in enterprises, elaborating the possibilities of the adaptation of the model in the activities of small and medium enterprises.

To achieve the goal, the following research objectives are set:

- 1. To review the topics of intercultural competence and its integration in the internationalization processes.
- 2. To adapt the model of integration of intercultural competence in internationalization processes.
- 3. To develop the plan for development of intercultural competence in enterprises.
- 4. To present the guidelines for the use of the model of integration of intercultural competence in internationalization processes.

**Methods of the research.** The article is based on the analysis and synthesis of scientific literature.

### 2. THE TOPICS OF INTEGRATION OF INTERCULTURAL COMPETENCE IN INTERNATIONALIZATION PROCESSES

Nowadays business entities seeking the development of business internationalization are constantly facing with continuous and hard to forecast changes of consumer preferences, technology, innovations, and other both local and foreign factors in a dynamic and complex global economy. In order to address the problems of the economic growth of the specific country properly, the attention should be focused on the specific directions of integrated internationalization of enterprises. The selection of the ways and methods to solve the problem determines the need to consistently develop the skills related to the assessment and interpretation of the factors of supply and demand in foreign countries. Therefore, transformations of business management and managerial processes are inevitable.

Today's management theory professionals also draw proper attention to the competence of executives and/or managers of organizations and the influence of their decisions on the organizations. The engine of existence of small and medium enterprises (hereafter – SMEs) and the main developer is the manager. It is known that successful results in business are done by human factor and the higher quality might be achieved by continuous development of knowledge and skills (Čiutienė, Meilienė & Šimkūnaitė, 2009). Intercultural competence is one of those competences that are vital for manager and employees in context of internationalization (Khilji, Davis & Cseh, 2010).

The results of the researches carried out by the authors (Vveinhardt & Dabravalskytė, 2015a, 2015b) revealed that the Lithuanians are actively pursuing internationalization, however, they lack intercultural knowledge and skills, therefore, they do not reach the desired effect. Just because of that they mostly confine themselves to the close foreign markets, just because of the knowledge of cultural nuances, avoiding "leaving their comfort zone" (Rizvi, 2010). The research has found that the managers and executives of Lithuania have a moderate level of intercultural competence, and in the absence of knowledge of the culture, norms, market situations of other countries hesitate to take new

positions of internationalization. Lithuanian entrepreneurs need the theoretical background of internationalization adapted at least to the sector of small and medium enterprises, as so far there is the lack of structured information both about the markets of various countries, their consumer mentality and cultural norms the business needs to know. Every company should be able to set its own aims, priorities, to assess the current knowledge, to try to correct any drawbacks and to take advantage of opportunities. Often the executives/owners of companies themselves underestimate the significance of intercultural competence in internationalization of the company's activities. For that reason the manager should have intercultural competence, which helps to recognise where culture is important in business and where not, in order to make right decisions (Mead & Andrews, 2009). Basically, intercultural competence in broadest sense is understood as "a complex of abilities needed to perform effectively and appropriately when interacting with others who are linguistically and culturally different from oneself" (Fantini, 2007: 9). However, the efforts shown by the vast majority of the respondents who participated in the research to deepen the intercultural knowledge independently show the need of intercultural competence in executives' / managers' work.

Lithuanian SMEs have plenty of untapped potential, the mere fact that the geographic position of the country allows the Lithuanian entrepreneurs to expand their business both to the European countries and to the Russian and Asian markets. All in all, the idea that it is necessary to expand the business to other countries is becoming more popular in Lithuania recently, as the consumer market of the country is too small for the majority of Lithuanian companies. However, normally they hesitate to undertake a real activity, as the executives/managers of companies are restrained by the lack of specific knowledge related to a specific market, difficulties in establishing business contacts abroad, the lack of networking skills, etc. All of this would contribute to a much easier and faster development of business in a foreign country. It is obvious that the business needs structured, integrated theoretical knowledge of intercultural competence and the models of application – this information would

become the reliable and firm starting point in internationalization of activities of the companies.

Usually in literature SME internationalization has been approached through a variety of theories and models. As Purhonen (2008) states, one connecting theme for the central theories of SME internationalization is the importance of networks. Uppsala (Johanson & Vahlne, 2009) is one of the most popular model of internationalization, which also emphasises the relationship between organizations (in other words - networks). The different models of the internationalization of enterprises analysed by the authors are seen as universal (Vveinhardt & Dabravalskytė, 2014: 22), but it is quite difficult to create such structures because of many different factors - every country and its businesses operate under certain circumstances, which influence their decisions and principles of activity. Worth attention is that the Lithuanian business organizations are often affected by the factors characteristic of Lithuania, therefore, the processes of internationalization are unique in some sense. Taking into account the proposed assumptions, and based on the results of the researches carried out, the hypothetical model of management of internationalization by integrating intercultural competence in Lithuanian companies was adapted.

### 3. THE MODEL OF INTEGRATION OF INTERCULTURAL COMPETENCE IN THE PROCESSES OF INTERNATIONALIZATION

It should be noted that for the meantime neither Lithuanian researchers nor researchers of surrounding countries have actively analyzed the integration of intercultural competence into the processes of business internationalization, this aspect is usually attributed either to the market specifics, or to the business environment in general, in other words, it is seen as uncontrolled or poorly controlled factor whose impact on the organization is still a matter of discussion. Purhonen (2008) says, that in the literature of (SME) internationalization is neglected a deeper understanding of networking as interpersonal relationships and social interaction. Usually problems connected with intercultural competence are solved formally, i.e. attention is drawn

to learning of languages and communication (Harzing, Koster & Magner, 2011). For this reason, the models, in which the intercultural competence would receive more importance, aren't formed yet, there is also a lack of methodological tools on how to properly evaluate the significance of this component for business organizations. Thus, the model adapted by the authors and the practice of improvement of intercultural competence formed in accordance with it is one of the first efforts in order to update the management of intercultural competence and its integration with other business processes. This model should be seen as a mean / programme for the improvement of internationalization processes of SMEs through the integration of intercultural competence and development of the capacity of the latter.

The basis of the model is Q. Rizvi's (2010) system of international business, which is based on the author's own experience as a business consultant. Nevertheless, it should be noted that business is a very dynamic area, so optimization of the processes should be as simple as possible to adapt them quickly, especially when new opportunities to move activities of the organization to a qualitatively higher level occur quite suddenly. It is because of its complexity and the very high level of detail, Q. Rizvi model should be considered the opposite to the Uppsala model (Johanson & Vahlne, 2009). Despite the fact, that Uppsala model is considered as classics on internationalization issue, but the scholars (Hajela & Akbar, 2013) are criticizing it for the uncertainty, it does not provide the plan of activities/steps, which enterprise should do in order to expand their business. In other words, both models are more extreme, especially when it comes to companies of the SME sector – the latter do not have sufficient analytical and financial resources that would allow to provide for and/or form the directions of activities of the organization, often even strategic ones. In addition, it should be noted that Q. Rizvi, organising consultations for businesses on the issues of international business development, and on the basis of the iSMARTE model, always appoints to the company the coach, who joins the team of the company for a limited period to convey information related to the application of the model to the company and its managers properly and to help successfully overcome all the steps of management of internationalization provided in the model.

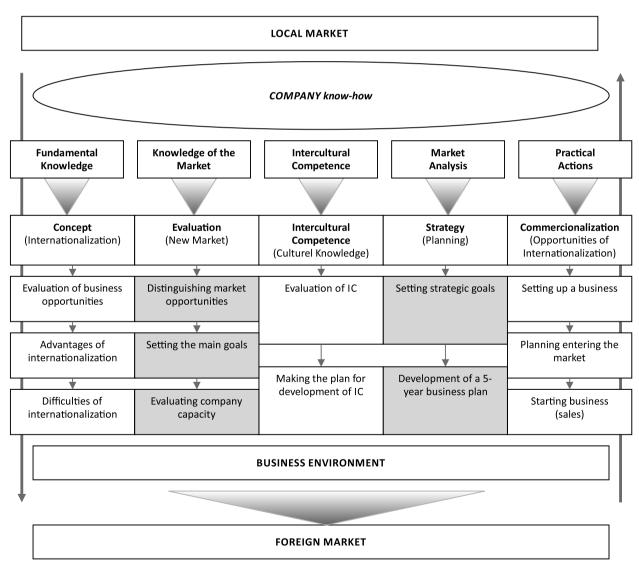
In the case of this research the model of Q. Rizvi was simplified, leaving only the most important items - conceptualisation, market analysis, strategic planning, and commercialisation that ensure the successful internationalization of the company, leaving the right to autonomy to the company. Implementation of the model does not require including an external specialist into the company activities (i.e., the companies avoid to pass the know-how and other information about commercial activities to the individuals who are not related to the company). The component of management of intercultural competence has been added to the model. While intercultural competence is an important factor, which can simplify and accelerate the processes of internationalization, in many cases this factor does not receive proper attention. And this leads to the fact that a number of companies are forced to limit their activities by culturally related markets, because they do not have interculturally competent managers. Typical components of the management processes have not been modified, therefore, the steps of each element remained the same, except for the management of intercultural competence, and the steps detailed at the stage of evaluation (though basically the stage has not been qualitatively developed, as quite a logical in the business sense structure was formed in the original model). However, it should be noted that Q. Rizvi, modelling his system, put a particular emphasis on highlighting the knowledge accumulated in the company: a successful company, regardless of whether or not it is internationalized, accumulates its know-how over time, as it is the main tool of the competitiveness of the company (Rizvi, 2010). Thus, it is necessary to maintain it so that the company would be able to compete in the market, therefore, it is important to ensure that the company's knowhow would not be changed or would be changed slightly, but the organization itself would remain flexible and capable of adapting to the market and the needs of its users, i.e., to the business environment of the specific market. In other words, the enterprise must discover the ways to implement internationalization without losing competitiveness.

It is also worth noting that Q. Rizvi integrated intercultural knowledge and the knowledge of man-

agement of processes into one system, however, in the case of this study they are separated. The main argument for this decision is that managerial decisions help to develop the purposeful strategy for the company, to plan the measures for the implementation of this strategy, and intercultural competence, which is closely related to the communication and cultural knowledge, determines how these processes will be implemented and whether they will be implemented at all. The adapted model is presented in Figure 1.

As it is shown in Figure 1, the model consists of five stages, which a company must go through aiming at concentrated internationalization. These stages are usually thought over and implemented at the beginning of activities of the company, focusing on the consumers and specific characteristics of the national market. However, the attention is drawn to the fact that the foreign market is strange and mostly unfamiliar neither to the head of the company, nor to any specialist of the company as the one in which the company grew up. Therefore,

Figure 1: The model of internationalization of enterprises through development of intercultural competence



Source: adapted by the authors, based on Rizvi (2010) and Marcel (2011)

these aspects must be considered in relation to the culture, norms, market situation, consumer preferences, traditions, and even in specific legal or religious regulations, etc. of a foreign country. It is because of a lack of cultural knowledge and the resultant lack of knowledge of the market of the country and possible restrictions on the activities, the block of intercultural competence is necessary in this model, since it allows to evaluate the situation on the market in advance, anticipate difficulties arising, and plan potential scenarios of their solution. Another important component is business environment: the enterprise planning its internationalization must adjust all actions to the specific business environment, as only by being flexible the company will be able to internationalize successfully.

The most important part of this model is the cyclicity and the constant adaptation of the organization. As business changes by leaps and bounds, enterprises will never be able to create universal methods of implementation of the internationalization, and in particular the SME sector is restricted by limited resources. Therefore, in order to achieve optimum results, the companies should concentrate only on a very limited and well-balanced number of markets simultaneously, (ideally, only one, but at this point, the organizations may encounter increased time costs and the slow return on investment, as well as higher risk, because there are no diversification opportunities, as well as with higher alternative costs). In other words, the company focuses solely on one foreign market, comprehends it, adapts, and then moves to the next, repeating the same steps of the model, this time focussing on the business environment of the new market. However, it should be noted that, although the principle of internationalization is more purposeful, at the same time it causes some difficulties: in order to be able to manage the business processes on a new market properly, the company needs interculturally educated and competent management professionals, because one of the top ranked problem for internationalization is the lack of managerial and other markets' knowledge (OECD, 2009).

The company that has progressed through all the steps of the five stages, presented in the model, forms the basis for the activities (business environment), which allows to step into the selected foreign market safely and to prepare for future competition with business entities operating in that market. In addition, the model is based on learning by doing principle of education, so the company (more specifically, its executives and/or managers) accumulates the knowledge of the new market, stores and uses it to make specific decisions at the same time. The company is therefore much easier to respond to the emerging challenges of operating abroad, to maintain competitiveness and adapt the know-how of the company more expeditiously. Of course, it is time-consuming way, because of using external consultants only, the internationalization can be fast but expensive (Petersen, Pedersen & Sharma, 2003). It should be emphasized that the application of the discussed model is becoming easier with every new market, i.e., the more actively the company develops internationalization, the easier the latter is. Especially, if the organization is making considerable efforts to develop intercultural competence of the employees, especially managers of the company, which corresponds to the third stage in the model.

### 4. THE PLAN OF DEVELOPMENT OF INTERCULTURAL COMPETENCE IN ENTERPRISES

The phase of intercultural competence in the model consists of two main parts.

Firstly, the head of the company should evaluate the existing intercultural competence. This can be done in various ways – a number of instruments for evaluation of intercultural competence have been developed. The company may grant funding for external consultants who would carry out the assessment of intercultural competence, or design the instrument on the basis of various theoretical perspectives, which are presented in the academic literature. In foreign countries, especially in the USA, Canada, Australia, a range of institutes of intercultural competence and intercultural relations are established. They help businesses evaluate and improve intercultural competence, and internationalise at the same time. Thus, during self-evaluation of intercultural competence it is also necessary to take into account the other aspects, such as character traits, motivation of the person promising to develop internationalisation directly, his/her knowledge and experience background, generally speaking about the business, its principles of activity. First and foremost, these aspects allow evaluating the existing employee's competencies; the wider they are, the easier it will be to develop intercultural competence and improve other competencies. It is also necessary to self-evaluate to what part of the company's employees and at what level the intercultural competence is the most important. Perhaps not only managers and executives, but also lowerlevel employees face intercultural communication, for example, when implementing the tasks delegated by foreign partners, etc. We are all members of a certain culture, but we are often so used to it that we do not feel where the cultural things are, simply because we take them for granted and underestimate the fact that certain components of our behaviour or decisions are the influence of our culture (Pruskus, 2010). Such analysis helps to reveal the cultural dimensions, which are usually overlooked, thus helping to discover opportunities for improvement.

Secondly, when including intercultural competence in the process of internationalization, it is very important to prepare the plan of development of intercultural competence, which consists of 4 steps (based on Marcel, 2011): to segment audiences and set the desired behavioural results; to set priorities to the development of intercultural competence that are based on the business case of the organization; to define the requirements and the content of intercultural competence development programmes; to develop the plan including less significant priorities, in order to ensure that they will not be left out of consideration.

To segment audiences and set the desired behavioural results means that for every new foreign market certain cultural and at the same time business characteristics can be distinguished. It can be tried to segment several culturally and geographically close countries, thus attributing typical business models to them. Judging by the norms of behaviour established in certain cultures, one can start looking for solutions on how to change one's behaviour as a leader/manager to be able to reach the aims set by the company.

To set priorities to the development of intercultural competence, which are based on the business case of the organization. The company distinguishing the priority areas of development of intercultural competence will reach the desired results much faster at lower costs. The company may distribute priorities in different ways - for some companies it will be important first to train employees in accordance with their position in the company, for other companies training only in certain competencies is important, for example, to communicate with the rapidly developing South American countries the executive must first learn their language, Spanish or Portuguese, as definitely not all of them are likely to communicate only in the English language, which is considered to be almost international.

To define the requirements and the content of intercultural competence development programmes. After setting the priorities, it is time to think about what outcome of education is expected and to look for measures to achieve the expected results. Such questions as: "should the programs for the employees be developed on the individual basis (as the level of intercultural competence may vary)", "how to motivate employees to educate themselves", "what should be the complexity of the programme designed", "what are the means to develop the intercultural competence".

To develop the plan including less significant priorities, in order to ensure that they will not be left out of consideration. In this step, the involvement of new employees in the processes of development of intercultural competence and internationalization should be reviewed, as well as how often the programmes of development of intercultural competence should be updated; perhaps it is possible to include training in intercultural competence with the already ongoing trainings of human resource competencies.

When developing this plan, it is also important to define such questions as how much and what resources will be necessary, who to delegate tasks to, i.e., to appoint certain employees of the company or external professionals to be responsible, how much time and attention to give to this phase, what tools to use, etc. When including the development

of intercultural competence in organizational processes, one should try to see the whole, without going to the limit: not to be restricted only by the qualitative improvement of intercultural competence of employees, forgetting the other vital processes necessary for the company, or to pay attention only to the company's financial resources. It should also be understood that the changes of intercultural competence, as well as any other changes in the organization do not happen in a moment, it is necessary to plan for long-term perspective, instead of the short "stops" in the company's activities when developing intercultural competence.

As to the company that does not have the knowledge of intercultural competence it is often difficult to orient what to start from, in order to change the situation, simplified solutions of possible plan for development of intercultural competence which the company can follow when designing its curriculum of development of intercultural competence are presented in Figure 2.

As a rule, the development of intercultural competence in the company depends on financial potential of the company. As the Figure 2 shows,

firstly the company or its executive/owner should decide whether the company itself will invest in the development of competencies of employees or the employees will have to do it. By the way, it should be noted that when the latter option has been chosen, the head of the company should create a good motivation system so that this decision would answer its purpose in the later activities of the company (V. Pruskus, personal communication, April 4, 2014). The company that has decided to take responsibility for the development of intercultural competence of the employees has two choices. If the company has sufficient financial resources, the easiest way requiring least effort is to order the courses provided by external professional consultants. They will assess the intercultural competence of the employees of the company, but the company itself should clearly specify certain areas necessary for the organization in the processes of internationalization. The most difficult task when trying to create a plan for development of intercultural competence by themselves is to choose an acceptable model of education. The authors offer Deardorff's (2008) intercultural competence learning spiral as one of the most acceptable models of intercultural education. This model involves the con-

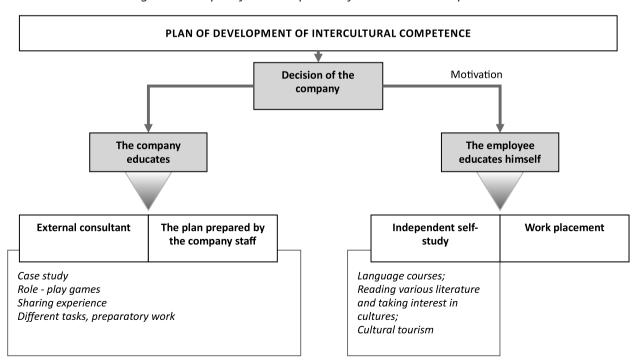


Figure 2: The plan for development of intercultural competence

cept of lifelong learning and the most important areas of development of intercultural competence. However, the proposed model is not the only one, and the company can choose another model they consider the most appropriate in view of its subjective situation.

The company, which has decided which model of development of intercultural competence to apply, should move on the choice of specific techniques. For example, if a low level of foreign language competence is observed in the company, foreign language training courses should be organised. The role-play games, as well as case studies, which enable to provide for potential standard solutions of problems, help in the development of intercultural knowledge and skills most. Some preparatory work is possible, i.e., when the executive, knowing which employee will have a business trip or an important meeting with foreigners, sets him certain related tasks in advance. Generally, in the cases when the company is the initiator of training, much greater involvement in the processes of intercultural competence training prevails in the organization.

As it has already been mentioned, another possibility of development of intercultural competence is to motivate the employee to develop intercultural competence independently. It often happens that such an employee acquires intercultural skills on the job, i.e. through practice. But, definitely, he can also extend and deepen his knowledge, such as foreign language learning, acquiring cultural knowledge of certain countries. Cultural tourism during holidays is also a great opportunity to improve both intercultural knowledge about the specific culture and intercultural skills.

It should be noted that the curriculum of intercultural competence is also a form of company communication, useful both for internal and external communication, particularly in cases where a wider integration with the public or the improvement the company's image/opinion of clients, employees and/or partners is aimed at. In this case, company executives have to distinguish the objectives of communication, which would also help to follow the purposefully developed plan, and the selected direction of internationalization of the company. Therefore, the company must be able to answer the following questions concentrically: what goals or business opportunities foster the company to develop intercultural competence – financial, strategic organizational, etc.? Why does the company provide financial and time resources, developing intercultural competence? What does the company (in the case of SMEs – the manager) consider the priority in improving cultural awareness – the differences between business units/divisions, geographical differences, the differences between the employees of various levels and responsibility? After preparing the plan and having clear, unambiguous answers to the strategic questions submitted, the company will be ready to take practical steps, going to the foreign market, i.e., a detailed analysis of the market and commercialization.

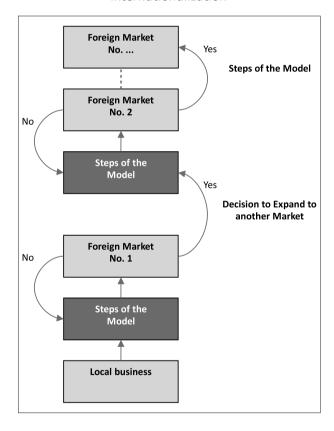
It should be noted that the model is adapted only on the basis of the results of researches conducted by the authors, so it is the first attempt to update intercultural competence as an important and useful tool for internationalization of business. However, in order to verify the effectiveness of all the steps in the model, the broader research and detailed analysis of its practical application in the processes of internationalization of companies integrating intercultural competence are also necessary.

# 5. APPLICATION OF THE MODEL OF INTEGRATION OF INTERCULTURAL COMPETENCE IN THE INTERNATIONALIZATION PROCESSES

As the development of intercultural competence, as well as internationalization, is often compared to the travel, but not its purpose, the model presented in this article should be constantly updated. In the situation of globalisation of the world all knowledge rapidly becomes obsolete; laws, which had previously been followed, are not always applied. Therefore, on the basis of this model of internationalization of enterprises through the development of intercultural competence, the enterprise which implements the internationalization should constantly review and update the set goals. It would be best if it was applied only to the extent of one foreign market development at a time. However, it

is difficult to say how long the implementation of the stages of the model would take, as every company is different, therefore, it should be stressed that the practical implementation of the model depends on many factors, such as the level of employees' expertise, motivation, the size of the organization, its existing resources, etc. Figure 3 presents the algorithm of application of the model of integration of intercultural competence and internationalization.

Figure 3: Algorithm of application of the model of integration of intercultural competence and internationalization



When the enterprise has decided to follow the path of internationalization, firstly it has to evaluate itself and make efforts to go through all the steps of the model of internationalization in turn. However, the enterprises should understand that the suggested model is not a one-off – this is reflected in the algorithm. In fact, this model will never be finite, except in the ideal case, when the activities of the enterprise will become global. But in terms of a small or medium enterprise, even with the maximum growth, the internationalization of this extent

would take at least several decades. Thus, the enterprises should follow the plan:

- After choosing to internationalize the activities of the company, the existing knowledge of business processes in the local market should be systematized;
- To distinguish the intended model of performance in foreign countries using the model of integration of intercultural competence and internationalization;
- This step consists of the successful or unsuccessful use of the model of intercultural competence and internationalization in the activities of the company;
- After going through all the steps of the model and successful establishment in the overseas market, it is possible to think about another similar or completely opposite foreign market. If the enterprise chooses the completely opposite foreign market, it is necessary to reconsider the steps of the model of internationalization, taking into account the aspects of the prospective foreign market, if it selects a similar one, it should re-think and improve the steps taken before, paying attention to the unknown and different things;
- However, if not everything has been implemented and not all was as successful as it had been expected in the course of the steps of the internationalization stages, it is necessary to go back to the steps of the model and re-think the unsuccessful areas, and make corrections.

Thus, both the development of intercultural competence and the processes of enterprise internationalization are not exhaustive, as the constantly changing business environment makes it necessary to be always ready for new challenges. Therefore, the company must constantly look for solutions on how to survive in the global business world and conquer new markets, using intercultural knowledge. The model presented in this article is likely to help small and medium enterprises to expand their business in foreign markets, and it will draw the researchers' attention to the deeper exploration of the interactions of intercultural competence and internationalization. And this synergy between science and business will contribute to the economic growth of the country.

### 6. CONCLUSIONS

This is one of the first attempts to actualize the intercultural competence as an important and useful tool in practical terms the internationalization of the business in Lithuania, because the model itself includes not only the classic elements of the internationalization of the business, but also include the intercultural competence as one of the most important elements of internationalization, which gives the company a significant competitive advantage. Authors assume, that this model could be successful used in other countries, which has something in common, like small inner market or are post soviet country. All post soviet countries has the same experience and knowledge about culture of Russia and other Asian countries.

Aiming at more precise adaptation of the model for small and medium enterprises of Lithuania, more extensive research should be carried out, elaborating the spheres of activity of the enterprises (production, trade, services, etc.), that would influence the components of the model. The specifics of the processes of internationalization should also be noted: the companies in this study were not classified under internationalisation activities (export, subsidiaries, franchises, etc.), but it is likely that this may slightly correct the model, as the different forms of internationalization may require a different level of involvement of intercultural competence. But all of the mentioned hypotheses should be approved / rejected by further research.

### **EXTENDED SUMMARY / IZVLEČEK**

Hiter razvoj globalizacije sili podjetnike v spremembo njihovega načina poslovanja. Lokalni trg je ponavadi premajhen za preživetje in razvoj podjetij, zato morajo svoje poslovanje internacionalizirati. Majhna in srednje velika podjetja imajo omejene finančne, kadrovske in druge vire, poleg tega pa jim manjka tudi znanje o tem, kako internacionalizirati poslovanje. V prispevku je predstavljena prilagoditev integriranega hipotetičnega modela medkulturnih kompetenc in internacionalizacije, ki predstavlja vidik medkulturne kompetence kot pomembnega in koristnega praktičnega orodja za internacionalizacijo poslovanja. Čeprav je ta model prilagojen litovskemu poslovnemu okolju, avtorji predpostavljajo, da bi ga lahko uspešno uporabljali tudi v drugih državah, posebej v državah z majhnim notranjim trgom ali pa v državah nekdanje Sovjetske zveze. Predvsem slednje imajo podobne izkušnje in znanje o kulturi v Rusiji in drugih azijskih državah.

Za natančnejšo prilagoditev modela za majhna in srednje velika podjetja, bi bilo potrebno izvesti obsežnejše raziskave in preučiti podjetja iz različnih dejavnosti (proizvodnja, trgovina, storitve, itd.), kar bi lahko imelo vpliv na posamezne sestavine modela. Podjetja v tej študiji tudi niso bila razvrščena po dejavnostih v procesu internacionalizacije (izvoz, ustanavljanje hčerinskih družb, franšize, ipd.), kar bi verjetno vplivalo na sestavo modela, saj lahko različne oblike internacionalizacije zahtevajo različno stopnjo vključevanja medkulturnih kompetenc. Članek torej na kratko predstavi in analizira vse te probleme medkulturnih kompetenc in njihovo vključevanje v procese internacionalizacije, zlasti za majhna in srednje velika podjetja.

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