Cultural Intelligence and Global Leadership

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The differences between the differing types of intelligence were discussed and the list was narrowed down to two. The first is Emotional Quotient (EQ) and the other being Cultural Quotient (CQ). There were differences noted where in many cultural situations, emotions are not necessary. Being there is a distinction; CQ was explored with more depth. The case was made for considering CQ as an important area to focus on for training of the people that are involved. In the end, a gap in literature was identified.

INTRODUCTION

There are seven types of intelligence that Howard Gardner (1983; 1993) out of Harvard argued for in the 1980's and much work followed to further define what emotional intelligence was and numerous studies were done by Daniel Goleman (1997) to demonstrate that higher level leaders with higher levels of emotional quotient (EQ) were more successful in their work as leaders. Comparisons have been made between the work of Gardner (1983; 1993) and Goleman (1997). In fact, EQ was extracted from the seven types of intelligence Gardner posited; these were labeled intra and interpersonal intelligence. What followed was a comparison of emotional intelligence or EQ (emotional quotient) to IQ or intellectual quotient which has been a standard of measure to determine the level of a person's ability to use math and language effectively. The studies demonstrated that while IQ is crucial in its own way, EQ was the determining factor for success with the higher level leaders in organizations (Goleman, 1997).

Now, as the concept of global leadership comes to the forefront of the literature and research as an important issue to understand and practice what also comes is the concept of cultural intelligence or cultural quotient (CQ). So what is CQ and why is it important? This question is the focus of this paper and the greatest interest this study. There is much in the literature about what leadership is and that remains constant for the most part. Most individuals in civilized countries have studied and mastered much of what leadership and management is about and understands how to use those concepts to rally the troops toward a common goal for the organization. After doing significant research in the field of global leadership the one thing that stands out as being critical and most important in addition to all of the concepts already practiced is the CQ factor.

Scope and Assumptions of the Paper

For the purposes of this paper, the scope is fairly narrow and focuses on EQ and CQ. An assumption is made that there is much written about IQ and other related types of intelligence and that the purpose of this work is not to further elaborate on that area of intelligence. What is of interest here is related to global leadership and the implications that EQ and CQ might have on that area of focus. The paper will begin by taking a little closer look at the definitions of these two types of intelligence based on research and then discuss what it means and how these concepts might apply to improve global leaders of global multinational companies.

THE EQ FACTOR

In relation to EI (EQ) Crowne (2007) used sources to help define what EQ actually means by the current definition.

> Kobe and colleagues (2001) summarized them [EQ skillsets] into what are considered "core skills" (knowing yourself, maintaining control, reading others, perceiving accurately, and communication with flexibility) and "higher order skills" (taking responsibility, generating choices, embracing a vision, having courage and demonstrating resolve). Some define EI [EQ] as containing a hierarchy of skills, similar to some of the research on intelligence mentioned earlier, in which each of the branches build on the previous branch (Mayer & Cobb, 2000; Mayer & Geher, 1996, as cited by Crowne, 2007, pp. 6-7).

Of course with all of the different authorities that are out there now there are numerous lists of definitions, qualities and characteristics that are required to be a good leader and now what follows are the same types of lists related to EQ and CQ. The aforementioned quote is an example of that. The notion that each of the concepts and theories build off of the research of the previous scholar is a fundamental understanding of how knowledge is acquired and built into theories, laws and ultimately made more generalizable, trusted and believable. The foundation and current state of EQ and how it is leading the body of knowledge more toward the importance of understanding of CQ as it relates to leadership will be explored further here.

In her dissertation study Crowne (2007) explored the distinctions between the two (CQ and EQ) beginning with this statement

> Cultural intelligence is focused on aspects of an interaction that is specifically related to culture (Ang, et al., 2004; Earley & Ang, 2003), which may include elements of an interaction not related to emotions. For instance, knowing when it is appropriate to bow in front of a host or to shake hands may not require emotional intelligence skills. Also, being familiar with the legal system, marriage practices and conventions of a culture, which cognitive CQ encompasses (Ang, et al., 2004), does not necessarily involve emotional interactions. Lastly, being motivated to interact in other cultures is not something that will be influenced by one's emotional intelligence (p. 44).

That being said, it seems apparent that scholars have determined that there are distinct differences between the two types of intelligence. That is the reason and purpose behind this paper. If there are differences that are obvious and significant between the two aforementioned intelligence types (EQ and CQ) then it logically follows that there is more research needed in the area of CQ as there is ample research and evidence of the significance and characteristics of EQ. Now the focus turns to the elements and significance of CQ, what it is and how can practitioners better prepare for the upcoming challenges that lie ahead?

THE CQ FACTOR

> Cross-cultural [Cultural Intelligence] CI is a very complex endeavor for a company to undertake. Often companies fail in their entry into foreign markets due to misjudgment and poor understanding of the countries' cultural, social, and political environment. As seen throughout this paper the cultural factors have a major influence on the analysis and outcome of any CI project. Hence, to beat the competition in today's highly globalized economies, firms doing international business must have a cross-culturally aware CI program. (Phani, Gajre, & Kejriwal, 2009, pp. 9-10).

Now that claims have been made as to how important CQ is to success in today's global marketplace the researcher will take a closer look at some of the research that supports the validity of taking the time and resources needed to create a program that screens, analyzes and trains people in relationship to these necessary skills.

Emmerling & Boyatzis (2012) conducted some extensive research and discovered a connection between Emotional and Social Intelligence Competencies (ESC) and productivity.

> The domain of social and emotional intelligence represents a useful and valid approach to the management of human capital in today's modern global workplace. The growing body of research on Emotional and Social Intelligence Competencies (ESC) provides support for the notion of the relationship to performance as universal (Emmerling & Boyatzis, 2012, p.8).

Whether it is ESC or CQ of CI it all basically amounts to the same thing as far as terminology is concerned. Researchers like to use their own label so that they can brand their own version of basically the same thing in many cases. No matter what label you use for CQ the evidence is there that there is a direct correlation between having and using the CQ skillset and productivity and better outcomes in the global marketplace. Here is an example of just such a study conducted in Malaysia by Ramalu, Rose, Uli, & Kumar, (2012).

> The purpose of this paper is to enhance our knowledge of the individual determinants of job performance for expatriates assigned to Malaysia. We examine how CQ influences job performance both directly and indirectly. In this study, both the interaction and work adjustment found to partially mediates the relationship between CQ and job performance. This means the variance in job performance attributable to CQ is partly a direct effect, and partly an indirect effect mediated through interaction and work adjustment. Therefore, in this study it can be concluded that in addition to the direct effect, CQ (independent variable) predicts CCA (mediator variable), and CCA in turn predicts job performance (dependent variable) among expatriates in Malaysia (Ramalu, Rose, Uli, & Kumar, 2012, p. 6).

There were numerous similar studies in the literature and it would seem to this author that there is compelling empirical evidence that the pursuit of acquiring and building on the CQ skillsets in our global employees is worth the time and effort. Now let us discover some of the ways in which some researchers have discovered that this is possible.

WHAT CAN BE DONE TO IMPROVE CQ?

> To make a person culturally intelligent requires extensive training. Learning to integrate much information, to look for multiple cues, and to suspend judgments can be very helpful in improving interaction in multicultural organizations. Learning to select organizations so as to avoid countercultural situations is also important. An examination of the positive and negative attributes of own and the other culture can prove very helpful in increasing cultural intelligence (Triandis, 2006, p. 4).

Triandis (2006), Phani, Gajre & Kejriwal, (2009), and others in the literature make similar points around the fact that training is necessary and there is a lot more to it than just holding information meetings in the cafeteria. Skills such as understanding the positive and negative attributes of numerous cultures would take much work and practice on the part of the employee/trainee. When this author was in the military there was a school in Monterey California where people were taken for a year of immersion in another culture, language, etc. The military has some of the finest training in the world and was the

birthing place of many training methods used today. So if it truly takes a year of immersion to get it completely right, a logical deduction might be that there has to be some serious social science and scientists coming together to find ways to do this is a more expeditious manner if possible. Short of moving a group of people to another country with a trainer to help them get this right, what can be done?

Assessing Training Needs

This is the area of practice that this author has been involved with for many years and has often witnessed that the training needs assessments are trivialized or overlooked altogether. In measuring training practitioners often begin with a needs assessment much like the authors have described below. This way there can be laser like focus on what actually needs to be trained on and customized training can be created. This also validates the need and almost eliminates the possibility of failure if done correctly. No one running a business of any kind wants to waste their precious resources with guess work on this. Graf & Mertesacker (2009) reviewed a number of current instruments that had been validated through rigorous research and came to the realization that the Intercultural Sensitivity Inventory (ICSI) would be the right choice to

> assess this important dimension (Graf, 2004b) in ICSI, subjects have to indicate whether they would engage in certain individualistic (e.g. I prefer to be direct and forthright when dealing with people) and collectivist (e.g. I respect for the authority figures with whom I interact) behaviours in an individualistic country (USA), and whether they would engage in the same behaviours in a collectivist country (Japan). Intercultural sensitivity is scored based on a subject's sensitivity to choose different behaviours in different types of cultures. As ICSI only captures sensitivity to change behaviours depending on the dimension of individualism/collectivism, it assesses culture-specific and not general IC. Open-mindedness to foreign culture members and the willingness to engage in different behaviours depending on the demands of the situation (flexibility) (Bhawuk and Brislin, 1992, p. 419) is measured by 14 items (e.g. I do not like to meet foreigners). All items are scored on a seven-point scale from 1=Very strongly disagree to 7=Very strongly agree. Research reports satisfying internal reliability (estimates about 0.78) and support for construct validity of ICSI (Comadena et al., 1998, as cited in Graf & Mertesacker, 2009, para. 6).

Data collected for the sake of collecting data is a useless exercise in futility. So what are some possibilities for training programs that could be put into place to help achieve this desired outcome of having global leaders that can be crafted using training to help the multi-national corporations best utilize their valuable resources?

Conducting Global Leader Training

> Here are some of the outcomes training can produce for companies doing business in a global environment: Improve a firm's ability to identify viable business opportunities; avoid wasting resources on ill-conceived ventures; give a company a competitive edge over other global players; improve job satisfaction and retention of overseas staff; prevent lost business due to insensitivity to cultural norms; and, improve effectiveness in changing business environments.
> Odenwald (1993) conducted interviews with training leaders from firms such as Intel, Eastman Kodak and Proctor and Gamble. There were some early experiments noted that failed miserably. One such experiment at Proctor and Gamble in the 70's involved sending U.S. managers to an overseas location without any training at all. They would do their best to get the operation up and running and then head on home, leaving the locals to run the show from that point on. This did not turn out well and as a result a new program was born.

In 1979, Procter &Gamble initiated strategic planning for a major technology transfer to Japan. With the help of external consultants, the company developed a three-pronged approach to multicultural training U.S. employees were given the opportunity to learn the Japanese language, and Japanese employees were given the opportunity to learn English. Cross-cultural training was presented for employees in both Japan and the United States and all employees were given training in P&G's corporate culture, to provide a common base of operations (Odenwald, 1993, p. 6).

This three pronged approach seems awful simplistic but as most of us have experienced, simple is better and easier to work with and understand. Going back to earlier comments made about immersion in the culture that you will be working with is along the lines of what is posed here. The third prong is the glue that binds all of these intercultural skillsets together. Whenever you have a group of people working in a corporate environment or any organization for that matter, there is a corporate culture that is the common bond all have regardless of what country they are working in or are from. There are many training approaches out there to choose from and this author chose this one for its simplicity and its inclusion of the corporate culture that should be the bond in any well designed company.

CONCLUSION

In the literature review conducted to write this article there were many areas explored and comparisons made between authors. There were studies that were evaluated and instruments discovered that have been used to determine levels of CQ one might possess. There are also some training tips that can be taken to help to make the practitioner more prepared to go out in the global marketplace and create a significant impact on the areas of their concern.

In conclusion, there are many aspects of CQ that need to be considered and taken seriously if a multi-national corporation or any similar organization has plans to work and succeed overseas. The differences between the differing types of intelligence were discussed and the equation was narrowed down to two. One being EQ and the other being CQ. There were differences noted where in many cultural situations, emotions are not necessary. Being there is a distinction; CQ was explored with more depth. The case was made for considering CQ as an important area to focus on for training of the people that are involved. Some instruments were suggested to do training needs assessment and a few programs being used for training by some big name companies such as Proctor and Gamble were explored. In the end game, this is not something that can be ignored in hopes that it will just go away. To summarize and end this article I will use a seemingly wise quote by Sternberg & Grigorenko (2006).

Intelligence cannot be understood outside its cultural context. People from developed countries, and especially Western ones, can show and have shown a certain kind of arrogance in assuming that concepts (such as implicit theories of intelligence) or results (such as of studies based on explicit theories of intelligence) obtained in one culture-usually, their culture-apply anywhere. In all likelihood, they do not. Or at least, it cannot be assumed they do until this assumption is tested (Sternberg & Grigorenko, (2006), p. 7).

The gap in the literature gleaned from this research is that there is not one unifying definition or understanding of CQ and how to utilize this concept and its accompanying theories to actually make marked improvements in global enterprises. There are many differing understandings and definitions; having a more unified theory and application through generalization in the research would be helpful for practitioners in the field. Future research should be centered on this area of concern. A synthesis of all of this work done in the field and an application process for practitioners would be very beneficial given the importance of this topic.

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