

More companies are increasing their profits by conducting international business and building global teams.

As a result, cultural diversity is on the rise in the business world, which can have many benefits for companies. Recent research published by Harvard Business Review concluded that diversity promotes creativity and improves financial performance.

But to continue growing their operations internationally, companies have a critical need for cultural competence.

Cultural competence is the ability to understand, communicate, and effectively manage diversity. Employers that prioritize cultural competence recognize and validate people, and focus on aligning policies and practices to meet company goals and involve everyone in the process.

In this article, we'll discuss the importance of cultural competence, and the best strategies to foster a culturally competent workforce.

Why does cultural competence matter?

Today, cultural competence is more important than ever. Having the skills to understand and navigate **diverse cultures** is essential for companies that are scaling at a global level.

Companies that have a diverse workforce can see several benefits when they commit to becoming culturally competent. These benefits include:

Improved customer experience

According to [Thomas Merchant](#), Senior Manager of Brand Communications at Globalization Partners, a culturally competent employee base adds value to the customer experience. Cultural exposure and having team members who are specialized in local regulations, laws,

and compliance, improves customer service as well.

Increased employee satisfaction

Cultural competence promotes inclusion and empowers employees so that they feel seen, heard, understood, and valued. When employees feel heard, they are **4.6 times** more likely to perform to the best of their ability.

Enhanced rapport

Cultural competence helps companies forge relationships through empathy and openness to **cultural cues**. Forming those relationships promotes collaboration and establishes meaningful connections.

The two main components of cultural competence

According to Merchant, cultural competence has two main components.

1. Understanding

The ability to effectively comprehend, interact, and communicate with individuals regardless of their cultural background.

2. Integration

The awareness of one's own culture and views, and the development of positive attitudes toward cultural differences.

6 ways to build cultural competence

1. Develop awareness

It's important to be conscious and respectful of other cultures, and showing interest in understanding, learning, and adapting to a new culture without losing one's own cultural

identity.

“When we immerse ourselves in each other’s cultures, while keeping our individual identities intact, the possibilities for interpersonal growth and understanding are endless.” — Thomas Merchant.

Developing [awareness](#) refers to being conscious and observant of other [cultures’ conditioning](#) — awareness will elevate your company’s cultural competence.

2. Value diversity

Valuing diversity is the first step toward cultural competence. It means seeking opportunities to learn from team members across borders and respecting the various backgrounds and ways of thinking.

As people move to different areas and join other cultures, new subcultures emerge. Understanding this will give companies a better sense of the complexity surrounding diversity. Fostering a diverse work culture introduces viewpoints and ideas from different generations across the world, enhancing and improving [productivity](#) and engagement.

3. Embrace cultural differences

According to Merchant, there are two predominant kinds of culture — [individual and group-based cultures](#).

In individual cultures, importance is placed on exerting individualism, self-reliance, assertiveness, and independence.

In group-based cultures, it is important to preserve group harmony through collaborative work environments, inclusion, cooperation, and responsibility.

Both cultures have intrinsic characteristics that everyone can learn from. Organizations that embrace and adapt to these cultural differences build competence. They also achieve personal and professional growth to thrive in today's global business environment.

4. Understand cultural cues

Each culture has its own set of rules, values, beliefs, and attributes. Certain cultures are centered on structure rather than spontaneity, some rely heavily on indirect communication, and others seek efficiency instead of prioritizing relationship building. All of them have their merits and being able to notice cultural cues can help employers and employees alike navigate more comfortably among cultures.

Awareness of these culture cues is essential to relate and connect instead of confronting or focusing on the nuances.

5. Develop empathic attunement

[Empathic attunement](#) is key to cultural competence. People who are attuned to others are able to resonate with their peers. This resonance helps people feel understood and is important to forge professional and personal relationships throughout cultures.

Merchant describes empathic attunement as “meeting someone in their model of the world.” This is a challenge that requires time and effort, but by breaking down cultural barriers and understanding each other better, you become inclusive, improve cultural competence, and increase your company's capacity for creative and collective problem solving.

6. Eliminate communication bias

According to [Allie Kovalik](#), Community & Culture Manager at Globalization Partners, it's essential that companies acknowledge potential biases in the way they communicate with their diverse workforce. Regularly reviewing communication methods and promoting feedback from employees and company leaders alike is crucial to improve communication

channels and to deliver messages that resonate with every employee, regardless of their culture and language.

Building cultural competence is a continuous process that requires companies to recognize diversity and integrate it into their daily operations to support their global scaling strategy.

Globalization Partners' [AI-driven global employment platform](#) will help you hire, onboard, and manage a culturally diverse team while you focus on scaling your company and building your brand.