

Note on Strategies and Tools for Developing Cultural Intelligence: Bridging in a Globalizing World

Globalization is a reality. Advances in communication, technology, and business have facilitated a convergence toward one world economy. This has created opportunities for cross-cultural mergers, integrations, expansions, business partnerships, and workforces. However, despite the fact that the world is becoming more borderless, both individuals and communities continue to hold on to their unique local cultures, in which they hold shared assumptions about what is true, good, and efficient.¹ The persistence of these value systems, social practices and institutions has been termed localization. In order to successfully navigate the competing forces of globalization and localization, one needs to develop “cultural intelligence,” defined as “a set of congruent behaviors, attitudes, and policies that come together in a system, agency, or among professionals and enables that system, agency, or those professionals to work effectively in cross-cultural situations.”²

To begin developing cultural intelligence, managers need accurate models that enable them to understand, in real time, the cultural particularities of their suppliers, business partners, customers, and employees. They must also appreciate the importance of having an open mind when approaching other cultures. This note, therefore, provides a concise overview of key cultural models and the outlook necessary to successfully manage the complexity of the new world economy.

Globalization

Few contest the fact that markets are becoming more globally interdependent. New York Times columnist Thomas Friedman argues in his book, *The World is Flat*, that the intentional and unintentional consequences of technological innovations have left us with a world that increasingly “flat,” marked by a more rapid and encompassing flow of communication, goods, services, and individuals, with little respect paid to political borders. Technology has particularly enabled greater communication, as shown by the fact that in terms of 1990 prices, the cost of a three-minute telephone call from New York to London fell from \$350 in 1930 to \$25 in 1970, then to \$2 in 1980. It dropped further in 1999, to 40 cents, then to virtually free with Voice over Internet Protocol (VoIP) technology.

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