

# THE CULTURAL INTELLIGENCE DIFFERENCE

*Master the One Skill You Can't Do Without  
in Today's Global Economy*

DAVID LIVERMORE, Ph.D.

**AMACOM**

**American Management Association**

New York • Atlanta • Brussels • Chicago • Mexico City • San Francisco  
Shanghai • Tokyo • Toronto • Washington, D.C.

Bulk discounts available. For details visit:  
[www.amacombooks.org/go/specialsales](http://www.amacombooks.org/go/specialsales)  
Or contact special sales:  
Phone: 800-250-5308  
E-mail: [specialsls@amanet.org](mailto:specialsls@amanet.org)  
View all the AMACOM titles at: [www.amacombooks.org](http://www.amacombooks.org)

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional service. If legal advice or other expert assistance is required, the services of a competent professional person should be sought.

**Library of Congress Cataloging-in-Publication Data**

Livermore, David A., 1967-

The cultural intelligence difference: master the one skill you can't do without in today's global economy / David Livermore.

p. cm.

Includes index.

ISBN-13: 978-0-8144-1706-5 (hbk.)

ISBN-10: 0-8144-1706-X (hbk.)

1. Diversity in the workplace. 2. Cultural intelligence. 3. Intercultural communication. 4. Management—Cross-cultural studies. 5. Organizational behavior—Cross-cultural studies. I. Title.

HF5549.5.M5L58 2011

650.1'3—dc22

2010043843

© 2011 David Livermore

All rights reserved.

Printed in the United States of America.

This publication may not be reproduced, stored in a retrieval system, or transmitted in whole or in part, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of AMACOM, a division of American Management Association, 1601 Broadway, New York, NY 10019.

**ABOUT AMA**

American Management Association ([www.amanet.org](http://www.amanet.org)) is a world leader in talent development, advancing the skills of individuals to drive business success. Our mission is to support the goals of individuals and organizations through a complete range of products and services, including classroom and virtual seminars, webcasts, webinars, podcasts, conferences, corporate and government solutions, business books, and research. AMA's approach to improving performance combines experiential learning—learning through doing—with opportunities for ongoing professional growth at every step of one's career journey.

Printing number

10 9 8 7 6 5 4 3 2 1

# CONTENTS

## PREFACE, xiii

This book is devoted to helping you make the most of today's multicultural, globalized world. You'll learn how to improve your cultural intelligence, or CQ—an evidence-based way to be effective in any cross-cultural situation.

## PART I

---

### AN INTRODUCTION TO CQ

#### CHAPTER 1 **CQ FOR YOU, 3**

See how cultural intelligence is uniquely suited for not only surviving the crazy demands of our globalized world but also thriving in them.

**x CONTENTS****CHAPTER 2 RESEARCH BRIEF, 21**

Get a briefing on the most important CQ research done by academics from around the world and learn why it is proven to increase your effectiveness.

**TAKING THE CQ SELF-ASSESSMENT, 35**

With the purchase of this book, you have access to the most popular and only academically validated cultural intelligence assessment in the world.

**PART II****STRATEGIES TO IMPROVE YOUR CQ****CHAPTER 3 CQ DRIVE, 41**

Learn how to increase your motivation for the challenges that often accompany multicultural relationships and work.

**CHAPTER 4 CQ KNOWLEDGE, 69**

Grow your understanding about cultures and gather creative ideas for how to continue learning about cultural differences and similarities wherever you are.

**CHAPTER 5 CQ STRATEGY, 107**

Improve your ability to be aware of what's going on in a multicultural situation and learn how to plan accordingly.

**CHAPTER 6 CQ ACTION, 141**

Increase your repertoire of behaviors for use in a variety of multicultural social and work settings.

**PART III****CONCLUDING THOUGHTS****CHAPTER 7 THE POWER OF CQ, 169**

See how CQ is helping individuals and organizations successfully accomplish their objectives and simultaneously make the world a better place.

**EPILOGUE, 188**

Turn the ideas of these pages into reality. It isn't easy, but the results are well worth the hard work. Use CQ to discover the possibilities awaiting you in today's borderless world.

**NOTES, 190****ACKNOWLEDGMENTS, 199****RESOURCES, 200****INDEX, 201****ABOUT THE AUTHOR, 207**

# PREFACE

The number one predictor of your success in today's borderless world is not your IQ, not your resume, and not even your expertise. It's your CQ, a powerful capability that is proven to enhance your effectiveness working in culturally diverse situations. And CQ is something anyone can develop and learn. Research conducted in more than thirty countries over the last decade has shown that people with high CQ are better able to adjust and adapt to the unpredictable, complex situations of life and work in today's globalized world.<sup>1</sup>

CQ or cultural intelligence is the capability to function effectively in a variety of cultural contexts—including national, ethnic, organizational, and generational. It's a whole new way of approaching the age-old topics of cultural sensitivity, racism, and cross-border effectiveness. And it will open up a whole new world of possibilities for you. The purpose of this book is to improve your cultural intelligence. Welcome to *The CQ Difference!*

**xiv** PREFACE

I never actually left the continent until I was in college, but I've been intrigued by cultural differences for as long as I can remember. My parents moved from Canada to the United States shortly before I was born. Multiple times a year we made treks across the Canadian border to visit my grandparents and cousins. I was intrigued by the different money, the varied ways of saying things, and the different foods that existed on just the other side of Niagara Falls. Once I started kindergarten, my American classmates laughed when I said "mum" or "eh." And my Canadian cousins accused me of becoming an arrogant, flag-waving American. With youthful patriotism I rebutted, "Well at least we don't still bow to the queen!"

Many years later, I've had the privilege of traveling all over the world. The excitement of getting on a plane has long dissipated, but landing in a new place hasn't. Few things get my adrenaline flowing like scouting out a new place, roaming the streets, eating the local food, and soaking in everything I can. Like anyone who has traveled internationally, I've made more than my fair share of cultural gaffes and blunders. But those are some of the best ways I've gotten better at working and relating cross-culturally.<sup>2</sup>

Cultural intelligence, however, runs so much deeper than discovering new foods, languages, and currencies. It strikes right at the core of our beliefs and convictions. My journey from my Canadian-American home to a life of worldwide travel has been fun and fulfilling. The journey of rethinking my faith, ideals, and opinions has been much more disorienting and painful, albeit deeply rewarding in its own way.

Like many people, I grew up with an insulated view of the world. Our family's social network revolved around people like us. We associated with people who looked like us, shared our religious beliefs, affirmed our political perspectives, and defined success and failure like we did. We were convinced our way was the one right way to view the world.

But the more I encountered people who saw the world differently from us, the more suspect I became of our way being the only right way to interpret reality. I began to wonder, *Can't we still live out our values and convictions without automatically presuming our way is what's right and best for everyone?*

I'm forty-three now. The simplistic categories of "us" versus "them" don't work for me anymore. To be sure, this is an ongoing journey for me. I don't know how to think about the world without some set of universal morals, whether it's the preservation of life, caring for our young, or apprehending evil oppressors. But the more I encounter the diversity of the world, the more challenged I become with how I arrive at my own points of view. I'm not interested in some vanilla tolerance that just nods in agreement with everything I hear. Instead, let's have a rigorous debate with a true openness to hearing one another's ideas and perspectives. CQ is more than just a technique for cross-cultural work. It transforms the way I teach, parent, watch the news, discuss issues, work with colleagues, and grow in my friendships.

I've tried to write a book that provides simple strategies for improving your CQ. The strategies themselves are things any of us can apply and use. But I'd be remiss if I didn't acknowledge that underlying these strategies is a willingness to undergo a transformation in how we see ourselves, the people we encounter, and the world at large. This kind of change takes many years and can be disorientating, frustrating, and painful. However, the benefits far outweigh the cost.

\* \* \*

We begin in Chapter 1 with a brief introduction of how cultural intelligence is proven to help you succeed in the midst of the cultural challenges and demands of our rapidly globalizing world. Chapter 2 will give you an overview of the cultural intelligence research and its origins.

**xvi** PREFACE

*With the purchase of this book, you also have access to the CQ Self-Assessment.* To date, this is the only academically tested CQ assessment in the world. You can take the assessment at any time, but I recommend you do so after reading Chapters 1 and 2.

Chapters 3 to 6 provide dozens of proven strategies for improving your CQ. Previous books about cultural intelligence, including my own, have mostly focused on *what* CQ is. This one is devoted to *how you can improve your CQ*. After completing the online *CQ Self-Assessment*, you can better determine where to begin work on increasing your CQ based on your highest and lowest scores. The strategies in this section are all things I've used and personally benefited from. But that's not why you should pay attention to them. They are important strategies because they have emerged from rigorous research conducted by academics around the world.

Chapter 7 describes the power of CQ by synthesizing the key strengths of the CQ approach and sharing some inspirational stories of individuals and organizations who are harnessing the power of CQ in their multicultural pursuits. Growing numbers of organizations and leaders are using these findings to increase their effectiveness in reaching their bottom-line objectives and as a way to make the world a better place. That's what compels me to give so much of my energy to the cultural intelligence work. I truly believe that if you use the strategies in this book, you'll not only survive the challenges of our twenty-first-century world, you'll thrive in the midst of them and tap into the possibilities waiting to be discovered in our changing world. That's the CQ difference!

Welcome to the emerging domain of cultural intelligence. It's a whole new way of seeing the world.

**David Livermore**  
Grand Rapids, Michigan

## PART I



# AN INTRODUCTION TO CQ

Cultural intelligence might sound like a really academic, intellectual topic. It is rooted in years of scholarly research conducted by academics in places around the world. But it's easy to grasp, and the findings offer benefits to all of us.

In the next two chapters, you'll gain insight into how cultural intelligence connects with you and your interests. And you'll discover research findings that show how increasing your CQ will improve your effectiveness at whatever you set out to do in today's borderless world.

## CHAPTER 1



# CQ FOR YOU

Your success in today's globalized world requires an ability to adapt to a variety of cultural situations. Conventional wisdom has been telling us this for decades. But only in recent years have academics discovered a proven way to quantify and develop this ability. It's called *cultural intelligence*, or CQ, and it's defined as the capability to function effectively in a variety of cultural contexts. All kinds of people are discovering the possibilities that CQ opens up for them. But improving your cultural intelligence does require some commitment and intentionality on your part. Rest easy. The rewards are well worth the effort.

The world is shrinking. Today, we're connected to people from around the globe more than ever before. Fifty years ago, you could have lived most of your life surrounded by people who looked like you, believed like you, and saw the world pretty much the same way you do. A few individuals still manage to pull that off. But most of us encounter and work with people who look, believe, and think in radically different ways from us. We've learned that we don't need to become like whomever we're with. But our effectiveness and success is largely dependent on our ability to adapt to various cultural contexts. When we learn to effec-

#### 4 THE CULTURAL INTELLIGENCE DIFFERENCE

tively and respectfully interact with people from diverse cultures, we strike a gold mine of opportunity for personal and professional fulfillment.

The shifting realities of our rapidly globalized world are well documented in best-selling books like *The World Is Flat* by Thomas Friedman and *One World* by Peter Singer. Most of us are well aware that globalization and worldwide connectivity are lunging forward with racing speed. Here are a few examples:

- 1 billion tourist visas are issued annually, and the number keeps rising.<sup>1</sup>
- General Electric calculates that 60 percent of its growth over the coming decade will come from the developing world, compared with 20 percent over the past decade.<sup>2</sup>
- 49 percent of U.S. kids five and younger are children of color.<sup>3</sup>
- China will soon be the number-one English-speaking country in the world.
- 67 percent of international air travel revenue is generated by Asian and Middle Eastern airlines, and the percentage is growing annually.<sup>4</sup>
- More than 1 million university students study abroad annually.
- 4.5 million North Americans participate in religious international mission trips each year.<sup>5</sup>

I doubt you'd pick up a book on cultural intelligence if you weren't already convinced of our global and multicultural connectivity. But this is a book about you and your life in our borderless world. To what degree do you possess the capabilities needed to succeed in this cultural mosaic? Why do some of us succeed while others fail at cross-cultural effectiveness?

Intercultural success has little to do with your IQ or EQ (emotional intelligence). It's primarily dependent on your CQ. Everyone has a cultural intelligence quotient (CQ), and we can all improve our CQ. This book, along with the corresponding online *CQ Self-Assessment*, will enable you to understand your CQ and give you the latest tested strategies for improving it.

## WHAT IS CULTURAL INTELLIGENCE?

Again, cultural intelligence is the *capability to function effectively across a variety of cultural contexts*, such as ethnic, generational, and organizational cultures. CQ has some similarities with various approaches to cultural competence, but it differs in its specific ties to intelligence research. As a result, the emphasis is not only on understanding different cultures, but also on problem solving and effective adaptations for various cultural settings. By using the "intelligence" approach, the CQ model also acknowledges that your multicultural interactions are as much *personal, individualized experiences* as they are simply knowing about differences between Germans and Koreans. Even if you and I have the same cultural background, we'll experience new cross-cultural situations differently according to who we are as individuals.

CQ is an overall capability you can take with you anywhere. You can benefit from its insights even if you're experiencing a culture for the first time, unlike approaches that place primary

## 6 THE CULTURAL INTELLIGENCE DIFFERENCE

emphasis on learning all the dos and don'ts of specific cultures. You can use CQ to become better relating to neighbors, classmates, and colleagues who come from another part of the world, or you can use it to increase the chances your meme goes viral throughout the world. You'll evaluate your CQ a little later when you complete the online *CQ Self-Assessment* included with this book. High CQ doesn't come automatically, but anyone can develop it.

Throughout the last ten years, most of the discussion about cultural intelligence has been buried in academic journals. Some of these studies are really fascinating; unfortunately, most of us never see them. For example, one study found that an individual with multiple international working experiences, even if those experiences were relatively brief, is likely to have higher CQ than an individual who has lived overseas for several years in one or two locations.<sup>6</sup> And neurological studies find that the brain gets wired differently depending upon one's intercultural experiences, which in turn impacts the way the individual approaches problem solving and day-to-day work.<sup>7</sup> These kinds of findings have significant implications for how individuals and organizations maximize global opportunities. We'll look at many more of these findings in the chapters that follow.

During the last couple of years, CQ has started to go mainstream. Growing numbers of leaders in business, government, and nonprofit organizations are realizing the benefits that come from this intelligence-based approach to adapting and working cross-culturally. And many corporations, government agencies, and universities are tapping into the CQ difference to achieve results. A few specific examples are included in Chapter 7.

Your cultural intelligence is made up of four different capabilities, each of which is assessed in the online *CQ Self-Assessment*.

1. **CQ Drive (motivation)** is your *interest and confidence in functioning effectively in culturally diverse settings*. This often gets overlooked. Without the ample drive to take

on the challenges that inevitably accompany multicultural situations, there's little evidence you'll be successful.

2. **CQ Knowledge (cognition)** is your *knowledge about how cultures are similar and different*. The emphasis is not on being an expert about every culture you encounter. That's overwhelming and impossible. Instead, to what extent do you understand some core cultural differences and their impact on you and others?
3. **CQ Strategy (meta-cognition)** is how you *make sense of culturally diverse experiences*. It occurs when you make judgments about your own thought processes and those of others. Can you plan effectively in light of cultural differences?
4. **CQ Action (behavior)** is your *capability to adapt your behavior appropriately for different cultures*. It involves having a flexible repertoire of responses to suit various situations while still remaining true to yourself.

Together, these four capabilities make up your overall cultural intelligence quotient. The online *CQ Self-Assessment* will reveal which of these capabilities is strongest and weakest for you. But what's your best guess? As you read the four descriptions, which one seems like it's the strongest for you? What about the weakest? After you complete the *CQ Self-Assessment*, you'll be able to tap into pinpointed strategies that are proven to enhance your CQ. Before you do so, here's a bit more about the CQ model.

## WHAT DOES HIGH CULTURAL INTELLIGENCE LOOK LIKE?

Despite its academic origins, cultural intelligence is pretty easy to grasp. Everyone can improve their CQ. I want to help you become more successful as you pursue the things most important to you in

**8 THE CULTURAL INTELLIGENCE DIFFERENCE**

our borderless world. Having a high CQ doesn't mean exhibiting flawless behavior in cross-cultural settings. Instead, it is personified by people with a strong sense of their own cultural identity. They know who they are and what they believe, but they're equally interested to discover that in others. And individuals with high CQ have an integrated view of the world that appreciates both the similarities and differences among people. Rather than being threatened by differences, they look for what they can learn from them.

Here's one way of thinking about the progression from low CQ (1.0) to high CQ (5.0):

**1.0**—You react to external stimuli (what you see and hear, etc., in a new cultural context) and you judge it based on what that means in your own cultural context.

*Example:* You observe that some individuals are silent during a meeting and you presume they're using the "silent treatment" to demonstrate they're bored and upset.

**2.0**—You begin to recognize other cultural norms. You're motivated to learn more about how cultures differ.

*Example:* You observe that some individuals are silent during a meeting and you wonder if remaining silent means the same thing in their culture as it means in yours.

**3.0**—You begin to accommodate other cultural norms into your thinking. You can explain how culture impacts the way people might respond differently to the same circumstances.

*Example:* You observe that some individuals are silent during a meeting and you decide to explore whether their silence is a form of respect, as it is in many cultures.

**4.0**—You adapt and adjust your thinking and behavior to other cultural norms.

## CHAPTER 1 CQ FOR YOU

9

*Example:* You observe that some individuals are silent during a meeting and you intentionally ask for their input, believing they might consider it disrespectful to offer it unless invited to give it.

**5.0**—You automatically adjust your thinking and behavior when you get appropriate cues, sometimes subconsciously.

*Example:* You observe that some individuals are silent during a meeting and, almost without thinking about it, you offer them alternative ways to offer input; you're subconsciously aware that their cultural background typically uses silence as a form of respect.

Nobody behaves flawlessly in cross-cultural interactions. And frankly, the mistakes we make are often the best teachers for improving our CQ. But with experience and intentional effort, we can move toward the CQ 5.0 description where we begin to automatically accommodate a variety of behaviors and strategies into the ways we work with people from different cultural backgrounds. As you grow your CQ, you'll gradually be able to interpret the behavior of people from unfamiliar cultures as if you were an insider in their cultures.

Low CQ is often easier to spot because faux pas are more interesting to talk about. For example, the Dairy Association led a wildly successful marketing campaign throughout the United States built on the slogan, “Got Milk?” Unfortunately, when the campaign was exported to Mexico, the translation read, “Are you lactating?”<sup>8</sup>

People with low CQ will dismiss the seismic influence of culture on themselves and others. They may use overly simplistic approaches to working cross-culturally and make statements such as, “People are people. A smile and kind word work anywhere.” Furthermore, many business leaders with lower levels of CQ use

**10** THE CULTURAL INTELLIGENCE DIFFERENCE

disjointed, slap-dash approaches to the myriad of cultural forces barraging them—whom to send overseas, how to create a more innovative culture, how to extend into more emerging markets, how to read trends in their own culture, HR policies, etc.

Low CQ is a primary reason many businesses continue to lose millions of dollars when expanding into culturally diverse markets. It explains why many charitable organizations get kicked out of developing nations because of their inability to work with local officials in addressing atrocities like HIV-AIDS or human trafficking. The globalization of every field is lunging forward at an unprecedented rate, yet 70 percent of international programs in business, government, and charity are largely ineffective and costly.<sup>9</sup> But it doesn't have to be that way.

Individuals with high CQ have a repertoire of strategies and behaviors to orient themselves when they encounter unfamiliar behaviors and perspectives. When something seemingly bizarre or random happens, they have a mental frame to discern whether it's explained by culture or it's something unique to a particular person or organization. With enhanced CQ, you have the ability to encounter new cultural situations, think deeply about what's happening (or not happening), and make appropriate adjustments to how you should understand, relate, and behave in these otherwise-disorienting situations. For example:

- Teachers with high CQ learn how to adapt their teaching, assessment, and feedback strategies when working with students from various cultural backgrounds.
- Human resource managers with higher levels of CQ have a better sense of how to handle a Muslim employee's request to miss a sales conference during Ramadan.
- Hospitals led by culturally intelligent leaders are more effective at treating immigrant patients and have fewer lawsuits due to misdiagnosis of those patients.

- Students with higher CQ who volunteer or study abroad gain more long-term benefits from the experience.
- Liberals and conservatives with high CQ temper their broad, sweeping statements about one another, seek to understand the other party's position, and learn where the true differences lie rather than sensationalizing artificial polarities.

These kinds of adjustments involve a complex set of capabilities that stem from enhanced cultural intelligence. Anyone can grow his or her CQ. It doesn't happen automatically, but with a little effort, you can experience several benefits by increasing your CQ.

## **WHAT ARE THE BENEFITS OF INCREASING YOUR CQ?**

Sometimes capabilities like emotional and cultural intelligence get written off as soft skills with limited, tangible benefit for life in the real world. Business leaders with low CQ might see discussions about culture as far removed from the P&L sheets that determine their survival. A naive military leader might believe cultural intelligence has little impact on a strategic combat mission. And study-abroad students with low CQ may view conversations with locals as irrelevant to their purposes for being overseas. These attitudes miss the hard-core, bottom-line differences that exist for individuals who prioritize enhancing their cultural intelligence.

A growing number of individuals, however, are discovering the competitive edge that comes from enhancing their CQ. Scientific research reveals that the most predictable results you can expect from increasing your cultural intelligence are the following:

- Superior cross-cultural adjustment
- Improved job performance

**12 THE CULTURAL INTELLIGENCE DIFFERENCE**

- Enhanced personal well-being
- Greater profitability

Let's look further at these benefits.

***Cross-Cultural Adjustment***

Most twenty-first-century interests, jobs, and causes require adjustment to various cultures. The demand for this is going to grow exponentially over the next decade. What's your passion?

- *Business?* Some of the most profitable opportunities lie in new offshore markets and stem from synergizing and motivating culturally diverse work teams.
- *Investment?* Intercultural sensibilities are a huge asset for making the most of our globalized economy.
- *Teaching?* Classrooms are increasingly filled with a diversity of students who need to be prepared for life in our globalized world.
- *Leadership?* There's hardly anything a leader touches that isn't shaped by culture, including vision casting, managing people, and developing a strategic plan.
- *Making the world a better place?* Whether your cause is HIV-AIDS prevention, animal rights, environmental sustainability, or mentoring kids in the inner city, charitable activities are rife with the need for cross-cultural adaptability.

Music, sports, travel, religion, research, technology, science, farming, raising a family, politics, filmmaking—I'm hard pressed to think of a pursuit in today's world that doesn't involve some

need to interact with and adapt to people and situations of various cultural backgrounds. And the greater your cultural intelligence, the more likely you are to successfully adjust to the cultures you encounter in whatever you pursue.<sup>10</sup>

In fact, your cultural intelligence has more to do with your success in these kinds of multicultural endeavors than your age, gender, location, IQ, or EQ. Multicultural situations are filled with ambiguity. We're often unaware when a problem arises, and we miss what is really happening. Enhanced CQ provides the motivation, understanding, and strategy for dealing with that uncertainty. Sometimes, individuals presume they can't be successful in multicultural situations because they've grown up in a very monocultural context or because they're too "old."

That's not true! We can all improve our CQ, and an enhanced CQ is far more likely to contribute to successfully adjusting cross-culturally than your age or where you're from.<sup>11</sup> Men and women can be equally successful in multicultural situations. Your effectiveness is more a result of your CQ than your gender. And if you've never been at the top of your class, take heart: Your CQ is more likely to predict your intercultural work and relationships than your academic achievement or IQ. EQ is a strong predictor of your success when you're working with people who come from the same culture as you, but your CQ is a much better predictor of how you'll do working with people from different cultural backgrounds—the inevitable reality for all of us over the next decade.

One reason you'll more likely succeed with enhanced CQ is that cultural intelligence contributes to increased flexibility. If you've ever participated in any kind of cross-cultural training, you've been told again and again about the need to be flexible. But rarely are we offered specific training and skills in how to truly adapt. Instead, the mantra is just repeated, "Be flexible. Expect the unexpected. Be flexible, and then flex some more."

Okay—but how?

**14 THE CULTURAL INTELLIGENCE DIFFERENCE**

As individuals grow in cultural intelligence, there's a direct correlation with their ability to adapt to various situations and environments where the assumptions, values, and traditions differ from those with which they're most familiar. For example, research shows that people with higher levels of CQ work more effectively with multicultural teams than leaders with lower levels of CQ do and, therefore, they have more success in forming collaborative environments across a diversity of cultures. In the coming decades, this kind of capability will become nonnegotiable for anyone in management.<sup>12</sup>

One of the realities of living in such a rapidly globalizing world is that an ability to respectfully and effectively connect with individuals and situations from various cultural backgrounds is required of all of us. Enhanced CQ helps you be more effective at whatever you pursue.

**Research Note:** The relationship between CQ and an individual's adjustment cross-culturally was much stronger than the relationship between an individual's age, experience, gender, location, or IQ with their cross-cultural success.<sup>13</sup>

### *Job Performance*

With higher CQ you'll also have an edge in a crowded job market. Even if a position doesn't require any international travel, managers and HR departments are realizing the importance of having culturally savvy employees who can dynamically meet the challenges of serving a diverse customer base at home and abroad, as well as becoming effective participants of culturally diverse teams. In addition, employers are finding that personnel with high CQ are not only more effective cross-culturally but also are more adaptable and innovative as they go about tasks within their own cultural contexts. Growing numbers of companies are assessing

the CQ of job candidates and existing workers. Dozens of academic studies have discovered the connections between higher CQ and better job performance. Some of the most important job-related results for individuals with higher CQ are in the following areas:

- *Decision Making.* One reason why CQ increases your job performance is that it results in better judgment and decision making. Individuals who lead with their gut and intuitively go with the flow are often caught off guard by situations that yield unpredictable results when working cross-culturally. Individuals with higher CQ are better at anticipating and managing risk and at making decisions that involve complex, multicultural dynamics. Cultural intelligence will help you make better decisions.<sup>14</sup>
- *Negotiation.* Being able to negotiate effectively across cultures is cited as one of the most important competencies needed in today's global workplace. Individuals with higher CQ are more successful at cross-cultural negotiations than individuals with lower CQ. When faced with the ambiguity of intercultural communication, with high CQ, you're more likely to persist and invest great effort in reaching a win-win despite the absence of cues that help you negotiate effectively in a more familiar environment. Heightened CQ will give you a better understanding of how to read the nonverbal cues during a negotiation and make you more aware of how to motivate an individual or company from a different culture.<sup>15</sup>
- *Networking.* Networking is another one of the most sought-after skills in today's work environment. Individuals who can successfully network and build relationships with individuals and organizations that span geographic, cultural, and ethnic boundaries are in high demand. CQ will enhance your ability to network effectively across varied contexts. Anthropologist Grant McCracken tells his fellow baby boomers, "It's the

**16 THE CULTURAL INTELLIGENCE DIFFERENCE**

network, stupid!” He writes, “My generation treated the corporation as a source of security. [Gen Y] has another source of security. As long as they have their social network, the place they work matters much less.”<sup>16</sup> Networks are the currency that matters in today’s global environment.

Military operations that require multinational peacekeeping efforts and companies that depend on creative mergers and acquisitions are best facilitated by individuals who can build multicultural networks. High CQ will help you do this.<sup>17</sup>

- *Global Leadership Effectiveness.* Finally, today’s managers need to effectively hire, motivate, and develop personnel from a variety of cultures. Even if you don’t aspire to a primary leadership role, your job performance may require that you effectively influence and develop teams of culturally diverse participants. With higher levels of CQ, you’re more likely to develop trust and effectively lead multicultural groups and projects at home or dispersed around the world.<sup>18</sup>

**Research Note:** Organizations want to hire individuals with high CQ because employees with high CQ are better decision makers, negotiators, networkers, and leaders for today’s globalized world.<sup>19</sup>

### *Personal Well-Being*

Enhancing your cultural intelligence is proven to enhance your personal satisfaction and overall well-being, particularly when engaging in culturally diverse situations. When you enhance your cultural intelligence, you’re less likely to experience burnout from the constant demands faced by multicultural interactions. We all want to be effective at what we do. Fatigue and stress are

inevitable challenges that accompany cross-cultural encounters, so anything that helps reduce the fatigue and stress is welcome.

Growth in CQ leads to reduced stress for individuals who interact with a large number of cross-cultural situations regularly. People such as immigration officers, refugee placement workers, short-term business travelers, and social workers working in urban contexts are under a great deal of stress, given the challenges associated with cross-cultural work. Professionals with higher levels of cultural intelligence are less likely to burn out from this kind of work than those with lower levels of cultural intelligence. For example, many short-term business travelers are expected to fly in and out of many different places from month to month. It's impossible to master the proper norms for every culture encountered, but with cultural intelligence, a decent measure of respect and effectiveness is possible. Many managers work all day long to bridge different cultures and find themselves mentally exhausted by being the interpreter between various generational, professional, and ethnic subcultures. Those with higher levels of cultural intelligence experience less burnout from a litany of multicultural encounters.<sup>20</sup>

Employees with higher levels of CQ also report a greater level of enjoyment from traveling and working internationally than those with lower levels of CQ. And individuals with higher CQ not only survive but also enjoy the invigorating challenges and insights that emerge from multicultural work. CQ will not just reduce your stress; it will also increase the personal satisfaction you experience from learning how to remain true to yourself, respect others, and collaboratively accomplish something important.

**Research Note:** Individuals with higher levels of CQ report a greater level of enjoyment and satisfaction from intercultural work and relationships than those with lower levels of CQ.<sup>21</sup>

**18 THE CULTURAL INTELLIGENCE DIFFERENCE**

### *Profitability*

Finally, in light of these other benefits of CQ, it's no surprise to find a connection between CQ and profitability. Individuals who more successfully adjust cross-culturally and who perform better in fundamental tasks such as decision making, negotiations, and networking help their organizations save and earn more money. As a result, CQ increases your earning power.

One study specifically examined the role of cultural intelligence on corporate profitability. The companies involved participated in an eighteen-month cultural intelligence program that included training, hiring, and strategizing in light of CQ. Of the companies surveyed, 92 percent saw increased revenues over the eighteen-month period, all of which identified cultural intelligence as a significant contributor to their increased profits.<sup>22</sup>

Leading companies such as Barclays, Lloyds TSB, and Levi Strauss have all adopted cultural intelligence into their business model and have seen increased income streams, better cost management, and higher profit margins. Of course, these results aren't limited to industry giants. Small businesses, universities, charitable organizations, and government entities have seen similar gains from implementing cultural intelligence into their domestic and global operations.

Many executives see the benefits of hiring, promoting, and rewarding individuals with high CQ. On average, individuals with higher CQ earn more. Cross-cultural flexibility and an ability to negotiate with people from various cultures is a highly desirable skill set. The job market is constantly changing. It's going to become increasingly important to demonstrate cultural intelligence to secure the most sought-after positions and opportunities.<sup>23</sup>

**Research Note:** Of companies that used the cultural intelligence approach through training, hiring, and strategizing, 92 percent

saw increased revenue within eighteen months of implementation. Every company named cultural intelligence as a significant factor that contributed to increased profits. Therefore, companies are prioritizing hiring and retaining personnel with high CQ.<sup>24</sup>

Recent research on cultural intelligence points to many promising benefits. As you increase your CQ, you can tap into one of the most important capabilities needed to thrive in today's world. Ultimately, heightened CQ helps each of us make the world a better place. Nobel Prize-winning author Elie Wiesel identifies *cultural hatred* as the major source of problems between people, across all times.<sup>25</sup> Cultural clashes are a major destabilizing factor in our world, whether it's neighborhood rivalries, office politics, or international disputes. Cultural intelligence provides a way to work through the many misunderstandings and conflicts that accompany cross-cultural encounters.

Ken Wilbur, a postmodern philosopher, writes, "It's not that I have to agree with everything you say, but I should attempt to at least understand it, for the opposite of mutual understanding is, quite simply, war."<sup>26</sup> I'm not interested in promoting a vanilla culture without all the wonderful zigzags of our colorful world. But cultural intelligence can help us replace divisive rancor with recognition, respect, and mutual understanding—the CQ difference that matters most.

CQ rests in something bigger than us. If more power, wealth, and personal success are all that drive us, we'll quickly face burnout. But as we fit into things larger than us, join them, and serve them, we can take our role in the big picture and find ourselves with heightened energy for persevering through the hard work of cross-cultural interactions. Life is about things that transcend us.<sup>27</sup>

**20 THE CULTURAL INTELLIGENCE DIFFERENCE****MOVING FORWARD**

Our lives depend on our ability to get along. Cross-cultural interactions are no longer the exclusive domain of Peace Corps workers, anthropologists, missionaries, and State Department diplomats. We find ourselves encountering people from vastly different cultural backgrounds. As a result, cultural clashes and the ability to effectively respect each other and work together is one of the seminal issues of our day.

Research demonstrates that individuals and organizations with higher levels of cultural intelligence are finding a better way. Enhanced CQ is proven to strengthen your ability to work effectively and respectfully with individuals and situations in various cultural contexts. Not only do individuals with high cultural intelligence survive the twists and turns of our rapidly globalizing world, they thrive in them.

Everywhere is now part of everywhere. The world is global. There's no going back. As you commit to increasing your cultural intelligence, you can join a community of individuals who are experiencing the benefits of the CQ difference.

# NOTES

## Preface

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), 10.
2. For those who care about such things, I’ve used the terms *cross-cultural*, *intercultural*, and *multicultural* synonymously throughout the book. Although technically *cross-cultural* traditionally refers to “two cultures interacting” and *intercultural* and *multicultural* refer to “multiple cultures interacting,” I find it helps to use the terms interchangeably for this kind of writing.

## Chapter 1: CQ for You

1. Siobhan Roth, “World Travelers,” *National Geographic* July 2006, 25. Admittedly, there are some individuals who get more than one tourist visa in a year; therefore, 1 billion is a rough estimate. But there are also others who move across borders without getting a tourist visa. So % still seems like a fair estimate of the number of people in the world traveling internationally each year.
2. Claudia Deutsch, “GE: A General Store for Developing World,” *International Herald Tribune*, July 18, 2005, 17.
3. Less Christie, “CNN, Census: U.S. Becoming More Diverse,” [http://money.cnn.com/2009/05/14/real\\_estate/rising\\_minorities/index.htm](http://money.cnn.com/2009/05/14/real_estate/rising_minorities/index.htm) (accessed May 21, 2009).
4. Giovanni Bisignani, “Improved Profitability—But Europe Still Lags in the Red,” International Air Transport Authority, <http://www.iata.org/pressroom/pr/Pages/2010-09-21-02.aspx>., September 19, 2010.
5. David Livermore, “Globalization Trends,” a technical report created for the Global Learning Center, Grand Rapids, MI: September 2008.
6. Cheryl Tay, Mina Westman, and Audrey Chia, “Antecedents and Consequences of Cultural Intelligence Among Short-Term Business Travelers,” in *Handbook of Cultural Intelligence: Theory, Measurement, and Applications* (Armonk, NY: M.E. Sharpe, 2008), 141.
7. Thomas Ruckstuhl, Ying-yi Hong, Soon Ang, and Chi-Yue Chiu, “The Culturally Intelligent Brain: Possible Neuroscience Foundation of Global Leadership,” *Neuroleadership Journal* (forthcoming).

NOTES **191**

8. Gary Ferraro, *The Cultural Dimension of International Business*, 5th Ed. (Upper Saddle River, NJ: Prentice-Hall, 2006), 12.
9. Aimin Yan and Yadong Luo, *International Joint Ventures: Theory and Practice* (Armonk, NY: ME Sharpe, 2001), 32.
10. Soon Ang, Linn Van Dyne, and Mei Ling Tan, "Cultural Intelligence," in Robert J. Sternberg and Scott Barry Kaufman, eds. *Cambridge Handbook of Intelligence* (Cambridge, U.K.: Cambridge University Press, forthcoming).
11. 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), 10.
12. Ibid.
13. Ibid.
14. Soon Ang, Linn Van Dyne, C. Koh, K. Y. Ng, K. J. Templer, C. Tay, and N. A. Chandrasekar, "Cultural Intelligence: Its Measurement and Effects on Cultural Judgment and Decision Making, Cultural Adaptation, and Task Performance," *Management and Organization Review* 3 (2007): 335–371.
15. L. Imai and M. J. Gelfand, "The Culturally Intelligent Negotiator: The Impact of Cultural Intelligence (CQ) on Negotiation Sequences and Outcomes," *Organizational Behavior and Human Decision Processes* 112: 83–98.
16. Grant McCracken, *Chief Culture Officer: How to Create a Living, Breathing Corporation* (New York: Basic Books, 2009), 148.
17. Soon Ang, Linn Van Dyne, and Mei Ling Tan, "Cultural Intelligence." In Robert J. Sternberg and Scott Barry Kaufman, eds. *Cambridge Handbook of Intelligence* (Cambridge, U.K.: Cambridge University Press forthcoming).
18. Ibid.
19. Ibid.
20. Cheryl Tay, Mina Westman, and Audrey Chia, "Antecedents and Consequences of Cultural Intelligence Among Short-Term Business Travelers" in *Handbook of Cultural Intelligence: Theory, Measurement, and Applications* (Armonk, NY: M.E. Sharpe, 2008), 126ff.
21. David Livermore, "The Results of Cultural Intelligence," technical report for the Global Learning Center, Grand Rapids, MI, 2009.
22. Ibid.
23. Ibid.
24. Ibid.
25. Elie Wiesel, *Dawn* (New York: Hill and Wang, 2006), vii.

**192 NOTES**

26. Ken Wilbur, *Boomeritis: A Novel That Will Set You Free* (Boston, Shambhala, 2002), 15.
27. Henry Cloud, *Integrity: The Courage to Meet the Demands of Reality* (New York: Collins, 2006), 242.

*Chapter 2: Research Brief*

1. Milton Bennett, "Towards Ethnorelativism: A Developmental Model of Intercultural Sensitivity," in R. Michael Paige, ed., *Education for the Intercultural Experience* (Yarmouth, ME: Intercultural Press, 1993) 21–71; Geert Hofstede, *Cultures and Organizations: Software of the Mind* (New York: McGraw-Hill, 1997); and Fons Trompenaars and Charles Hampden-Turner, *Riding the Waves of Culture: Understanding Diversity in Global Business* (New York: McGraw Hill, 2000).
2. M. J. Gelfand, L. Imai, and R. Fehr, "Thinking Intelligently About Cultural Intelligence: The Road Ahead," in S. Ang and L. Van Dyne, eds., *Handbook of Cultural Intelligence: Theory, Measurement, and Applications* (New York: M.E. Sharpe, 2008), 375.
3. Soon Ang, Linn Van Dyne, and Mei Ling Tan, "Cultural Intelligence," in Robert J. Sternberg and Scott Barry Kaufman, eds. *Cambridge Handbook of Intelligence* (Cambridge, U.K.: Cambridge University Press (forthcoming)).
4. J. D. Mayer and P. Salovey, "What Is Emotional Intelligence?" in P. Salovey and D. Sluter, eds., *Emotional Development and Emotional Intelligence: Educational Applications* (New York: Basic Books, 1997), 3–31.
5. R. Thorndike and S. Stein, "An Evaluation of the Attempts to Measure Social Intelligence," *Psychological Bulletin* 34 (1937): 275–285.
6. R. J. Sternberg, and R. J. Wagner, "Practical Intelligence," in R. J. Sternberg, ed., *Handbook of Intelligence* (New York: Cambridge University Press, 2000), 380–395.
7. Chris Earley and Soon Ang, *Cultural Intelligence: Individual Interactions Across Cultures* (Stanford, CA: Stanford Press, 2003).
8. R. J. Sternberg and D. K. Detterman, eds., *What Is Intelligence? Contemporary Viewpoints on Its Nature and Definition* (Norwood, NJ: Ablex, 1986).
9. R. J. Sternberg, "A Framework for Understanding Conceptions of Intelligence," in R. J. Sternberg and D. K. Detterman, eds., *What Is Intelligence?* (Norwood, NJ: Ablex, 1986), 3–18.
10. Cultural Intelligence Scale (CQS), East Lansing, MI: Cultural Intelligence Center, LLC, 2005.