

What's your CQ and why should you care?  
David Livermore

## Defining CQ

You've heard about IQ and EQ. But what's your CQ? CQ, or cultural intelligence, is more than just a kitschy catch phrase for cultural competence. It's a fresh, new approach to leading in our multicultural, globalized world. Cultural intelligence is defined as *the capability to function effectively across national, ethnic, and organizational cultures*.<sup>1</sup> And research demonstrates a leader's CQ may easily be the single greatest difference between thriving in the 21st century world and becoming obsolete.

*90 percent of leading executives from 68 countries name cross-cultural leadership as the top management challenge for the next century.*<sup>2</sup> In any given week, most business leaders encounter dozens of cultures. For some, that means traveling through passport control to the fascinating worlds of new foods and languages. For others, cross-cultural situations are as close as their e-mail inbox, the person on the other side of the cubicle, or the diverse students scattered across campus.

Theories, books, and training about cross-cultural effectiveness are everywhere. Still, 70 percent of international ventures fail because of cultural differences.<sup>3</sup> Many approaches to the global leadership challenge are way too simplistic (e.g. "Smile, avoid these 3 taboos, and you'll be fine") or way too extreme (e.g. "Don't go anywhere until you're a cross-cultural guru."). Cultural intelligence offers a better way.

The driving question behind cultural intelligence 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. Drawing from some of the ideas presented in my book, *Leading with Cultural Intelligence*, this manifesto demonstrates why the flat world's business-as-usual rules no longer apply, and briefly introduces the cultural intelligence model.

## Not business as usual

I've been globetrotting for a long time. Transcontinental flights never seem any easier, but the international travel scene *has* gotten a lot cushier. Now, in most places, I can be sipping a Starbucks, checking my e-mail, and Skypeing home within a couple hours of landing. The ease with which we encounter so many cultural differences in a 24-hour period can lead us to underestimate the chasm of difference between one culture and the next—whether it's Shanghai and Tokyo, Australia and Germany, or even Starbucks and KFC. But we ought to resist thinking it's "business-as-usual" wherever we go.

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Many leaders become very adept at smoothing out conflict on the fly or negotiating a deal without much preparation. As a result, it's often assumed we can get by most anywhere using some decent social skills and common sense. But our research demonstrates that effective cross-cultural leadership is more than just a matter of emotional intelligence and common sense. When we work with individuals and situations within our own cultural context, we intuitively use a set of social cues to be effective. We have a wealth of information, most of which is subconscious, which helps us know how to relate and lead. But those rules change once we start leading in a different cultural setting. I've offended Chinese colleagues because I spent *too much* time complimenting them and I've blown it with some Middle Eastern associates because I didn't learn enough about their extended family. And the challenges aren't just interpersonal. Cross-cultural differences penetrate right into everyday business practices like marketing, negotiation, and public speaking.

**Marketing:** A few years ago, the American Dairy Association led a wildly successful marketing campaign throughout the U.S. built upon the slogan, “Got Milk?” Unfortunately, when the campaign was exported to Mexico, the translation read, “Are you lactating?”<sup>4</sup> There are countless other examples like this. A U.S. software company suffered from having the name of their industry translated as an “underwear” company when launching internationally. A European company couldn’t succeed selling their chocolate and fruit dessert called “Zit” in the United States nor could the Fins who attempted to sell “Super Piss,” a Finnish product for unfreezing car door locks. These examples are humorous, but the challenge of language goes beyond funny translations. Microsoft experienced a great deal of resistance from many regions around the world in response to their icon “My Computer.” The assumed implication of private ownership, which is uncommon in cultures without private property, and ownership protection caused a great deal of angst for affiliates and consumers in places that are more collectivist in nature.<sup>5</sup>

**Negotiation:** Consider the role of eating and socializing when negotiating contracts in various cultures. Edwin, a British executive from a Fortune 500 company who often travels to Southeast Asia, observed the huge advantage his love for trying new foods played in his negotiation strategies. Edwin made this commentary when reflecting on his regular travels to Southeast Asia:

*My hosts are often keen to bring me to places with Western food. They’re amazed when I tell them I really want the local food instead. Again and again, they tell me how unusual it is for them to have a Western guest as adventurous as me. Spicy noodles, exotic seafood, fish eyes, frog, snake, insects, I’ve tried a lot of interesting things ... It’s at these extended dinner meetings after a long day in the office that the real business transactions happen. I’m convinced this is one of the most important strategies for international business.*

Edwin went on to insist that most of the contracts he has negotiated in Southeast Asia happened over shared meals together, not during the formal business meetings during the day.

**Public Speaking:** Public speaking plays a big role in many executives' careers. I was recently on a flight sitting next to a Chinese-American businesswoman. She often travels to China to translate for English-speaking corporate trainers who conduct seminars there. She commented on how most of the American and British trainers with whom she works start their presentations with a joke or humorous anecdote. This is an approach that seems to work well for them in their own contexts. But my seatmate said when they do that in China, instead of translating what they're saying, she tells the Mandarin-speaking audience, "Our presenter is telling a joke right now. The polite thing to do will be to laugh when he's done." Humor is deeply rooted in cultural assumptions.

The cross-cultural challenges of public speaking can happen much closer to home too. Two years ago, Simon left his role as a CEO of a growing company in Chicago and became president of a small, private liberal arts college in New England. Simon and the college seemed like a perfect match. But he described his leadership role at the college as the hardest assignment he had ever been given.

... Cross-cultural leadership is more than just a matter of emotional intelligence and common sense.

While visiting Simon at his college, I was invited to sit in on a personnel meeting where he was giving an update and casting a vision for the future. Just a few minutes into Simon's presentation, I was captivated. His content was substantive, he offered some humor, and he communicated an inspiring vision for the college.

But as I looked around, I began to wonder why there were so many blank stares. The faculty and staff couldn't have looked more bored and disengaged. As I interviewed some of the faculty and staff afterward, I found they weren't nearly as inspired from Simon's vision casting as I was. The recurring response from faculty when asked to describe Simon's leadership was that he was an outsider who was trying to turn the college into a business. Several professors were unnerved by the ways Simon continually used words like "bottom-line," "enterprise," and "capitalize." This was proof to them that Simon didn't understand the academic world. Most of the staff members at the college were native to New England and listening to a public speaker with so much energy and charisma caused them to feel like Simon was trying to sell them something. They couldn't get beyond the sense that his delivery made them feel like he was performing rather than just talking with them as colleagues. One woman even characterized him as a "used car salesman," a derogatory slur to suggest Simon was trying to swindle and manipulate the collegiate community. The cultural realities of this New England college were in conflict with the ways Simon had always communicated as a leader. We often miss the cultural differences that exist right within our own borders.

Most successful leaders become adept at wading through conflict, negotiating a deal, and developing a good marketing strategy when working in their own cultural contexts. But the way we do all those things may need to change when expanding into new cultural contexts. We don't have time to become experts about all the cultures we encounter, but it's essential to have an intentional strategy for cross-cultural leadership.

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## The Cultural Intelligence (CQ) Model

The challenges of cross-cultural leadership go beyond jet lag and an occasional misunderstanding. They strike right at the core of whether or not we can successfully meet our performance objectives. This is where cultural intelligence comes in. It helps us effectively adapt our leadership strategies when working outside our own culture.

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. It stems from rigorous academic research done across 25 countries. Our findings consistently demonstrate a strong connection between leaders' CQ and their effectiveness in reaching their performance outcomes.

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. For example, in culturally unfamiliar situations, sometimes other people's behavior and perspectives seem somewhat bizarre and random. Those with high CQ have the ability to encounter these types of confusing situations, think deeply about what's happening (or not happening), and make appropriate adjustments to how they understand, relate, and lead there. Making these kinds of adjustments involves a complex set of capabilities and processes that come from intentional effort on the part of the leader, all of which contribute to the leader's CQ.

CQ can be learned by most anyone. It offers leaders an overall repertoire and perspective that can be applied to a myriad of cultural situations. It includes four different capabilities, each of which enables us to meet the fast-paced demands of leadership. These four capabilities can also be thought of as the four steps toward developing our overall cultural intelligence.



Think about a cross-cultural assignment or situation facing you and walk through the four-step cycle of CQ:

**1. CQ Drive**

What's your motivation for this assignment?

**2. CQ Knowledge**

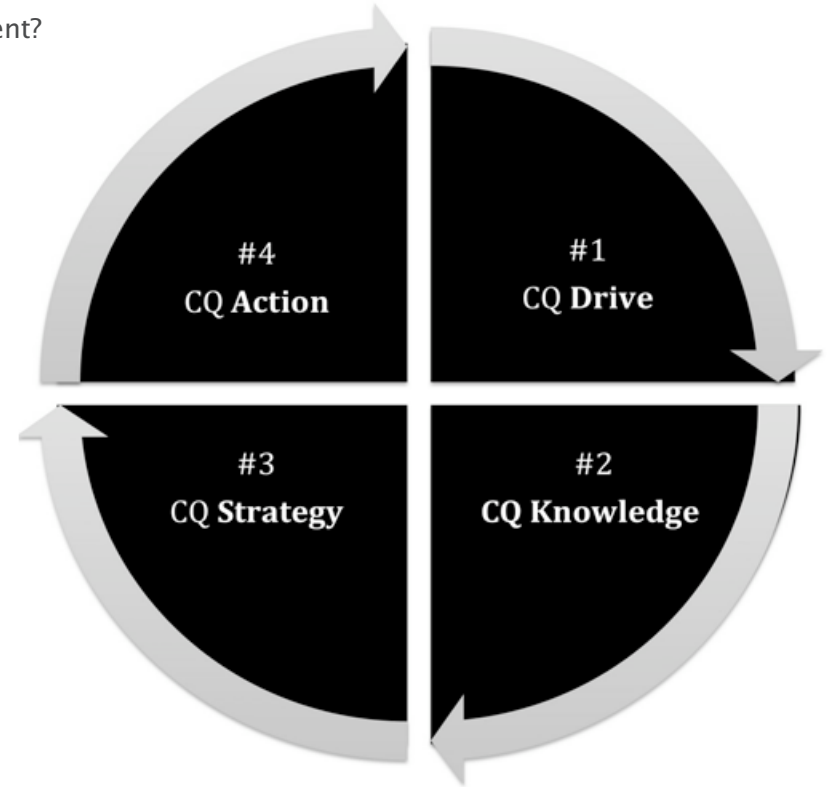
What cultural information is needed to fulfill this task?

**3. CQ Strategy**

What's your plan for this initiative?

**4. CQ Action**

What behaviors do you need to adapt to do this effectively?



Here's a brief introduction to each one of these steps toward becoming more culturally intelligent:



### **1. CQ Drive: Showing interest, confidence, and drive to adapt cross-culturally**

CQ Drive is the leader's level of interest, drive, and energy to adapt cross-culturally. Do you have the confidence and drive to work through the challenges and conflict that inevitably accompany cross-cultural work? The ability to be personally engaged and persevere through cross-cultural challenges is one of the most novel and important aspects of cultural intelligence. We cannot simply assume people are interested and motivated to adjust to cultural differences. Employees often approach diversity training apathetically, and do it just because it's required. Personnel headed to international assignments are often more concerned about moving and adjusting their families overseas than they are about developing cultural understanding. Without ample motivation, there's little point in spending time and money on cross-cultural training.

### **2. CQ Knowledge: Understanding cross-cultural issues and differences**

CQ Knowledge refers to the leader's knowledge about culture and its role in shaping how business is conducted. Do you understand the way culture shapes thinking and behavior? It also includes your overall understanding of how cultures vary from one another. CQ Knowledge is what most often gets emphasized in many 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 understanding coming from CQ Knowledge has to be combined with the other three dimensions of CQ, or its relevance to the real demands of leadership is questionable and potentially detrimental.

### **3. CQ Strategy: Strategizing and making sense of culturally diverse experiences**

CQ Strategy is the leader's ability to strategize and plan when crossing cultures. Can we slow down the RPMs long enough to carefully observe what's going on inside the minds of others and ourselves? It's the ability to draw upon our cultural understanding to solve culturally complex problems. CQ Strategy will help a leader use cultural knowledge to plan an appropriate strategy, accurately interpret what's going on, and check to see if expectations are accurate or need revision.

#### **4. CQ Action: Changing verbal and nonverbal actions appropriately when interacting cross-culturally**

CQ Action is the leader's ability to act appropriately in a range of cross-cultural situations. Can we behave in ways that will effectively accomplish our performance goals in different cultural situations while still remaining true to ourselves? One of the most important aspects of CQ Action is knowing when to adapt to another culture and, just as importantly, when not to do so. A person with high CQ learns which actions will and won't enhance effectiveness and acts upon that understanding. Thus, CQ Action involves flexible actions tailored to specific cultural contexts.

Together, these four steps—drive, knowledge, strategy, and action—offer us a model we can use anytime we step into a cross-cultural situation. We can use these as a way to enhance our overall cultural intelligence and we can even work through the loop on the fly while engaging in cross-cultural conversations and negotiations. You don't have to be a pro at understanding everything about working in China to partner with a Chinese affiliate on a new project. But running the project through these four steps is a way to get started.

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## Conclusion

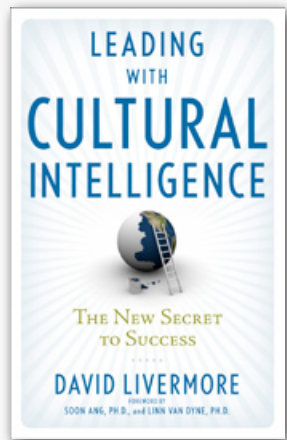
What an exciting time to be involved in cross-cultural leadership! Most every day we have the opportunity to learn from people from a wide array of cultural backgrounds. The challenges of global leadership can be disorienting, and experience and intuition alone are not enough. CQ offers us a pathway toward enhancing our own effectiveness and competitive edge in multicultural and global contexts. And more importantly, it allows us to treat one another with a greater degree of respect and dignity, and thereby make the world a better place. Join a community of leaders across the world who are acquiring cultural intelligence to tap into the opportunities and results of leading with CQ. 🌍

### **A few ways to begin enhancing your cultural intelligence:**

- Get an assessment of your CQ by visiting [www.cq-portal.com](http://www.cq-portal.com)
- Read a memoir or novel that takes place in another culture to gain a visceral account of what's going on (*The Kite Runner* or *Man Gone Down* are two good options).
- Schedule lunch with a colleague from a different cultural background and discuss leadership differences in your cultural contexts.

### FOOTNOTES

1. Soon Ang and Linn Van Dyne, "Conceptualization of Cultural Intelligence" in *Handbook of Cultural Intelligence: Theory, Measurement, and Applications* (Armonk, NY: M.E. Sharpe, 2008), 3.
2. Economist Intelligence Unit. CEO Briefing: Corporate Priorities for 2006 and beyond. *The Economist*: [Economic Intelligence Unit \(EIU\)](#).
3. Aimin Yan & Yadong Luo. *International Joint Ventures: Theory and Practice* (Armonk, NY: ME Sharpe, 2000), 32.
4. Gary Ferraro, *The Cultural Dimension of Business* (Upper Saddle River, NJ: Prentice-Hall), 12.
6. Excerpt from David Livermore, *Leading with Cultural Intelligence* (New York: Amacom, 2009) 50-51.
7. Excerpt from David Livermore, *Leading with Cultural Intelligence* (New York: Amacom, 2009) 140.



## BUY THE BOOK

Get more details or buy a copy of David Livermore's [Leading with Cultural Intelligence](#).

## ABOUT THE AUTHOR

David Livermore, Ph.D. (Michigan State University) is the author of the newly released book, *Leading with Cultural Intelligence: The New Secret to Success* (AMACOM; September 2009). He's the executive director of the Global Learning Center in Grand Rapids, Michigan, a visiting research fellow at Nanyang Technological University in Singapore and a senior research consultant at the Cultural Intelligence Center in East Lansing, Michigan. Dave has done training and consulting with leaders in 75 countries across the Americas, Africa, Asia, Australia, and Europe. Visit [davidlivermore.com](http://davidlivermore.com) for more information.

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