



# Organizational CQ: Cultural intelligence for 21<sup>st</sup>-century organizations



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**Abstract** We live in an age of massive global disruption. Technological advancements threaten century-old business models, globalization is reordering supply chains, and people need to work with colleagues and customers who have vastly different backgrounds. On top of that, we have been in the midst of a global pandemic, and customers, employers, and investors are demanding more than just a Black Lives Matter social media post from organizations that purport to take social justice seriously. Organizations with high cultural intelligence (CQ) are able to navigate this volatility and complexity effectively. Over the last two decades, scholars from across the world have published hundreds of articles on CQ, the capability to relate and work effectively in complex, culturally diverse situations. Most of the work has examined CQ at the individual level. But what about organizations? Can organizations be culturally intelligent? The emerging research on CQ at the organizational level offers leaders and organizations critical insights for navigating today's diverse, digital world. Organizational CQ is a firm's capability to function effectively in a complex and unpredictable multicultural world. This article stresses the importance of the culturally intelligent organization and explains how to develop organizational CQ.

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## 1. Introducing cultural intelligence

Imagine a Chicago-based biopharmaceutical company that boldly supports movements like #MeToo, #StopAsianHate, and #BlackLivesMatter. Its overseas teams are concerned the company has become too distracted with political issues. But

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when a press release announces the appointment of a new CEO, who happens to be a 56-year-old straight white man, social media erupts with accusations of hypocrisy, saying that the good-old-boys club in pharma is alive and well. How should the company respond?

Or consider a financial services firm in Brazil that just experienced a security breach. The board was warned this could happen unless it invested in essential technology upgrades, but the organization could not justify the \$1 million expense. Now the board expects the German CEO to take full responsibility, including a public apology for having let the company down. Why wasn't the organization better prepared for this?

We are in an age of massive global disruption. Technological advancements are challenging century-old business models, globalization is reordering supply chains, and people are expected to work with colleagues and customers who have vastly different backgrounds. Add an unexpected global pandemic and worldwide protests about racial injustice, and it becomes clear that organizations need adaptive efficiency to succeed in a world where volatility, uncertainty, complexity, and ambiguity (VUCA) are almost constant (Bennett & Lemoine, 2014).

Cultural intelligence (CQ) is the capability to relate and work effectively in complex, culturally diverse situations. It is a research-based framework with more than 20 years of research and hundreds of peer-reviewed studies conducted by scholars from over 50 countries (Rockstuhl & Van Dyne, 2018). Most of the research has examined CQ at the individual level. Many studies across diverse samples demonstrate that individual CQ predicts intercultural effectiveness (Livermore, 2014). But what about organizations? Can organizations be culturally intelligent? If so, what organizational capabilities predict effective adaptation to the diversity of talent, customers, and technological issues across the world? The emerging research on CQ at the organizational level offers critical insights for navigating today's diverse, volatile business environment. Organizational CQ is a firm's capability to function effectively in an unpredictable, multicultural world (Ang & Inkpen, 2008). This includes agile strategies that support organizational resilience, evolutionary fitness, and bouncing back from adversity. It also includes a recognition that organizations are social spaces in which people have nested and intersecting identities (Vaara et al., 2019). Organizational CQ offers a dynamic model of

intelligence that provides a system of interacting knowledge and skills that allows organizations to anticipate and leverage emerging opportunities and adapt fluidly in the VUCA world.

## 2. Why organizational CQ?

With rapid advances in mobility and technology, effective organizations must deal with shifting expectations, identities, and priorities more than ever before. This includes the obvious challenges of different cultures, time zones, and delivery modes, but it also includes the more significant challenges of competing values, identity politics, and divergent strategies and logic among staff, suppliers, and customers. Four recurring challenges have an impact on an organization's effectiveness in today's diverse, unpredictable world: the disruptive environment, diverse customers, diverse talent, and mergers and acquisitions.

### 2.1. Disruptive environment

First, organizational success means navigating disruption effectively. As if the acceleration of globalization and technology were not enough, the pandemic forced organizations to quickly reconsider policies around remote working, business travel, and vaccinations, as well as how to handle a sudden recession and broken supply chains. Most organizations lack the ability to sense, interpret, and act on the signals happening at the periphery of these crises, which prevents them from pivoting in ways that lead to competitive advantage (Day & Schoemaker, 2004).

When the pandemic began, Swedish company Spotify was the global leader in music streaming. 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 that advertisers slashed their budgets, so Spotify's revenues plummeted. A new approach was immediately necessary without abandoning Spotify's core capabilities (Guillén, 2020). Beyond the pandemic are ongoing technological, sociopolitical, and institutional changes, like Chinese consumers' growing aversion to U.S. products or the impact of immigration reform on the labor supply. Today's organization operates amid global competition, volatility, ambiguity, and almost constant change (Hitt et al., 2021). In sum, disruptive environments require organizations to move swiftly, deliberately, and thoughtfully.

## 2.2. Diverse customers

Amazon has long insisted on having an empty chair in senior-level meetings as a way to represent the customer. But who is the customer? For many years, organizational leaders could easily picture customers because they looked like them, thought like them, and made buying decisions like them. However, today's customers have myriad backgrounds. The fastest growing markets are in Asia, Africa, and Latin America (Dillon & Bourke, 2016). Organizations that can reach a diversity of customers broaden their opportunities exponentially.

Identifying a customer's pain points has always been part of successful innovation. Executives from organizations like Apple, Samsung, Stanford, and Alibaba spend hours using buzzwords like "empathy" and "connection" as they race to understand the customer. But empathizing with a customer's needs in Jakarta will result in vastly different products and marketing plans than empathizing with a customer in London or Minneapolis. To further complicate things, consumers within the same domestic market identify with numerous cultural identities (Fitzsimmons et al., 2017). After all, who is the typical Canadian or Latinx or millennial iPhone user? Customers expect customization, making the diversity of needs, values, and expectations mind boggling.

## 2.3. Diverse talent

Meanwhile, diversity is abundant inside many organizations, and having a diverse workforce is a necessity. Just 20 years ago, someone could have retired without having worked much with people who had different cultural backgrounds. Colleagues tended to have similar views about marriage, religion, deadlines, and efficiency. Now, even small organizations comprise diverse nationalities, ethnicities, generations, sexual orientations, and the list keeps going. Understanding that an individual retains several identities concurrently (e.g., trans, millennial, accountant) is a critical mindset for any organization's viability (Fitzsimmons et al., 2017). Yet many organizations still lack diversity, particularly in senior leadership roles, and have limited understanding of how to make the organization a social space where different identities and identity politics positively influence decisions.

People of color, women, differently abled employees, and other marginalized groups may engage in identity politics because of identity-based aggressions, biases, lack of opportunities in the C-suite, and gender wage gaps in the

workplace. On the other hand, dominant cultural groups may see identity politics as a zero-sum game such that when other identities make progress, the dominant group loses. The 21<sup>st</sup>-century workforce is experiencing record levels of diversity, and there is no indication it is slowing down.

## 2.4. Mergers and acquisitions

Finally, the list of mergers and acquisitions that have failed owing to cultural incompatibility is long. What could be more Swedish than a Volvo? The slick design, the obsession with safety, and the understated luxury all scream Swedish. However, Zhejiang Geely Holding Group, a Chinese company, owns Volvo. There are 119 Chinese companies on the Fortune Global 500 list, including many iconic American brands that are majority Chinese-owned, including AMC Theatres, GE Appliances, Riot Games, and the Waldorf Astoria hotel in New York City. The number of Chinese companies expanding globally has reached unprecedented levels, and all indicators suggest this growth will continue.

It is particularly difficult to successfully merge two strong corporate cultures, such as Amazon and Whole Foods. Amazon has a tight culture characterized by structure and precision. Rooted firmly in the manufacturing industry, Amazon has well-defined processes in place to maximize efficiency. Employees operate within a hierarchy and are well aware of the guidelines that dictate behavior. Whole Foods, on the other hand, has a much looser culture. The company has an egalitarian structure organized around self-managed teams, and individual employees have significant decision-making power. Face-to-face interactions between workers, vendors, and customers are the norm. History will reveal whether these two strong cultures can successfully become one culture. Even though they are both U.S. companies, they need CQ to build a successful future together (Gelfand et al., 2018).

Edgar Schein (2004), one of the foremost researchers on organizational culture, said that institutional cultures are not static. The people within the organization are perpetually forming them. An organization's culture dictates how it will respond to the convergence of these 21<sup>st</sup>-century challenges and has a direct impact on its results. Organizational CQ helps companies to develop an agile culture that can anticipate these challenges and to dynamically create strategies that maximize opportunities (Hitt et al., 2021).

### 3. What is organizational CQ?

Organizations, as well as people, display different degrees of intelligence. Organizational CQ is more than the aggregate intelligence of an organization's members. It is the intelligence of the larger system that shapes the firm's adaptive efficiency and results (Huber, 1990). Organizational CQ goes beyond merely changing to fit different contexts. It is an active adaptation that includes shaping the new environment and finding new opportunities (Ng et al., 2022). Organizational CQ predicts firm effectiveness when the context is ambiguous and culturally diverse (Ang & Inkpen, 2008).

Pixar changed the movie industry. For 15 years, its animated films like *Toy Story*, *Up*, and *Finding Nemo* were the best animated stories on the planet. Although competitors eventually caught up with Pixar's graphic artistry, no one could match its success. Pixar consistently released stories that appealed equally to kids and adults, and it featured protagonists with diverse backgrounds long before it was in vogue to do so.

While most of Pixar's competitors were focused on buying the best ideas for new movies, Pixar started with the assumption that talented people with diverse experiences come first. It created an environment that allowed its employees to thrive and to generate competitive ideas. This unique environment nurtured trusting and respectful relationships that unleashed everyone's creativity. Pixar developed organizational routines that supported creativity and collaboration. Organizational routines are organizational capabilities that shape behavior and allow the firm to accomplish its mission (Nelson & Winter, 1982). They are a critical part of creating a culture that identifies and exploits opportunities created by uncertainty (Hitt et al., 2021).

Ed Catmull (2008), cofounder of Pixar, said:

Something that sets us apart from other studios—is the way people at all levels support one another. Everyone is fully invested in helping everyone else turn out the best work. They really do feel that it's all for one and one for all.

Pixar's organizational routines rewarded collaboration and provided resources for working together. These routines became the bedrock for generating films that were consistently successful. People created the culture. The culture created the results.

Most organizations have similar sets of resources—staff, operations, finance, research and development, marketing, etc. But none of those

resources in and of themselves make the organization competitive. Instead, an organizational culture shaped by a system of norms and routines is what creates a competitive difference. You might have more talented staff than a competitor, but the minute the competitor hires someone just as talented, you have lost your edge. The same can be said for marketing campaigns or cutting-edge technology. Copycats can imitate you, but what sets you apart are the organizational routines that persist even when employees and conditions change. Organizational routines are difficult for competitors to replicate because they are tacit and embedded in a firm's culture.

Disney acquired Pixar for US \$7.4 billion in 2006, and it did not take long for Pixar to lose its competitive edge. It went from being known for original stories with a diversity of characters to creating endless sequels with associated merchandise and theme-park rides. Eventually, however, Pixar and Disney recalibrated their organizational routines, combining Pixar's emphasis on creative collaboration with Disney's emphasis on family fun to gain the best of both cultures.

A culturally intelligent organization does not adapt to everyone and everything. It has its own culture that is shaped by a unique set of shared organizational norms and routines. Employees do not have to compromise their personal and cultural values to be part of a culturally intelligent organization, but everyone will need to be flexible in their behavior to work together to create a third culture that drives results (Ang et al., 2021). The organization's shared norms and routines ensure staff are equipped to make sense of multicultural situations on the fly by flexing their thinking and behavior to adjust to the unexpected.

### 4. How do you develop organizational CQ?

CQ is composed of four capabilities, all of which can be enhanced and manifested through deliberate and dynamic norms and routines (Ng et al., 2022). At the organizational level, these four capabilities work interactively to create a whole greater than the sum of its parts. The organizational CQ assessment measures these four capabilities, which work together as a system that promotes innovative adaptation and resilience.

#### 4.1. Organizational CQ drive: Build CQ into your mission and vision

CQ drive is the degree to which the organization is consistently motivated and oriented toward having



an inclusive, adaptive identity. Both the organization and its leaders need confidence and energy to work through the challenges and conflict that inevitably come from working in a VUCA reality. A senior leader may be motivated to put out a formal statement supporting the Black Lives Matter movement, but it takes organizational CQ to address the potential backlash from employees or customers. Management needs the humility to listen and the confidence to lead. Organizational CQ drive provides the motivation and persistence to deal with the ambiguity of VUCA realities. When there is little precedent for predicting what will happen, experimentation is essential (Bennett & Lemoine, 2014), and it is only possible through the motivation and perseverance of CQ drive.

Organizational CQ begins with a sense of shared identity. You cannot just bolt CQ onto your existing corporate culture. It has to be integrated into everything you do. Talk about CQ as part of the organizational mission. When announcing a new hire, highlight their experiences working effectively in a diversity of cultures. When releasing a new product, talk about how a diversity of perspectives was part of the development.

#### 4.2. Organizational CQ knowledge: Apply CQ to examine your implicit routines

CQ knowledge is the degree to which the organization understands the implicit cultural assumptions behind organizational routines like marketing, hiring, and negotiation processes.

Do staff routinely offer meeting times to suppliers that conflict with their time zones or calendars (e.g., running a sales meeting over Lunar New Year)? Does management know how to provide feedback to people who place a high value on saving face? Do the board and CEO understand the underlying assumptions behind apologies? Organizations need a diversity of viewpoints and experiences to inform whether an event will have meaningful ramifications on the organization's future. The information and understanding that come from CQ knowledge are an essential part of reducing the uncertainty inherent to VUCA realities (Bennett & Lemoine, 2014).

Start by surveying the diversity in cultural values across your organization. Cultural values include preferences around punctuality, communication norms, and leadership styles. There is a long history of contrasting the cultural values of different nationalities or ethnicities. A better and more sophisticated approach is to survey the diversity of cultural values among individuals,

teams, and the organization as a whole rather than using cultural stereotypes that oversimplify all people from a particular identity as being the same. One is never solely an engineer, female, or Indian but is instead a composite of intersecting identities. By shifting from an emphasis on cultural differences to surveying individual preferences, you can gain critical information about whether the organization has simply hired and promoted people with similar values (Vaara et al., 2019). An organization with diverse identities and cultural values has a breadth of information that allows it to understand and respond effectively in the midst of uncertainty.

Next, establish organizational norms and examine the extent to which your routines accommodate different ways to express these norms. Organizational norms often include things like respect, innovation, or transparency. Few would argue against respect as an essential norm. But what does respect look like? For many individuals, the most respectful way to address conflict is by shooting straight with people. Yet, for most of the world, the most respectful response to conflict is to harmoniously resolve it without ever talking about it directly. A Brazilian company with local board members and a foreign CEO would need to examine how to collaboratively address threats (e.g., a security breach) and manage crises. One of the key characteristics of a culturally intelligent leader is the ability to pick up on cues in an unfamiliar environment. To what degree will the CEO of the Brazilian company be able to understand the board's resistance to investing in a technology upgrade (Ang et al., 2021)?

Google's 20% rule is a well-known organizational norm. The idea is that any Google employee is encouraged to devote at least 20% of their time exploring new ideas and innovative solutions. When Google first began hiring in Asia, many job candidates did not have much to say when an interviewer asked how they might apply the 20% rule. The whole idea went against many of the candidates' dominant values (e.g., do what the boss says, avoid risk). Yet to eliminate this organizational norm would have stripped away a core part of Google's identity and culture. So Google developed more dynamic ways for employees from places like Japan and Singapore to innovate. It retained its organizational culture while getting the most from its diverse workforce. Organizational CQ knowledge provides the insights needed to manage and reduce the uncertainty of organizational life in the VUCA world.

### 4.3. Organizational CQ Strategy: Use CQ to make routines explicitly inclusive and dynamic

CQ Strategy is the degree to which the organization strategically creates routines that explicitly institutionalize inclusiveness, agility, and innovation when navigating the complexity that comes with a VUCA world. This organizational capability interacts with the other three CQ capabilities so that together they result in adaptive strategies that help companies identify and use opportunities created by uncertainty and change. The most effective way to address complexity is by adjusting operating routines to match the complexity of external realities (Bennett & Lemoine, 2014). Following are a few examples.

#### 4.3.1. Hiring and promotion

First and foremost, CQ needs to be applied to hiring and development routines. For example, participative leadership might be a shared company norm, but if the company sets up a call center in the Philippines, where the dominant leadership style is hierarchical, company leaders will need to manage the operating routines between the organizational norm and the dominant orientation of Filipino employees (Ang et al., 2021).

All employees need some level of CQ. Your organization is only as culturally intelligent as the person who answers the phone or responds to an email. And organizations need strategic approaches for recruiting and retaining diverse talent. Some organizations say they would love to hire more diverse people, but they just do not apply. This kind of passive approach keeps organizations from having the diverse talent needed to respond effectively to the opportunities and challenges of today's business environment. It is also essential that organizations plan for things like equitable compensation, flexible bereavement policies, and floating holidays so that Muslims do not have to work on Eid al-Fitr and Christians do not have to work on Christmas.

#### 4.3.2. Learning and development

Next, ensure that CQ is part of your learning and development routines. The best way for staff to learn CQ is to see it firsthand. Employees who work in more diverse organizations are more likely to develop their CQ than those who work in more monocultural firms (Ng et al., 2011). Plan formal training programs that allow staff to step away from their everyday work to reflect on their cultural identities and to improve their skills working

with people who have different backgrounds. For frontline staff, training is most effective when it is done on-site or through a virtual platform. Research shows that people more readily retain and apply learning when training occurs in the same environment as where it is used. CQ training for leaders, however, is usually more effective when it is done off-site to remove the distractions of day-to-day interruptions at the office (Lacerenza et al., 2017).

A great deal of intercultural training, whether it is cultural sensitivity courses, unconscious bias workshops, or global leadership seminars, has little lasting impact. In fact, many trainings have been proven to make things worse. Many workshops inadvertently perpetuate dogmatic thinking, (e.g., "The Chinese always ...." or "Millennials think..."). What is intended to reduce discrimination ends up reinforcing stereotypes (Vaara et al., 2019). In addition, participants often say what they think they should say rather than sharing their actual thoughts during training programs (Gebert et al., 2017). To counter this, make sure workshops and courses include a high level of dialogue and action planning. Help participants reflect on and make sense of their intercultural experiences; help them set specific and measurable developmental goals.

#### 4.3.3. Information sharing

Most innovation comes from the grass roots. That is why companies like Pixar want their administrative assistants engaged in the creative process alongside film directors. Help global teams create routines that solicit ideas from individualists and collectivists, introverts and extraverts, and junior- and senior-level staff, so that everyone feels comfortable sharing their ideas and making contributions.

Develop dynamic routines to address differences in how people speak up. If you are from a hierarchical culture and your boss asks what you think about their idea, your default response may be, "That's an excellent idea, boss!"—even if you think it is ridiculous. But if you are from a more egalitarian culture, you are more likely to tell your boss what you really think. On the other hand, if your boss is from a hierarchical culture and you publicly offer a dissident perspective, their default assumption will be that you are being disrespectful, rude, and possibly even insubordinate. Generating diverse ideas from diverse talent requires deliberate strategies. A CEO working with a board that has different values and assumptions needs a deliberate plan informed by diverse perspectives to address something like a technology

upgrade. A board looking for a new CEO needs input from a diversity of employees, customers, and suppliers to find the best leader.

#### 4.3.4. Decision-making

Finally, develop explicit, dynamic routines for decision-making, something that is particularly difficult when decisions involve people who have different backgrounds, and even more so when they are geographically distributed. What does culturally intelligent decision-making look like? And who decides which ideas to pursue? Even though hierarchies in most U.S. organizations are relatively flat, U.S. decision-making often looks more similar to what you see in India and Brazil because it is often top-down, with the decision made by one individual, albeit typically with input from others and approvals from those with additional authority.

In Japan, however, consensus is the norm for decision-making. Many Japanese organizations use a consensus-building technique called 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 (Sagi, 2015).

A *wicked-problem approach* is well-suited to culturally intelligent decision-making. A wicked problem is one that does not have a clear right or wrong answer and cannot be solved through trial and error because the risks are too great. When wicked problems are analyzed by a set of diverse stakeholders, they can get a richer understanding of the causes of the problem and can work to develop solutions where all the key players have skin in the game (Rittel and Webber, 1973). Myriad solutions have been offered for how to systematically and collaboratively approach wicked problems. One example, outlined by Elia and Margherita (2018), involves a community of experts and nonexperts identifying a complex problem, carefully analyzing it using a systems-thinking approach, and working through solution propositions, prototypes, implementation, and maintenance. Spotify used this kind of approach when it was clear that its business model based on advertising revenue was waning. It convened business developers, tech experts, artists, and podcasters. The result of these stakeholders' collective intelligence was the determination that creating content rather than solely streaming others' content

was the way forward. A reductionist approach to Spotify's dilemma would have looked only at the isolated causes and effects of COVID, whereas a systems-thinking approach can look beyond the immediate circumstances to exploit opportunities from the environment at large (Grewatsch et al., 2021). There is no single culturally intelligent way to approach decision-making, but your routines need to proactively include diverse perspectives. High organizational CQ strategy results in explicit routines that are inclusive and dynamic. By applying CQ to your day-to-day processes, you will embed inclusion, equity, and agility into your organizational culture, which in turn drives results.

#### 4.4. Organizational CQ action: Use CQ to implement and sustain inclusive, innovative practices

CQ action, the final CQ capability, is the degree to which the organization responds appropriately amid volatile and unpredictable situations. Agility is the key to coping with the volatility of the VUCA world (Bennett & Lemoine, 2014), and organizational CQ action facilitates the implementation and reinforcement of inclusive, agile routines.

The digital revolution has made many toy companies bankrupt. But Lego transitioned quickly and partnered with successful movie series like Harry Potter and Star Wars to create products that appealed to a new generation of kids. It incorporated digital trends while highlighting the kinesthetic experience kids get by building with their hands when so much of their lives are lived on screens. Disney adapted to the unexpected realities brought to the movie industry by COVID-19. It immediately shifted from releasing movies through theaters and went straight to the audience by streaming new releases directly into people's homes.

IKEA uses home visits to see firsthand how people live in their homes. When visiting homes in Shenzhen, China, IKEA designers discovered that most of the Chinese people they met sat on the floor and used the sofa as a backrest. This challenged IKEA's assumptions about what is important in the design of a good sofa, so it revised its approach for the Chinese market. This kind of concrete experience gives staff a chance to enhance their CQ and to gain insights about specific initiatives (Kowitt, 2015). IKEA offers a distinctly Swedish experience, but with CQ action, it adapts to appeal to different markets.

One of the most important aspects of CQ action is knowing when *not* to adapt to another

culture. Google can insist that staff around the world adapt to Google norms, but when Google works with partners and customers in different markets, it may need to flex its approach to adjust to the dominant values in those markets. Sometimes your norms and routines fit a particular situation, and sometimes they do not. Therefore, it is critically important to pause before acting and to determine whether this is one of those times when you need to adapt your norms. This becomes obvious when a routine violates a legal requirement, such as mandated leave policies across the EU. But it is equally important to apply routines adaptively when they involve more implicit preferences, like timelines or negotiation styles.

While CQ at the individual level is primarily focused on the four distinct capabilities of being culturally intelligent—motivation, cognition, meta-cognition, and behavior—organizational CQ is a dynamic system in which the four capabilities work interactively. In particular, organizational CQ strategy moderates the effects of the other three organizational capabilities. The strategies suggested in [Table 1](#) create the fluidity, speed, and agility for adapting to VUCA realities. Explicit organizational routines (organizational CQ strategy) that institutionalize inclusiveness, agility, and innovation have a compounding effect on the organization's mission (organizational CQ drive), collective understanding (organizational CQ knowledge), and practice (organizational CQ action; [Rockstuhl & Van Dyne, 2018](#)).

**Table 1. Routines for culturally intelligent organizations**

#### **CQ for hiring and promotion**

- Evaluate hiring practices to ensure the qualifications do not needlessly eliminate diverse candidates. Post in a variety of formats and communities.
- Develop criteria for evaluating candidates and apply them consistently to all applicants, including internal ones. Use structured interviews (the same questions, in the same order) for all candidates.
- Include bias-checking practices in the hiring process, such as having candidates submit a blind project for review.
- Apply similar practices to the promotion and development process. Establish deliberate processes, explicit decision-making rules, and bias-checking practices. Communicate the pathways for promotion and development transparently.
- Ask everyone involved in the hiring and promotion process to justify their recommendations based on objective criteria (e.g., "They're a good fit" needs to be backed up with concrete evidence).

#### **CQ for learning and development**

- Avoid one-off training solutions. Create a long-term plan for how individuals across the organization will continue to enhance and apply their CQ.
- Use reliable and valid assessments to survey organizational and individual CQ. Repeated use of a reliable instrument provides you with benchmarks for monitoring organizational and individual progress.
- Consciously select a venue (on-site or off-site, virtual or in-person) that fosters reflection, freedom from distractions, and high quality interactions.
- Work with facilitators to create a "zone of productive disequilibrium." If people feel attacked, they will become defensive and closed; but if the workshop is simply a pleasant conversation, it is unlikely to foster behavioral change.
- Offer standalone courses on CQ to ensure dedicated attention for developing it. But also integrate CQ into other course offerings (e.g., courses on giving feedback, effective project management, conflict resolution, etc. should address how to approach these topics in light of different cultural values).

#### **CQ for information sharing**

- Ensure each team member has an opportunity to share their ideas (this may mean asking some not to speak first).
- Offer varied ways for team members to share information (e.g., in a group, one-on-one, written, spoken, etc.).
- Offer the option for team members to provide input from multiple people (e.g., one written submission reflecting the group's consensus).



**Table 1** (continued)

- Schedule a private conversation with individuals who are averse to direct conflict to solicit their points of view, rather than asking them in front of the entire team.
- Clarify whether input from everyone is expected, and if so, by when and how.

**CQ for decision-making**

- Classify decisions as big bet, midrange, or everyday. Big-bet decisions might be things like acquiring a new company or eliminating a line of business. Midrange decisions might be something like switching to a new database solution or adding a new product line. In addition, everyday decisions are the judgment calls staff make daily as part of their jobs.
- Develop an explicit process to analyze a situation and to 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:
  - o What am I authorized to decide on my own?
  - o When should I solicit input before making a decision, and from whom?
  - o What am I not authorized to decide on my own?
- Add an empty chair to meetings to represent a diverse customer's perspective. To what degree do we understand their perspective, and how do we justify this decision in light of it?
- Determine how the decision will be communicated and to whom. This relates back to the information-sharing routines.

## 5. Organizational CQ for a post-COVID world

COVID-19 has disrupted every facet of organizational life. Employees and customers are emboldened with new demands, and just about the time a market shift occurs, a new one begins to evolve. There is no one right set of organizational routines for a culturally intelligent organization, but such organizations have a third culture that is deliberately adaptive, inclusive, competitive, and resilient.

At Qatar Airways, CEO Akbar Al Baker is referred to as “the Chief” and has a reputation for running an extremely hierarchical, top-down airline. He has fired crew members on the spot for not accurately explaining the wine offerings to passengers. In contrast, Mark Zuckerberg runs Facebook with an antihierarchical orientation, describes himself as title-agnostic, and views a move into leadership as a lateral shift rather than a promotion. Zuckerberg holds town hall meetings and invites staff to vote on whether they like the point he is making.

Can both Qatar and Facebook be culturally intelligent organizations? Absolutely. We have worked with both of them. But organizational CQ

requires being conscious and strategic about how to reflect the multicultural landscape of today's world while developing an organizational culture that supports operating dynamically in today's fast-paced, unpredictable marketplace. With organizational CQ, you can better anticipate what is next and have the organizational capabilities to leverage the opportunities that emerge from what is around the corner.

Start by casting a vision of an organization that is agile, inclusive, and equitable. Next, establish organizational norms that facilitate creation of a third culture that is dynamic enough to include diverse stakeholders and to adapt to VUCA realities. Then, develop organizational routines to ensure your people and systems flex to fit continually shifting circumstances and contexts. Finally, continue to reinforce an organizational identity characterized by inclusion, agility, resilience, and results.

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