

# Cultural Intelligence: A Pathway for Leading in a Rapidly Globalizing World

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## **Key Points**

- Cultural intelligence (CQ) builds upon and extends emotional intelligence.
- CQ focuses specifically on one's capability to effectively understand and adapt to a myriad of cultural contexts as an essential skill set needed to lead effectively across cultures. CQ is in essence the ability to function effectively in a diverse context where assumptions, values, and traditions of one's upbringing are not uniformly shared with those with whom one needs to act. Or, to put it differently, CQ is the capability of leaving behind those intelligent behaviors learned in one cultural context when what is intelligent in another cultural context differs.

- CQ is rooted in four different, yet interrelated sets of capabilities: motivational CQ (showing interest, confidence, and drive to adapt cross-culturally), cognitive CQ (understanding cross-cultural issues and differences), metacognitive CQ (strategizing and making sense of culturally diverse experiences), and behavioral CQ (changing verbal and nonverbal actions appropriately when interacting cross-culturally).
- CQ can be developed and offers us a set of steps and capabilities that allows us to show respect and dignity for others while enhancing our own effectiveness and competitive edge in multicultural and global contexts.

### Related Exercises

- Exercise 6: Cultural Intelligence (CQ)

### Related Cases

- Case 1: Race and Respect
- Case 2: Water Crises
- Case 3: Floating Holidays
- Case 4: Not My Weekend
- Case 5: It's Their Fault
- Case 6: The Scent of Difference
- Case 12: Benefits Battle

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Cultural intelligence refers to *an individual's capability to function effectively across cultures*—this can include national, ethnic, and organizational as well as other types of culture (Ang & Van Dyne, 2008; Earley & Ang, 2003). Rather than expecting individuals to master all the norms, values, and practices of the various cultures encountered, cultural intelligence helps leaders develop an overall perspective and repertoire that results in more effective leadership. The driving question behind the idea of cultural intelligence (or CQ) is this: *Why do some leaders easily and effectively adapt their views and behaviors cross-culturally and others don't?* Your honest engagement with that question can determine whether or not you lead successfully in our rapidly globalizing world. In this chapter, we provide an overview of cultural intelligence and describe the Four-Factor Model of Cultural Intelligence (motivational CQ, cognitive CQ, metacognitive CQ, and behavioral CQ) with the aim of helping you to think more deeply about your

own cultural intelligence capabilities as well as helping you to apply these ideas and the CQ framework to the cases in this book.

## **WHAT IS CULTURAL INTELLIGENCE (CQ)?**

Most of us know that IQ or intelligence quotient is a measurement of one's intellectual capabilities. In recent years, we've also seen the significance of EQ or emotional intelligence—one's ability to lead and interact with effective emotional sensibilities. Cultural intelligence builds upon some of these same ideas, but instead focuses specifically on one's capability to effectively understand and adapt to a myriad of cultural contexts as an additional and essential skill set needed by contemporary leaders (Ng, Van Dyne, & Ang, 2009a, 2009b).

Theories and books about cross-cultural interaction abound (Hofstede & Hofstede, 2004; House, Hanges, Javidan, Dorfman, & Gupta, 2004). A great deal of that material focuses on cultural knowledge—knowing how cultures differ in work norms, habits, and behaviors. The cultural intelligence approach goes beyond this emphasis on knowledge because it also emphasizes the importance of developing an overall repertoire of understanding, motivation, and skills that enables one to move in and out of lots of different cultural contexts (Ang & Van Dyne, 2008). Cultural intelligence considers cultural, sociological, and individual dynamics that occur for each of us in cross-cultural settings.

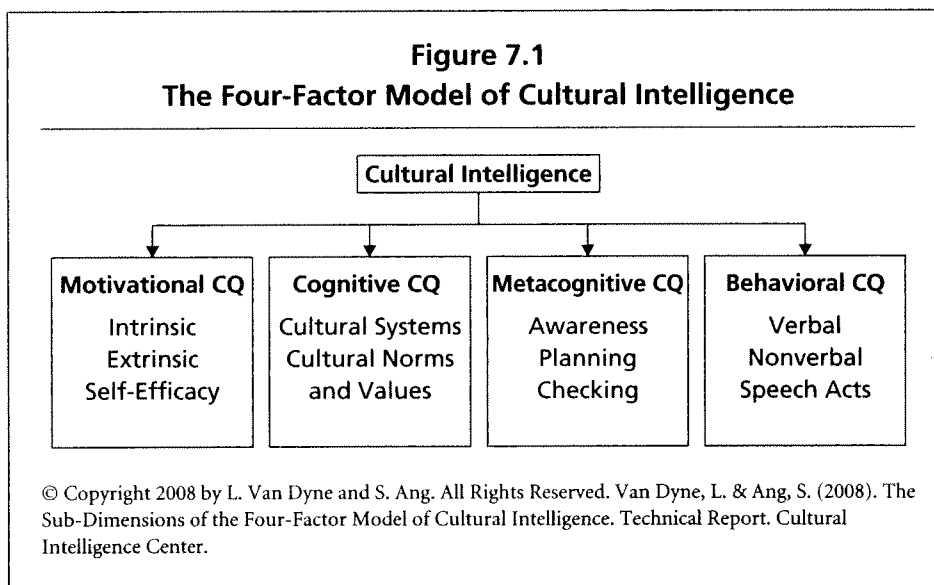
Research demonstrates that effective cross-cultural leadership isn't just a matter of emotional intelligence and common sense (Ang, Van Dyne, Koh, Ng, Templer, Tay, & Chandrasekar, 2007). Just as emotional intelligence focuses on a leader's ability to work effectively with people by paying attention to the emotions of self and others, cultural intelligence focuses on a leader's ability to function effectively with people and in situations involving different cultural backgrounds. When we interact with people from our own culture, we intuitively use a set of social cues to engage effectively. We have a wealth of information, most of which is subconscious, that helps us know how to relate and lead.

In contrast, when we experience a new culture, cues and information that have worked in the past are largely absent or misleading. For example, in culturally unfamiliar situations, it sometimes seems that other people's behavior and perspectives are somewhat bizarre and random. Those with high CQ have the ability to encounter these types of confusing situations, think deeply about what is happening (or not happening), and make appropriate adjustments to how they understand, relate, and lead in the context of this different culture.

Making these kinds of adjustments involves a complex set of capabilities and processes that comes from intentional effort on the part of the leader, all of which contribute to the leader's CQ. Cultural intelligence is a set of capabilities and skills that enables leaders from outside a culture to interpret unfamiliar behaviors and situations as though they were insiders to that culture. One of the most important things to assess when looking for culturally intelligent leaders is to see whether the person can identify behaviors that are universal to all humanity, behaviors that are cultural, and behaviors that are idiosyncratically personal to a particular individual in a specific situation.

## THE FOUR-FACTOR MODEL OF CULTURAL INTELLIGENCE

The cultural intelligence model is rooted in a four-factor framework that synthesizes the volumes of material and perspectives on intelligence and cross-cultural leadership. CQ is composed of four qualitatively different capabilities, and yet, each of the four factors is interrelated. For real effectiveness, leaders need all four CQ capabilities, because focusing only on one factor of CQ may actually result in increased cultural ignorance rather than enhanced cultural intelligence. This is because CQ requires an overall repertoire of adaptive capabilities. The four factors of CQ are motivational CQ, cognitive CQ, metacognitive CQ, and behavioral CQ (see Figure 7.1). Each is described below.



### **Motivational CQ: Showing Interest, Confidence, and Drive to Adapt Cross-Culturally**

The motivational factor of CQ refers to the leader's level of interest, *drive*, and energy to adapt cross-culturally. This refers to whether or not you have the confidence and drive to work through the challenges and conflict that often accompany cross-cultural work. The ability to be personally engaged and to persevere through cross-cultural challenges is one of the novel and most important aspects of the cultural intelligence framework. Many of the other approaches to thinking about cross-cultural competencies simply *assume* that people are motivated to gain cross-cultural capabilities. Yet employees often approach diversity training apathetically, and employees headed out on international assignments are often more concerned about moving their families overseas and getting settled than they are about developing cultural understanding. Without ample motivation, there's little point in spending time and money on training.

Motivational cultural intelligence includes intrinsic motivation—the degree to which you derive enjoyment from culturally diverse situations; extrinsic motivation—the more tangible benefits you gain from culturally diverse experiences; and self-efficacy—your confidence that you will be effective in a cross-cultural encounter. All three of these motivational dynamics play a role in how leaders approach cross-cultural situations. Stop and examine your level of drive for doing cross-cultural work. Your motivational CQ is strongly related to your level of effectiveness in new cultural contexts.

### **Cognitive CQ: Understanding Cross-Cultural Issues and Differences**

Cognitive CQ is the *knowledge* dimension of cultural intelligence. It refers to the leader's level of understanding about culture and culture's role in shaping the way to do business and interact with others across cultural contexts. Your cognitive CQ or knowledge is based on the degree to which you understand the idea of culture and how it shapes the way you think and behave. It also includes your overall understanding of the ways that cultures vary from one context to the next.

One of the most important parts of cognitive CQ is an understanding of cultural systems and the set of cultural norms and values associated with different societies. Cultural systems are the ways societies organize themselves to meet the basic needs of humanity. For example, every nation has cultural systems for (1) economic approaches for producing vital commodities and distributing products and services; (2) ways of codifying mating and child-rearing practices

that create marriage, family, and other social structures; (3) educational practices that enable learning and cultural transmission; (4) political, legal, and social controls that reduce anarchy and destruction (obedience to social norms); (5) language conventions that facilitate interaction; and (6) religious beliefs that explain inexplicable phenomena.

Cultural norms and values are the varying ways cultures approach things like time, authority, and relationships (see the Cultural Values chapter in this book for more information). Although an understanding of how a family system works might seem somewhat theoretical, it becomes critically relevant when you're trying to develop human resource policies for employees coming from a place where the cultural norms dictate that employees will care for senior members of their extended families. Likewise, the value a culture places on time and relationships becomes highly germane when an American is trying to get a signed contract from a potential affiliate in China or Brazil or Saudi Arabia or Spain, where cultural values provide different norms for what is considered appropriate in this type of situation.

Cognitive CQ is the factor that is most often emphasized in typical approaches to intercultural competency. For example, a large and growing training and consulting industry focuses on teaching leaders this kind of cultural knowledge. While valuable, however, the knowledge that comes from cognitive CQ has to be combined with the other three factors of CQ or its relevance to the real demands of leadership is questionable and potentially detrimental.

### **Metacognitive CQ: Strategizing and Making Sense of Culturally Diverse Experiences**

The metacognitive factor of CQ refers to the leader's ability to strategize when crossing cultures. Metacognitive CQ, or *strategy*, involves slowing down long enough to carefully observe what's going on inside our own and other people's heads. It's the ability to think about our own thought processes and draw on our cultural knowledge to understand a different cultural context and solve problems in that situation. It includes whether we can use our cultural knowledge to plan an appropriate strategy, accurately interpret what's going on in a cross-cultural situation, and check to see whether our expectations are accurate or whether our mental model of that particular person and/or culture should be revised.

Seasoned leaders often jump into meetings with little planning. This can work well in one's home culture. By drawing on emotional intelligence and

leadership experience, we can often get away with “winging it” because we know how to respond to cues and how to talk about our work. When meetings involve individuals from different cultural contexts, however, all the rules change. Relying on our ability to intuitively respond to cues in these more novel situations is dangerous. That’s where this third factor of cultural intelligence, metacognitive CQ, comes in.

Metacognitive CQ includes awareness, planning, and checking. Awareness means being in tune with what’s going on in one’s self and others. Planning is taking the time to prepare for a cross-cultural encounter—anticipating how to approach the people, topic, and situation. Checking is the monitoring we do as we engage in interactions to see whether the plans and expectations we had were appropriate. It’s comparing what we expected with our actual experience—with what happened. This factor of CQ reflects whether or not we can engage in awareness, planning, and checking in ways that result in better contemporary leadership practices. Metacognitive CQ emphasizes strategy and is the lynchpin between understanding cultural issues and actually being able to use that understanding to be more effective.

### **Behavioral CQ: Changing Verbal and Nonverbal Actions Appropriately When Interacting Cross-Culturally**

Behavioral CQ, the *action* dimension of CQ, refers to the leader’s ability to act appropriately in a range of cross-cultural situations. It influences whether we can actually accomplish our performance goals effectively in light of different norms across cross-cultural situations. One of the most important aspects of behavioral CQ is knowing when to adapt to another culture and when *not* to do so. A person with high CQ learns which actions will and will not enhance effectiveness and acts on that understanding. Thus, behavioral CQ involves flexible actions tailored to the specific cultural context.

The behavioral factor of CQ includes the capability to be flexible in verbal and nonverbal actions. It also includes appropriate flexibility in speech acts—the exact words and phrases we use when we communicate specific types of messages. While the demands of today’s intercultural settings make it impossible to master all the do’s and don’ts of various cultures, there are certain behaviors that should be modified when we interact with different cultures. For example, Westerners need to learn the importance of carefully studying business cards presented by those from most Asian contexts. Also, some basic verbal and nonverbal behaviors

enhance the extent to which we are seen as effective by others. As an example, the verbal tone (loud versus soft) in which words are spoken can convey different meanings across cultures. Although it is not necessary for an outsider to master the intricacies of bowing in Japan, appropriate use of touch is something to bear in mind. In sum, almost every approach to cross-cultural work has insisted on the importance of flexibility. With behavioral CQ, we now have a way of exploring how to enhance our flexibility.

#### **FOUR STEPS TOWARD ENHANCING OVERALL CQ**

Although the four factors of cultural intelligence don't always develop in one particular order, Van Dyne and Ang (2008) suggest that it can be helpful to think about the four factors of CQ as four steps toward enhanced overall cultural intelligence.

- Step 1: Motivational CQ (Drive) gives us the energy and self-confidence to pursue the needed cultural understanding and planning.
- Step 2: Cognitive CQ (Knowledge) provides us with an understanding of basic cultural cues.
- Step 3: Metacognitive CQ (Strategy) allows us to draw upon our cultural understanding so we can plan and interpret what's going on in diverse contexts.
- Step 4: Behavioral CQ (Action) provides us with the ability to engage in effective flexible leadership across cultures.
- Feedback loop → Others respond to our behavior; this influences our motivational CQ; and the cycle starts over—leading to further enhancement of overall cultural intelligence.

It is an exciting time to be involved in cross-cultural leadership! Almost every day each of us has the opportunity to learn from people who are different from us—people in various walks of life who are from different cultural backgrounds. Cultural intelligence offers us a pathway—a set of steps and capabilities for this journey—that should allow us to show respect and dignity for others while enhancing our own effectiveness and competitive edge in multicultural and global contexts.