

Global Intelligence

By Leslie Limon



Рейкер

Understanding that sometimes “yes” really means “maybe.” Not taking it personally when colleagues don’t acknowledge you in the elevator. Dining on fermented cabbage at a breakfast meeting—and putting on a brave smile. Fighting the urge to step back during a conversation with a client as he talks to you from a few short inches away. Recognizing that your staccato “Americanized” communication style ruffles feathers across the pond—and dialing it down a notch, or two.



Identifying cross-cultural differences often begins with our basic senses—taste, touch, sound, personal space, emotional sensitivity—and the depth of our global intelligence depends on how we detect, define and respond to this sensory data. After all, it can be subtle, and usually lies beneath the surface.

Culture is “like an iceberg,” says Chris Hendrix, a senior in the Global Business Honors Program (GBHP) at Fordham University’s Gabelli School of Business. “All the things you notice are at the top, and the rest is underwater. Looking at it like that makes it easier to understand.”

Helping students develop the global intelligence they’ll need to compete and succeed in today’s world is a primary goal for business educators. At Fordham, a host of courses and programs build global acumen through experiential learning. Semesters abroad, intensive cultural immersion tours, courses that take place in three different countries over one semester, and etiquette dinners that train students in the nuances of dining around the globe are among the offerings at Fordham Schools of Business.

Such experiences reinforce the importance of recognizing cultural differences when one enters the global workforce. And money talks, too: the cost of overlooking the value of cultural intelligence can add up for companies that compete globally.

Premature return of a single executive posted to a foreign country can cost a company as much as \$1.2 million, according to a National Foreign Trade Council study. What’s more, various studies peg the percentage of U.S. American expatriates who return early from developed countries at 10 to 20 percent, while 70 percent return early from developing countries. The primary reason: cultural maladjustment due to inadequate preparation.

A Globalization Spectrum

What about large multinational corporations? Does corporate culture transcend local differences? Not really, suggests Daniel McDonough (FCRH ’05), a business analyst who heads university development for Business News Americas (BNAmericas) in Santiago, Chile. Citing determining factors such as business sectors and the global background of a firm’s management team, McDonough, who studied economics at Fordham, is among many whose observations from

the front line suggest that there is a spectrum of approaches to globalization in the business environment today, from ethnocentric to polycentric and everything in between.

At one end, ethnocentric companies see their way as the “right way” and local ways as deviations to be “corrected” or ignored. This model is proving unsustainable as emerging economies gain in strength and number and demand to be dealt with as equals. “It would be a mistake to try to do business with them assuming you can set your own rules or judge them by Western standards,” says Sertan Kabadayi, associate professor of marketing and academic director of Fordham’s new Three-Continent Master’s in Global Management (3CMGM) program. Discovering years ago that (as in many cultures) a Brazilian “yes” isn’t always a request granted, Kabadayi didn’t judge Brazilians as unreliable; he learned to double-check.

At the opposite extreme are polycentric corporations that give local management free rein to follow their norms. Most

Fortune global 500 corporations lie somewhere between ethnocentric and polycentric models. Global public relations firms, for example, need localized operations to design campaigns that ring true for local audiences. Take shaving, says Timothy de Waal Malefyt, vice president and director of cultural discoveries for BBDO Worldwide, Inc., and guest lecturer in business and cultural anthropology at GBA. Shaving-product ads in Latin America cater to machismo, with models sporting well-sculpted moustaches. Ads in northern Europe present a more clean-shaven profile. This example illustrates the value of recognizing local norms and how that intelligence can translate into increased product sales. For global campaigns, BBDO offices work in concert to ensure that the messages appeal to a broader audience.

Even the financial sector, often considered homogeneous, is not immune to culture's impact. When Hendrix was an intern at a Japanese bank in New York, the Scarborough, Maine, native entered another world. "In the elevator, people would look down and not say anything, and I'd think, 'They must not like me,'" he recalls. He was also startled by the open workspace and strict bureaucratic procedures. Through weekly culture sessions for American employees, Hendrix began to gain a better understanding of Japanese cultural norms.

The Swiss bank UBS offers another example, says Carol McClure, who

graduated from Gabelli in 2003. She worked for three years in the multinational bank's Stamford, Connecticut, North American headquarters, where East Coast norms reigned. But when she transferred to London, she quickly discovered that British co-workers found her brisk American communication style somewhat intimidating. "My friends told me I needed to have 'a bit of a chat' before diving into the business at hand," she says.

Geopolitics & Vineyards

While it's important to know whether to bow or shake hands, cultural acumen also embraces history and geopolitics. "What happens in Libya, Egypt or in any part of the world has implications for business at the other end," says Kabadayi. "You follow not just financial and economic news, but also who's winning elections."

Since political risk management is crucial to global business decision-making, "business education has to include the impact of other countries' civilizations, laws and politics on business, and vice-versa," explains Marcia Flicker, associate professor of marketing and director of Fordham's Master of Business Enterprise (MBE) program. Geopolitics is included in both undergraduate and graduate business curricula. And in this fall's special topics graduate course Business and Geopolitics, Jonathan Story and

Dominique Moïsi, top advisers to global leaders and policymakers, are lecturing on the relationship of geopolitics to global markets.

The mix of politics, current affairs, history and economics offered in Gabelli's Global Business Honors Program is a great plus, according to Hendrix. He also praises the program's yearly capstone study tours that have taken him to London, Paris, Beijing and Santiago. He credits the program for pointing him toward an international career. "When I got the invitation [to join the program] and realized the opportunities to travel, I got really excited," he says. "I learned about these places in school, but the classroom is no replacement for firsthand learning experiences."

Study tours include lectures, company visits and free-wheeling exploration. In Beijing, students learned from a local history professor about when Europeans forced China's ports open 150 years ago. They now understand China's current push to regain global leadership. "We also 'took the training wheels off' and let them explore Beijing on their own," says honors program director Brian Dunn. For the Chile trip, students prepared by researching the Chilean wine industry so they could ask intelligent questions during their vineyard visit. And on a study tour in India, students in an Investing in India course interviewed equity analysts about their analytical metrics. Finally, the GLOBE program, an undergraduate international business specialization, requires



You're (Not) in My Space Conversational distance between acquaintances varies considerably among cultures. Arm's length seems about right to people in the U.S. or northern Europe, while people from a Latin American or Middle Eastern country may stand so close that you feel (and smell) their breath as they speak. Culture clashes can occur if one perceives the other as intrusive and backs off, sending signals to the other that they are unfriendly or even untrustworthy.

international experiences through study or work abroad, or a domestic internship with an international company. Last year, 154 students graduated with a GLOBE certificate.

Business students can take courses with intense one- to two-week capstone study tours that complement course content. GBA students can choose two weeks in China or a week in Istanbul. Trips pack a lot into a short time: in China, students are on the go 16 to 18 hours a day. For longer immersions, students can opt for a semester- or year-long study abroad program. Besides the Jesuit network of universities, Fordham has worldwide partnerships with institutions such as the University College in Dublin (UCD), Ireland, the site of McClure's study abroad experience and the inspiration for her international career. After that experience, she says, "I knew I was going abroad either for my graduate degree or to work there." She ended up doing both, earning her master's in finance at the London Business School and taking a position at UBS that ultimately led to her London assignment.

Classroom Diversity

A strong international student presence at Fordham University Schools of Business offers U.S.-based students another window to the world. To Harry Kavros, associate academic dean at Gabelli, increasing international students' numbers and diversity is crucial. "It enriches the classroom conversation with other points of view," he explains. "It also enriches friendships, and we would hope it would encourage study abroad to their countries." He notes that a new exchange relationship with Koç University in Istanbul will bring Turkish students to Fordham while giving Fordham students another study abroad destination.

In the graduate school, Associate Dean of Academic Programs Stuart Lipper agrees: "International students can offer domestic students real-world perspective, and that's what an MBA

degree is all about." The international presence is especially strong in the MBE program's first cohort. Of 44 students, eight are from the United States; a few are from Israel, Germany and Spain; and the rest hail from China. The program began in August with a strenuous boot camp: basic business concepts, business communications with ESL for native speakers of other languages, and cross-cultural team-building to break down cultural barriers and promote cohesiveness. Lipper says the aim is to duplicate this model for all international graduate students.

The graduate-level Three-Continent MS in Global Management program includes cross-cultural and global elements that Kabadayi hopes will set a standard for training all graduate business students. The first cohort includes 21 students from Belgium, India, the United States, China, Indonesia and Turkey, an intentional mix to foster cross-cultural interactive skills. The program covers business disciplines and personal development in four-month sessions at partner schools in Antwerp, Belgium, and Bhubaneswar, India, as well as at Fordham in New York City.

The Payoff

What are the ingredients for success in an inescapably global business environment? In a paper published for the International Association of Jesuit Business Schools, Fordham's Milan Zeleny makes the case for a new wisdom: "In the global economy, frequent or continuous strategic change will become the norm...Such an important mode of strategic thinking cannot be learned and mastered by asking how, but only by asking why." McDonough, too, cites companies' clamor for graduates with high-level analytical skills as the driving force behind BNAméricas' new partnership with the Graduate School of Business Administration that involves student internships in Santiago.

"It's really great to produce somebody who knows enough to get a high-level accounting job, but how great would it be if they could craft a regulation

because they know what other countries do, or make analogies to newer fields," adds Kavros. "Higher-level thinking from cultural learning and travels will pay off in leadership and management skills."

Another payoff: expanded notions of equity and justice, as Kavros saw during the India study trip. Visits included one to rural women in a microfinance relationship and another to a dense Mumbai slum where people worked productively despite substandard conditions. Many students zeroed in on these in their written impressions of India, revealing new perspectives on gaining wealth to contribute to society. "This was huge," says Kavros. "Their axes and values shifted." Is this what a globally focused education is supposed to do? "It's what a Jesuit education—an ethics and liberal arts-based education—is supposed to do," he answers.

—Leslie Limon is a freelance writer and former cross-cultural trainer based in Salem, Massachusetts.

Breakfast Is Served

For the wake-up meal, even intrepid travelers can find local norms a gastronomic challenge. Some of the more exotic fare that greets breakfast-eaters around the world:

China: rice or congee, a rice porridge, with small amounts of vegetables, fish or meat

Egypt: mashed fava beans with olive oil, chopped parsley, onion, garlic and lemon juice

India (north): a mix of rice, lentils and spices, often with deep-fried eggplant, oil-based pickles and yogurt (also common in Pakistan and Bangladesh)

Korea: rice, fermented cabbage called kimchi, tripe soup, breads and pastries

Malaysia: a mix of coconut rice, cucumber, anchovies, roasted peanuts, hard-cooked egg and sambal, a spicy sauce

Morocco: leftover tagine, a spicy lamb stew