Why You Need Cultural Intelligence (And How To Develop It)

By Echo Yuan Liao

IQ, EQ now CQ? As globalization has rendered the business environment more complex, dynamic, and competitive, the ability to function effectively in different cultural contexts, called Cultural Intelligence (CQ), has never been more important for organizations.

Employees who possess a high level of cultural intelligence play an important role in bridging divides and knowledge gaps in an organization: educating their peers about different cultures; transferring knowledge between otherwise disparate groups; helping to build interpersonal connections and smooth the interpersonal processes in a multicultural organization. Culturally intelligent employees also possess the potential to drive up innovation and creativity, due to their ability to integrate diverse resources and help the business make best use of the multiple perspectives that a multicultural workforce brings to the workplace.

Such abilities go beyond simply being intelligent, emotionally mature, and/or having good general social skills. CQ is a system consisting of three interactive components - cultural knowledge, cross-cultural skills and cultural metacognition. While these three components of CQ can be developed in different ways (see below), it's important to note that they do not operate in isolation from each other.

Cultural Knowledge is composed of content (what) and process (how) knowledge of other cultures, such as how and when people express disagreements with each other, and how to give feedback to subordinates.

How to Develop It: You can gain cultural knowledge through multiple channels, such as newspapers, movies, books, traveling to another country, or working with or being friends with people from a different culture. This learning experience will be optimized if you are mindful during the process, such as through carefully identifying what is unique about one culture, analyzing why it is unique, and forecasting when and how you could utilize this knowledge in the future.

Cross-Cultural Skills consist of a broad set of skills instrumental for intercultural effectiveness, specifically:

- 1. relational skills; whether you enjoy talking and interacting with people from other cultures
- 2. tolerance of uncertainty; whether you are able to tolerate uncertainties, ambiguities and unexpected changes in an intercultural interaction
- 3. adaptability; whether you can change your behavior according to the cultural demands
- 4. empathy; whether you can put yourself in a culturally different person's shoes and imagine the situation from his or her perspective
- 5. perceptual acuity; whether you understand other people's feelings and subtle meanings during intercultural interactions

How to Develop it: Cross-cultural skills are best developed through experiential learning, e.g. through studying or working in a foreign culture where you can practice these skills through trail-and-error.

The development of these skills is accelerated when one is equipped with the appropriate cultural knowledge that was developed earlier. For example, if you know that in cultures such as Spain meeting someone 10 minutes after your arranged time is not considered late, you will feel more at ease when a Spanish colleague does not turn up exactly on time for a meeting. Similarly, being adaptive in a new cultural context requires the knowledge of how to behave appropriately in that culture. Again, this learning experience will be optimized if you are mindful during intercultural interactions and analyze your own behavior as well as your counterpart's reactions.

Cultural Metacognition (sometimes called Cultural Mindfulness) is the knowledge of and control over one's thinking and learning activities in the specific domain of cultural experiences and strategies. Being culturally mindful means one is aware of the cultural context, consciously analyzes the interactive situation, and plans courses of actions for different cultural contexts.

How to Develop It: In order to improve cultural metacognition, you need to practice mental exercises where you are observing others' behaviors, analyzing situations and reflecting on your own behavior.

- Pay attention to how the other party acts and reacts to you in a number of situations this serves as the foundation for evaluating whether your behavior has achieved your desired goal. Based on this analysis, you can then decide what action you wish to take next.
- Reflect on successful as well as unsuccessful intercultural interactions and write down what knowledge and skills you have used during those interactions. Are there any clues you missed or misread? Was there any word or behavior you did not know how to interpret? What would you do differently in a similar context?
- Again, this learning experience will be optimized if you already have some cultural knowledge
 and cross-cultural skills. For example, if you can relate to your counterpart and are able to put
 yourself in his or her shoes, it will be easier for you to interpret his or her behavior and plan for
 your next move.

Developing your CQ in these ways will go a long way to ensure that you and your organization are able to nimbly navigate across cultural boundaries.

By Echo Yuan Liao, Assistant Professor of Managing People in Organizations at IESE Business School. Prof. Liao's research interests lie in cross-cultural management, regulatory focus, cultural intelligence, and multiculturalism.