

# ***Cross-Cultural Interaction: Ukrainian, Swedish and Mongolian Multicultural Companies***

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## **ABSTRACT**

At the present stage of development of the world economy and activization of globalization processes in all countries of the world, one of the most important aspects of modern companies' activity has become cross-cultural interaction, as a process of interaction between representatives of different cultures. Unlike the inter-cultural communication, cross-cultural interaction has its own peculiarities, associated with changes in the original cultural norms of the participants in the interaction or their adaptation to the norms of another culture (acculturation). The cross-cultural interaction process depends, first of all, on personal characteristics of the participants, namely, their level of readiness for cross-cultural interaction. It has been proved that to assess the readiness of an individual to cross-cultural interaction it is necessary to evaluate his/her ethnic identity, according to the socio-psychological law on the existence of a link between positive ethnic identity and ethnic tolerance, since it is on the basis of ethnic identity that each participant determines his/her place in a cross -cultural society and the behavior inside and outside of his/her cultural group. It is proposed to assess the company's personnel readiness to cross-cultural interaction to evaluate the ethnic identity of the company's staff.

The purpose of this study is to assess readiness of the personnel in multinational companies in Ukraine, Mongolia and Sweden for cross-cultural interaction on the basis of a comprehensive methodological approach for assessing ethnic identity and identifying behavioral strategies of staff in the process of cross-cultural interaction. This approach is based on the use of a scale questionnaire "Types of Ethnic Identity" that diagnoses ethnic identity and its transformation in conditions of cross-cultural tension. The main advantage of this methodological approach, unlike other methodological approaches to the comprehensive assessment of ethnic identity and tolerance, is the use of the ethnocentrism scale. On its basis types of ethnic identity are determined. This scale of ethnocentrism includes a continuum of identity types (with varying degrees of quality and ethnic tolerance manifestation) from the "denial" of identity (when negativism and intolerance are recorded in relation to its own cultural group) to national fanaticism (intolerance and a higher degree of negativism in relation to other cultural groups). The staff's integration level of readiness for cross-cultural interaction in a multination company is determined by the main components method. In general, the personnel of Ukrainian and Swedish multinational companies have a more positive ethnic identity in comparison with the personnel of Mongolian companies, indicating readiness for cross-cultural interaction. All staff of Ukrainian and Swedish multinational companies is ready for cross-cultural interaction, while only some of the personnel of the Mongolian companies are ready for this interaction. The results of the survey can become one of the key aspects for developing practical recommendations for the strategy of personnel management in multinational companies, taking into account readiness of their staff for cross-cultural interaction.

## **1 INTRODUCTION**

At the present stage of the world economy development and activization of globalization processes in all countries of the world, cross-cultural interaction has become a process of inter-

action between representatives of different cultures, in contrast to the one of the most important aspects in the activity of modern companies. It has a number of peculiarities associated with changes in the original cultural norms or adaptation to the rules of another culture (acculturation) in contrast to the intercultural communication. In the process of cross-cultural interaction (acculturation), the carrier of the culture is influenced by internal and external factors, leading to the emergence of socio-psychological barriers, which in turn, create difficulties for effective (positive) cross-cultural interaction. These socio-psychological barriers signify certain states or properties of a person, blocking his/her spiritual and psychological reserves and slowing down his/her livelihoods:

- peculiarities of verbal and non-verbal means of communication in different cultures;
- acceptance (para-communism) as an individual interpretation of events and phenomena;
- stereotypes as well-formed and simplified images or estimates of any phenomenon;
- ethnocentrism as an individual's inclination to evaluate various social and natural phenomena based on the norms and customs of their group, influencing his/her behavior through their own cultural filters;
- mismatching the results of cross-cultural interaction with expectations, which may lead to misunderstandings and emergence of a conflict and cultural shock.

These socio-psychological barriers to cross-cultural interaction can lead to frustration, emotional experiences and loss of interest in interactions due to the need for additional efforts. They can also cause a cultural shock.

Studies of cross-cultural interaction are always closely related to the problems of ethnic tolerance and identity. In the works of J. Berry (Berry, 1999), M. Bond (Bond, 1986), S. Bochner (Bochner, 1982), M. Brewer and D. Campbell (Brewer, 1976), A. Grishina, A. Zelenov and S. Lunin (Grishina, 2016), J. Deschamps and W. Doise (Deschamps, 1978), A. Tatarko and N. Lebedeva (Tatarko, 2011), D. Taylor and F. Moghaddam (Taylor, 2010), W. Stephan, C. Stephan (Stephan, 1985) the socio-psychological factors which influence tolerance and identity, as the basic characteristics of personnel readiness for cross-cultural interaction, have been studied and it made it possible to identify and describe a variety of psychological factors that determine the effectiveness of cross-cultural interaction. Therefore, based on the provisions of the concept of J. Berry (Berry, 1984) on the psychological nature of ethnic tolerance and its role in regulating life of a social group and on the research results, N. Lebedeva (Lebedeva, 2009) argues that the very positive ethnic identity is the basis of ethnic tolerance.

Therefore, under a positive ethnic identity an individual is referred to the given cultural group (ethnos) on the basis of a positive assessment of this group's culture, which promotes strengthening of its ethnic identity as well as preserving its integrity as a single ethnocultural organism. As a result, N. Lebedeva (Lebedeva, 2009) proves the existence of a socio-psychological law on the connection between positive ethnic identity and ethnic tolerance: in the norm for ethnic (group) consciousness close inner connection between positive ethnic (group) identity and ethnic (interethnic) tolerance is definitive.

In unfavorable socio-historical conditions this dependence can break up or become reversed. When ethnic tolerance arises, mechanisms of social perception transformation aimed at reproducing a positive ethnic identity and then tolerance, come into effect.

During the research of multiculturalism hypotheses in Canada (Berry, 1984) it has been found out that only confidence in their own positive identities provides a basis for a culture bearer to respect other cultural groups and show readiness for cross-cultural interaction. Based on the fact that a positive group identity leads to tolerance, while the threat of this identity loss leads to intolerance and ethnocentrism, J. Berry (Berry, 1999) has concluded that preservation of the identity of cultural groups depends on their ethnocentrism level, since it is precisely the tolerance that is a prerequisite for its preservation as a cultural group. Therefore, it is proposed to assess the level of readiness of the company's personnel for cross-cultural interaction by evaluating their tolerance level and ethnic identity, using the scale of ethnocentrism.

## **2 ASSESSING THE LEVEL OF READINESS OF COMPANY'S PERSONNEL FOR CROSS-CULTURAL INTERACTION**

### **2.1 Methodical approach to assessing the level of readiness of a company's personnel for cross-cultural interaction**

A large number of methods evaluating ethnic identity are currently being developed. Thus, the universal scale of ethnic identity and ethical self-identification developed by J. Phinney, (Phinney, 2007) is a scalable questionnaire that defines expressiveness of ethnic identity through its cultural affiliation with a cultural group and the attitude to it. Method "Ethnic Identity", proposed by O. Romanova (Pochebut, 2012) is a scalable questionnaire, defines self-identification through awareness of the peculiarities of its own cultural group and subjective significance for an individual in membership in a given cultural group. Developed by N. Lebedeva (Lebedeva, 2009), the scale of express assessment of feelings related to ethnicity is a scale questionnaire that evaluates emotional color) of ethnic identity, revealing a positive level of ethnic identity. The scale of express evaluation of ethnic identity, developed by N. Lebedeva (Lebedeva, 2009) is a scalable questionnaire designed to expressly assess the individual's ethnic identity. A. Tatarko and N. Lebedeva's method (Tatarko, 2011) for assessing positive aspects and uncertainty of ethnic identity is a scale questionnaire, assessing positive degree of ethnic identity and the degree of uncertainty of ethnic identity. These methods, in general, lack the etic-approach focused on the study of universal properties of human behavior, manifested in any culture. The basis for cross-cultural research in the context of cross-cultural management is the combination of emic-approach with etic-approach. But one of the most universal methodological approaches to the integrated assessment of ethnic identity and tolerance is the approach based on the use of a scale questionnaire. It combines the emic-approach and the etic-approach, and, therefore, corresponds to the conceptual framework of research in the context of cross-cultural management. The approach, developed by G. Soldatova and S. Ryzhkova (Soldatova, 1998), diagnoses ethnic consciousness and its transformation in conditions of cross-cultural tension.

That is why the assessment of the company's staff's readiness for cross-cultural interaction was conducted on the basis of a comprehensive methodological approach to the assessment of tolerance and ethnic identity, which, based on a group of universal cultural variables, determines specific cultural differences and features of the respective cultural group. The main

advantage of this methodological approach, unlike other methodological approaches to the comprehensive assessment of ethnic identity and tolerance, is the use of the ethnocentrism scale, on the basis of which types of ethnic identity are determined. This ethnocentric scale includes a continuum of identity types (with varying degrees of quality and manifestation of ethnic tolerance) from the "denial" of identity (when negativism and intolerance are recorded in relation to its own cultural group) to national fanaticism (intolerance and a higher degree of negativism in relation to others) cultural groups).

Tolerance (intolerance) is the main problem of cross-cultural (interethnic) relations in conditions of increasing tension between representatives of different cultures. Therefore, the main indicator of ethnic identity transformation and the key psychological variable in the methodological approach to its comprehensive assessment and tolerance is the increase in ethnic intolerance (intolerance).

The degree of ethnic tolerance is assessed by the following criteria:

- (1) the level of "negativism" in relation to their own and other cultural (ethnic) groups;
- (2) the threshold of emotional response to a third-party cultural environment;
- (3) the manifestation of aggressive and hostile reactions to other cultural groups.

Ethnic identity is transformed in the following directions:

- (1) hypo-identity, which manifests itself in a negative or indifferent attitude toward its own cultural (ethnic) group. This type of transformation (hypoidentity) is evidenced by rather irrational behavior of the individual in the process of cross-cultural interaction, namely, the reluctance to maintain their own cultural values, expressed in the sense of ethnic inferiority, imprisonment, shame on the representatives of their culture, sometimes negativism in relation to them and in communication difficulties. Denial, as one of the general protective mechanisms, in this case can intensify the overall aggressiveness;
- (2) hyperidentity – is characteristic of self-consciousness that manifests itself as the aspiration of the group's representatives for ethnic domination; ethnocentrism being the basis of it (in its negative perception). At the heart of this type transformation is a hypertrophied desire for positive ethnic identity, which is the transition to absolute belief in the superiority of its own culture. In this type of identity violence is more likely as a form of action and an aggressive conflict resolution style. Hyperidentity manifests itself in various forms of ethnic intolerance: from irritation that occurs as a reaction to the presence of members of other cultural groups, to advocating a policy of limiting their rights and opportunities, aggressive and violent actions against another group and even genocide.

The hypo-identity includes the following types of ethnic identity:

- (1) ethnonigilism – an extreme form of hypoidentity manifestation, which is a departure from its own cultural (ethnic group) and the search for stable socio-psychological niches by another non-ethnic criterion;
- (2) ethnic indifference – erosion of ethnic identity, expressed in the uncertainty of ethnicity;
- (3) norm (positive ethnic identity) as a combination of positive attitude towards one's own culture and other cultures. In a cross-cultural environment a positive ethnic identity is taken as a norm and is inherent in the overwhelming majority of representatives of the

culture. It sets an optimal balance of tolerance in relation to its maturity and other cultural (ethnic) groups which permits it to be viewed, on the one hand, as a condition for the independence and a stable existence of a cultural (ethnic) group, on the other - as a condition for effective cross-cultural interaction in a cross-cultural environment.

Hyperethnicity includes the following types of ethnic identity:

- (1) ethnogeism – a relatively loyal manifestation of hyperethnicity which can be expressed in a simple form at the verbal level as a result of perception through the prism of the construct of "my people". But one can assume, for example, the tension and irritation in communicating with representatives of other cultural (ethnic) groups or recognition by their people of the right to solve problems at the expense of somebody else;
- (2) ethnoisolation – a deeper manifestation of hyperidentity, expressed in the belief in the superiority of their culture, recognition of the need to "clear" the national culture, a negative attitude to interethnic marital unions, xenophobia.
- (3) ethnofanaticism – an extreme form of hyperethnicity manifestation, "national fanaticism," readiness to go for any action for the sake of the interests of one's own culture, even to use ethnic cleansing, deny representatives of other cultures the right to use resources and social privileges, acknowledgment of the priority of ethnic rights on human rights, justification of any victims in the struggle for the welfare of one's own culture and people.

In the scale questionnaire "Types of Ethnic Identity" 30 judgments were suggested - indicators that interpret the end of the sentence: "I am a person who ...". The indicators reflect the attitude towards their own and other cultural groups in different situations of cross-cultural interaction.

Depending on the number of points for each type of ethnic identity (possible range from 0 to 20 points), we determine the manifestation of the corresponding type of ethnic identity, and comparing the results on all scales, distinguish one or several dominant types of ethnic identity.

Based on these results, different categories of behavioral strategies of respondents in the process of cross-cultural interaction are determined:

- (1) active "intermediaries" - a category of people determined to develop positive relationships with representatives of other cultures and best suited to different cultural environment;
- (2) passive "intermediaries" - a category of people who specifically do not avoid cross-cultural interaction and exhibit calm and positive attitude in the process of cross-cultural interaction;
- (3) active "national" - is the category of people with the most aggressive behavior in relation to representatives of other cultural groups, as it can become the initiator of a cross-cultural conflict;
- (4) passive "national" - a category of people who differ in ethnic intolerance, irritated when communicating with representatives of other cultures and can support active "nationalists" if there is a situation of cross-cultural conflict.

- (5) "Neurotics-ethnophobic" is a category of people who, in addition to ethnophobic, are characterized by a sharp deformation of the structure of ethnic identity and mixing of different tendencies in its transformation.

## **2.2 Assessing readiness of multinational companies' personnel for cross-cultural cooperation: Ukraine, Mongolia and Sweden**

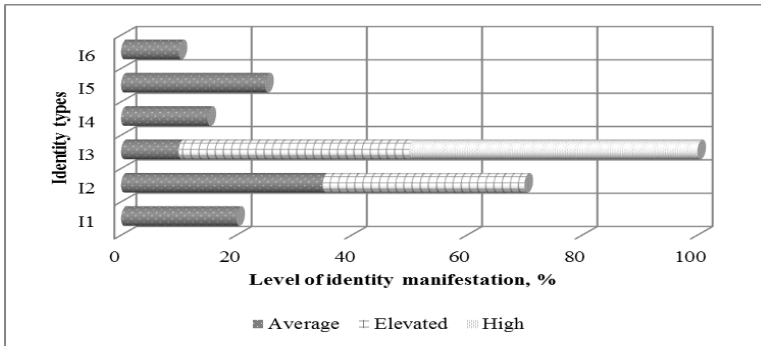
In this study, a survey of personnel in Ukrainian, Mongolian and Swedish multinational companies was conducted to assess readiness of their staff for cross-cultural interaction. The choice of such countries for analysis is associated with an increase in the business activity of Ukrainian multinational companies and the search for new partners in the West (like Sweden) and East (like Mongolia). The multinationality of these companies has been determined on the basis of a cross-cultural feature, discussed in detail in the work of H. Perlmutter (Perlmutter, 1969). Their staff is in a cross-cultural environment and participates in the process of cross-cultural interaction with different contractors (suppliers, consumers, etc.) and other co-workers. These multinational companies include Ukrainian IT companies, Ukrainian and Mongolian production companies, Ukrainian and Mongolian distribution companies and Ukrainian and Swedish Universities. The survey was conducted, using on-line questionnaires, created with the use of Google-forms.

The selective number of respondents was 60, of which 40% were the staff of the Ukrainian multinational companies, 40% were the staff of Mongolian multinational companies and 20% were the staff of Swedish multinational companies. The survey was attended by representatives of different parts of management: in the structural relation top management were 9% of respondents, management of middle level - 43.7%, management of the lower level - 47.3%. According to the activities of multinational companies, respondents were distributed to service providers (60%) and intellectuals (40%).

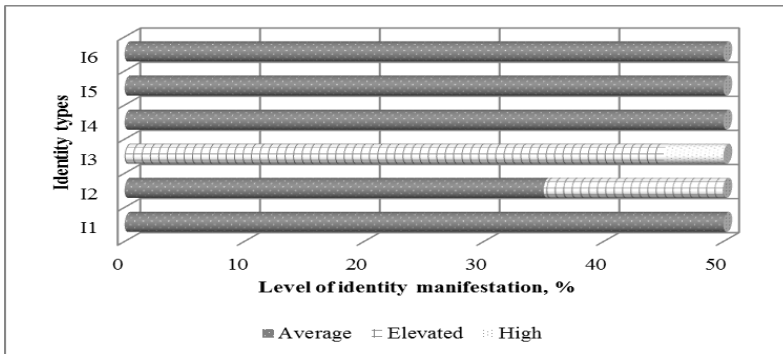
Dominant types of ethnic identity of the personnel in Ukrainian, Mongolian and Swedish multinational companies were selected based on the questionnaire "Types of Ethnic Identity". The following types of identity were distinguished: ethnonigilizm (I1); ethnic indifference (I2); positive ethnic identity (I3); ethnogeism (I4); ethno-isolationism (I5); ethnofanaticism (I6). The types of ethnic identity of the personnel in Ukrainian and Mongolian multinational companies are shown in Fig. 1-3.

According to the obtained results of the identification of the ethnic identity dominant types, 90% of the personnel of Ukrainian multinational companies, 80% of staff of Swedish multinational companies and 55% of staff of Mongolian multinational companies prevail in the positive ethnic identity (norm).

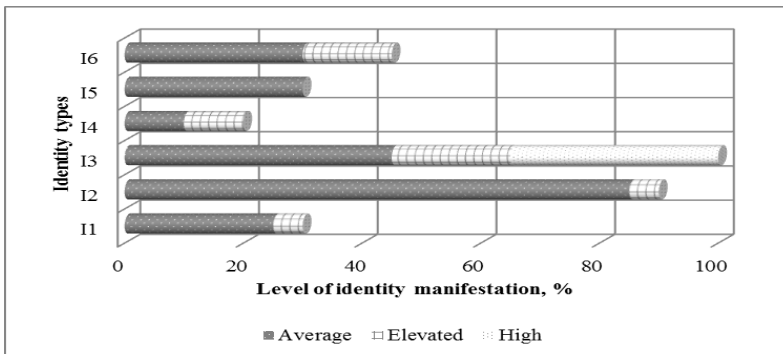
There is also predominance of ethnic indifference in 35% of staff of Ukrainian multinational companies, 20% of staff of Swedish multinational companies and 5% of staff of Mongolian multinational companies. 10% of the staff of Ukrainian multinational companies and 20% of staff of Swedish multinational companies has a selected domination of one type of ethnic identity, but positive ethnic identity (norm) is average.



**Figure 1.** Types of ethnic identity of the personnel of Ukrainian multinational companies.  
Source: the author's own calculations



**Figure 2.** Types of ethnic identity of the staff of Swedish multinational companies.  
Source: the author's own calculations



**Figure 3.** Types of ethnic identity of the staff of Mongolian multinational companies.  
Source: the author's own calculations

In general, the staff of Ukrainian and Swedish multinational companies does not mention the dominance of other types of identity. While ethnogilism is dominated by 5% of the staff of Mongolian multinational companies, 10% of the staff of the Mongolian multinational companies is characterized by ethnogeism, although etnofanaticism is characteristic of 15% of staff. Thus, it is determined that for the personnel of Ukrainian multinational companies the follow-

ing types of behavioral strategy are inherent in the process of cross-cultural interaction: 90% - active "intermediaries" and 10% - passive "intermediaries".

For the staff of Swedish multinational companies, the following types of behavioral strategy are inherent in the process of cross-cultural interaction: 80% – active "intermediaries" and 20% – passive "intermediaries".

For Mongolian multinational companies the following behavioral strategies are inherent in the process of cross-cultural interaction: 55% of active intermediaries, 5% of passive 'intermediaries', 25% of active nationalities, 5% of ethno-neo-ethics and 10% of staff are more prone to the behavior of passive "intermediaries", but they have not yet been determined, since they have an average level of ethnic indifference.

Staff's integration level of readiness for cross-cultural interaction in multination company is determined by the main components method. In general, the staff of Ukrainian distribution enterprises has the highest level of readiness for cross-cultural interaction and needs only to increase the amount of information about other national cultures in order to transfer some staff from the behavioral strategy of passive "intermediaries" to active. The staff of Ukrainian IT companies, Ukrainian distribution companies and a Swedish University has a significant level of readiness for cross-cultural interaction. They need to conduct trainings in cross-cultural management to transfer some staff from the behavioral strategy of passive "intermediaries" to active, and from an uncertain status to "intermediaries". The staff of Ukrainian Universities, Mongolian production and distribution companies has an average level of readiness for cross-cultural interaction, therefore, it needs specialized training to reduce the level of ethnocentrism of staff and transfer their behavioral strategy from the "national" to "intermediaries".

In general, it can be argued that the personnel of Ukrainian and Swedish multinational companies, in comparison with the personnel of Mongolian companies, have a more positive ethnic identity, indicating readiness for cross-cultural interaction. All staff of Ukrainian and Swedish multinational companies are ready for cross-cultural interaction, while only some of the personnel of the Mongolian companies (60%) are ready for cross-cultural interaction, 30% of staff are not ready, and 10% have not decided yet.

The results of the survey can become one of the key aspects for developing practical recommendations for the strategy of personnel management in multinational companies, taking into account readiness of their staff for cross-cultural interaction.

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