



**VZŤAH INTERKULTÚRNEJ KOMPETENCIE
A INTERNACIONALIZÁCIE NA PRÍKLADE MALÝCH
A STREDNÝCH FIRIEM: EXPERTNÉ HODNOTENIE**

**INTERACTIONS OF INTERCULTURAL COMPETENCE AND
INTERNATIONALIZATION ON THE EXAMPLE OF SMALL AND
MEDIUM ENTERPRISES: AN EXPERT EVALUATION**

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Vzťahu medzi interkultúrnou kompetenciou a internacionalizáciou hospodárskych vzťahov sa v štátoch strednej a východnej Európy doposiaľ nevenovala dostatočná pozornosť. Predkladaný článok si kladie za cieľ vyplniť túto medzeru v literatúre a preskúmať uvedený vzťah na základe odpovedí expertov z litovských malých a stredných podnikov. Výsledky výskumu ukazujú, že v podnikoch vo všeobecnosti existuje nedostatok teoretických aj praktických tréningov interkultúrnych zručností. Interkultúrna kompetencia v ľudskej komunikácii pritom silno závisí od osobnosti jednotlivca. Jej rozvoj má potenciál zvýšiť úspech procesov internacionalizácie a ušetriť firmám tak čas ako aj finančné prostriedky.

Kľúčové slová: interkultúrna kompetencia, internacionalizácia, malé a stredné podniky, globalizácia, zahraničné trhy, medzinárodný rozvoj.

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Until now very little has been spoken in Central and Eastern European countries about the importance of intercultural competence in conjunction with the process of internationalization. The present article deals with the interaction of intercultural competence and internationalization on the grounds of the answers given by the experts from small and medium Lithuanian enterprises. As the research results show, there is a lack of theoretical as well as practical training in the level of intercultural communication for employees of various organizations. Human intercultural competence strongly depends on an individual who is perceived as personality. Developed intercultural competence would assist in successful processes of internationalization and save both time and finance.

Key words: intercultural competence, internationalization, small and medium enterprises, globalization, foreign markets, international development.

JEL: M12, M14, M16, M19

1 INTRODUCTION

Globalization as the most rapid phenomenon of recent decades has created unique conditions that are necessary for the growth and development of small countries such as Lithuania and many others in Central and Eastern Europe. Globalization has opened the door to international markets for businesses operating in the local market, it has shaped the conditions that are necessary in order to develop business overseas without significant additional resources. It should be noted that the same globalization has created a very strong competition, due to which enterprises are forced to consider all possible scenarios when they are making their decisions, as any thoughtless step can have unintended consequences. Thus, internationally operating enterprises have not only been able to manage their activities and normal business processes, but also maintain their competitiveness. This is determined not only by exclusivity of products or services of the company, but also by its competence and ability to respond quickly and timely to wishes of customers or partners and to address various challenges. For companies that operate only in the domestic market, this constitutes no significant problems, because they are normally able to observe and react to changes in the local market rapidly. Therefore such operating processes no longer pose any additional difficulties. However, inability to manage these issues can have particularly unpleasant consequences for the enterprises which operate internationally or intend to do so in the near future, especially when they occur due to cultural differences or ignorance of cultural norms. Some organizations that acknowledge local culture are able to develop their activity successfully in other countries, while other organizations have to stumble many times before finally discovering their own “recipe for success”. Understanding the business environment allows the companies to gain competitive advantage, whereas successful adaptation to changes is seen as essential condition to be ensured in order to survive in the global market. As a result, a crucial research question arises: *What are the interactions between intercultural competence and internationalization*

and how the experts of small and medium enterprises (SMEs) evaluate them? In the present paper we will focus specifically on Lithuanian SMEs.

Information about research on intercultural competence can be found in the scientific works by numerous researchers from various countries, such as Varner (2000), Huang, Rayner and Zhuang (2003), Kupka, Everett and Wildermuth (2007), Ang and Inkpen (2008), Krajewski (2011), Kupka (2011), Blasco, Feldt and Jakobsen (2012), or Charoensukmongkol (2014), to mention a few. The aspects of internationalization and globalization have been emphasized by McGraw (1999), McGraw and Harley (2003), Jarvis (2006), Vadlamannati (2015) and many others. However, research that deals with interaction of intercultural competence and internationalization is rather scarce – see for example Deardoff (2004, 2006) or Vveinhardt and Dabravalskytė (2014). The aim of the present paper is to fill in this gap in research, using expert-assisted evaluation.

Intercultural competence can be evaluated in three ways which are distinguished in academic literature, i.e. indirect, direct and mixed. The indirect way of evaluation is based on quantitative methodology and questionnaires. In most cases an individual has to self-evaluate his own abilities. The direct way of evaluation is based on qualitative method, i.e. interviews, observation of intercultural situation and role-play. According to Sinicrope, Norris and Watanabe (2007) the direct evaluation provides complete view of intercultural competence, as it provides more elaborated, more diverse and individualized assessment. When performing mixed evaluation of intercultural competence both aforesaid methods are combined. This undoubtedly guarantees the most extensive analysis of the situation considered, because the individual has an opportunity of self-evaluation and the researcher has a chance to check it.

The present research has been carried out through application of mixed evaluation, but the results of quantitative research have already been published elsewhere (Vveinhardt and Dabravalskytė 2015); therefore in this article exclusively the results of qualitative research are presented. Qualitative expert evaluation is intended for survey of purposefully selected group of people who are experts in the field analyzed. The objective is to look for external features, to measure and calculate them, to search for explanation, laws, rules, versatility and universality outlined by a quantitative viewpoint (Krathwohl 2004, Mackenzie and Knipe 2006, Creswell 2008, Castellan 2010, etc.).

The article is based on the analysis and synthesis of scientific literature. The method of semi-structured interview is used for the qualitative research. The data of expert interviews has been transcribed. The data processing has been carried out in accordance with the structure proposed by Miles Huberman and Saldana (2014). It consists of three key components: data reduction, data display, drawing and verifying

conclusions. (1) Data reduction, editing, segmentation and generalization of obtained responses were carried out in the first stage of data processing. The purpose of this stage was to reduce the data without losing any significant information. (2) Data display helps to systematize, abridge and gather information. Therefore, information obtained is presented in tables and in other structured forms. (3) Although drawing conclusions logically follows the data reduction and display, in practice it takes place almost at the same time (Merton and Kendall 1946, Thomas 2003, Kardelis 2007, Neuman 2009, Miles, Huberman and Saldana 2014, Mertens 2014, etc.). Thus, conclusions of the research first of all appear during the data analysis; however at that stage they are not yet sufficiently purified and accurate. The data must be interpreted and compared in order to highlight certain dimensions.

2 LITERATURE REVIEW

The rapid pace of globalization has changed and is still changing behavior of entrepreneurs. There is a need to conquer new markets in order to survive. Given the importance of global complexity and national culture in the internationalization of small firms, cultural competencies and the cognitive capabilities to deal with such complexity are vital (Bartlett and Ghoshal 1987, Khilji, Davis and Sceh 2010, Nielsen 2014). There are a lot of publications about intercultural competence and internationalization which are seen as separate issues. Since internationalization is always seen as an expansion to foreign countries, it is important to pay more attention to intercultural competence in the context of internationalization.

In general, enterprises operating in foreign countries tend to suffer from the liability of foreignness because of their incomplete knowledge about social environment (Schmidt and Sofka 2009, Zimmermann and Sofka 2013). Wiklund, Patzelt and Shepard (2009, p. 366) agree that environment strongly influences growth of small businesses. Therefore, the ability to gain superior knowledge about international markets allows enterprises to understand the nature of competition and institutional factors and subsequently helps them to respond properly to local competitors and other foreign environments (Elango 2009, 2013). Nevertheless, it is surprising that there is a limited amount of evidence regarding the contribution of intercultural competence to international firm-level performance. In particular, there is a need to integrate the concept of cultural competence at the individual level to organizational outcomes because this issue remains under-researched (Ang and Inkpen 2008, Yitmen 2013, etc.).

Despite their potential weaknesses, e.g. lack of market power, financial resources and human resources, small and medium-sized enterprises have in many economies been regarded as the key driver of international trade. SMEs possess competitive strengths such as flexibility, quick decision making, or the ability to

innovate, which allow them to compete effectively with larger and stronger enterprises globally (Qaqaya and Lipimile 2008, Charoensukmongkol 2014).

Business often takes place in contexts characterized by unequal power relations where each actor aims to prioritize his own agenda, optimize his outcome and minimize the effort and cost he has to incur in order to attain his aims. According to Blasco, Feldt and Jakobsen (2012, p. 235), achievement of empathy towards the other is not seen as the ultimate aim of business negotiations, rather, empathy may be seen as a tool to be used in order to gain strategic knowledge of the other or establish trust and thus maximize effectiveness. Empathy is an important part of intercultural competence, therefore the majority of scholars agree that intercultural business competence seems to be related to the quality of, in particular, long-term relationships (Huang, Rayner and Zhuang 2003, Hewapathirana 2009).

The majority of literature which deals with the issue of intercultural business communication takes scant account of the business context for communication (Varner 2000), often assuming that the goal of cultural learning is to reach an understanding of the other at the communicative level, i.e. his or her presumed cultural beliefs and attitudes. In business situations the motivation is often guided by instrumental motivation, i.e. what is the best way to manipulate the environment in order to attain one's goals (Blasco, Feldt and Jakobsen 2012). Given that most businesses are engaged in international dealings, achieving good business relationships within an international context has always been thought to have both academic significance and practical relevance. The fact that business relationships are developed through interpersonal interactions from which interpersonal relationships evolve plays an important role in the process of business relationship development (Huang, Rayner and Zhuang 2003, Hewapathirana 2009).

Enterprises embarking on new international business partnerships are best advised to appoint staff equipped with intercultural commercial skills or help them acquire the skills through training and development (Huang, Rayner and Zhuang 2003, Hewapathirana 2009). Therefore globalization demands certain people engaged in specific occupations, such as people-oriented occupations, and people who are engaged in crafts and trades to keep abreast of and even generate new occupational knowledge (Jarvis 2006, p. 205). Intercultural communication can be learned to a certain degree, but intercultural competence needs to be developed over time and can be best developed through real-life intercultural experiences (Krajewski 2011, p. 141).

It becomes obvious that it is very important to have qualified, interculturally competent employees. Therefore, in the last decade many scientists (such as Deardorff 2004 or 2006, Hofstede 2011, etc.) began to develop intensively various models intended for proper and effective improvement of intercultural competence of professionals. They also analyze the degree of importance of this phenomenon having

in mind business management in various sectors and areas. The authors of this article have analyzed many different models, and most of them encompass similar dimensions but vary in emphasis and depth of different components. All of them encompass awareness (of the self and of the other), an open-minded attitude, intercultural knowledge and skills that lead to effective communication and behavior as an outcome. While there cannot be a “one-size-fits-all” model (Krajewski 2011, p. 141), the most distinctive in its completeness and detail appears to be *the Rainbow model*.

The Rainbow model was invented in 2007 by Kupka, Everett and Wildermuth. Kupka (2011) argues that the Rainbow model is much more comprehensive when compared with other conventional models; it is not oriented towards one – mostly linguistic or cultural – side of intercultural competence. Rainbow model provides intercultural competence as a subjective, episodic, contextual process management based on (un)expected expectations (Kupka 2011, p. 220). This model has been selected because of its practical value that is important for organizations. It is possible to assess the employee’s intercultural competence in accordance with the elements of the Rainbow model, also to gather information about his or her strengths and weaknesses and to find out what features should be improved by particular specialist in order to develop his or her intercultural competence. During the model development it has been tested successfully during several studies with participation of university students, and all those studies have yielded positive results. It has been estimated during the studies that all the elements are strongly interrelated, because high reliability scores have been obtained during them. The Rainbow model has been selected as the most popular and most easily accessible method nowadays to be used in order to analyze the intercultural competence and to measure the possible impact of this element on international business development.

3 METHODOLOGY OF RESEARCH

Expert interview is a specific type of survey, when specially selected people who have most knowledge in a certain area, who are highly competent and have quite reliable and comprehensive information about the problem of the research, are interviewed. This method has been selected for a broader and deeper analysis of the problem. On the other hand, it should be noted that the information obtained in this way may be subjective and related to personal opinion and values (Potabenko 2002, Kardelis 2007, Harrell and Bradley 2009). In case of this research, we believe expert interview is the best way to reveal peculiarities and specificity of intercultural competence. This method of research allows us to reveal how much influence the intercultural competence has or may have on internationalization of enterprises, their correlation and opportunities to use the intercultural competence in international business development.

When planning the research, the individual approach was selected from among a wide range of methods of expert evaluation, as the aim was to get as broad and comprehensive information as possible. Scientists who have been researching intercultural competence in Lithuania, international business management professionals and representatives of organizations who are working with development of business internationalization have been interviewed during the research. All experts who participated in the research were selected taking into account their knowledge and experience in the areas of development of intercultural competence and/or international business development.

The categories to be used for preparation of the expert survey were formulated in accordance with the results from the quantitative survey previously carried out by the authors of this article (Vveinhardt and Dabravalskytė 2015). A semi-structured questionnaire that requires more competence in the key research topics – intercultural competence and internationalization – has been used during the expert survey. According to Marvasti (2004), Kardelis (2007), Hancock and Algozzine (2011) and Ranjit (2014), questions with freely formulated answers provide some freedom and flexibility during interviews and ensure variety and density of data obtained and freedom of interpretation. The categories of the questionnaire and its questions are elaborated in the Table 1; they present the researchers' objectives in the context of this study.

Case analysis – a systematic collection of comprehensive information about a particular social formation or phenomenon in order to understand how it works or functions (Kohlbacher 2006, Kardelis 2007, Huvila 2008, Walt et al. 2008) – has been selected as the research strategy. The primary motive of this selection is that intercultural competence is distinguished by the authors only as one of many possible factors that determine or significantly affect internationalization processes of specific companies.

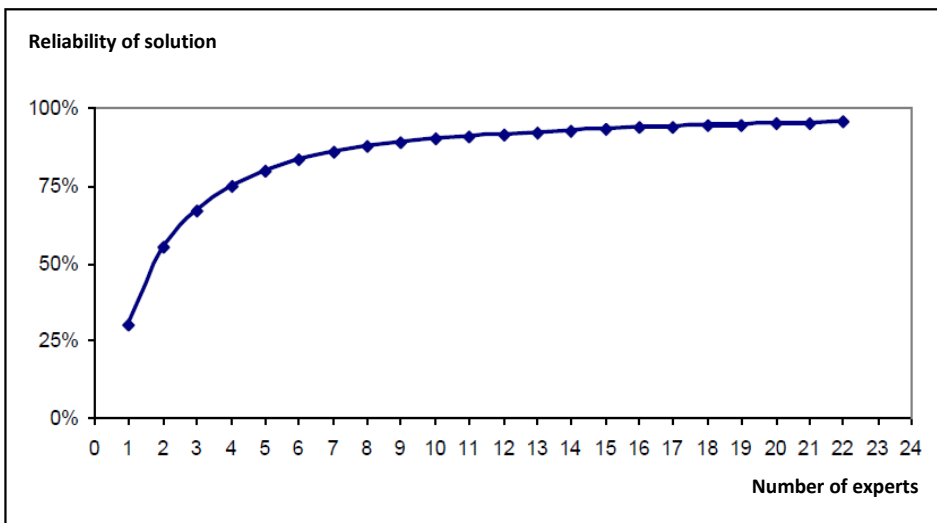
Table 1: Question categories of expert interview

<i>Categories</i>	<i>Questions</i>	<i>Researchers' aims</i>
Aspects of internationalization based on experts' opinion	<p>What do you think determines the success of enterprises in the development of their foreign activities?</p> <p>What could facilitate the process of internationalization for businesses? How?</p> <p>What would you recommend for beginners or for the entrepreneurs who wish to expand their activity abroad?</p>	<p>These questions aim to disclose the experts' opinion on the most important internationalization processes, determining the success, as well as to find out their theoretical and practical insights.</p>
Importance of intercultural competence	<p>How important is intercultural competence of executives/managers in the internationalization process? Why?</p> <p>What does successful intercultural communication in the companies' activities depend on? Why?</p> <p>In your opinion, what personal characteristics and abilities show that a particular person has intercultural competence?</p> <p>What do you think is more important to focus on when communicating with foreign business partners: cultural differences or similarities?</p> <p>What do you think is the most important element in the development of intercultural competence?</p> <p>Do you think that small and medium-sized enterprises have to develop the employees' intercultural competence? How should it be included in the company's activities?</p> <p>Do you agree with the proposition that intercultural competence of future employee plays one of the most important roles in the modern business world? Why?</p>	<p>This group of questions is intended to determine how experts define intercultural competence and what they suggest regarding its development and inclusion in the activities of a company. It also aims to find out whether intercultural competence seems to be an important criterion for successful activity of a company.</p>

Source: created by the authors.

The selection for the expert survey was carried out on the basis of qualitative criteria set out in advance, i.e., higher education, significant expertise and experience acquired in at least one of the major areas of the research (intercultural competence and/or business internationalization). The selected experts were divided into 2 groups: a) those who have gained extensive experience in the areas of intercultural communication and intercultural competence, and b) those whose professional experience is based on the internationalization of business processes both in theoretical and practical terms. Six experts (3 theorists and 3 practitioners) were interviewed. The interview with each one of them took approximately 45 minutes. As we can see from Figure 1, the selected number of experts ensures high reliability of the data obtained.

Figure 1: Reliability of expert evaluation



Source: Rudzkienė (2005).

In order to achieve a broader and deeper understanding of the interactions between intercultural competence and internationalization a survey of experts was carried out. This part of the research revealed different approaches, both to intercultural competence and to internationalization. In order to achieve a balance between theoretical and practical approaches, the same number of practitioners and theorists was interviewed. In order to keep personalities of the experts undisclosed, they are encoded as follows: E1, E2, E3, E4, E5 and E6. Expert coding information is presented in Table 2.

Table 2: Expert coding table

<i>Code</i>	<i>Position held by the expert, experience</i>
E1	Professor at the Vytautas Magnus University. Research areas: intercultural communication, competence, psychological aspects at work.
E2	Habilitated Doctor, Professor at the Vilnius Gediminas Technical University and the Lithuanian University of Educational Sciences. Research areas: intercultural communication, business ethics, sociology.
E3	Export Manager of the public institution “Enterprise Lithuania”. Experience: studied abroad, work experience related to development of corporate business both in Lithuania and abroad.
E4	Doctor of Social Sciences at the Kaunas University of Technology, Marketing Manager for the Baltic States in an international company. Research areas: enterprise internationalization, marketing. Experience: 8 years of work experience with partners from different countries.
E5	Doctor of Social Sciences, Associate Professor at the Vilnius University. Research areas: international human resource management, intercultural relations, management of multicultural teams.
E6	Former Managing Director of the public institution “Invest in Lithuania”, former adviser to the Minister of Economy of the Republic of Lithuania on issues related to investment attraction. Experience: studied abroad, Vice President of Goldman Sachs (the largest investment bank in the world), activity related to attracting foreign investors to Lithuania. Currently stakeholder of the Canada Investment Fund and Chairperson of the Board of Directors.

Source: created by the authors.

4 RESULTS OF THE RESEARCH

All the experts who participated in the research agreed that little has been discussed in Lithuania and the Central and Eastern Europe about the importance of intercultural competence in the company’s activity. E2 argued that *“there are no enthusiasts who would come to enterprises and disseminate intercultural ideas. Entrepreneurs themselves lack awareness, understanding of importance of*

intercultural communication and competence. On the other hand there are only few persons in Lithuania who write on this topic". Other experts also agreed that enterprises rarely pose similar problems publicly. They are more likely to talk about financial difficulties, problems related to payments. E6 noted that, in general, *"There is a lack of systematized information in Lithuania both about foreign countries, their cultural specificities and about the opportunities for the development of internationalization; or it is not as easily accessible as it should be. Here really is the place to make an effort."* The experts lacked not only theoretical, but also practical knowledge of intercultural communication. As E5 notes, *"universities really have a growing number of intercultural disciplines, but I have never heard about intercultural training courses organized by Lithuanian companies."* Such opinion of the experts on enterprises posed the relevance of the problem in this research.

All experts agreed that intercultural competence of a particular person depends on his/her own characteristics. Communicability, in their opinion, is one of essential personality traits a particular person has to possess in order to be able to communicate with representatives of other cultures. E3 and E4 have identified other important characteristics as courage and flexibility. E3 maintains that *"the most important thing is to enjoy your job, not let fear take control of you, be able to adapt. Head of the enterprise should be a strong person, a leader, he/she has to pursue the company's goals and must be able to motivate his/her team"*. E4 observes the common trait of many people in Lithuania: *"We have multiple phobias and this strongly restricts us. Our climate is different, there are no black people in our country, but our attitude towards them is very negative. There must be tolerance to otherness"*. E2 argued that *"extroverts and friendly people can achieve success in intercultural communication much more easily; in general, the easier a person communicates with everyone, the more likely he/she will act in the same way with foreigners."* This expert's opinion was also supported by E1, claiming that *"a frank person accepts others and their culture more easily"*. E5 thinks a bit differently. In his opinion, a person first of all has to *"be able to listen, be attentive and patient"*.

Experts believe that development of cooperation with foreign partners depends only on the person himself/herself and his/her desires. Intercultural competence affects the success of processes of internationalization: many of them can be facilitated, because it will not be necessary to go the path of trials, thus saving the enterprise time and, of course, money. E2 argues that successful intercultural communication depends only on the enterprise itself and its executives, as *"in fact transnational corporations need to find a common denominator for everyone, however, there is no universal intercultural communication and competence. Every enterprise has to select what it needs; if it communicates with German and Japanese people in the same way, nobody knows what kind of intercultural communication will come out of that"*. In the

experience of E4, success of intercultural communication is highly dependent on the employee's personality traits: *"Tolerance. You just have to live with all of it. If you want to start intercultural activities you have to accept the fact that you can be misunderstood, and be ready to figure out everything to the end"*. E4 stresses out that a successful intercultural communication also depends on other aspects, such as *"the language barrier is huge, the cultural barrier is big and, in general, the perception is different. When we started to work with the Latvians we all were very surprised at how different are perceptions and buying habits of Latvian people, and that they need a completely different assortment. Yes, they eat bread, buy milk, alcohol, but they do it in a different way. In this case, the intercultural competence can speed up all processes in the enterprise and if it is possible to have a mixed team in the company, it is even better"*.

According to the experts, success of intercultural communication depends on a variety of reasons. Its success is determined both by the employee's personality (in case of SMEs such employee usually is the manager) and overcoming of various obstacles and barriers. According to E6, *"if the manager has some experience of working with new markets, he/she already knows what has to be found out, what barriers have to be overcome; even in Lithuania a good manager may play a major role in order to achieve business success"*. Intercultural cooperation will be more successful if the person in charge of the enterprise has intercultural competence. According to E4, the manager's competence *"is very important, nothing would be without it"* in the process of internationalization. E1 and E3 share the view that the manager is an essential axis in the enterprise and *"the manager's competence determines the performance results; well-being of each employee and the enterprise as well as the competitiveness of the enterprise in the international market also depend on the manager"* (E1). E3 supports this idea, arguing that *"the manager regulates all the company's philosophy. If the manager sees that it is important for the enterprise to know the cultural subtleties, the staff of the enterprise will be interested in them"*. E2 has the opposite approach towards the manager's role in the company. In his opinion *"very little is determined by the manager, because modern employees have very little motivation to work well, most of them simply do not have any interest in work"*. E2 expressed his position that more attention should be given to the company's employees, development of their motivation and internationality. However, he agreed with the opinion that the manager should be able to come up with such a motivational program that would really encourage employees to take interest in intercultural aspects and be competent.

According to all the experts, it is necessary to develop intercultural competence, provided that the enterprise is planning to work in the international market; the only exception was E6, according to whom experience is the most important, not intercultural knowledge. However, sufficient intercultural competence

usually goes hand in hand with experience. Nevertheless, even a little more interculturally competent employees will reach the desired results faster than trying various internationalization techniques. Though, it should be noted that each of the experts has a different approach towards the development of intercultural competence and its incorporation into the company's internationalization processes. E1 believes that there is no need to waste time, and if it is possible *"the employee should be sent to another country and given an opportunity to experience the cultural shock, because in such way the person will adapt more quickly to the new culture and learn about it"*. However, if there is a possibility, he offers another option: *"to prepare very good and interesting programs and apply to the European Union to receive funding, and [if successful] then provide training"*. According to the expert, there are dozens of different programs for businesses, especially small-scale businesses, so it requires only a motivation to take advantage of the opportunities.

E3 also claims that the organization he is working with is engaged in educational events: *"we have the export club, we organize free educational events, and everyone who wants to share experiences and to learn something from others is always welcome. It is necessary to share experience, because all word-of-mouth success stories help, teach, and sometimes inspire other businesses to engage in those activities"*. E5 agreed with the opinion that it is important to provide necessary training. The practice of international enterprises operating abroad shows that training is one of the best ways to prepare the employee for work under the conditions of intercultural communication.

E2 posed the following question: *"to educate or to be educated? I think self-education must be encouraged. If the manager is actually committed and wants to develop intercultural competence in the company, he/she has to establish a system for stimulation of intercultural competence, to identify what parts of intercultural competence are necessary in his/her company, he/she also has to indentify the manner of employee's education, i.e. self-organized training or the training organized by the company. For example, there is one enterprise that encourages non-smoking, and the motivation is very simple – if you don't smoke, you are paid a 5% higher salary. That is the motivation. Of course, money not always motivates people; therefore, the manager has to discover something that could motivate his/her employees"*.

E4 also supported the idea that intercultural competence is the subject of self-improvement, and that it can be acquired only through practice. The expert points out the following plan of action: *"start making contacts and learning through practice. Practice is the only way to learn. Practice is the best thing. First of all you must learn languages. Of course, you can analyze theoretical differences, but we have a bunch of myths about other nations. We were certain that we are the same as Latvians, our brothers, but it turns out that we are not... It is impossible to teach others how to do*

international business. It is also impossible to teach others how they should communicate with foreigners if they have never done this before. Every supplier or partner in the same foreign country may be different. Every Lithuanian is different". In general, we believe opinions of all the experts are correct: each company, each person must find the way that is the most convenient for them. Each company consists of individuals with different background and different understanding of things; there is no single way of teaching intercultural competence

Successful development of internationalization is another important aspect of this research, since intercultural competence is only one of many elements which facilitate and accelerate the processes of internationalization. Most experts (E1, E2, E3, E6) maintain that development of business plan/program is seen as the basis for development of internationalization. According to E3, *"it is very important to communicate and to know your customer, to know what you can offer him/her, etc. One of the most important things is to know the target of the enterprise and be in the right place at the right time."* According to E3, *"no one can make it easier, an essential thing is to work, work and work again. You need to do a lot of strategic work, only the enterprises that plan ahead will be able to gain the trust of the client"*. E6 also advises first of all to *"calculate costs, logistics costs, to have a very good knowledge of the product and to whom it may be necessary. A successful entrepreneur must understand the product."* Thus, according to the experts, the enterprise must have a well-prepared action plan and consider all the possibilities and challenges.

E3 and E4 note that there are enterprises which know even before their launch that they will mostly work in the international market. E4 provided an example of such activities: *"there are a lot of enterprises which were established solely for the purpose of further development. They do not even consider it a possibility to restrict themselves only to the Lithuanian market. For example, an elementary activity such as typesetting is international business: the Lithuanians type various texts in their country and the Americans publish books. The Lithuanians sell this service, because the costs are lower in Lithuania. The Americans in turn are looking for the employees who speak English well and write without mistakes. I think there are a lot of enterprises which plan in advance, that they will operate not only in the Lithuanian market, but also in foreign markets"*. The experts' opinion suggests that some enterprises are able to create their own international business plan even in the absence of local activity. Hence, it should be much easier for the enterprises that already have a certain local experience to self-evaluate their activities and other markets.

The experts also noted that courage of the enterprise in general and courageous behavior of its manager play the most important role in order to achieve successful internationalization. According to E4, *"first of all the business owner, founder or manager must be courageous, because at the beginning of their activity SMEs do not have significant financial opportunities, don't have employees and experience. In this*

case, most is determined only by the same internal desire to expand abroad". The experts also noted that internationalization is facilitated by foreign contacts, and the circumstances under which they were initiated are not very important. According to the experts, it is important to be able to take advantage of those contacts, because any initiative stems from the objective of mutual benefit. E4 named the key elements that can contribute to internationalization: *"English language, learning abroad and courage are the things that help everyone. If you can't speak a foreign language, you won't be able to do anything, and if you have never been abroad, usually you don't have so much courage to start a contact."* E6 suggests to hire a local resident of that particular country, because *"as much as I know, those enterprises that go to international markets and succeed usually hire local people there, those who live there, know cultural differences and the finer points of business. There are many different people. Some link theory with practice easily, others inevitably make mistakes."*

Both E3 and E4 acknowledged that in Lithuania there are currently very popular programs promoting entrepreneurship which fill the gaps in certain knowledge or skills. These programs often encourage enterprises to undertake activities that should not be limited solely to the national market. However, E4 stresses that a broad scope and ability to get in contact are much more important than theoretical knowledge. E4 argues that in many cases which he analyzes in his studies *"there are enterprises which started their overseas activity just because the manager had been studying in that particular country in the past. Or some employee has returned from that foreign country and takes the initiative to expand the business, because he/she has established relationship with the locals, knows the local culture, knows how to communicate, etc. However, the situation depends on whether the manager tends to expand operations abroad; further development will depend only on his decision"*. E6 agrees with the above mentioned opinions, noting that *"the Lithuanians start to expand their business in Latvia or Estonia, and later they choose other countries. I would say, it is because of the comfort, since they know the mentality, the market. And it will be much easier for them to develop business in these two countries, because it is likely they have more than one acquaintance, not necessarily an employee, who can help develop the business"*. It looks like the experts questioned for our study mainly knew those entrepreneurs who did not experience major difficulties at the beginning of their business.

As can be seen, the company's interculturalism and ability to use the opportunities offered by foreign expansion depend on the managers' capability, entrepreneurship and intercultural competence. In summary of the experts' opinions, it can be said that, as expressed by Mughan (2010), intercultural competence of the manager of a small enterprise can be equated to intercultural competence of all the organization, and this might be applied to Lithuanian enterprises too. Therefore, when

planning business activities abroad, it is necessary to pay attention to the manager's potential and of course to the skills of the organization's employees.

According to E6, intercultural competence is not necessarily associated with the manager. *"The most important thing is to follow the principle according to which you must behave respectfully to any person you meet for the first time, show attention to that person. It is not so important what hand you will shake or likewise, people usually do not care about such small things."* In his opinion, first and foremost the manager must be a businessman, he must be attentive not only to foreign partners, but in general to all possible partners, neither cultural differences nor similarities should be given prominence. However, in that regard, the experts' opinions (in terms of cultural differences and similarities) diverged. The experts E1, E2 and E3 argued that both, i.e. cultural differences and similarities are important, whereas E4, in contrast to E5, gave priority to similarities (*"it is easier to start business under the conditions of cultural similarities, whereas in order to retain the business it is also important to know differences"*). E3 summed up that *"Lithuania is a small country. We know in advance that we need to learn foreign languages, as no one will speak with us in Lithuanian. In addition, we behave as Europeans, although we know Russian mentality, and that is our advantage. You need to be able to find a competitive advantage and use it, but how? Every enterprise finds its best way"*.

The summary of the experts' opinions on interactions of intercultural competence and internationalization in SMEs is presented in Table 3. As can be seen, the experts' opinions on the development of intercultural competence differ. Some of them agree that self-education and training programs are the best way to develop intercultural competence, while others think that experience is the only factor that may lead to development of intercultural competence. Opinions on the manager's role are also varied. Manager should be the essential axis of the company; however he/she can't always influence the employees to do a better work. All the experts agreed that intercultural competence has connection with successful internationalization and that it can accelerate the processes of internationalization. However, every enterprise should decide how it wants to expand its business in the foreign country and find the best way to do this.

Table 3: General results of the research

<i>The core elements of development of internationalization and intercultural competence</i>	<i>Description</i>
Values of intercultural competence	Communicability, flexibility, courage, tolerance, patience, attention, friendliness, extroversion, frankness.
Development of intercultural competence	<ul style="list-style-type: none"> • Self-education and practice must be encouraged; interesting training programs, experience sharing; • Experience should be above any training.
Success factors of internationalization	Having a plan/program/basis; hiring a local resident; knowledge of language; personal links with foreigners.
Manager's role	<ul style="list-style-type: none"> • Manager is the essential axis, he/she has to be courageous; internationalization starts from the manager of the particular company; • Manager has little direct influence; employees should be motivated to perform better.
Interaction of intercultural competence and internationalization	Intercultural competence can speed up the processes of internationalization; interaction depends on the enterprise itself.

Source: created by the authors.

5 CONCLUSIONS

The analysis of the scientific literature on integration of intercultural competence and internationalization has revealed that a rapid increase of globalization has induced reconsideration of the standards of entrepreneur's behavior and continuous compliance with them. Internationalization can be seen as a rather complicated process of how small and medium-sized enterprises can stay competitive. It also plays an important role in terms of their further development. It is very important for organizations to recruit staff with high intercultural business competence. Researchers have designed various models the main purpose of which is to assist organizations in improvement of intercultural competence of their staff.

The results of our expert evaluation suggest that insufficient attention is paid to the process of internationalization, especially to the importance of intercultural competence in Lithuania. Lithuanian entrepreneurs have a certain advantage over entrepreneurs from other countries, as they understand both European and Slavic mentality. It is difficult to find a common denominator for all cultures, as we all are different. Therefore, every enterprise must decide on its own what way it will choose to start development of internationalization, and how much attention it will give to

intercultural competence. Although the experts' opinions on certain issues have diverged, they all agreed that intercultural competence in today's business world is a huge competitive advantage when implementing internationalization.

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