Lead 807: Book Report: Leading with Cultural Intelligence

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LEADING WITH CULTURAL INTELLIGENCE: THE REAL SECRET TO SUCCESS

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Abstract

Numerous top-rated MBA and PhD programs assure prospective students and employers that their curriculum will develop global leaders, yet there is little done to measure and develop global capabilities in their students (Livermore, 2015). This paper summarized and highlighted the three parts of Livermore's (2015) book, *Leading with Cultural Intelligence: The Real Secret to Success*. The book was divided into three parts and emphasized the most critical component for effective leadership in a multicultural, globalized world—cultural intelligence (CQ). CQ is the capability to function effectively across national, ethnic, and organizational cultures. CQ has become a key component of effective global leadership development. Moreover, CQ has become a globally recognized scientific way of assessing and improving effectiveness for culturally diverse situations. CQ is an approach that includes four different capabilities, enabling leaders to meet the fast-paced demands of leadership in the global age. The summarization of the book was viewed through a cross-cultural leadership lens in accordance with this writer's concentration.

Culture matters. And, Livermore's (2015) *Leading with Cultural Intelligence* proved that. Livermore brilliantly presented a new way of wrestling with the nuances of cross-cultural experiences. Livermore helped this writer realize that we live in a global community and everywhere is now part of everywhere else. *Leading with Cultural Intelligence* taught this reader the importance of culture as it related to organizational leadership.

Culture has been defined as the beliefs, values, behaviors, customs, and attitudes that distinguish one group from another (Kluckhohn & Kelly as cited in Livermore, 2015). Or as one musician simply put it, "This is how we do it!" Today, those who can lead with cultural intelligence are in great demand, according to Livermore (2015). And, cultural intelligence is a key factor in determining whether individuals transition from a local leader into a global leader. According to Livermore, "Leaders from China, South Africa, Germany, the United States, Japan, and dozens of other countries recognize that some of their greatest opportunities lie in new cultural markets" (p. 16). In fact, Ang and Dyne (as cited in Livermore, 2015) research proved that,

> Ninety percent of leading executives from sixty-eight countries identified cross-cultural leadership as the top management challenge for the next century. Most contemporary leaders encounter dozens of different cultures daily. It is impossible to master all the norms and values of each culture, but effective leadership does require some adaptation in approach and strategy. (p. 13)

The most pressing issues executives identify for why cultural intelligence is needed were diverse markets, multicultural workforce, attract and retain top talent, profitability, and cost savings.

Through the fascinating domain of cultural intelligence, this writer discovered an enriching way to gain a competitive edge in understanding cross-cultural leadership.

Cross-cultural leadership is characterized as a process, in which members of a culturally diverse group are intentionally motivated, influenced and guided toward a goal by appealing to their shared knowledge and meaning-making systems (Musamali & Martin, 2016). There are many challenges that come with leading cross-culturally. However, the CQ model helped this writer understand the difference between organizational leaders that succeed in today's multicultural, globalized world and those that fail.

Cultural intelligence (CQ) helps leaders effectively adapt their leadership strategies when working with individuals from different cultural backgrounds while still accomplishing their intended goal (Livermore, 2015). As a result, leading with cultural intelligence opens up promising opportunities for global leaders and aspiring scholar-practitioners—like this writer.

Part I: Cultural Intelligence for Global Leaders

As a global leader, leading without cultural intelligence can prove costly. The global economy requires a new set of leadership skills—imbued with a global mindset, multi-functional and effective across cultures and nationalities—that were not as critical a decade ago (Gundling, Hogan & Cvitkovich, 2011). In a study, executives reported that leading without cultural intelligence results in increased time to get the job done, heightened travel time and costs, growing frustration and confusion, poor job performance, decreased corporate revenues, poor working relationships at home and abroad, and lost opportunities (Livermore, 2015).

This writer has experienced the benefits of expanding business relations outside of the United States. As a real estate broker and investor—foreign investments have proven to be far more lucrative than domestic. The proportion of revenue coming from overseas markets has steadily been increasing over the past years. In America, foreign investors own a majority of the commercial real estate located downtown in most metropolitan cities. What is more interesting,

on the flipside, “Coca-Cola sells more of its products in Japan than it sells in the United States… The demand from emerging markets is seen as the critical factor facing global business” (Livermore, 2015, p. 24). Therefore, organizational leaders must be both locally and globally culturally intelligent if they want to achieve optimal success in a globalized economy.

What is Cultural Intelligence

Cultural intelligence is not something that comes automatically based on where someone has worked, studied, or lived. It is an individual capability. Some have it, some do not, but the good news is—anyone can become more culturally intelligent. A culturally intelligent person is someone who can move in and out of various cultural contexts and situations while remaining true to who they are (Livermore, 2015). Our cultural intelligence is primarily based on our behavior. “A culturally intelligent leader can effectively manage people and projects whatever the cultural context” (Livermore, 2015, p. 26).

Based on the research of 40,000 participants from every major region of the world, studies have found that there are four capabilities consistent among the culturally intelligent. According to Livermore (2015),

> These [four capabilities’] were conceptualized based on the existing research on intelligence, including academic intelligence (IQ), emotional intelligence (EQ), and other forms of intelligence such as social intelligence and practical intelligence. CQ picks up where these other forms of intelligence leave off. (p. 27)

CQ is simply more reliable, it is a consistent way to predict how a person will lead across cultures—instead of basing it on an individual’s age, gender, where they're from, or emotional intelligence (Livermore, 2015)

Part II: Developing Cultural Intelligence

In the twenty-first century, almost every leader engages in myriad multicultural interactions and as a global leader—leaders have to possess and project a certain level of respect and competence in themselves and others. Livermore (2015) insisted that “Leading with cultural intelligence begins with looking internally at biases and assumptions and then making conscious decisions to address them” (p. 40). In addition, the author pointed out these four capabilities of CQ: Drive, Knowledge, Strategy, and Action.

Four Capabilities of Cultural Intelligence (CQ)

There are a variety of ways to apply the four capabilities of cultural intelligence to organizational leadership. The four capabilities can be used to assess an individual’s readiness for a cross-cultural assignment. They can also serve as four categories for diversity and inclusion programs, global management training programs, or for a leader’s personal development plan. This writer found the four capabilities of Livermore’s (2015) cultural intelligence model helpful and valuable for leadership development. And knowing that cultural intelligence is not a static ability is a relief. CQ continues to “morph and develop as a person goes about their daily work” (Livermore, 2015, p. 39). Meaning, that an individual can always improve his or her cultural intelligence drive, knowledge, strategy, or actions.

CQ Drive

There is a unique correlation between motivation and effectiveness. CQ Drive defines the leader’s motivation for engaging with the cultural dimensions of a specific project. CQ Drive (motivational dimension) provides the energy and self-confidence needed to pursue the needed understanding and planning necessary for a particular cross-cultural task. Leaders with high CQ Drive are motivated to learn and adapt to new and diverse cultural settings. Their confidence in their adaptive abilities will influence the way they perform in multicultural situations. Livermore

(2015) made the point that “Leaders who are effective cross-culturally are curious about and interested in different cultures” (p. 44).

One of the reasons diversity-training programs fail is because the organizational leadership lack understanding about CQ Drive. Livermore (2015) stated,

> Many organizations jump into training about cultural differences without first assessing whether personnel have any motivation to learn this information and whether they see it as relevant to their performance…If team members don’t see the positive benefits of changing the way they interact with culturally diverse colleagues, the training can be a waste of time.” (p.45).

Therefore, there is a direct correlation between an individual’s level of motivation for adapting cross-culturally and an individual’s effectiveness.

Many of the courses this writer has taken regarding cross-cultural leadership focused on how cultures differ. However, Livermore (2015) argued, “…some of the greatest challenges in managing across cultures have much less to do with inadequate information and more to do with internal motivation. Without adequate drive and confidence, leaders will continue to struggle in cross-cultural work” (p. 47). But, not all is lost, according to Dan and Ang (2008)—anyone can increase his or her CQ Drive by increasing their motivation. Dan and Ang identified three sources of motivation, which can be described as the three subdimensions of CQ Drive: intrinsic interest, extrinsic interest, and self-efficacy. Being self-aware helps us become cultural intelligent and ultimately better global leaders.

CQ Knowledge

Normal is relative. CQ Knowledge identifies the cultural differences that will most likely influence a specific project. CQ Knowledge (cognitive dimension) provides the leader with an

understanding of the basic cultural issues that are relevant to a specific assignment. Leaders with high CQ Knowledge have a rich, well-organized understanding of culture and how it affects the way people think and behave. They possess a repertoire of knowledge about how cultures are alike and different. They understand how culture shapes behavior. Livermore (2015) implied "… to remain unaware of how culture shapes the way people think and behave is not only foolish, it is expensive" (p. 66).

Whether it is a large organization or a small commercial real estate company—like this writer owns, "…research consistently demonstrates a high level of failure when expansion into international markets is done without an awareness of how people from other cultures think and behave" (Livermore, 2015, pp. 66-67). Schein (2004) insisted that it is impossible to separate culture and leadership. Furthermore, Schein suggested that the unique talent of a leader is his or her ability to understand and work cross-culturally. This is a struggle for many leaders—as we see with the 45th President of the United States. According to Livermore (2015), "The ability to understand and work with various cultures does not just come intuitively. It requires a disciplined effort to better cultural differences" (pp. 67-68).

Livermore (2015) suggested that there are two subdimensions of CQ Knowledge: cultural-general knowledge, which includes understanding cultural systems, values, and language differences; and context-specific knowledge (p. 68). Each of these subdimensions are the basis for developing strategic-thinking, efficacious global leaders.

CQ Strategy

CQ Strategy focuses on how to plan in light of the cultural differences. CQ Strategy (metacognitive dimension) allows us to draw on our cultural understanding so we can plan and interpret how to approach a situation. Leaders with high CQ Strategy develop ways to use their

cultural understanding to develop plans for new intercultural situations. These leaders are better able to monitor, analyze, and adjust their assumptions and behaviors in different cultural settings. These leaders are conscious of what they need to know about an unfamiliar culture. According to Livermore (2015),

> CQ Strategy is how we use the understanding we gain from CQ knowledge. It helps us go beyond the surface and dive into the subtle but powerful issues that often make or break our leadership. As a result, CQ Strategy is the key link between our cultural understanding and behaving in ways that result in effective leadership" (p. 137).

It's amazing how some leaders, including this writer, spend hours packing for trips and hours on a plane—and only minutes planning how to make the most of their time once they arrive. Good CQ Strategy requires enhanced CQ Knowledge. "The first part of CQ Strategy is using our cultural understanding (CQ Knowledge) to plan for an interaction or project taking place in a different cultural environment" (Livermore, 2015, p.138).

By planning, a leader primes themselves to be more conscientious about their strategic movements. The real goal of CQ Strategy is to reflect on the lessons learned from one situation and accurately apply your insights to future situations. Once a leader learns how to use CQ Strategy, they can see people and the world in a different light. For example, a person can see an American-Millennial from an urban area and ask themselves,—*What's behind the sagging-pants, gold teeth, tattoos, and hoodie?* rather than jumping to conclusions about Millennials in America or about that individual.

A leader who can delay judgment by suspending assumptions and sit with the uncomfortable state of not knowing—has an extremely high CQ. CQ Strategy includes accepting confusion and maintaining a willingness to not know something, which will lead to a better

evaluation of the situation. Arguably, CQ Strategy is critical for a number of reasons, according to Livermore (2015),

> First, the conscious planning of your approach for a different context invokes creativity and innovation…. Second, the conscious attempt to be aware promotes active thinking about whether your plan was appropriate for a particular situation. And checking helps you continually revise and innovate as you monitor the effectiveness of what you're doing.

According to Dan and Ang (2008), the three subdimensions measured in assessing a leader's CQ Strategy are planning, awareness, and checking.

CQ Action

CQ Action is primarily the outcome of our CQ Drive, CQ Knowledge, and CQ Strategy. CQ Action depicts how you will need to adapt your behavior to function effectively on a specific project. CQ Action (behavioral dimension) provides us with the ability to engage in effective, flexible leadership for the task. Leaders with high CQ Action can draw on the other three capabilities of CQ to translate their enhanced motivation, understanding, and plan of action. They possess a broad repertoire of behaviors, which they can use depending on the context. CQ Action is where the party really gets started. According to Livermore (2015),

> CQ Action is the extent to which we appropriately change our verbal and nonverbal actions when we interact across cultures. The goal is to be yourself while figuring out which behaviors need to change in order to accomplish your objectives. (p. 158)

It is important to note, that artificial attempts to modify behavior invite inflexibility and fall short of giving us a sustainable approach to leading cross-culturally (Stewart & Bennett, 1991).

According to Dyne et al. (2008), CQ Action includes three subdimensions: speech acts, verbal behavior, and nonverbal behavior. These subdimensions inform the ways people can develop their CQ Actions as leaders. CQ Action can be enhanced by adapting our communication, adjusting our leadership performance, and knowing when to adapt and when not to adapt.

Part III: Leveraging Cultural Intelligence

In order to compete in the twenty-first-century global marketplace—it is vital that an organizational leader understands how to lead with cultural intelligence. CQ allows leaders the ability to keep up in a rapidly globalizing world. Throughout this writes life, being able to understand and appreciate various cultures have always been an asset—or rather a gift from God. According to Livermore (2016), “Cultural intelligence offers leaders an overall repertoire and perspective that can be applied to myriad cultural situations”—especially as it relates to leading others (p. 4).

Followers Expectation

Followers have expectations. And, “…because culture is one of the variables that shapes what people expect and want from a leader, a culturally intelligent leader is wise to understand this before accepting a new leadership role”(Livermore, 2015, p. 22)—particularly one that is culturally diverse. In this writer’s interaction with successful global leaders, they understood—from an intellectual level—that they could not lead people, the same way everywhere.

It is important to note, that the author pointed out throughout the book that, “intercultural experiences by itself does not ensure cultural intelligence, but when wed with the other capabilities of cultural intelligence it plays a significant role” (Livermore, 2015, p. 189).

Education is, however, positively related to a leaders overall cultural intelligence level. University-level and postgraduate education, in particular, nurtures an ability to critically engage with more complex ways of perceiving the world. Livermore (2015) stated,

> Despite the many fair criticisms about how formal education often fails to provide real-world knowledge, the strength of a good university education is that it requires discipline to learn new ideas, integrate them with one's own understanding and experience, and synthesize them for use in one's life and work. (pp. 191-192)

In sum, global leadership and cultural intelligence is an expanding field of knowledge within academic circles, although, it can be disorienting—whereas "experience and intuition alone are not enough. But cultural intelligence offers a way through the maze that's not only effective but also invigorating and fulfilling" (Livermore, 2015, p. 24).

Developing global leaders with cultural intelligence has become an academic goal for this writer. This writer realizes that culture does not explain everything. However, as an entrepreneur, culture "…is one of the driving factors in how to effectively negotiate, build trust, foster innovation and motivate people toward a shared objective" (Livermore, 2015, p. 22). A number of other relationships are being explored using the CQ model including the influence of gender, age, hometown, religious orientation, and profession; however, the research on these factors, according to Livermore (2015) "…is still too incomplete to suggest any predictive relationships" (p. 192). This writer looks forward to reading more literature about the connection between these personal characteristics and cultural intelligence. As more and more organizations expand their diversity and international presence—and adopt CQ as a learning component of leadership development—organizations will naturally increase their own cultural intelligence and foster a healthier workplace environment.

In closing, Livermore (2015) stated, "… top-rated MBA and PhD programs assure prospective students and employers that their curriculum will develop global leaders, yet there's little done to measure and develop global capabilities in their students (p. 21). Thanks to scholar-practitioners, like Livermore, "effectively leading across various cultures is a capability that can be measured and improved" (p. 23). This writer believes that cultural intelligence is a dynamic set of abilities that can be nurtured and grown in all of us, regardless of your race, color, creed, nationality, gender, sexual orientation, or age. And, hopefully, this writer can produce a dissertation that will further the existing knowledge of organizational leadership and its relationship with cultural intelligence.

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