The Importance for Managers and Organisations of Cultural Intelligence
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Abstract
Patterns of globalisation, internationalization, labour market trends and political environments make inter-cultural work much more the norm for many organisations. Managers and organisations can be required to operate in diverse and multiple contexts of multi-cultural, multi-racial and multi-lingual environments. These render ethnocentrism in business even less relevant. Inter-cultural differences have long been a challenge confronting multinational organisations (Hofstede, 1991). In the face of new global challenges and cultural adaptation issues, Earley and Ang (2003) propose a model of cultural adaptation called ‘Cultural Intelligence’ (CQ). This is an area of increasing interest in relation to work (see, inter alia, Hooker, 2003; Peterson, 2004; Tan et al 2006), along with the linked concepts of ‘Emotional Intelligence’ (EQ) and ‘Social Intelligence’ (SQ).

Introduction
What is CQ? According to Earley (2003), CQ refers to a person’s capability to adapt effectively to new cultural contexts. This adaptation requires skills and capabilities quite different from those used by people within their own cultural context. Three general components capture these skills and capabilities, these are: ‘metacognitive/cognitive; ‘motivational’; ‘behavioural’, as seen in Figure 1.
The first component of CQ, metacognitive/cognitive CQ refers to a person’s cognitive processing to recognize and understand expectations that are appropriate for cultural situations. It can be further broken down into two complementary elements: knowledge and experience. The first component, metacognitive knowledge, refers to what and how to deal with knowledge gained in a variety of circumstances and reflects three general categories of knowledge (Flavell, 1987). First, it reflects the ‘person aspects’ of knowledge. Second, it reflects ‘task variables’, or the nature of the information acquired by a person. Third, it refers to the strategy variables or the procedures used to achieve some desired goals (Earley, 2003). The second component of CQ, metacognitive experience, refers to conscious experience about what are relevant experiences and how to incorporate them as a general guide for future interaction.
People from certain cultures possess metacognitive characteristics that differ from people from elsewhere. Studies often confirm that differences in the pattern and style of decision making of Western and non-Western cultures related to distinctive metacognitive experience. For example, deep-rooted differences in experience, culture and values in Asian economies may imply diverse management practices than those in the West (Rowley and Poon, 2008), hence requiring different CQ from managers and business.

The second component of CQ, motivational CQ, is a self-concept which directs and motivates oneself to adapt to new cultural surroundings. Knowing oneself is not sufficient for high CQ because awareness does not guaranteed flexibility. A certain level of cognitive flexibility is critical to CQ since new cultural situations require a constant reshaping and people and managers must be motivated to use this knowledge and produce a culturally appropriate response. According to ‘cultural self-representation theory’ (Erez and Earley, 1993), the ‘self’ can be thought of as embedded within a general system of cultural context, management practices, self-concept and work outcomes. Early (2003) conceptualizes motivational CQ as: intrinsic motivation – the drivers of performance that originate from within an individual; and self-efficacy - people’s belief that they can be effective on a given task. These are both key aspects for organisations, management and performance, of course.

The third component of CQ, behavioural CQ, reflects the ability to utilize culturally sensitive communication and behaviour when interacting with people from cultures different from one’s own. This CQ component reflects a person’s and manager’s ability to acquire or adapt behaviours appropriate for a new culture. Again, the need for this for management and organisations is clear

**Cross-Cultural Competencies, Skills and Abilities**

For organisations and management the spread of global economic interactions and highly competitive marketplaces increasingly requires sophisticated competencies necessary to work with people with different values, assumptions, beliefs and traditions. A competency refers to areas of personal capability that enable managers and employees to successfully perform their jobs and achieve outcomes. Numerous authors have sought to describe competencies. Some portray competencies as motives, traits, self-concepts, attributes, values, content knowledge, and cognitive or behavioural skills. Others describe competencies as any individual characteristics that can be measured or counted reliably and that can be shown to differentiate significantly between superior and average performers or between effective and ineffective performers (Spencer et al., 1994).
Furthermore, there are perennial issues concerning the competencies of successful managers. These include whether they are universal or organisation-specific, actually ‘evolve’ (Katz, 1955) and whether the absence of one can be compensated for by the presence of another. These areas are related to the training and development (T&D) of competencies.

Competency models are useful for T&D in several ways. First, models identify behaviours needed for effective job performance and provide a tool for determining what skills are needed to meet today’s needs as well as the organisation’s future skill needs. Second, models can provide a framework for ongoing coaching and feedback to develop employees and managers for current and future roles. By comparing their own current personal competencies to those required for a job, managers and employees can identify competencies that need development and choose commensurate actions to develop those competencies further.

While general competencies are important, there are also unique cross-cultural competencies, skills and abilities required to respond effectively to people of various cultures, languages, classes, races, ethnic backgrounds, religions and other diversity factors (Rowley et al, 2010). Operationally defined, cultural competence is the integration and transformation of knowledge about individuals and groups of people into specific standards, policies, practices and attitudes used in appropriate cultural settings to increase the quality of service, thereby producing better outcomes.

Importantly, cultural competence is not static, nor does it come naturally, but it requires re-learning and un-learning about cultural diversity. An inventory of cross-cultural competencies identified by researchers and practitioners (e.g. O’Sullivan, 1999; Taylor, 1994) includes, among others, aspects such as: communications skills; tolerance for ambiguity; emotional stability; flexibility; ability to adopt to dual foci; focusing on both tasks and relationships; positive attitudes to learning; cultural knowledge; ability to succeed in multiple and diverse environments. These can be seen in Figure 2.
Developed from: O’Sullivan (1999); Taylor (1994).

Borrowing from Chen and Starosta (1996), cross-cultural competency can be presented as a three-part process that leads to ‘cultural awareness’, ‘cultural sensitivity’ and ‘cultural adroitness’. This can be seen diagrammatically in Figure 3. First, cultural awareness, where once people become more self-aware they tend to be better at predicting the effects of their behaviour on others. After people learn something about other cultures, they know how to adjust their behaviour to better meet the expectations of the new institution. Second, cultural sensitivity, which includes values and attitudes such as open-mindedness, non-judgmental attitudes and social relaxation, in order to understand the value of different cultures and become more sensitive to the verbal and non-verbal cues of people from other cultures. Third, cultural adroitness, when people know what to do and what not to do, they will be able to communicate more effectively without offending any parties.
Developed from: Chen and Starosta (1996).

**EQ and SQ**

Two concepts closely related to CQ are EQ and SQ. EQ refers to a person’s ability to recognize the meanings of emotions and their relationship and to reason and solve the problem basis of them (Ciarrachie et al, 2006). It involves a person’s capacity to perceive emotions, assimilate emotion-related feelings, understand the information of those emotions and manage them (Mayer and Salovey, 1997). According to Goleman (1995), two processes demonstrate EQ. First, a person must be able to respond to the arousal from an external stimulus. Second, this person, within a short period of ‘reflection’ time, must assess the meaning and quality of their emotional response and act on that understanding in an adaptive fashion. For Bar-On (2000), EQ is conceptualized as a set of non-cognitive capabilities, competencies and skills that influence a person’s ability to succeed in coping with environmental demands and pressures. These capabilities and competencies include skills that include: intrapersonal, such as emotional self-awareness; interpersonal, such as empathy, adaptability, such as flexibility; stress management, such as stress tolerance and impulse control; general mood, such as happiness and optimism.

The second related concept is SQ. Earlier theorists, such as Thorndike (1920), conceptualize SQ as the ability to understand and manage people and act wisely in human relations. Walker and Foley (1973) further elaborate SQ in three approaches. First, it is the ability to react cognitively to an interpersonal stimulus. Second, it is defined in terms of behavioural outcomes and is conceived as the effectiveness or adaptiveness of one’s social performance. Third, it includes both cognitive and behavioural orientations. These concepts and main elements can be see in Figure 4.

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Figure 4: Definitions and Dimensions of CQ, EQ and SQ

CQ
Capacity to adapt effectively to new cultural contexts

EQ
Recognise meanings & emotions & their relationships

SQ
Understand & manage people & act wisely in human relations

Skills
- Intrapersonal
- Interpersonal
- Adaptability
- Stress Management

Approaches
- Cognitive: react to interpersonal stimuli
- Behavioural: effectiveness/adaptiveness
- Cognitive & behavioural orientations

Developed from: Earley (2003); Thorndike (1920); Walker and Fry (1973); Ciarrachie (2006).

Summary
Clearly CQ is important, becoming even more so, for management with the internationalisation of business. CQ is closely related to both EQ and SQ. However, an emotionally intelligent or socially intelligent person or manager is not necessarily then automatically culturally then intelligent. The emotionally intelligent manager is able to effectively separate out two features of a person’s behaviour: those that are universally human; and those that are personal and idiosyncratic. The culturally intelligent manager, in contrast, is able to separate out three features of a person’s
behaviour: those that are universally human, those that are idiosyncratically personal; and those that are rooted in culture. In other cases, some managers can be highly socially intelligent within their own cultural setting, but rather culturally unintelligent and, therefore, ineffective in novel cultural settings. The implications for management and business are obvious.

In sum, CQ focuses specifically on individual differences in the ability to discern and effectively respond to dissimilar cultures. This skill is vital for global managers, organisations and business so as to acculturate to multi-ethnic institutional environments. The lazy, more ethnocentric views and approaches to management and business that have all too often been seen, need to be updated.
References


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