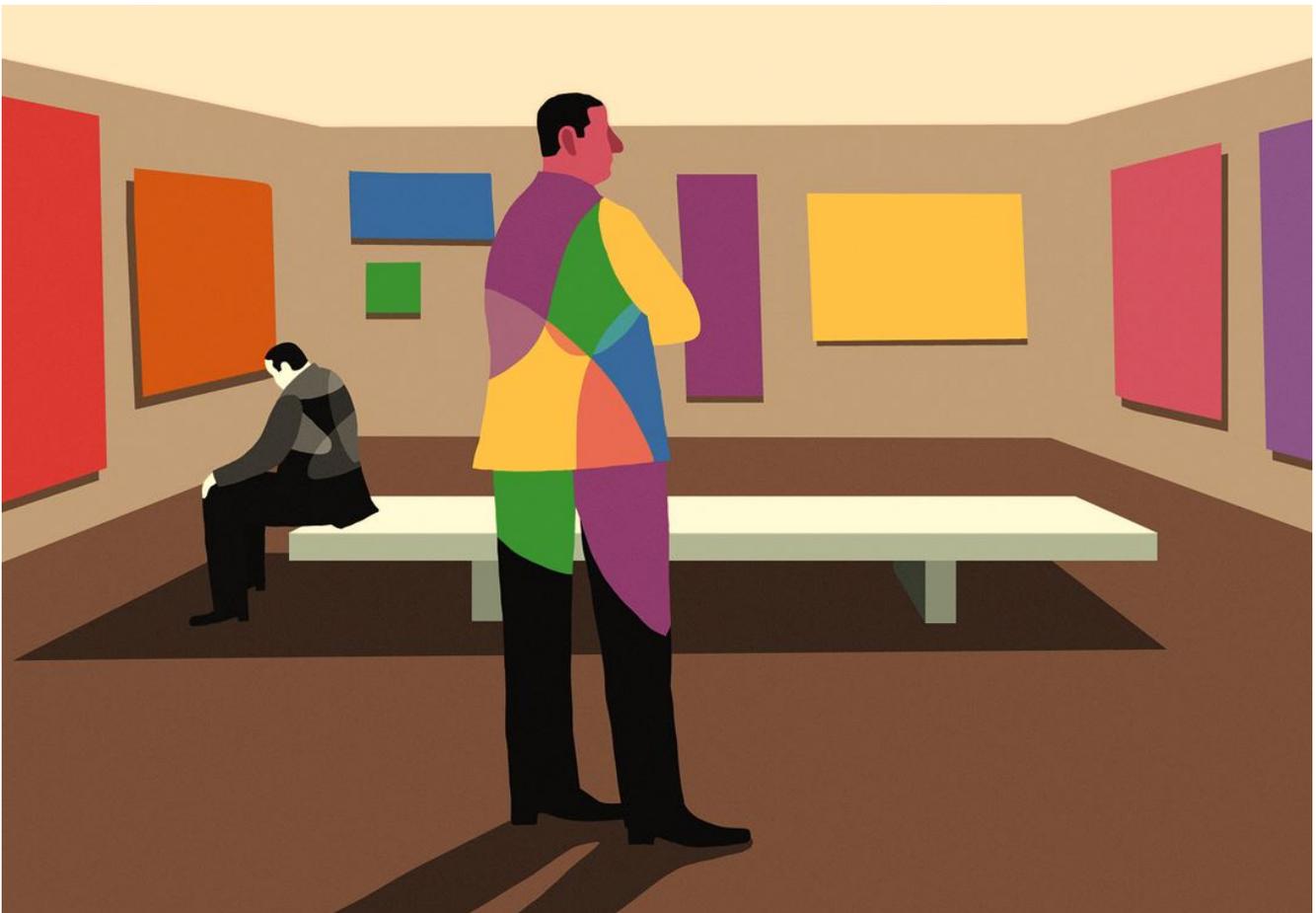


# Cultural competence: Why it matters and how to get it

**Multicultural workers have unique skill sets but are often overlooked. How can cultural intelligence be developed as a management tool?**



July 1, 2015

By [Yih-Teen Lee](#) & Yuan Liao

An international joint venture involving Apollo Tyres of India, Cooper Tire of the United States and Cooper Chengshan Tire (CCT) of China highlights what the *Financial Times* has called “a growing problem” for today’s managers who are increasingly doing business across borders.

In 2013, within the space of a few months, the merger and acquisition degenerated into legal action. Covering the court case, the *FT* reported that the deal seemed to have gone sour largely due to miscommunication and cross-cultural misunderstandings.

“Evidence showed American and Indian executives had put entirely different constructions on the same events, and none seems to have understood their Chinese partner, Mr. Che.”

This became clear during union negotiations: “While the Americans prioritized speed and protection of shareholder value, the Indians focused on building strong relationships ... The misunderstandings with Mr. Che appear to have been even graver,” with the Indian executive testifying he could not understand the English of his Chinese counterpart, leading to puzzled exchanges between the parties.

This story is not unusual. Another more recent *FT* report on the Indian mobile phone company, Bharti Airtel, reveals it, too, underestimated cultural factors when it launched an advertising campaign aimed at the African market.

As one Nairobi marketer said, “Multinational companies ... come with their global brand positioning and they want to cut and paste.” But just putting Black models and images of the savannah in an ad for Africa is as crass as putting a Thai, a Chinese and an Indian in the same ad and thinking you’re reaching Asia, he said.

As executives increasingly find themselves operating in multicultural contexts, it becomes paramount that they develop not only awareness of cultural norms and differences, but capabilities for managing them effectively, in order to limit the potential for misunderstanding and conflict, as befell the companies in our previous examples.

In this article, we will explain how companies might identify and make better use of the invaluable attributes offered by multicultural managers and employees.

Drawing on research, interviews and case studies, we suggest how cultural intelligence might be developed as a vital managerial competence for the world we live in today.

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