



CULTURAL  
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# Leadership Packet

Inside you will find ways to boost your leadership abilities through Cultural Intelligence with four key topics

- What is a Global Leader?
- Leadership Advice You Should Ignore
- How Culturally Intelligent Leaders Make Decisions
- Five Questions Culturally Intelligent Leaders Ask Themselves Everyday

# Five Questions Culturally Intelligent Leaders Ask Themselves Everyday

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Global leadership is not about geography. It's about having the dynamic agility to lead anyone, anywhere. Many leaders understand this because it's their daily reality. But the question I'm repeatedly asked is, *What does it mean to lead with cultural intelligence in the day-to-day?*. That's the right question. While cultural intelligence (CQ) needs to inform big picture issues like branding, hiring, and strategy work, where CQ really comes to life is in the everyday practices of a leader.

Here are five reflection questions global leaders can ask themselves daily to integrate CQ with their very full schedules:

## **How will I adjust my leadership style based on the people I'm meeting today?**

Management consultants repeatedly dole out advice about how leaders should handle difficult conversations, establish trust, or negotiate with suppliers. We're often told, "lead with your gut." But as I've said before, most of this advice is overly simplistic and assumes there's one right way to lead everyone.

For example, a four day work week may be ideal for some industries and contexts and disastrous for another. Empowering people to make their own decisions works great when leading individualists who thrive on autonomy and empowerment. But what do you do when you have a high performing team member who prefers a leader who is very directive and involved in their work?

A [growing amount of research](#) points to the critical importance of "CQ Strategy" for leadership effectiveness. CQ Strategy is the ability to be aware and plan for diverse situations. This includes planning in light of the anticipated background/s of the individuals with whom we will engage in any given week.

Before a day of back-to-back meetings, I usually write down a few notes to prepare for each meeting, some of which include discussion topics but also reminders to myself about how to adapt my approach in light of who is in the meeting.

## **What diverse perspectives am I missing for decisions I need to make?**

During the tyranny of the urgent, many leaders default to the mirror image fallacy - assuming others want what we want. If asked, most of us would acknowledge that we lead many different kinds of people. But under stress and time pressure, we start to make decisions on autopilot and go with what "feels right", which is often code for, here's the decision I would want if this was me.

One of the things we discovered in our [research on organizational CQ](#) is that effective global leaders deliberately solicit perspectives from employees and customers who are unlike them. This may include the Amazon technique of adding an empty chair to senior-level meetings to represent individuals not in the room. But it also means proactively talking to a diversity of individuals to gain their perspectives. Gaining diverse input usually requires a more stealth approach than asking, "What do you think?", especially when you have more power than those you're asking. Instead, ask questions like, "How do you think people from X market would react to this?" Or "What are we missing?"

### **What's going on externally that I need to address?**

The last three years have shown us that what goes on globally impacts most organizations—even a local restaurant has to figure the impact of avian flu on an unexpected egg shortage. There are many ways that culturally intelligent leaders need to proactively pay attention to what's going on externally, including the implications of mass staff reductions in the tech industry, a looming recession, a war in Ukraine, supply chain issues, or an imminent storm. But culturally intelligent leaders also think about if and how to address the tragedies and controversies that surround us nonstop.

Do you make a statement about reproductive rights? Do you talk about a political outcome? Do you say something about the latest shooting? Tyre Nichols, the man murdered by Memphis police officers, worked for FedEx. When FedEx's Chief People Officer released this statement, many said it was off pitch. People across the world described the video of Tyre's murder as "horrific and traumatizing"; FedEx described it as "deeply troubling." It's critical to tap the expertise of employee resource groups, DEI leaders, and peers from a diversity of backgrounds to help discern if, when, and what to say in these moments.

No matter what we say, there will be critics. But we want to ensure that we've read the room and communicated authentically from the heart in a way that is congruent with the values of ourselves and our organizations.

### **How does my position influence the data I'm receiving?**

I sometimes ask executives, "Will anyone tell you your joke isn't funny?" Culturally intelligent leaders pay particular attention to the way their position and perceived status may limit the data that ever gets to them. Some personalities and cultures will never tell the boss their joke is dumb much less say that their idea is incomplete. Others will be quick to voice a dissident perspective and as a result, may have a disproportionate level of influence on the leader's thinking.

In addition, none of your team members want to look incompetent or unproductive. They may be withholding information and relevant updates for fear it puts them in a bad light. Create a psychologically safe environment where failure is okay and transparency is rewarded so that everyone is working with the most complete information. A culturally intelligent leader doesn't assume they have the full picture. They keep looking for ways to get additional insights.

### **What does "clarity" look like for the communications I'm reviewing or putting out today?**

The more diverse the people you lead, the more you have to adjust the way you communicate. Clear, dynamic, visionary communication is something [people everywhere want from their leaders](#).

But culturally intelligent leaders stop to consider how to adapt what and how they communicate to diverse, distributed groups.

The definition of clear, dynamic, visionary communication varies widely depending on who you're leading. For a follower who is risk averse, clarity often means providing a high level of detail and demonstrating how you've considered the potential risks. Others are annoyed with too many details and find a big picture overview much more helpful. Review your communication before releasing it and read it through the lens of both extremes - the "TLDR" vs. "too brief" preferences. Design your communication so that different team members can get the level of detail they need.

The ability to work effectively in today's diverse, digital world is critical for leaders to be successful. Cultural intelligence predicts leader's trustworthiness, sales, decision-making, and myriad other outcomes. But it also provides leaders with the GPS for going through the busyness of everyday by providing prompts for reflection to ensure we stay ahead of the curve and create inclusive, innovative organizations that thrive.

# How Culturally Intelligent Leaders Make Decisions

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Decision-making is something leaders are asked to do all day long. Where do we want to hold the next off-site? Which job candidate should we hire? When will we be ready to launch the new product? What did you decide about the remote work policy?

Decision-making has always been part of leadership, but it's become exorbitantly more challenging in today's disruptive, digital, diverse context. What does culturally intelligent decision-making look like for today's global leader? It's not as simple as "just make a decision." Who makes the decision, the process for doing so, and the communication plan are all critical factors linked to leadership effectiveness.

Here are four practices culturally intelligent leaders use to make more effective, inclusive decisions:

## Fall in love with the problem

**I'm increasingly convinced that we need to spend more time problem-finding than problem-solving.** Admittedly, this is a shift from how I've operated as a leader. I've been relentless with teams to bring solutions, not problems. But mounting research supports that spending time defining, understanding, and deeply analyzing a problem is the foundation for making a good decision. Spending time digging into a problem is tough when things are moving so swiftly and people are pressuring you for a decision. But it's absolutely necessary if you're going to make an effective decision.

Albert Einstein said, "If I had an hour to solve a problem and my life depended on the solution, I would spend the first 55 minutes determining the proper question to ask, for once I know the proper question, I could solve the problem in less than five minutes."

Define the challenge. Do a root cause analysis with something like Toyota's 5 Why process. Identify the key obstacles and challenges related to this problem for diverse stakeholders. Then you're far better prepared to consider potential solutions.

## Classify the decision

**The more diverse the team, the more important it is to explicitly classify decisions as big bet, mid-range, or everyday decisions.** Big bet decisions are things like acquiring a new company, eliminating a line of business, or determining the annual budget. Mid-range decisions might be something like switching to a new database software, adding a new product line, or deciding between two top job candidates for a senior position. Everyday decisions are the judgment calls staff make daily as part of their jobs.

Classifying decisions is useful for any team but it's less critical for homogeneous teams who have a shared understanding of "the way we do things around here". But as diversity becomes the new normal for most teams, explicit classification of decisions provides clarity, empowers everyone, and leads to better outcomes.

Ensure every individual on your team knows:

- What am I authorized to decide on my own?
- When should I solicit input before making a decision and from whom?
- What am I not authorized to decide on my own?

### **Define the decision-making process**

Even though hierarchies in most US organizations are relatively flat, US decision-making often looks more similar to how decisions are made in places like India and Brazil. The decision is often made by one senior leader, albeit typically with input from others along the way. In Japan however, many organizations use the [ringi system of decision-making](#) that builds consensus from the bottom up. Managers in lower ranks of the organization discuss a new proposal together before presenting it to managers in the next level up. This upward progression continues and when the proposal reaches the highest level of decision-makers, it is either implemented or not. This gives the organization confidence that everyone collectively had a chance to weigh in on the decision.

Culturally intelligent leaders proactively outline the process for making a decision. This is particularly important for big bet and mid-range decisions. Are you soliciting input to see how people feel about the situation or are you using their input to shape the decision that will be made? Is a team studying the problem to make a recommendation or are they expected to make the decision? Should the input from some stakeholders be weighed more heavily than others (e.g., the most profitable market or region?). If so, be transparent about those assumptions.

If you expect your team members to make decisions on their own, consider whether some need coaching. While many individuals thrive when given the chance to make their own decisions, those with a more risk-averse, high power distance orientation may be reticent to do so. Culturally intelligent leadership doesn't mean acquiescing to everyone's decision-making preferences. But it means considering how to adjust your leadership based on the [cultural value orientations](#) of your team. For someone who is uncomfortable making a decision, ask them to come with one or two recommendations and work together to make the decision.

### **Communicate, communicate, communicate**

The number one characteristic followers want from leaders everywhere is clear communication. But what's clear to me may not be clear to you. Some individuals you lead simply want to know what you decided. They don't want a long explanation defending the decision. Others will have a much easier time accepting and supporting the decision when you share as much information as possible.

Realistically, there are times when leaders can't be transparent about decision-making. It's irresponsible and unkind to share that you're thinking about eliminating 10 percent of staff and then asking people to

sit with the anxiety and uncertainty while the decision gets made. But when possible, keeping everyone informed about decisions is directly linked to whether people feel included and engaged. In too many cases, communication about decisions rolls out informally and those who have access to people at the top are in the know while others feel excluded.

One of the most important decision-making communication channels are mid-level managers. Equip them to discuss big-bet decisions with their teams. Start by sharing strategic decisions at a town hall meeting or through a company-wide memo but plan for the real sense making that occurs one-on-one with managers and in team meetings. Ensure team leaders are equipped to communicate the decision and its implications with their teams.

Global leaders make decisions from the gut at their peril. The more diverse and distributed your leadership context, the more likely your gut is going to lead you to a decision that works great for some and horribly for others. A culturally intelligent, strategic approach to decision-making ensures that we lead everyone effectively. And that's good for business.

### **CQ for Decision-Making**

Classify decisions as big bet, mid-range, or every day. Big bet decisions might be things like acquiring a new company or eliminating a line of business. Mid-range decisions might be something like switching to a new database solution or adding a new product line. And everyday decisions are the judgment calls staff make daily as part of their jobs.

Develop an explicit process to analyze a situation and generate possible solutions. Clarify who will ultimately make the decision and how implementation will be handled.

Ensure every individual in the organization has clarity about the following:

- What am I authorized to decide on my own?
- When should I solicit input before making a decision and from whom?
- What am I not authorized to decide on my own?

Determine how the decision will be communicated and to whom? Decision-making and information sharing are dynamically related.

# Leadership Advice You Should Ignore

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Never sit next to me at a leadership event. I'm the annoying guy mumbling, "Well that's not actually true." Or "Maybe. But only if everyone you lead looks like you..."

So much [advice to leaders and entrepreneurs](#) is ill suited to leading in a digital, diverse world. It often includes kernels of truth; but if we're committed to being an effective global leader, we need to rethink a lot of what passes as essential leadership advice, starting with these:

**1. Admit your mistakes openly to build trust.** I understand this point because it's my own preference. I trust you more if you're aware of your mistakes and own them. But most people in the world aren't like me. If you're leading people from a face saving culture, it can be extremely disorienting to hear your leader openly admit a mistake. Why are you going on about this? What's your motive for talking about this publicly?

Leaders are given a position of authority and honor; hearing them grovel about what they did wrong may actually erode trust. Implicitly, everyone knows when something has gone wrong. Many team members prefer that their leader makes up for it indirectly without drawing more attention to it. Owning mistakes is essential for all leaders. But how you talk about your mistakes with those you lead depends on the context.

**2. Get to the point.** Do a quick review of many of the top leadership articles in Forbes, Harvard Business Review, and Inc. and you find a recurring emphasis on telling leaders to prioritize the big picture and long-term results. "The people you lead don't want to hear you drone on about the details. Get to the point." Well - maybe. But even if you don't lead people internationally, you almost certainly have individuals on your team who want you to wade into some details both to fill in the blanks and to assure them you've thought this through carefully. While some individuals prefer that you get to the bottom line quickly, others (e.g. many Europeans, engineers, and academics) want to hear how you arrived at your conclusion before too quickly "getting to the point".

**3. Ask people what they want.** When I talk with leaders about being mindful of the diverse preferences and values among those they lead, someone inevitably says, "I just ask people what they prefer." I appreciate the intent and it's a good starting point. But there are many loopholes to this approach. First, many status-conscious individuals will tell you what they think you want to hear rather than what they actually prefer. And the more hierarchical the culture, the more people will be confused why you're even asking them this question. You're the boss! Second, this approach assumes those we lead know what they want. Just as Steve Jobs knew that market research would not lead to the innovative iPhone he was after, so also, our teams may not always have the language or self-awareness to articulate what they prefer, need, or want.



**4. Here's what Women want (or Millennials, Ukrainians, Black professionals etc.)** This is a tricky one. Given that the workplace was designed by and for men, I support the importance of considering the overarching realities that are unique to women (or any demographic group). But can we really reduce the desires of half the planet to ten points about how to lead women effectively?

One of the things that emerged in [our research on cultural intelligence](#) is the value of "sophisticated stereotypes" - research-based tendencies that serve as an unspoken starting point for what someone may want based on one dimension of their identity. But we have to hold these norms loosely and use direct interaction with individuals to determine what they want. Go ahead and educate yourself about the figured worlds represented on your team; but then apply that information dynamically based on the people you lead in the real world.

**5. Never state your price first.** This is a classic rule of negotiation that I come across almost weekly. It shows up in articles for sales leaders, Twitter threads for entrepreneurs, and presentations about salary negotiations.

Several years ago, I was leading one of our CQ Certification sessions and someone asked the consultants in the room how they approach pricing their services. A couple of North Americans said that they start with a [consultative sales conversation](#), followed by asking the potential client what their budget is and only after that, providing a quote. A Malaysian woman in the group said, "Wow! That would never work for me in Asia. The first thing they ask me is, 'What's the price?' and if I did all this dancing around about their needs and budget, they would dismiss me immediately."

Many expect that business relationships in more collectivist cultures will be more indirect about money and prefer to ease into it with small talk; in my experience, many of these business contexts are much more to the point about cost than what I experience in the West.

My point is less about ignoring the dominant leadership advice and more about reframing it through the lens of cultural intelligence. You may still decide to still apply some of these, regardless of the context, because they may fit your values as a leader. For example, I can't lead authentically without acknowledging my mistakes and inadequacies. But I change how, when, and where I discuss my mistakes based on the context.

Leading in today's [digital, diverse world](#) requires the cultural intelligence to think strategically and consciously about the individuals and contexts involved and the adaptations needed. When we lead with cultural intelligence, we're much more likely to lead everyone inclusively and effectively.

# What is a 'Global' Leader?

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Earlier this month, Albertsons' CEO, Vivek Sankaran, said that the US grocer [had been struggling with low inventory](#) for months. Just about the time he thought their supply chain issues were resolved, the Omicron spike put them back where they were six months ago.

Albertsons has no stores outside the US. So is Sankaran a global leader?

Helena Helmersson became H&M's CEO just before the pandemic. Six weeks into her role, H&M's shares fell by 50 percent and the Swedish retailer was facing huge backlash for accusing China of human rights violations.

H&M operates in 62 countries. Is Helmersson a global leader?

Tina Freese Decker is CEO of Spectrum Health, an enterprise of hospitals in Michigan that is on the cusp of merging with another \$4.5 billion healthcare system on the other side of the state. Like all health care executives, Decker has been laser focused on local Covid realities. Spectrum solely operates in Michigan. Is Decker a global leader?

'Global leadership' is one of those fancy terms that gets used in glossy consulting reports and EMBA marketing briefs but what does it actually mean? Is it anyone who leads people internationally? Can you be a global leader if your role is solely domestic? If Covid has taught us anything, it's that we all function in a global environment. What starts as a variant in South Africa influences the lives of people in rural America and the bushlands of Australia within a matter of days. I've worked with leaders of local organizations who approach their work globally. And I've worked with leaders at international organizations who approach their work locally.

'Global' refers to whether you lead in light of the global context. It certainly includes an ability to influence and build trust with people from Germany, Korea, or Brazil. But it applies equally to your ability to walk into a room of faculty, angel investors, or clergy, and find an ability to connect and make a good impression. It's your ability to anticipate how realities on the other side of the world shape how you need to lead here. And it's knowing how to lead a transformational, innovative, inclusive culture across a remote, distributed team.

Domestic leaders think and operate within local boundaries whereas global leaders think and operate without boundaries (global).

**LEADERSHIP:** Influencing others to work toward common goals.

**GLOBAL LEADERSHIP:** Influencing a **diverse group** to work toward common goals **within a global context**.

These are the kinds of questions I repeatedly hear from 'global' leaders:

- How do I get my people to think and act globally? (No, Chinese New Year is NOT a good time for a sales meeting).
- How do I resolve cross-cultural conflicts?
- How do I build trust among diverse, remote teams?
- How do I create a competitive, transformative organizational culture that is inclusive?
- How do I recruit more diverse staff?
- How do I scale and deal with myriad demands for localization while also developing a unifying culture?
- How do I ensure our DEI programs address global realities?
- How do I anticipate and manage external threats (new competition, economic recession, technology breeches, supply chain issues, etc.)?
- How do I leverage our emerging markets' insights/successes for the rest of the organization?
- How do I address ethical dilemmas in different regions?
- How do I inspire people who are wired so differently?
- How do I foster critical thinking?
- How do I get people to speak up?

Being a global leader is less about whether you're flying around the world and operating in different currencies and more about three critical factors that consistently emerge from some of the most [important research on global leadership](#).

### **Increased Complexity**

The more global the context, the more leaders need to navigate complexity, ambiguity, and constant flux. When the pandemic began, Spotify was the global leader in music streaming and it seemed like a business model ideally suited for life under lockdown; but Spotify's model relied on free users who listen to advertisements. A sudden recession meant advertisers slashed their budgets and Spotify's revenues plummeted.

These kinds of volatile, unforeseen disruptions are becoming more common to all of us as leaders. Fortune 500's, local real estate developers, and independent consultants all have to function in an environment characterized by volatility, ambiguity, and almost constant change. A global leader needs to move swiftly, deliberately, and thoughtfully in managing the complexity of things like infection rates, supply chain issues, labor shortages, and government mandates.

### **Flow**

The more global the context, the more leaders need the ability to cross a variety of borders inside and outside the organization. We used to think of those borders as being marked by passport control but today, they can just as easily be the borders between liberals and conservatives sitting next to each other on your executive team. Diversity among the workforce and customers is here to stay but learning how to effectively manage the flow of information and relationships across a diverse workforce requires a different approach to leadership than a context where most everyone thinks and acts the same way.

This is of course where cultural intelligence (CQ) plays a critical role. CQ provides the skill set to manage information exchange, decision-making, social bonding, and myriad other priorities that determine the flow of communication and relationships cross a diverse community of stakeholders.

### **Presence**

The other dimension that consistently emerges in research on global leadership is the degree to which the leader needs to influence and lead people in a variety of locations. Traditionally, this meant being present with your customers and staff in different countries but platforms like Zoom and Microsoft Teams changed all of that. Whether staff and clients are joining from the same zip code or from a workspace on the other side of the world, global leaders need to be present with stakeholders in multiple locations simultaneously, often at all hours of the day.

Even in a firm where everyone lives within an hour of each other, the realities of one individual's remote work environment compared to another's requires a different sensibility and presence from leadership. The variation in contexts has a dramatic effect on how individuals need to be lead. How do you create a trusting environment while also not being played by individuals who are working multiple full-time jobs or pretending to be sick when they actually just don't feel like joining today's meeting.

We're in a new leadership frontier. We're all doing 'global' work now. Whether it's attending Zoom meetings all hours of the day, anticipating how issues on the other side of the world will affect this quarter's bottom line, or building trust across a remote, distributed workforce, 'global' is the context for leaders in most any organization, whether that's H&M, Albertsons, or a local accounting firm.

**A 'global' leader is somebody who is called upon to lead anyone, anywhere.** Are you a 'global' leader?

# About the Cultural Intelligence Center

We are an innovative, research-based training and consulting firm that draws upon empirical findings to help organizations and individuals around the world assess and improve Cultural Intelligence (CQ®). We provide people with the inspiration and tools to improve their interactions and relationships with clients, colleagues, friends, and family.

## What is CQ?

Cultural Intelligence, or CQ, is a globally recognized way of assessing and improving effectiveness in culturally diverse situations. It's rooted in rigorous, academic research conducted across more than 100 countries.

## About the Author



David Livermore, PhD co-founded the [Cultural Intelligence Center](#) with Linn Van Dyne, PhD and served as the President for the first 11 years. He continues to serve as a strategic advisor and board member. Dave has written over a dozen books on Cultural Intelligence and global leadership and has worked with companies, governments, and non-profits in more than 150 countries. For a full bio, visit Dave's [website](#).

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