



CULTURAL COMPETENCE DEVELOPMENT IN BANKING SECTOR

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Abstract

Managing cultural diversity is not a subject of strategic dilemma anymore; it is the necessity of an organization in the modern century. This article represents the importance of organizational and individual intercultural competence. It is an instrument for the management of cultural diversity, and specificity of its development. It analyzes the demand and specificity of the development of intercultural competence in banking sector, operating under circumstances of increased market integration and nationalization. The results of empirical survey aimed at examining the demand for and behavior of operating banks concerning intercultural competence development.

Key Words: Culture, Competence Development, Banking, Demand, Diversity, Intercultural Competence Development.

Introduction

Due to modern market regulation, globalization processes and recent technological advancement, competition in the banking sector has shifted from national to European and global scale leading to boosted internationalization of banking sector, with increasing intensity of intercultural interactions above side. Managing cultural diversity is not a easy one. It is a subject of strategic dilemma anymore, but rather the necessity for organizations nowadays, when each manager has become a global manager and global enterprise has become a synonym of a modern business. This Theory and research indicate that management of cultural clashes create barriers for high organizational performance On the other hand, well managed cultural diversity serves as a value-adding factor providing a source of competitive advantage, and increases organizational potential to adapt to culturally complex with market place. However, in order to effect of the utilize the opportunities offered by cultural diversity, companies need to address it proactively by developing intercultural competence within the organization, which can be defined as the ability of an individual(or organization) to act in an appropriate and effective manner in the intercultural environment enlightening successful outcomes .

Employees - their knowledge, skills, and abilities, attitude, potential, perception are the most valuable asset of business in the modern century.

Particularly employees (while interacting with customers, partners, subordinates, superiors and colleagues) are performing as active agents in intercultural encounters.

Definition

- A set of concurrent behaviors, attitudes and policies that come together as a system, agency or among professionals and enable that system, agency or those professionals to work effectively in cross-cultural situations.
- It requires that organizations have a defined set of values and principles, and demonstrate behaviors, attitudes, policies, and structures that enable them to work effectively cross-culturally.
- Cultural competence is a developmental process that evolves over an extended period. Both individuals and organizations are at various levels of awareness, knowledge and skills along the cultural competence continuum.

Review of Literature

Many countries are becoming increasingly culturally diverse as a result of migration and globalization. In these countries, service providers are challenged to understand and address the cultural and understanding needs of diverse populations. This diversity requires service suppliers to be aware of their customers' cultural needs and to be able to provide them with culturally congruent services (Stauss & Mang 1999, Sharma et al.2009).

The cultural competence of health practitioners is proposed as a solution for providing equal a high-quality care to all groups of patients and as a way of reducing disparities and improving patient outcomes (Bacote 2002, Betancourt et al.2003, Henderson et al.2011).

They discussed healthcare scholars to consider robust cultural competence models generated for non-healthcare sectors. For example, they recommended employing a well-developed model produced by (Deardorff 2006) in which only those elements of intercultural competence that all of the experts agreed on were included.

In addition, some of the authors do not differentiate between individual-level and organizational-level guidelines and frameworks for cultural competence.

Reviewing models related to organizational cultural competence together with models specifying characteristics of culturally competent individuals may be problematic and may hinder the effective comparison of the frameworks.(2009).

Byram's Model of ICC & the 4 Dimensions



Competence area	Description
Attitudes	curiosity and openness, readiness to suspend disbelief about other cultures and belief about one's own
Knowledge	of social groups and their products and practices in one's own and in one's interlocutor's country, and of the general processes of societal and individual interaction
Skills of interpreting and relating	ability to interpret a document or event from another culture, to explain it and relate it to documents from one's own
Skills of discovery and interaction	ability to acquire new knowledge of a culture and cultural practices and the ability to operate knowledge, attitudes and skills under the constraints of real-time communication and interaction
Critical cultural awareness / political education	an ability to evaluate critically and on the basis of explicit criteria perspectives, practices and products in one's own and other cultures and countries

Needs of Cultural Competence

The tutors with the skills, knowledge, education, perception and attitudes to value the diversity among with the students. The students will contribute towards their educational system designed to perform very well”.

Cultural competence is a key factor in enabling tutors to be an effective with students from cultures and value of other than their own.

Cultural competence can giving an awareness of an individual or one's own cultural identity and views about difference, and the ability to learn and build on the varying cultural and community norms of students and their families.

It is the ability to understand the within-group differences that make each student unique, while celebrating the between-group variations that make our country prosperity.

NEA (National education association)

Scope of the Study

'Cultural competence' is one of the expressions where we all think we know what it means, but we might all mean something different. It's a term and a set of concepts we need to return to and come to understand over time. Cultural competences are,

- It gives respectful and reciprocal relationships
- Firm and Partnerships
- High expectations and equity, unique.
- Respect for cultural diversity.



In Early Education Cultural Competence Wants to be Applicable in Three Elements

Individual Level

- It was an evident to be in the knowledge, skills, perception, Attitudes and behaviors of each tutor in their relations with children, people, families and colleagues.

Service Level

- It will be evident in the policies, norms expectations and practices of the setting and the way in which the views of children, families and the community.
- Influence decisions.

Systems Level

- It was an evident to be the way of services related to local community people and agencies and respect local protocols and all etc.,

Conclusion

There is no systemic approach to IC applied for developing intercultural competent organization in banking sector with too much concentration on behavioral dimension and scant emphasis on knowledge and emotional dimensions. Domestically oriented banks irrespectively the regions of operation are tending to under evaluate the impact of multiculturalism and importance of development. As multiculturalism in society increases it is predicted that their position toward IC will change together with broadened comprehension of diversity as factor influencing organizational behavior.

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