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Importance of Cultural Intelligence: Cross-Cultural Examination and Analysis

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Abstract

Globalization requires collaboration, partnerships, alliances, trade agreements, and business conduct across both borders and cultures. Growth in international business necessitates corporations and employees to be culturally intelligent. Cultural intelligence has proved to be an instrumental skill that will be a major determinant in the success of cross-cultural collaborations. We examine cross-cultural situations of financial and social problems caused by a lack of cultural intelligence and compare them to situations of effective collaborations. We conclude with practical suggestions and five recommendations that can help improve cultural intelligence levels.

Key Words: Cultural Intelligence, International Business, Merger and Acquisition,

Introduction

The most important concept that needs to be understood about cultural intelligence is that it is a relative term. There is no worldwide norm, there is no benchmark, and no set example or template to follow (Thomas, 2008; Murphy, 2014). Cultural intelligence (CI) is defined “as an individual's ability to function effectively in situations characterized by cultural diversity” (Ang & Van Dyne, 2015; Earley & Mosakowski, 2004). An individual’s cultural intelligence is a skill, a developed and learned aptitude that is unique to one person (Hampden-Turner, 2016). In a modern and connected global stage, effectively exercising cultural intelligence is a skill with implications and consequences if not done correctly (Erez, 2013). This is evidenced in many case studies, with large financial implications in many cases (Lewis, 2013). This skill goes far beyond interaction with citizens in other countries or executing a cross-cultural business deal. It is applicable in places as close as people from a different down, or persons belonging to any type of social group other one’s own (Crowne, 2013; Walker, 2016). Too often, this important trait isn’t exercised, which can and has led to subpar outcomes in many areas of society (Ming, Mobley, & Kelly, 2013). When a high emphasis is placed on CI with effective utilization, there can be outcomes in certain situations both small and large that serve as blueprints and models by which to strive for (Eisenberg & Brook, 2013).

Originations of Cultural Intelligence

Cultural Intelligence, referred to as CI, can be thought of as emotional intelligence and social intelligence combined in a multidimensional setting to understand and interact with individuals and situations from another geographic or social group (Reichard, Dollwet, & Louw-Potgieter, 2014). Emotional intelligence is the ability to identify and manage one’s own emotions and the emotions of

others (Goleman, Boyatzis, & McKee, 2015). Emotional intelligence also involves the application of knowledge and emotional management to tasks such as thinking and problem solving (Ang, Soon, & Dyne, 2015). Social intelligence is mostly learned and picked up through immersion and experience conversing with others (Riggio, 2014). Equally important is the ability to adapt (Coetzee & Harry, 2014; Eisenberg, 2013). Social norms and roles that exist in the “home” culture may be completely different or nonexistent in another group. The ability to adapt and understand the differences between two population groups provides the critical knowledge which can be acted upon in an unfamiliar setting (Thomas, 2006; Stone & Woodcock, 2013). However, learning the content and background knowledge of another country or starkly different group is helpful (Muntean & Rînciog, 2014). Additionally, from the emotional intelligence component is the necessity for mindfulness, which is the increased awareness of the current situation, location, and the state of both the internal environments of individuals and external environmental variables (Karelaia & Reb, 2014; Muntean & Rînciog, 2014). When all the social and emotional intelligence components are exercised in an immersive and multidimensional environment, there are outcomes that are observable. If CI was effectively used, the outcomes will be positive (Murphy, 2014). If the components of CI were misused or left out, there will likely be failures or unsatisfactory outcomes.

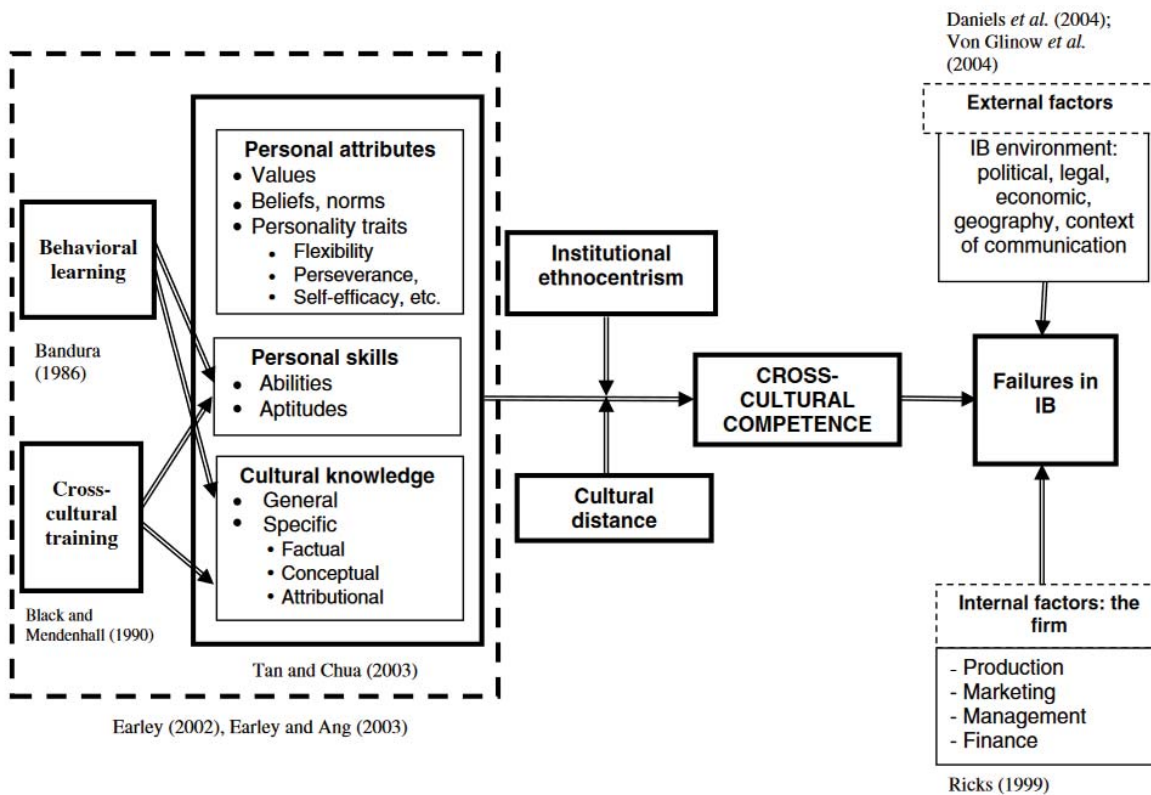


Figure 1. Johnson, James P., Tomasz Lenartowicz, and Salvador Apud with adoption. Cross-cultural competence in international business: Toward a definition and a model, p.536

Described in this flow chart are several principles, skills, contributing factors, and results. Depicted on the left-hand side are the components of necessary requirements to serve as a foundation for the proper execution of CI; the components being derived from behavioral learning (social intelligence) and cross-cultural training (Ferraro, 2017). On the right-hand side, failures in diversity and cultural distance from other countries lead to a lack of cross-cultural competence, resulting in unfavorable outcomes in the conduct of International Business (Stahl & Tung, 2015). Contributing factors to failures

consist of workings in the internal firm, and external cultural differences (Moran, Abramson, & Moran, 2014). Discussed below are case examples where failures in International Business and cultural competency have unsatisfactory outcomes.

Case Examples of Ineffective Cultural Intelligence

There are many areas of global and domestic society where a lack of cultural intelligence is noticeable. There are far too many case studies of instances where international business dealings experienced major problems due to a lack of basic CI (Cheng & Seeger, 2012). An infamous example of a cross-cultural business failure was the Chrysler-Daimler merger. The end result was a divorce several years after the merger. It was thought of as a cultural mismatch, however this conclusion can be heavily disputed (Weber, & Tarba, 2012). The goal of the merger was to establish a company that could meet the demands in every car segment, with sales expected to increase exponentially (Marks & Mirvis, 2010). This was to be accomplished by a “smooth integration” of employees and departments between the two manufacturers. This “smooth integration” was the only path towards success, however the integration of employees completely failed (Weber, 2013). Employees, managers, and executives did not exercise cultural intelligence in performing critical functions (Tian & Borges, 2011). Several points of conflict arose. Culturally, Germans are more formal in their composure and use fact-based communication styles. The American communication style consists of small talk, opinions, occasional entertainment, and persuasion. Their differences in communication rendered presentations and decision making less effective (Tian & Borges, 2011). American agreements arose through persuasion, German agreements resulted from thorough analysis of details, leading to clarification and justification. It was a more formal, hard-lined, and strict approach from people that Americans referred to as “eggheads.” Each side learned to be like the other side more, but not before the Chrysler share dropped by more than 50 percent (MacKay & Chia, 2013). The sale of Chrysler in 2007 caused a financial loss to Daimler. The merger in 1998 made sense strategically and accounting wise, however the lack of CI by employees and managers led to an environment where neither side could recognize or understand each other’s social norms, mindsets, processes, or goals (Weber, 2013).

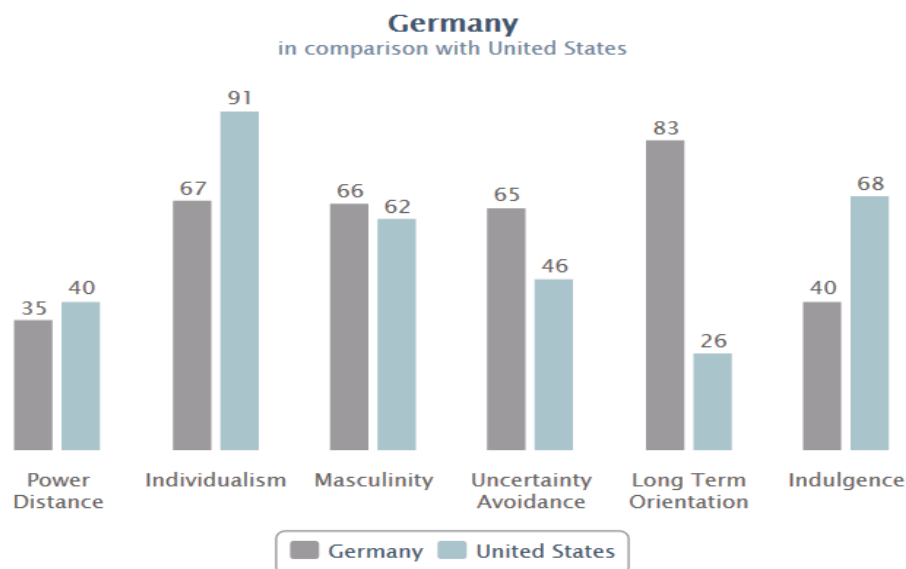


Figure 2. From Hofstede¹, <https://geert-hofstede.com/germany.html>.

In this Geert Hofstede 6-D Country Comparison Chart, cultural traits of Germany are compared with those of the United States. The differentials in categories explain the source of the problems between the German and American employees. With the Indulgence category, Americans exhibit more actions of colorful presentations, complete with persuasion and other rich tactics to get their points across (Powers, 2012). The Germans are much more focused and technical. This is similar to the Long-Term Orientation category, where Germans more than three times more focused on long term goals and success. This was seen with their highly analytical and technical-based decision making. Americans in contrast ran meetings and functions with more “showboating” and short-term goals (Powers, 2012). This same trend was observed in the Uncertainty Avoidance category, because Germans ran thorough, fact-based analysis to achieve clarification. This was far less present with Americans (Lewis, 2013).

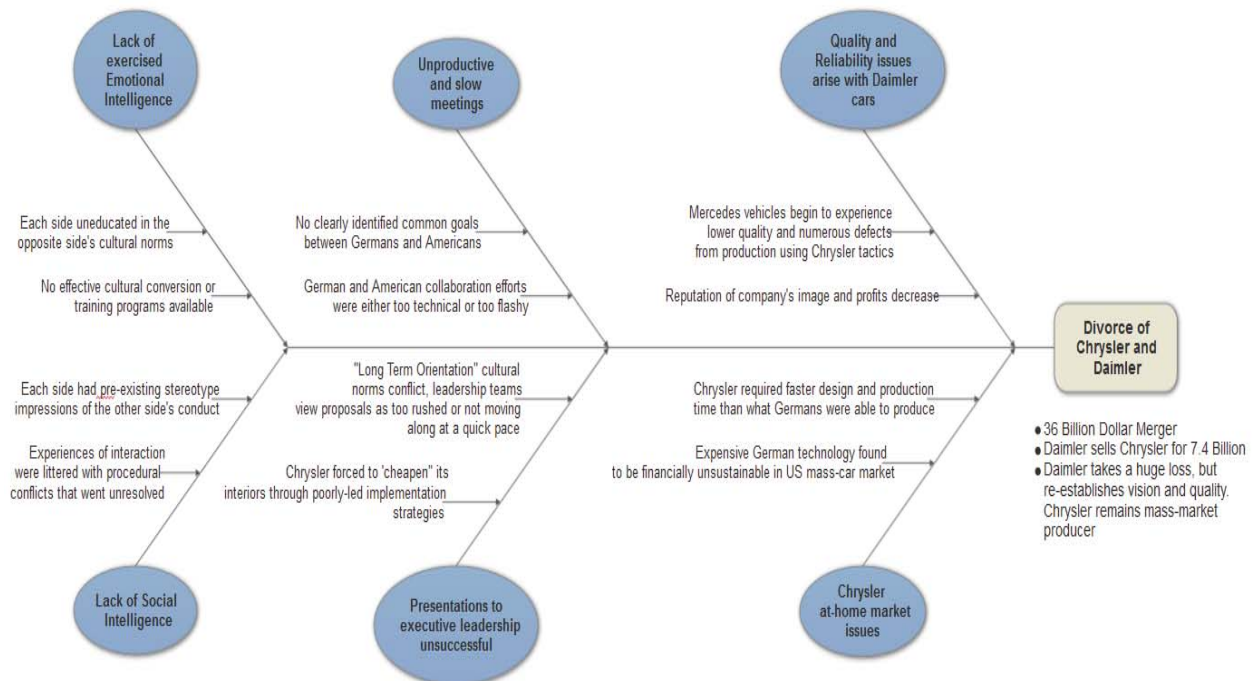


Figure 3. Marcotte with adoption.

This flowchart depicts the timeline and contributing factors discussed above that doomed the Chrysler-Daimler merger, which stemmed from the lack of social and emotional intelligence hindering any results of CI (Luo & Shenkar, 2011). This type of failure to exercise emotional and social intelligence to achieve mutual goals of success is also seen right here in the United States.

Over the last few years, the country has become far more divided politically. Many may attribute this to the rise of internet connectivity and social media causing ideological “echo-chambers”, however the underlying problem is the lack of cultural intelligence between the two ideologically opposed political parties (Barnidge, Ardèvol-Abreu, & Gil de Zúñiga, 2016). In this peer-reviewed research article, the study evidenced many statistical samplings to draw conclusions from. “Results show no main effects of content expression on ideological extremity. However, they do show conditional relationships based on emotional intelligence. Among those high in emotional intelligence, content expression reduces extremity; however, among those low in emotional intelligence, these behaviors contribute to extremity.”

¹ <Accessed on 04 01 2019 at 16:14>

(Barnidge, Ardèvol-Abreu, & Gil de Zúñiga, 2016). The key factor noted in this analysis is the presence of emotional intelligence. Those who have greater control of emotional intelligence are less prone to extreme views due to their greater ability of applying knowledge and problem solving (McCleskey, 2014). Those determined to have less emotional intelligence develop greater polarity with expressive content, because they are failing to think and attempt to understand the problems at hand.

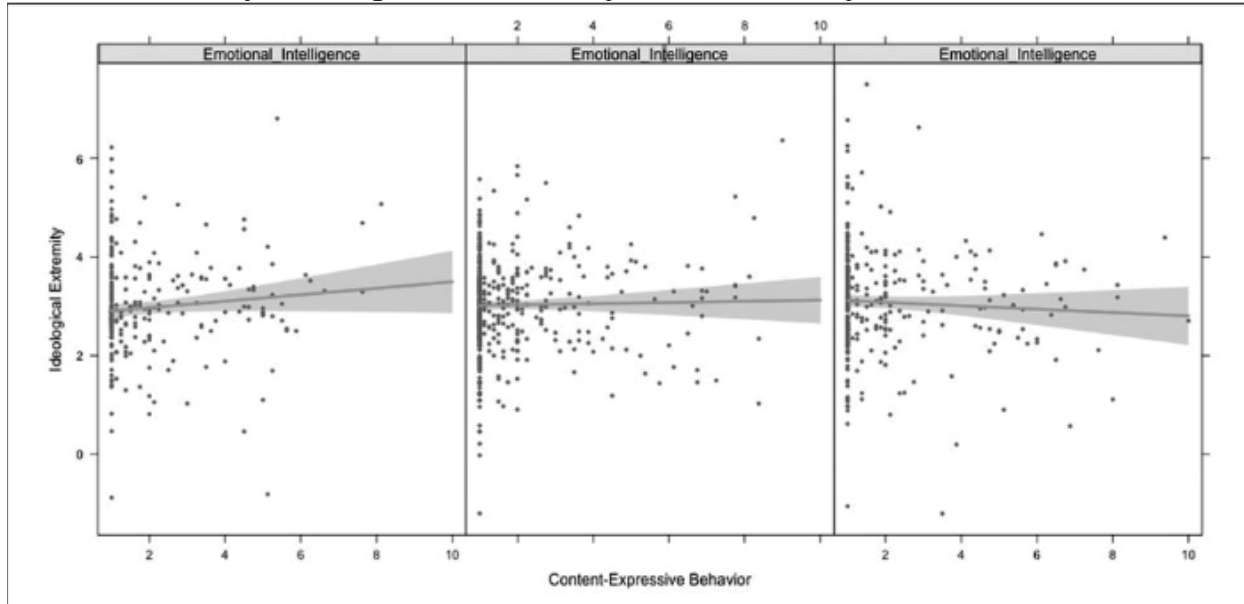


Figure 4. Barnidge, Ardèvol-Abreu, & Gil de Zúñiga, 2016, 827.

In this Figure taken from the content-expressive behavior study, data points of users are depicted in the right-hand scatterplot to show that with increased values of content expressive behavior and increased emotional intelligence, comes the result of less extreme ideology (Barnidge, Ardèvol-Abreu, & Gil de Zúñiga, 2016). This translates into a trend of individuals with less polarizing viewpoints and actions. This chart also shows the result of low emotional intelligence, which are represented as a flurry of localized dots, which represents the phenomenon of polarization. These are the individuals with low emotional intelligence.

Widely known examples of low emotional intelligence in active thinking and attempts at problem understanding result in anti-intellectual stereotypes (García-Sancho, Salguero, & Fernández-Berrocal, 2014). A perfect case study of this ongoing issue is present-day America. Republican voters primarily live in rural America, while Democratic voters primarily reside in cities and far more populated areas. Each side primarily interacts with people and groups that are like-minded that share the same social and cultural experiences. Where the lack of cultural intelligence comes into play is when each side doesn't have the learned social interaction or emotional awareness of the other side. Each ideologically opposed culture therefore are rendered culturally incompetent, and fail to understand the internal processes, external environments, social norms, and other factors that define each culture (McCleskey, 2014). This cultural incompetence manifests itself as common stereotypes and demeaning impressions that are talked about in the media. Rural Republicans are likely to judge Democrats as "Big City Liberals," "The Coastal Elite," and "Lazy." Democratic voters in more populated regions are likely to judge Republicans as "Unintelligent," "Closed-Minded," "Uneducated," and "Rednecks." (Graham, Nosek, & Haidt, 2012). While politically-oriented social media pages have a role in the spread of stereotypes and misconceptions of the other culture, ultimately it is the lack of emotional turned CI being exercised by each side. The lack of interest and motivation for the population to learn more about the opposing side's complex problems

and culture has led to violence, political stalemate in Washington D.C. and a nation with high tensions.

Case Examples of Successful Cross-Cultural and International Integrations

Many international business failures start with a lack and understanding of cross-cultural competence (Johnson, Lenartowicz, & Apud, 2006). A study performed by KPMG International concluded that a staggering 83% of mergers and acquisitions fail to meet their predicted overall increase in value. “Mergers and acquisitions are designed and executed to create growth, competitive advantages, technological acquisition, eliminate competition, and more in order to create value. But many companies badly estimate the complications that can arise during an acquisition, resulting in a “ $2+2=3$ ” rather than a “ $2+2=5$ ” effect” (Appelbaum, 2000; Cartwright and Cooper, 1993; Hovers, 1971). The referral to the $2+2=3$ example describes the situation with the Chrysler and Daimler merger, ultimately a failure (Marks & Mirvis, 2010). The biggest takeaway from the many failed mergers and acquisitions speaks to the level of importance of CI when planning and executing international arrangements. The most quoted reason for a failure in an M&A is cultural differences (Appelbaum, Roberts, & Shapiro, 2009; Cheng, Sophy, & Seeger, 2012). This finding is unfortunate, but not surprising. “While strategic, cost, revenue and legal issues drive most deals it is cultural issues that determine their success. It is not an exaggeration that how companies handle culture issues is probably the single most decisive factor that can make or break a deal.” (Papadakis, 2007). Historically and presently, companies that set focused goals and conduct due diligence on their acquisition or merger target, are the ones that will have successful integration in the $2+2=5$ example.

A true performer and leader in successfully acquiring and joining forces with other companies is Cisco Systems (Thurm, 2000). Currently, Cisco has acquired 203 separate companies from across the globe to date. Cisco serves as a gold standard by which other companies are able to mirror and conduct their own international dealings. This model dubbed “The Cisco System” entails several philosophies and conducts that have made Cisco unusually successful in this arena (Strategic Direction, 2004). Firstly, one of Cisco’s core philosophies is communication; the early, frequent, and honest dissemination of essential information will give employees ownership of the process (Strategic Direction, 2004). When Cisco acquired Cerent in 1999, it put into practice their critical communication philosophy. Secondly, Cisco decided it would use the best aspects and areas of excellence in each company and use those areas to primarily create the final result. If one entity was outperforming the other merging company in a specific area, the outperforming company’s practices would be the ones utilized (Appelbaum, Roberts, Jessie, Shapiro, 2009). The third main method Cisco used in this acquisition was not to force cultural change and practices upon the other company. Instead, Cisco used an all hands-on deck strategy, where Cisco management veterans acted as dependable mentors for Cerent’s managers and executive team (Appelbaum, Roberts, & Shapiro, 2009). This allowed Cisco as a company smoothly implement their goals and company values by using Cerent’s managers to “trickle down” the new culture and structural changes to the staff below him. This theory of all hands-on deck by the more senior Cisco leaders stands in stark contrast to the Chrysler-Daimler merger. “The management team would have had to develop a global brand strategy and associated logic of competitive positioning. None of this happened.” (Watkins, 2014). This underscores the necessity for proper CI when joining forces. Companies each have their own individualized culture, and Cisco exercised their own CI when deciding to implement veteran managers to act as mentors, which allowed employees from Cerent to continue their work under a new company, while retaining their culture. They experienced less cultural conflict and clash than the Chrysler and Daimler teams did, and ultimately this acquisition was yet another success for Cisco because they appropriately devoted their resources to handling the most decisive factor in an M&A, which are culture issues (Papadakis, 2007).

The Cisco-Cerent acquisition was a successful cross-cultural integration done on American soil from two American companies. However, this acquisition seems miniscule and easy in comparison to

successful strategic alliance of automakers Nissan and Renault. While not a typical full-blown merger, Nissan and Renault were able to establish a very cohesive partnership, despite each automaker hailing from vastly different cultures with no history of ever working together (Korine, Harry, 2002). Prominent market experts had low expectations, given that the proposed strategic partnership was unusually far reaching. “As much as has been made of the culture clash between Daimler and Chrysler, it will be nothing compared with Nissan and Renault.....At their core, they both are nationalistic and patriotic, and each believes its way is the right way to do things.” (Treece & Farhi, 1999; Asakawa, 2010).

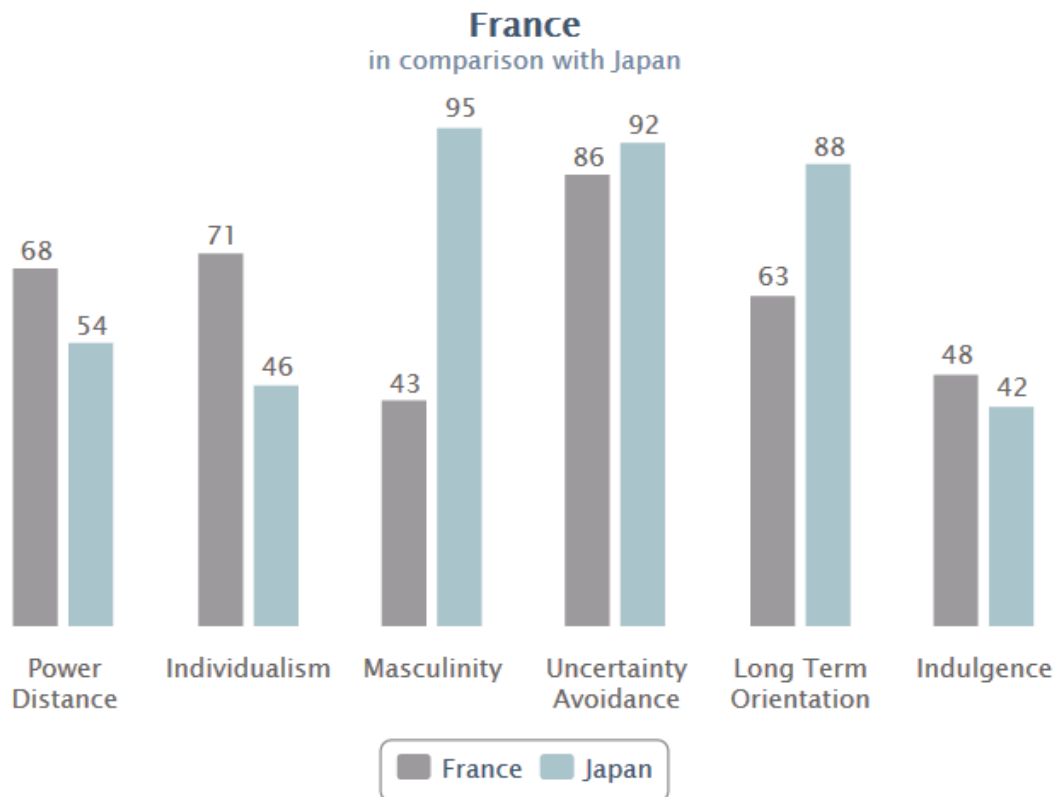


Figure 5. From Hofstede, <https://geert-hofstede.com/france.html>.²

Besides the geographical reach, there are key differences in the culture of each country. There are many cultural differences in reference to the Hofstede 6-D chart between Japan and France. The biggest differential as viewed in the chart is masculinity. “A high score (Masculine) on this dimension indicates that the society will be driven by competition, achievement and success, with success being defined by the winner / best in field – a value system that starts in school and continues throughout organizational life (Hofstede)”. Japan has an exceptionally high score of 95. This cultural norm of masculinity and its encompassing traits of competition, achievement, success, and winning are hallmarks of Nissan’s manufacturing process, because it was superior both technologically and organizationally (Stevens & Merieke, 2008). France’s level of cultural masculinity scores much lower at 43 (Figure 5), primarily due to the fact that the upper class maintains a feminine culture which is far less competitive than a masculine

² <Accessed on 04 02 2019 at 21:24>

one. This in combination with the high-power distance score of France yields top level managers and executives at Renault that are less motivated to achieve dominance and complete excellence in relation to the Japanese at Nissan (Ghosn, 2005).

Despite these many cultural flashpoints, the Renault-Nissan Alliance was ultimately a success because employees on all levels of the company were able to exercise CI through a variety of methods (Ghosn, 2005.) Cross-functional teams were established to improve communication between departments, particularly at Nissan where management and order had a history of shortcomings (Treece, 1999; Dore & Sako, 2012). Other methods were the establishment of cultural management teams, and cross-company teams devoted to identifying gaps and areas of weakness in relations. An Alliance Board was established, where areas of synergistical development are looked into each month. A common theme observed here is a commitment to communication. “Several studies have reported a link between national culture and performance. Naor et al. (2010) propose that societal and institutional collectivism should improve operational performance because it improves teamwork, increases employee involvement, and breaks down barriers between departments. These cooperative relationships and cross-functional teams have lower costs, less scrap, and higher productivity, as demonstrated in initiatives developed by Japan, such as Quality Circles, that improve quality and decrease defects (Gill, 2012; Asakawa, 2010).” A direct result of increased employee performance and involvement was the establishment of ten common vehicle platforms established between Renault and Nissan. The result was an increase in part commonality and common design plans which accounted for 90% of their combined production volume, which increased overall efficiency (Stevens, 2008). Lastly, strong and attentive leadership from the top ranks of both companies played a prominent role in making the Nissan and Renault Alliance a success. Carlos Ghosn, former Vice-President of Renault-turned Chief Operating Officer of Nissan spoke to the importance of the aspects of CI in an address to the Automotive News World Congress. “We cannot use them as a copout or as a crutch. We know they will come, but we are determined to treat them as speed bumps, not detours.....Before Nissan can overcome its financial problems, we must establish a binational, multicultural company - not through a forced merger, but by feeding off each other's strengths and minimizing each other's weaknesses for the sake of developing a healthy business” (Kranz, 2000).

<i>Value chain Renault-Nissan</i>	
Firm Infrastructure	
Integration of back office and administrative functions around the world	
HRM	
Effect on HRM changes has been more marked with Nissan; executive exchanges across the board	
Technology	
Developing common platforms is key to the progress in economies of scale and faster product development; move towards joint product development	
Procurement	
One third of cost savings coming from coordinated procurement and improvement of Nissan's costly supply chain	
Production	
Decrease of number of platforms in order to generate substantial cost savings	
Distribution	
Use of common hubs	
Marketing	
Separate brands will be maintained	

Figure 6. From Khaleel³, <https://www.slideshare.net/adamkhaleel/pudelko-dij041012>
 This figure depicts several stages and strategies used by both companies in the creating and implementation of the alliance. The establishment of common vehicle type platforms provides greater engagement of employees in motivation and interaction, while reducing costs and accelerating product development (Stevens, 2008). Additional goals of cost savings on behalf of both companies came from the improved management of Nissan's supply chain through Renault-established management techniques (Gill, 2012).

³ <Accessed on 04 01 2019 at 09:32>

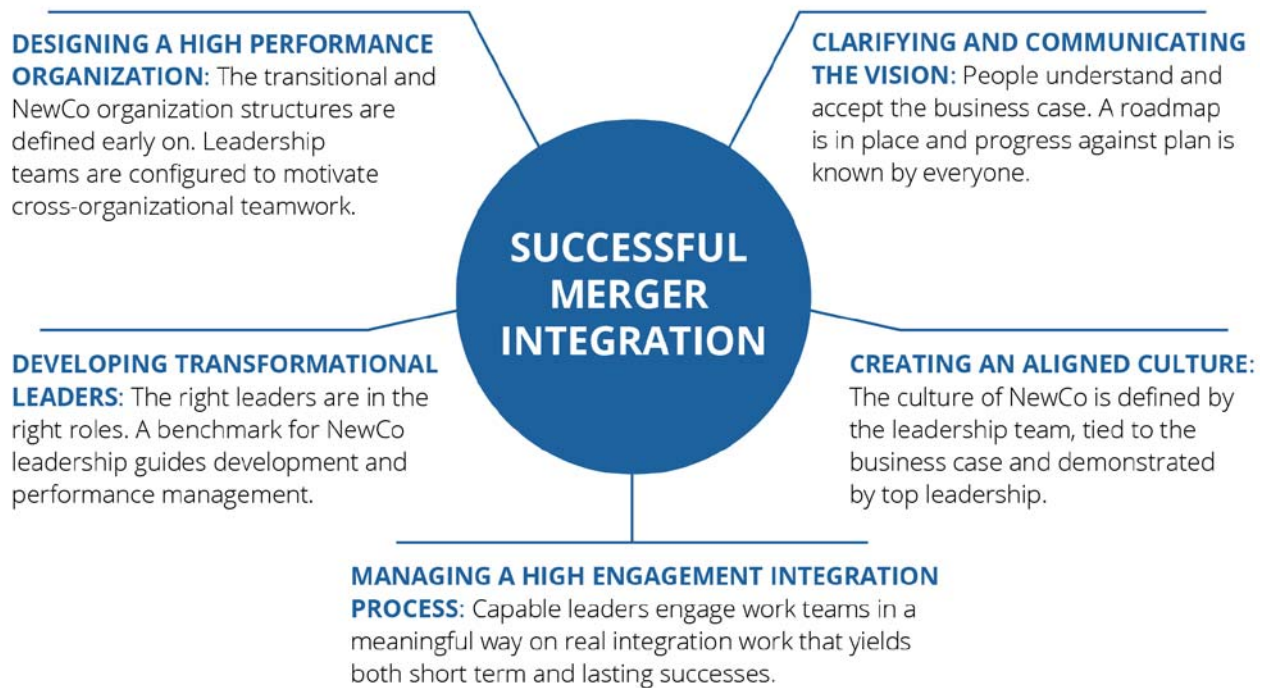


Figure 7. From The River Group, http://www.trgglobal.com/org_mandai_hwhc.html with adoption⁴.

In this visual depiction of several main components and processes of integration methods, there are several parallels noticeable between the strategies of Boston consulting firm The River Group, and the successful strategies used by the senior leadership teams involved in the Cisco-Cerent and Renault-Nissan integrations. In the Cisco-Cerent merger, a vision was communicated very clearly by Cisco veterans to the acquired company (Strategic Direction, 2004; Appelbaum, Roberts, & Shapiro, 2009). These Cisco veteran managers also used their champion communication and information sharing strategy to communicate goals and culture to the Cerent managers, which allowed perceived “less-invasive” integration and change protocols to the employees below the Cerent seniors (Watkins, 2014; Papadakis, 2007). These tactics led to the creation of an aligned culture between the two companies, which is important because it has been established and studied throughout historical observations that cultural integration conflicts will make or break an M&A deal (The River Group, 2017; Appelbaum, 2000; Cartwright & Cooper, 1993; Hovers, 1971). As seen in The River Group diagram, Nissan and Renault integrated with specific goals to achieve the “2+2=5 effect,” which allowed higher performance organizational practices to take place (Appelbaum, 2000; Gill, 2012; Asakawa, 2010). Through cross-organizational and cross-functional teamwork, ten common vehicle platforms were established between Renault and Nissan which accounted for 90% of their combined production volume. Direct results from this combination of high-level Japanese manufacturing and quality control methods with Renault’s far superior management techniques (Stevens, Merieke, 2008) had immediate effects which mirror The River Group’s ideals of Designing a High-Performance Organization, and Managing a High Engagement Integration Process (Moran, Abramson, 2014). The results of the teamwork between Renault and Nissan were lower production and managerial costs, increased production efficiency between both companies, greater employee involvement, and faster product development (Stevens, 2008; Gill, 2012, Dore & Sako, 2012).

⁴ <Accessed on 03 07 2019 at 11:12>

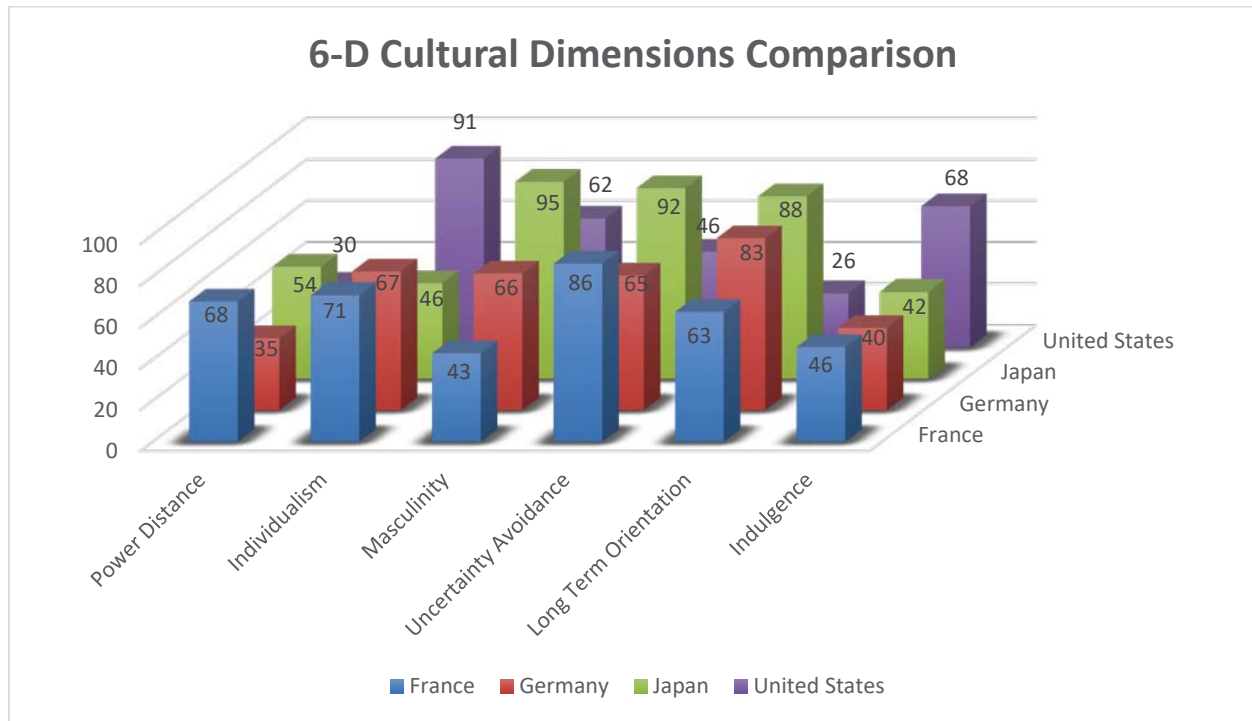


Figure 8. From Hofstede⁵, <https://www.hofstede-insights.com/country-comparison/france,germany,japan,the-usa/>

From Geert Hofstede’s cultural dimension definitions, there are several noticeable numbers that relate to case examples discussed. On the pillar of Long-Term Orientation, the difference between Germany and the United States is staggering. Germany’s rating is 83, while the United States’ rating is 26. This reflects upon the challenges of the failed Daimler-Chrysler merger, in the fact that the American managers and design teams were far less focused on committing to non-flashy and practical automotive designs. These Chrysler teams prioritized more bombastic presentations and ideas, and spent little time coordinating with their German counterparts on the required engineering and technical aspects.

⁵ <Accessed on 04 02 2019 at 21:55>

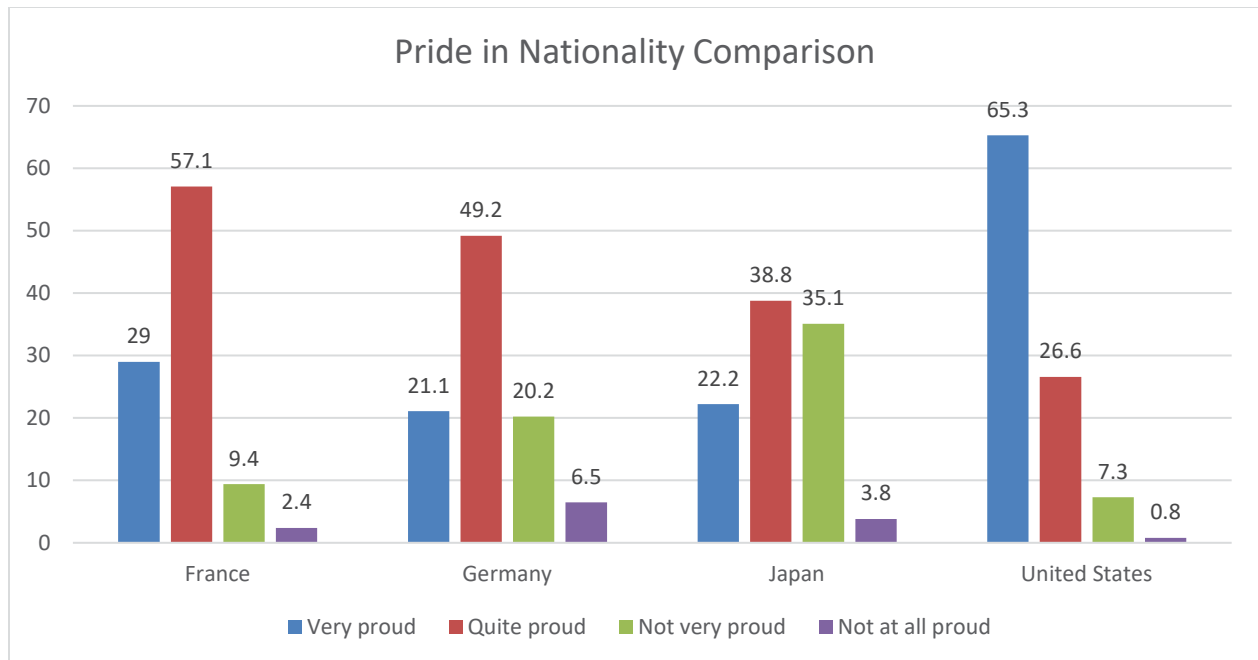


Figure 9. World Values Survey⁶. Worldvaluessurvey.org/WVSONline.jsp

The failed Daimler-Chrysler merger is again explained by the visualized cultural differences. From the World Values Survey conducted every few years, respondents from the United States expressed a strong pride in their nationality and culture with 65.3% of respondents describing their level of pride as “Very Proud.” This theme of strong pride represented itself in the Daimler-Chrysler boardroom meetings, where American managers and design teams fostered a culture of slight arrogance and borderline overconfidence, which were attitudes that didn’t help make any progress when it came to the engineering and detail-oriented aspects. The Germans were more subdued in their sense of pride, with 21.1% of respondents rating their pride in nationality as “Very Proud.”

⁶ <Accessed on 04 02 2019 at 21:59>

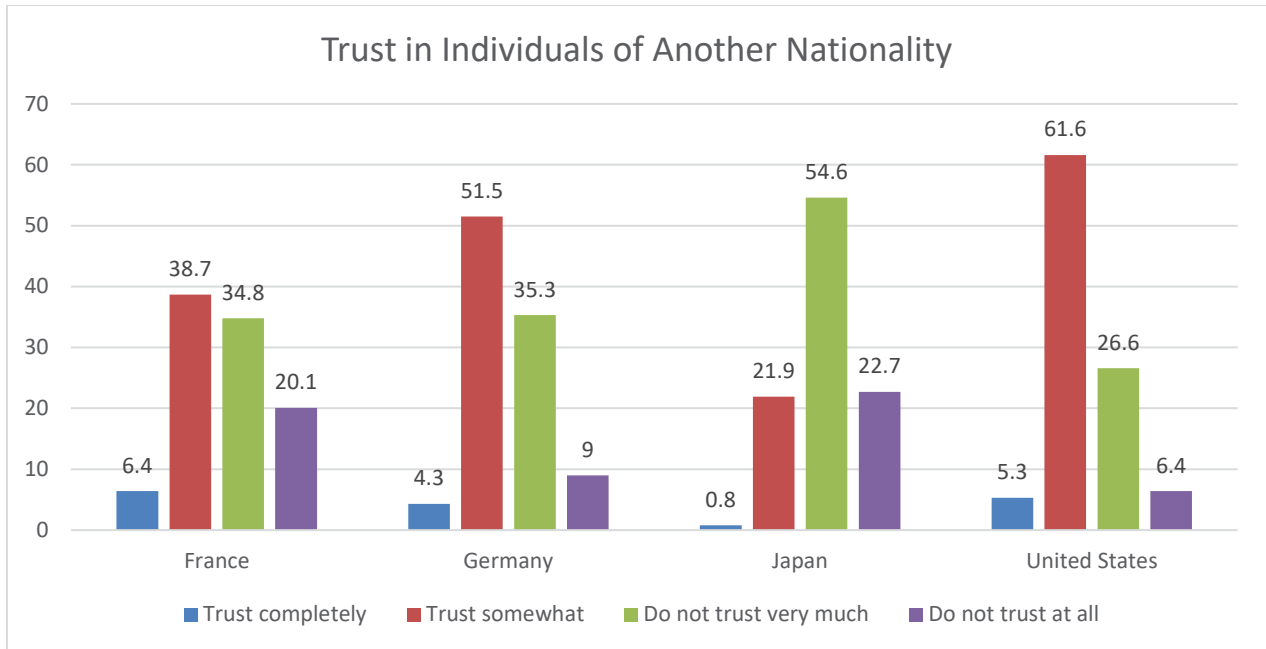


Figure 10. World Values Survey⁷. Worldvaluessurvey.org/WVSONline.jsp

Japan’s culture is far more closed off than others, with 54.6 of respondents claiming that they do not trust foreigners very much. When Renault from France and Nissan from Japan joined forces, this was a sticking point. However, the collaboration between both companies was a success due to the establishment of the Alliance Board and several cross-functional teams that led the breaking down of borders between departments. The result was a more trustful workforce, and greater operating efficiency. The most noticeable improvement was with Nissan’s manufacturing process and management, which historically were described as inefficient and faulty.

⁷<Accessed on 04 02 2019 at 22:32>



Figure 11. World Values Survey⁸. Worldvaluessurvey.org/WVSONline.jsp.

This figure speaks again to the compatibility issues between Americans and the Germans involved in Daimler-Chrysler. 34.7% of respondents from the U.S describe the practice of experts making decisions as “Not Good.” In the Daimler-Chrysler relationship, the Germans were far more superior in engineering, design, and overall automotive expertise than their American counterparts. This statistic explains why there was inefficient collaboration occurring on multiple levels of the company; the workforces just were not equal in caliber and commitment. From Figure 8, it is shown that the pillar of individualism in the United States is rated at 91, which is very high. The disdain for experts controlling decisions accompanied by a strong sense of individualism resulted in inefficient or even nonexistent collaboration.

Actionable Recommendations

There are many multinational businesses that have had impactful successes integrating their business model across several continents and many countries, with employees acting synergistically to accomplish corporate goals from a diverse array of cultures (Chibba, 2013). Banks, electronics manufacturers, food chains, and retail stores have all integrated and established themselves, which serve as models for the successful execution of CI. While no recommendation is an overnight fix, especially for large scale problems such as a sharp political divide, there are routes to ensuring the success of the integration of cultures (Managan, 2017).

Our first recommendation is embedding training workshops. Employees may not have the experience or immersive history to be socially intelligent. Employees may not have ever been challenged in attempting to understand other people’s emotions. To fix these shortfalls, corporations preparing to send individuals abroad or establish a new office in another location should establish training courses (Sherriton & Stern, 1997). Where Daimler-Chrysler went wrong in this regard was developing a training course which focused only on the differences between the two cultures.

An effective training course would consist of the differences between the two cultures to provide

⁸ <Accessed on 04 02 2019 at 22:41>

background information, but the far more important aspects to include in the training course are non-cookie-cutter approaches to developing cultural intelligence, and furtherly using that to make decisions (Sherriton & Stern, 1997). That part of the training course should consist of education in role-playing under the social intelligence component. Employees will know how to adapt to an unfamiliar scene of new social norms (Wander, 2013). The course should also consist of the importance exercising mindfulness, which is heightened awareness to a situation and attention to new social cues and emotions being exhibited by an individual from another culture.

Our second recommendation is an extension of the first recommendation, however this recommendation touches upon the critical component of personal behavior, which can have immediate effects abroad (Trompenaars & Woolliams, 2002). As part of the training course, the employee must be attuned to different behavioral expectations of going abroad. The term “Ugly American” is used to describe Americans who visit another country and make no effort to change or modify their habits. This is because they don’t understand they are in a new culture or aren’t aware their behavior should adapt to people around them (Randolph, 2011). The ability to correctly adapt and change personal behavior is a result of exercising cultural intelligence. Because the vast majority of situations abroad can’t be trained for in a corporate office, employees should be taught that personal conduct needs to fit with the culture around them (Randolph, 2011). However, this does not amount to mimicry.

In the training course, it is crucial that employees understand that while abroad, they should not get too comfortable and attempt to replicate behaviors. Behavioral adaption should be based on cultural expectations learned through the differences and contrasts portion of the training course (Heffron & Maresco, 2014). Examples of how employees should not adapt depends on the situation, and they should judge the situation based on the principles of mindfulness, observation, and listening. Examples of correct situational judgement are employees not attempting to replicate the Japanese bow, certain hand gestures, or pretending to be fluent in a different language (Morrison & Conaway, 2007). Attempts to adapt based on mimicry can result in interactions being perceived as offensive, rude, or amusing in a non-serious manner. The common theme in these two recommendations for the corporate training course is teaching employees how to think and make judgements, based on their skills and understanding of CI.

Our third recommendation is incorporating movies into training process (Drummond, 2008). Watching movies that are produced in other countries and are made in other languages can serve as a tool to improve CI (Herrmann, Call, Hernández-Lloreda, Hare, & Tomasello, 2007; Livermore, 2011). For instance, many low budget French movies show very peculiar cultural aspects of French people, and by watching those movies employees can increase their level of CI (Morrison & Compagnon, 2010). The same holds true for movies produced in other cultures.

Our fourth recommendation is encouraging employees to travel to locations with larger psychic distance from local culture. During travel environment can provide important clues on what constitutes cultural intelligence (Lee & Sukoco, 2010; MacNab & Worthley, 2012) and over time CI improves in individuals with extensive travel background (Triandis, 2006).

Our fifth recommendation is incorporating immediate experiences into employees’ lives. These experiences include theater and comics of other cultures (Ng, Van Dyne, & Ang, 2009). Immediate experience have been shown to improve CI over time (Livermore, 2012; Warshaw, 2001).

Relevance to Modern Business

The recommendations that speak to a theoretical corporate training program is a model that can fit many situations, such as a middle or high school classroom. The examples of international integration used in the training model template can easily be switched out with examples of cross-cultural understanding, with a goal of younger students preparing to exercise cultural intelligence in a smaller scale within their country, state, or town (Stone, Merlin, and Neil Woodcock, 2013). The principles of learning background information and facts, learning to develop and adapt social and emotional

intelligence to serve as cultural intelligence, and furtherly using that intelligence for informed decision-making in a school and community setting does not change from the corporate international training model (Goleman, Boyatzis, & McKee, 2013; Muntean & Rînciog, 2014). They are the exact same concepts with identical goals. These two concepts have proved crucial in creating cross-cultural business partnerships that work. KPMG's study stated that 83% of all mergers and acquisitions fail, and cultural conflicts is the most cited reason in the 83% of failures (Appelbaum, 2000; Thurm, 2000). The Renault-Nissan alliance was strongly doubted as being a viable partnership, but ultimately was successful due to internal corporate training programs, and strong hands on leadership assisting in collaborations (Gill, 2012). Their collaborative projects resulted with each company creating synergies, where each area of each company was able to accomplish more and operate with increased efficiency. This translates into the broad goal of every business; Generate revenue, reduce costs, and maximize profit. For successful international and cross-cultural business transactions and integrations, employees of all levels must be prepared and have knowledge of the proper exercise of social and emotional intelligence to produce culturally competent conduct (Coetzee & Harry, 2014). The costs of not doing so can be disastrous; look no further than the costs that Daimler incurred to offload Chrysler (Watkins, 2014). Inevitably, companies that engage in the creation of a corporate culture that places high emphasis on the development and execution of culturally intelligent conduct will be the ones remembered for the right reasons.

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