



Even though the majority of people in the world have never crossed the physical borders of their home country their lives have undoubtedly been touched by a foreign culture. Medicine from Switzerland, movies from Hollywood, cars from Germany, Japan or South Korea, music from Colombia, and chocolate from Africa are just a few of the products which travel around the world in search of a market.

cultural understanding may not be a significant burden upon their daily life. But for an ever increasing number of people in business and in education the lack of cultural intelligence (CQ or CI) could limit their professional growth and subsequently lead to organizational failure.

There are several working definitions for cultural intelligence which have become commonly accepted by educational researchers. It is

encounters and provides a more effective and fulfilling cross-cultural collaboration.”

David C. Thomas and Kerr Inkson in their recent book (2009), *Cultural Intelligence: Living and Working Globally*, believe that cultural intelligence is comprised of three components which are slightly different than those listed by Dr. Plum.

- *the **knowledge** to understand cross-cultural phenomena

- *the **mindfulness** to observe and interpret particular situations

- * the **skills** required to adapt **behavior** to act appropriately and successfully in a range of situations

The definitions of cultural intelligence are fairly consistent throughout the academic literature on the subject, although as already noted the components have some degree of variance. Cultural strategic thinking, motivation, and behavior (Ang, Early, Tan, 2006) are the components mentioned in the book *CQ: Developing Cultural Intelligence At Work*.

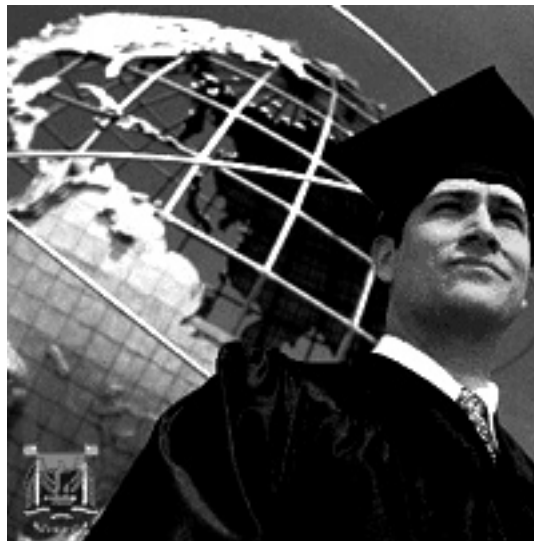
A three-year research project called, ‘Cultural Intelligence as a Strategic Resource’, funded by The Danish Council for Strategic Research, holds great promise for expanding the current knowledge-base of cultural intelligence. This study is being conducted by a group of researchers at two Danish universities, but it is being led by the Copenhagen Business School (CBS). A preliminary paper prepared by two CBS researchers (Feldt and Jakobsen) has combined the somewhat varied listing of components into a comprehensive

Cultural Intelligence (CI) in the Vietnamese Marketplace: What is the Role of the University?

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Satellite television and the internet are more pervasive influences which spread the visceral aspects of culture to a multitude of eyes and ears throughout the world. Identifying the culture of a specific country or region only by the products and services they export or by the images on a screen, may restrict the thoughtful examination and understanding of another culture. At worst such a narrow understanding of culture could reinforce existing stereotypical images. For many people possession of a limited



defined as “a person’s capability for successful adaptation to new cultural settings...” (Ang, Early, Tan, 2006). Elizabeth Plum, a Danish academic who has become a well-known consultant in the field of cultural intelligence has provided a rather comprehensive definition on her blog site. “Cultural Intelligence (CI) is the ability to bridge and benefit from the cultural complexity of people with different nationalities, work areas, professional backgrounds, personalities and organizational cultures. Cultural Intelligence (CI) combines the emotional, the cognitive and the practical dimensions of cross cultural

order: knowledge/cognition, motivation/mindfulness and behavior. These three components represent the building blocks of cultural intelligence.

The continuous advancement of globalization has broadly exposed the consequences of cultural hubris as well as unrecognized cultural differences and a lack of cultural intelligence. "An example of where cultural difference comes into play is when companies decide to merge. Such mergers fail, at least in part, because the cultural aspects, organizational and national, of the merger are either ignored or underestimated" (Plum). In addition, "...70 percent of international ventures continue to fail because of cultural differences" (Livermore, 2009). Considering the cost of failed international ventures it is curious why more time, effort and resources are not devoted to understanding and thereby minimizing the negative impact of cultural differences.

Cultural differences are not negative by comparison from one society to another, but they may be illustrative of the values and belief systems that generate specific behaviors. Richard E. Nisbett in his book, *The Geography of Thought*, has examined the context and the reasons why Asians and Westerners think differently. "The collective or interdependent nature of Asian society is consistent with Asians' broad, contextual view of the world and their belief that events are highly complex and determined by many factors. The individualistic or independent nature of Western society seems

consistent with the Western focus on particular objects in isolation from their context and with Westerners' belief that they can know the rules governing objects and therefore can control the object's behavior" (Nisbett, 2003). Cultural differences can and often do manage to subside into a complementary work-flow within the office environment of a multicultural workplace. But cultural differences can also expose chasm-like disagreements based upon opposing perspectives which could create an inefficient or a disruptive work environment. Which direction cultural differences may lead an organization is often dependent upon the degree of cultural knowledge and mindfulness possessed by all employees (management and staff).

An apt case in point would be a cross-cultural examination on the understanding of a contract. "Contracts to the Western mind, once a bargain is struck, it shouldn't be modified; a deal is a deal. For Easterners, agreements are often regarded as tentatively agreed-upon guides for the future" (Nisbett, 2003). If these distinctions are not identified and considered by both sides during negotiation, then the basis for an agreement could be lost in the process of defining the intent of the contract. A basic misunderstanding on the definitional purpose of a contract could also be enhanced by culture-specific communication. "Westerners—and especially Americans—are apt to find Asians hard to read because Asians are likely to assume that their point has

been made indirectly and with finesse. Meanwhile, the Westerner is in fact very much in the dark. Asians, in turn, are apt to find Westerners—perhaps especially Americans—direct to the point of condescension or even rudeness" (Nisbett, 2003). Americans seem to favor "specific communication styles" which "tend to be forthright, blunt, and confrontational" (Fons and Hampden-Turner, 2000). Southeast Asians tend to favor "diffuse communication styles" which are "indirect—drop hints, and let the other interpret your full meaning" (Fons and Hampden-Turner, 2000).

Language and trust are common areas for misunderstanding and cultural misperception, especially with respect to someone who has limited experience with or exposure to other cultures. Native speakers are able to access a broader range of vocabulary in addition to idioms or slang. If a manager is working with a group of employees who do not possess the same native language skills, it would be in the best interests of all if the manager spoke within a common but narrow range of vocabulary. Comprehension is a vital element in communication. This becomes even more evident and perhaps even more complicated during the process of business development and/or mergers.

The concept of trust, an understated participant in the early stages of business development, is associated with the specific communication style within each culture. In connection with Vietnam's diffuse style of communication "trust may not



extend far beyond the family and therefore must be carefully built by extensive interaction” (Fons and Hampden-Turner, 2000). With respect to the American company, which is identified with a specific communication style, they would expect that “trust can be taken for granted, so the parties will first discover if either is interested in the specifics of the business” (Fons and Hampden-Turner, 2000). If the managers from both sides of the negotiations are not sensitive to each other’s communication’s perspective and definitions of trust, then it is apparent that they are lacking in cultural knowledge and mindfulness.

Developing a workplace understanding on the role of culture is an intentional process which should begin in anticipation of any international business arrangement and continue through the lifetime of the partnership. Culture is “the collective programming of the mind which distinguishes the members of one human group from another” (Hofstede, 1984), and it should not be taken for granted. The leadership and management of organizations

involved in international business ventures would understandably advance their company’s goals if they possessed a respectable degree of competency in cultural intelligence. While it may not be feasible to expect the managerial staff from a Western investor or the Vietnamese partner to understand and instinctively identify all cultural nuances, it would be organizationally wise for all involved to be culturally intelligent.

Knowing what cultural intelligence is and its value in an international business venture raises the question, how do you teach or train someone to be culturally intelligent? “Cultural intelligence can be developed in a number of ways, including formal education and training, but experiential learning is critical to the development of a high CQ” (Inkson and Thomas, 2009). International businesses and their Vietnamese venture partners are, by the nature of their location in the Vietnamese marketplace, already involved in unorganized levels of cross-cultural experiential learning. Yet, if as previously noted, 70% of the failures of international

ventures are attributed to cultural differences, then it would be wise to promote cross-cultural understanding as a means of mitigating business disruption.

Joint international business ventures in Vietnam do have the option of seeking assistance in developing a culturally intelligent workforce (management and staff) through consultation and executive education coursework from Nanyang University in Singapore. Nanyang University is the pioneering force behind cultural intelligence research and education in Asia. The Center for Leadership and Cultural Intelligence (CLCI) at Nanyang in addition to contributing to the known research in the field, provides international and domestic organizations with consultation and training services promoting the acquisition of cultural intelligence. CLCI’s mission is, “to lead in generation of Knowledge, Product and Programs (KPP) for growing culturally intelligent individuals & organizations”. http://www.cci.ntu.edu.sg/CCI_Team.htm

Cultural intelligence is a relatively new field of university research which is strategically

connected to the deployment of international business ventures. Select universities in the US, Europe and Singapore are positioning themselves to provide the cross-cultural research, education and training to enable global organizations to experience successful transitions into international settings. Vietnamese universities are not yet counted among those institutions which are progressively researching and defining cultural intelligence, but their window of opportunity is currently open.

Vietnam possesses a research-rich environment for examining the consequences of cultural intelligence within the plethora of international joint business ventures in operation throughout the country. Research, with the goal of increasing the base of local knowledge, would be an important component for any Vietnamese university entering the field of cultural intelligence. But the education and training aspect of CQ could generate additional revenue in addition to stronger business—university relationships. Teaching a new generation of business managers on the long-term value of being culturally intelligent will likely impact the success rate of international joint business ventures which have entered the Vietnamese marketplace. Organizations depend upon the transferable knowledge that local universities are able to provide. In turn organizations which benefit from university led training in cultural intelligence will provide needed revenue to the university in addition to stabilizing the

economic and employment base of the community and the country.

APPENDIX

(Following are the course descriptions for two university courses used in CQ organizational training.)

Building Cultural Intelligence (non-credit, Boston University Corporate Education Center)

One of the most frequently cited reasons for failure in international mergers and outsourcing engagements is culture. Often, organizations underestimate the power of culture to influence decision making, problem solving, and collaboration. To build partnerships and relationships, we need to improve our cultural intelligence: our capability to move fluidly and work successfully with different countries and customs. In this course, participants will build cultural intelligence and gain skills to help them succeed cross-culturally.

Cultural Intelligence (non-credit, University of Western Sydney)

Cultural complexity is one of the key characteristics of 21st century Australia. This is manifest in the rapid proliferation of social and cultural differences in society. By developing knowledge about the challenges posed by cultural complexity to the management of diversity, this project will assist public institutions and the broader community in building the cultural intelligence needed to address these challenges in more effective and innovative ways. In this way the project will showcase the practical

benefits of cultural research—and the humanities and social sciences more generally—in the promotion of an innovative culture and economy. ●

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