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# Global leadership success through emotional and cultural intelligences

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**Abstract**   Culturally attuned and emotionally sensitive global leaders need to be developed: leaders who can respond to the particular foreign environments of different countries and different interpersonal work situations. Two emerging constructs are especially relevant to the development of successful global leaders: cultural and emotional intelligences. When considered under the traditional view of intelligence as measured by IQ, cultural, and emotional intelligences provide a framework for better understanding cross-cultural leadership and help clarify possible adaptations that need to be implemented in leadership development programs of multinational firms. This article posits that emotional intelligence (EQ), analytical intelligence (IQ), and leadership behaviors are moderated by cultural intelligence (CQ) in the formation of global leadership success.
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*"But when a prince acquires the sovereignty of a country differing from his own both in language, manners, and intellectual organization, great difficulties arise; and in order to maintain the possession of it, good fortune must unite with superior talent.*" —Niccolo Machiavelli, The Prince

## 1. Global interaction and interpersonal relationships

To say that globalization is upon us is axiomatic. Conducting global, international, and cross-cul-

tural business is a mundane reality for most contemporary large organizations. Even if your business is a medium- or small-sized firm, you have probably experienced globalization through interactions with global participants that belong to at least one, or perhaps more, of these four key categories: customers, competitors, suppliers, or employees. Global business is already a substantial force in the world's economy: The World Trade Organization reported that, in 2003, international trade comprised 30% of global GDP. In their book Race for the World, Lowell L. Bryan et al. (1999) predicted that, by the year 2029, 80% of world output would be in global markets. Thus, while globalization has arrived, the full extent of its impact on business has yet to be felt.

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If growth in international trade continues as expected and predictions for its eventual size hold true, global business will see at least a twofold increase. Such dramatic changes in the conduct of business require leadership from individuals skilled in global aspects of business functions such as marketing, operations, finance, human resource management, information management, and R&D. However, global leaders must also be extremely skilled in the interpersonal conduct of global business. This requires emotional and cultural intelligences, the focal points of this article.

Unfortunately, while the need for global business leaders has never been so urgent, serious deficiencies exist in the preparation of corporate managers as they deal with the interpersonal realities of global business. In a comprehensive review of the global leadership literature, Vesa Suutari (2002) came to the following conclusions:

- Leaders need to develop global competencies.
- There is a shortage of global leaders in the corporate world.
- Many companies do not know what it means to develop corporate leaders.
- Only 8% of Fortune 500 firms have comprehensive global leadership training programs.
- There is a need to better understand the link between managerial competencies and global leadership.

Similarly, Tracey Manning (2003) summarized the research of many leadership scholars and found that multinational companies' efforts to develop effective global managers fell far short of the optimum:

- 85% of Fortune 500 firms surveyed did not have an adequate number of leaders.
- 65% felt their leaders needed additional skills.
- One-third of international managers underperformed in their international assignments based on their superiors' evaluations.
- Organizations have erroneously promoted leaders to international assignments based on technical and organizational skills.

Ultimately, the negative consequences of wrong leadership choices are both expensive and well-publicized. And while the overall picture of global leadership development indicates businesses are not pursuing this matter sufficiently, the outlook is even more bleak regarding the development of global leaders' emotional and cultural intelligences. Although some firms are endeavoring to enhance the emotional intelligence capabilities of their leaders, very few have moved to grow cultural

intelligence, as awareness of this important concept is still at an early stage. In this article, we discuss the concepts of emotional and cultural intelligences, why they are critical to successful global leadership, and how they may be developed in global leaders.

## 2. A convergence of forces

It is evident that global leadership development should be a priority for companies that interact across cultures. Fortunately, how this development should proceed is becoming clearer. Several markers of what we term "global leadership skills" are noteworthy. First, there is increasing agreement regarding what it is that good leaders do, even while management flexibility is assumed as a given. Inevitably, leadership is contingent on the factors involved in a particular situation, but we generally know what good leaders should do or consider doing most of the time, at least in the United States. Simply put, *leadership is the ability to turn vision into reality*. More specifically, Robert House and his colleagues defined leadership as "the ability to influence, motivate, and enable others to contribute toward the effectiveness and success of the organization" (House et al., 1999, p. 184). Additionally, in 2002, Gary Yukl, Angela Gordon, and Tom Taber, after reviewing a half-century of leadership behavior research conducted primarily in the U.S., concluded that leaders must successfully perform 12 behaviors, which can be grouped into three broad categories: task, relationship, and change/innovation (Yukl et al., 2002). These behaviors are those that leaders/managers should engage in or consider engaging in to be successful.

A second marker of global leadership skills is an emerging focus on leadership at every level of the organization, which facilitates the creation of a platform from which to launch a global leadership development effort. This recognition of the relationship of system to manager is occurring not just in the management literature, but in numerous corporations, as well. For example, IBM, a company already well known for its strong leadership, revamped its leadership model in 2002, when newly appointed CEO Sam Palmisano realized IBM needed a new model of leadership that was future-focused, where the company's customers became clients (reflecting long-term relationships, not short-term fixes) and whereby IBM enabled its customers to "respond instantly at whatever got thrown at them" (Tischler, 2004, p. 112). As Donna Riley, IBM's Vice President for Global Talent, expressed, "If leader-

ship is stuck in the past, we have a problem" (Tischler, 2004, p. 112). After a thorough examination of the situation and various options, IBM in 2004 identified a set of 11 competencies IBM's leaders must possess. Among these are being client-centered, innovative, and environmentally aware, all on a global basis. These desired competencies are in addition to, not instead of, more traditional leadership behaviors (Tischler, 2004).

## 3. IQ is not the only "intelligence"

There is growing recognition that multiple intelligences are required for global leadership. For example, Ronald Riggio, Susan Murphy, and Francis Pirozzolo presented a strong case that global leaders need to possess more than high IQs. In 2002, they asserted that intelligence is a multidimensional construct, that there are several types of intelligences, and that different kinds of intelligences are needed for effective, situational leadership (Riggio et al., 2002). Based on all evidence available, we suggest at the core of global leadership (and, hence, the development of global leaders) are these three intelligences:

(1) Rational and logic-based verbal and quantitative intelligence with which most people are familiar and which is measured by traditional IQ tests;
(2) Emotional intelligence (EI), which has risen to prominence as a determiner of success in the past 10 years and which can be measured by EQ tests; and
(3) The most recent addition to our list of intelligences, cultural intelligence (CI), which can be measured by CQ tests that are only now coming into existence.

With respect to cultural intelligence, it is important to note, as Christopher Earley and Elaine Mosakowski pointed out in 2004, that there are two major types. The first is what we call organizational CI. The second type of awareness, the focus of our CI examination, is related to geographic/ethnic culture (Earley & Mosakowski, 2004). For example, when you do business in Spain, many cultural practices are the same throughout the country, but doing business in Bilbao is not identical to doing business in Madrid or Barcelona because each of these cities has a different operant culture, each of which reflects a major Spanish subculture: Basque, Andalusian, and Catalan, respectively. Even matters such as "appropriate" hours of work differ among these three cultures. The fact that each

subculture is fiercely proud of its heritage can make for an interesting exercise in cross-cultural cooperation within Spain, itself. Leaders must be able to function across and within these various subcultures.

Robert Rosen and Patricia Digh declared that "global literacy is the new leadership competence required for business success. To be globally literate means seeing, thinking, acting, and mobilizing in culturally mindful ways" (Rosen & Digh, 2001, p. 57). Accordingly, the same authors indicate the two predictors of success in the global market place are leadership development across all levels of business and valuing multi-cultural experiences/competencies. We suggest that leadership development should follow a three-part model: assessment, education, and experience. With most if not all aspects of leadership, it is possible to assess a leader's skill levels, provide the education that matches that person's needs, and then let the person experience the foreign culture in its organizational or geographic/ethnic specificity. As we all know, experience itself is a great teacher, and only in the trenches can a leader begin to fully understand another culture and become functional in it. In this article, we focus on the two newest of the three intelligences we believe to be critical to successful global leadership: EI and geographic/ethnic CI.

## 4. Developing global leadership EQ

According to *The EQ Edge*, written in 2000 by Steven J. Stein and Howard E. Book, research across 30 mostly professional and managerial career fields reveals that anywhere from 47% to 56% of work/life success is the result of EQ, with the range being related to job type (Stein & Book, 2000). Even stronger evidence linking EQ to the success of leaders within the U.S. was noted by Daniel Goleman, Richard Boyatzis, and Annie McKee in their 2002 book, *Primal Leadership*. They found that the most critical leadership skills in the U.S. were linked to emotional intelligence (Goleman, Boyatzis, & McKee, 2002). Their research and the research of others (such as the Hay-McBer consulting firm) suggest that as much as 79% of leadership success in the U.S. results from high EQ. Based on these and other EQ studies, it would seem that leaders' levels of emotional intelligence influence their behaviors, making them more or less successful. Similarly, organizational CI matters most, at least in the U.S., when leaders move into or work with new organizations. Often, a lack of organizational CI contributes to individual and corporate failures.

Emotional Intelligence is crucial to success in both work and life in general; it is a part of the biological, evolutionary importance of emotions in human beings. As Nigel Nicholson, in a *Harvard Business Review* article, observed, "…for human beings, no less than for any other animal, emotions are the first screen for all information received" (Nicholson, 1998, p. 138). When a person receives a piece of information, it is automatically assessed from an emotional perspective. Emotional assessment was necessary for survival when man hunted in small groups, as it initiated "fight-or-flight" responses; things are no different today. When someone receives information, the older part of the brain still considers a fight-or-flight response. This phenomenon helps explain why, for example, when a performance appraisal is conducted, even if 99% of the appraisal is positive, the "evaluatee" will fixate upon the negative 1%. To be successful in any interpersonal activity, one must be aware of one's own emotions and be able to manage them, just as one must also be aware of the emotions of others and be able to manage any interaction. EQ surveys simply measure the ability to perform these tasks across a wide variety of emotional intelligence skills.

## 4.1. Assessing EQ

There are three primary EQ skill level survey devices on the market today, all of which are paper-and-pencil based. The first two of these are self-report inventories: the "Emotional Quotient Inventory" or EQi and the "Emotional Competence Inventory" or ECI, which also has a university student version, the ECI-U. The EQi was created by psychologist Reuven Bar-On, who, in 1980, began a quest to determine what led to work/life success (Bar-On, 1997, 1998). By 1985, he believed he had found a partial, if not a primary, answer in a concept he labeled the emotional quotient, or EQ. Bar-On subsequently developed the EQi survey to measure EQ, a survey which meets the American Psychological Association's standards of legitimate tests. In *The EQ Edge* (Stein & Book, 2000), Steven Stein and Howard Book analyzed thousands of EQi surveys given to individuals in more than 30 occupations. Two key findings emerged. First, as noted earlier, their analyses revealed that success in domestic work/life is between 47% and 56% a function of a person's EQ. Second, their research revealed which 5 of the 15 EQ competencies used in the EQi were most critical to each job classification. The finding that different jobs require different competencies has the potential to become a major factor in job selection. Because some of the

job classifications examined were managerial positions, the study has this important implication for leadership: even in the same country, the proper leadership EQ skill set varies to some degree from situation to situation.

The ECI was created by consulting firm Hay-McBer in conjunction with Daniel Goleman. While the EQi is focused on the psychological underpinnings of EQ, the ECI focuses on EQ's business applications. In *Primal Leadership* (Goleman, Boyatzis, & McKee, 2002), Goleman and his co-authors describe a model of how EQ could be used, especially, by business leaders. One of the major contributions of this book is the identification of 15 specific EQ competencies, which are grouped into four overriding domains: self-awareness, self-management, social awareness, and relationship management. The first two of these sets of skills are intrapersonal; the latter two are interpersonal.

What makes these behaviors so useful is the development of a model that illustrates how each of these four domains of capabilities sequentially drives the next. According to this model, a person must progress from self-awareness to self-management, from self-management to social awareness, and from social awareness to relationship management. These domains are essentially hierarchical in nature: a person cannot usually successfully manage relationships if that person is not first self-aware, successful at self-management, and also socially aware. Similarly, a person cannot usually self-manage if lacking self-awareness, nor be socially aware if self-management is absent.

The third assessment device is the "Mayer-Salovey-Caruso Emotional Intelligence Test™", or MSCEIT (MSCEIT, 2005; What is the MSCEIT, 2005). The MSCEIT is an emotional problem-solving test, as opposed to a self-reported inventory. Participants are asked to solve a number of EQ problems. David Caruso (2005), co-author of the MSCEIT, indicates the test examines two tasks for each of the four following different but related emotional intelligence abilities:

(1) "Perceiving emotions: the ability to accurately recognize how you and those around you are feeling";
(2) "Using emotions: the ability to generate emotions and use emotions in cognitive tasks such as problem solving and creativity";
(3) "Understanding emotions: the ability to understand complex emotions and emotional 'chains', how emotions transition from one state to another"; and
(4) "Managing emotions: the ability to intelligently integrate the data of emotions in

yourself and in others in order to devise effective strategies that help you achieve positive outcomes".

All three of these instruments appear to be viable. The use-values of the three surveys differ, however:

- The EQi has a substantial psychological background, meets APA standards for tests, and has additional supportive research;
- The ECI has a strong, practical business focus; and
- The MSCEIT focuses on problem solving and does not involve self-evaluation, as do the other two tests.

The EQi and ECI surveys allow for evaluations by others, which helps eliminate subjective biases. Limited numbers of comparative studies of these instruments have been performed; in fact, too few to be useful at this point. As well, since these three instruments are all essentially bound to U.S. culture, only limited use of them has been made outside of the United States. The EQi and MSCEIT are available through Multi-Health Systems (among others) and the ECI from the Hay Group.

## 4.2. Educating global leaders on EQ

Successful leadership development programs incorporate conceptual knowledge about EQ with role playing, case studies, simulations, experiential exercises, visualization exercises, and practice sessions that assist people in not just understanding what EQ is about, but also giving them practice at the skill. Establishing objectives for change and feedback sessions on progress are also critical ingredients for success. It is best to work on only four or five behavioral changes at a time, focusing on the lowest-scoring skills. If a leader is using the ECI survey, the progression from self-management to relationship management should guide the leader's choices for development. Some of this evaluation can be self-generated, but external evaluators are very helpful.

## 4.3. Experiencing improved EQ

There is no substitute for experience when behavioral change is desired. As illustrated later in this article, this is as true for CI as it is for EI. EQ improvement logs can be a helpful tool in the change process: in them, leaders can record their efforts at improving their EQ. They can keep track of successes and failures, reporting the actions they have taken to further their skills. In Stein and Books' *The EQ Edge* (Stein & Book, 2000) and in the

materials that accompany both the ECI and the MSCEIT, there are suggested exercises, readings, and other aids to help improve EQ. Although definitely worthwhile, this is not an inherently speedy process: it can take up to six months of steady work on one behavior to permanently change it. The keys are to accept that mistakes will occur, have adequate self-efficacy to continue on despite setbacks, take action to correct mistakes, and, finally, learn from that experience.

## 4.4. EQ and global leadership

One of the difficulties in changing emotional behavior stems from the dozens of emotional responses humans experience. In 1996, Howard Weiss and Russell Cropanzano identified six emotions as basic and universal, at least within the United States: happiness, surprise, fear, sadness, anger, and disgust (Weiss & Cropanzano, 1996). While there can be a high level of agreement within a country or specific national subculture regarding the meaning of commonly accepted emotions, many emotions and their cues (both non-verbal and even some verbal) do not readily translate across borders.

For example, in a 1991 *Los Angeles Times* report, Emmons (1991) found that, when a group of U.S. citizens was asked to identify six basic emotions using pictures of other U.S. citizens' facial expressions, there was a range of agreement from 86% to 96%. However, when Japanese citizens were asked to identify these emotions from the same set of pictures, their identification registered as accurately only for the emotion "surprise", with 97% in agreement. Among the other five emotions, accurate identification levels ranged from 27% to 70%. This example begs the question of how high an EQ someone can have in a culture other than the one they grew up in. Because the cues to emotions across cultures vary from being somewhat different to quite different, CI becomes extremely important. CI enables leaders to translate the varying EQ behaviors of different cultures, and to then choose a more appropriate EQ action for a specific culture than the leader might otherwise have chosen.

## 5. Developing a global leader's cultural intelligence

Given the linkage between emotional intelligence and success, how can one transfer emotional intelligence to other nations/cultures? The answer lies in cultural intelligence, which bridges the gap in the transference of meaning. In 2003, Christopher Earley and Soon Ang claimed that emotional

intelligence may not transfer across borders if the symbolism and the ability to respond to the affective states of others carry different interpretations across cultures (Earley & Ang, 2003). Thus, in order to be EQ effective, one must also be CQ effective.

The work of Robert House and his colleagues on project GLOBE in 2002 illustrates that successful leadership behaviors differ within various cultures (House et al., 2002). Accordingly, in order for top managers to lead their organizations in the 21st century, they need to understand the regional and ethnic cultural diversity of their working environments and the cross-cultural community of workers around the world. It is becoming increasingly clear that leadership behaviors must be adapted to the cultural variety embedded in the global context.

Increasing globalization across most industries has prompted observers to pay attention to the need for augmenting cultural intelligence in workers. For example, Alexander Zakak and Steve Douvas commented in 1999 on the increasing globalization of the insurance industry. They stated that cultural intelligence is a key to business intelligence and is critical if insurers are to succeed in foreign markets (Zakak & Douvas, 1999). To demonstrate their point, they compared Polish and German markets. Their analysis contained general information about culture (e.g., values, work ethic, cultural diversity, and business protocols) and industry-specific factors (e.g., growth rate, level of competition, and the relative involvement of government). Taking into account cultural diversity and environmental differences, Zakak and his colleague suggested that U.S. insurers would be wise to use a strategy of acquiring a local insurer, developing complex products, and using a locally trained workforce in Germany, and creating joint ventures, developing simple products, and hiring expatriates to train the local employee base in Poland. In this way, the authors tailored decisions to fit culture-specific needs.

Andrew Holmes, a computer industry commentator, wrote in 2002 about the role of information technology (IT) project managers, suggesting that cultural intelligence is a new skill dimension to effective IT project management and the ability to affect change in heterogeneous locations and organizations (Holmes, 2002). Poor cultural intelligence leads to stereotyping, unnecessary conflict, delays, and leadership failure. Unfortunately, no systematic approach to developing cultural intelligence was evident in practitioner-based articles.

As the term "cultural intelligence" only came into use in recent years, few academic conceptualizations currently exist. Perhaps the most systematic

and contemporary approach to the study of cultural intelligence was published in a monograph, *Cultural Intelligence: Individual Interactions Across Cultures*, by P. Christopher Earley and Soon Ang, who defined cultural intelligence as "A person's capability for successful adaptation to new cultural settings; that is, for unfamiliar settings attributable to cultural context" (Earley & Ang, 2003, p. 9). In like manner, in 2004, Brooks Peterson defined cultural intelligence as the aptitude to use skills and abilities appropriately in a cross-cultural environment (Peterson, 2004).

According to Earley and Ang, cultural intelligence is distinct from social and emotional intelligences in that it requires people to switch national contexts and rely on their ability to learn new patterns of social interactions and devise the right behavioral responses to these patterns:

"In a new cultural setting, familiar cues are largely or entirely absent (or present but misguided), so a common attributional and perceptual frame cannot be relied on. In this case, a person must develop a common frame of understanding from available information, even though he or she may not have an adequate understanding of local practices and norms." (Earley & Ang, 2003, p. 61)

The authors cite numerous examples of individuals who possessed social, intellectual, and emotional intelligences, and were successful in their own country's environment, but were unable to transfer these skills to a different country's setting. The reason: they lacked cultural intelligence. Alternatively, Lynn Offermann and Ly Phan suggested in 2002 that cultural intelligence is "a meta-intelligence, encompassing a variety of forms of intelligence (including the traditional analytical skills) and enacting them outside of the frame of reference in which they were developed" (Offermann & Phan, 2002, p. 191). Emotional intelligence, therefore, is essential for promoting better cross-cultural interaction.

## 6. Global demands and cultural intelligence

How, then, does CQ facilitate effective global leadership? In 2003, Tracey Manning wrote that the need for cross-cultural effective leadership is immediate and widespread, and suggested that global competence with specific reference to the ability to manage increasing cultural diversity is the precondition for effective global leadership (Manning, 2003). After in-depth, face-to-face interviews with CEOs of more than 75 companies in 28

countries and a survey of 1000 senior executives around the world, Robert Rosen and his colleagues, in their 2000 book, *Global Literacies: Lessons on Business Leadership and National Cultures*, make two discoveries: first, that global literacies are the cornerstone of leadership universals and, second, that the more economically integrated the world becomes, the more important cultural difference becomes (Rosen et al., 2000). Cultural literacy (the ability to value and leverage cultural difference) is key among the global literacies.

Rosen and his colleagues' conception of cultural literacy is similar to Earley & Ang's (2003) conception of cultural intelligence, and provides the link between this form of intelligence and top managerial and leadership success in the global arena. Offermann & Phan (2002) offer further evidence of this link by showing that cultural congruence between leader and follower is related to superior-subordinate relationships, level of follower satisfaction, and work effectiveness. As with the emotional intelligence construct, we divide the discussion into assessment, education, and experience.

## 6.1. Assessing cultural intelligence

The assessment of cultural intelligence depends in part on its conceptualization. Little has been published on the construct of cultural intelligence and even less on its measurement. This is a fruitful area for future researchers, who can follow the lead of analysts such as Earley & Peterson. In 2004, they reviewed and evaluated the available assessment methods for cultural intelligence, which included paper-and-pencil inventories, role play exercises, behavioral assessment centers, self monitoring scales, cultural shock inventory, and intercultural communication inventory tests (Earley & Peterson, 2004). In turn, the authors proposed a CQ educational and learning model which consists of three facets: meta-cognitive (learning strategies and cultural sense making), motivation (cultural empathy and self-efficacy), and behavior (acceptable behavior in culture and mimicry). In a 2004 follow up article published in the *Harvard Business Review*, Earley and Elaine Mosakowski provide a self-scored diagnostic tool for measuring cultural intelligence that consists of three components: cognitive, physical, and emotional (Earley & Mosakowski, 2004). This tool, however, is rather primitive and has not been, to our knowledge, subjected to empirical validity tests.

Another assessment instrument that shows some promise is the Cross-Cultural Adaptability Inventory Test, developed by Colleen Kelly and Judith Meyers (Kelley & Meyers, 2004). It is distributed through the Pearson group, which sells a number of tools to help companies recruit, select, track, and manage employees. The test is designed to assess the ability of the test taker to adapt to different cultural settings and interact with people from other cultures, which are skills key to successful foreign assignments and leadership success in a cross-national setting. The 50 questions in the assessment instrument are factored into four dimensions of cultural intelligence: emotional resiliency, perceptual acuity, flexibility and openness, and personal autonomy. Comparisons between people and between factors are relevant for developmental processes, as they allow the test taker and/or the evaluator to assess cross-cultural strengths and weaknesses. Using a sample of 112 individuals (35 employees of a U.S.-based corporation and 77 undergraduate students), a 1998 study by Amy Montagliani and Robert A. Giacalone found that the ability to adapt cross-culturally is positively related to impression management tendencies and suggested that both will have a positive impact on the ability to succeed in global leadership (Montagliani & Giacalone, 1998).

Finally, another method of cultural assessment is now under development by Richard Lewis and Duke University, although it is not yet commercially available. The method uses a questionnaire based on Lewis's book, *When Cultures Collide*, to assess an individual's type, and then allows the individual to compare his/her individual socio-type with the culture in question along a variety of dimensions. This test allows trainees to focus on their particular socio-type in the context of the host environment.

## 6.2. Educating for cultural intelligence

In an effort to educate managers on recognizing cultural differences, companies can send them to formal education programs, such as ones which result in an MBA degree, or sponsor global educational initiatives. Companies may also provide managers with books on a country, language education, mentoring, and so on. Regardless of what other steps may be taken, managers should be presented with cultural awareness case studies, and then be taught how appropriate cross-cultural behavior leads to more satisfactory solutions. Role plays, simulations, and other experiential activities are especially useful in building this awareness. Furthermore, there are books (including one edited by Ronald E. Riggio and colleagues) and articles available on differing analytical cultural frameworks, many of which focus on the context of appropriate leadership behavior. Thus, by learning of these models, the leader is better able to adapt

to appropriate modes of behaviors in the host market.

As a practical and individualized educational method, Peterson (2004) has suggested that cultural intelligence can be gained by plotting a trainee's cultural framework with those of other national origins, using a number of key cultural dimensions such as equality/hierarchy, direct/indirect, individual/group, task/relationship, and risk/certainty. An awareness of self in relation to profiles of different cultures can help develop an appreciation for the differences, the potential for conflicts, and the cultural "fit" between one's embedded socio-cultural type and model socio-cultural types in the relevant nation. This approach is similar to Lewis's yet-to-be-released assessment method, but uses established criteria from the analytical frameworks mentioned above.

Although these frameworks allow the learner to understand central tendencies in certain cultures, the models have been criticized for reductionism, oversimplification, and ethnocentrism. The complexities of cultures, even those which seem similar, are immense. For example, reporting in 2002 on one of the project GLOBE studies, Felix Brodbeck, Michael Frese, and Mansour Javidan observed several distinct differences between former East- and West-German managers with respect to GLOBE cultural factors (Brodbeck, Frese, & Javidan, 2002). Even more telling was the fact that Swiss-German managers possessed two or three very distinct behaviors from those found in German managers, overall. To complement these generalized frameworks, we suggest a specific study of host-market countries with respect to historical development, art and literature, socio-economic trends, and language. We also recommend use of the GLOBE research studies to gain knowledge of cultural trends and nuances. Additionally, trainees need to be made aware that while central tendencies are useful generalizations, the people they will meet are certain to differ from generalized norms.

We believe that one cannot fully understand a culture, and therefore develop cultural competence, without language proficiency. Language provides the basis for cultural understanding, intercultural communication, and possible immersion in a foreign culture. The relationship between linguistic competency and CQ was also suggested, but not sufficiently emphasized, by Earley & Ang (2003). The link between linguistic competence, cultural intelligence, and leadership, therefore, needs reinforcement. This notion now comes not only from industry, but also from government. As reported in a 2004 Wall Street Journal article, Chile has begun a nationwide campaign to better educate high school students in English (Se habla Ingles, 2004). Furthermore, the same source reported in 2002 that the United States government realized its linguistic deficiencies in Arabic when faced with a shortage of speakers in the State Department, the armed forces, and the Central Intelligence Agency (Byron, 2002). Luckily, technology is helping facilitate the learning of foreign languages through the internet.

Cultural intelligence education should also attempt to instill motivation in the student to continue learning, experimenting, and trying. While motivation comes from within an individual, it can be extrinsically triggered. It is about satisfying unsatisfied needs that have been recognized either consciously or subconsciously, but there is also an emotional component involved; that is, how does the individual feel about satisfying this need? The larger concern is how companies can stimulate their managers' desires to behave in ways that are culturally intelligent. At the most fundamental level, companies must recognize the needs of their managers, and show them that being emotionally and culturally intelligent will satisfy those needs. For example, research illustrates that people are motivated to behave in a certain way or learn new skills if they believe these behaviors and skills will help them in the future. Corporate trainers should therefore link, in managers' minds, the relationship between developing cultural intelligence and success in their future career paths, emphasizing the benefits of learning from different cultures.

Since it has been demonstrated statistically that success in one's work life is significantly impacted by one's EQ, sharing with managers the numerous studies available that highlight the advantages of EQ and CQ will begin an important process. Once managers see a linkage between generalized "training" and their own success, the harder work of applying the information gained in cases studies, simulations, and role plays can proceed. Lastly, if you want managers to develop EQ and CQ, these elements must be included in performance appraisals, to which everyone attends. Although work and leadership performance are affected by a lack of EQ and CQ, those with low EQ and CQ are unlikely to recognize this in themselves, and will fail in foreign cultures unless there is an individual incentive. The company must draw attention to what is needed specifically in a foreign environment, and then must evaluate and reward or correct behavior related to these specifics.

## 6.3. Experiencing cultural intelligence

Experiential learning is needed to form behavioral patterns which support cultural intelligence. On a small scale, corporate trainers can use international culture experiential learning tools, which allow the trainee to understand and internalize skills through experience and reflection. But as reported by Jeanne McNett and Allan Bird in 2002, experientially based modules such as *Barnga*, *BaFa BaFa*, and *Ecotonus* vary in terms of costs, time investment required, flexibility, trainer skills, complexity, emotional involvement, and level of trainee/trainer knowledge needed (McNett & Bird, 2002). Cases, role plays, and simulations are all effective in this regard. It is also important in educational settings that participants set objectives for changing their behaviors, be required to work on changing those behaviors, and then be evaluated on how well they have done so during the educational program.

In 2003, Richard Lee asserted the notion of language as simply a tool to express fixed and determinate relationships between words and things was mistaken (Lee, 2003). He further posited the practice of ignoring disparate connotations in language when moving across cultures could lead to gross misinterpretations and failed interactions. Consider the concept of *guanxi* in Chinese society. To simply translate it as "connections", while technically correct, does not and cannot explain the cultural assumptions, values, historical development, and underpinning principles that accompany the *guanxi* concept. Numerous articles and books have been written about *guanxi* and its role in management and leadership in China, including one edited by Alon in 2003 (Alon, 2003). No matter how much research a person might do, Westerners would be challenged to fully appreciate *guanxi* without living and working in that environment. As an American MBA alum colleague of one of the authors stated regarding *guanxi*, after moving to and working in Shanghai: "Reading about it is one thing. Living it is totally different".

Ultimately, then, there is no substitute for immersion. This was best stated by Jack Welch, who noted in a speech to GE employees in 2001 that:

"The Jack Welch of the future cannot be me. I spent my entire career in the United States. The next head of General Electric will be somebody who spent time in Bombay, in Hong Kong, in Buenos Aires. We have to send our best and brightest overseas and make sure they have the training that will allow them to be the global leaders who will make GE flourish in the future." (Javidan & House, 2002, p. 1)

International rotation programs and international practical experience should be included as ways of developing cultural intelligence.

## 7. Conclusions

Due to the impact of increased globalization on business and the factors that lead to successful global leadership, firms need to embrace emotional and cultural intelligences as part of their global leadership development programs. Those that do so will most certainly be rewarded with improved levels of global performance.

The implications for the training and development units of HRM departments are clear. However, outcomes for other parts of the organization are also substantial. Since studies of EQ skill levels and managerial performance show them to be positively correlated, companies should think in terms of selecting employment candidates with high EQs, especially for leadership positions. Certainly, developing EQ is both possible but advisable, and
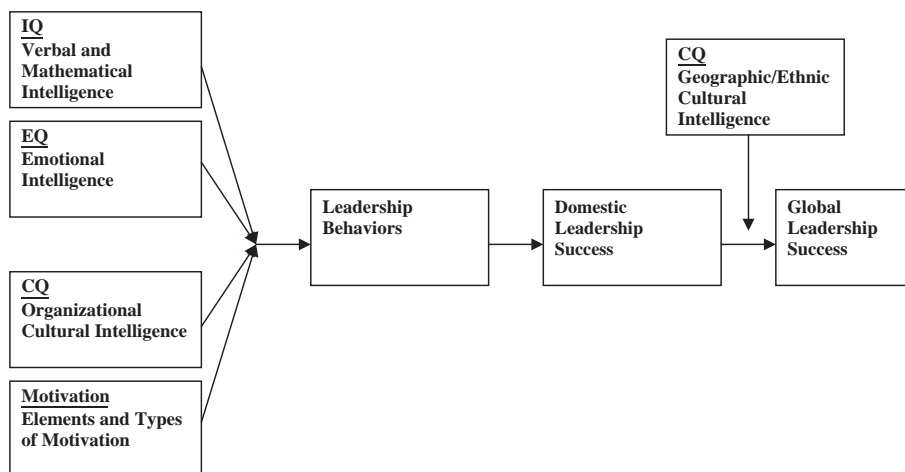


**Figure 1** Components of global business leadership success.

leadership screening for those with high EQs gives the company a leg up on the competition. Similarly, when tests are developed that can accurately determine CQ, these could also be used in the employee selection process. Since only a few CQ tests are currently in development, companies could create their own based on construct validity, until scientifically valid instruments are available.

Increasing globalization will make EQ and CQ skills more relevant throughout entire organizations, and virtually everyone in management and global business situations will need to focus on possessing these two skills. The implications for mentoring, coaching, performance management, and other leader/manager activities are obvious. Compensation programs will need to reflect these skills, possibly through a skill-based pay approach, but more likely through the incorporation of success criteria into the performance review reward system.

As we have discussed in this article, there are a number of vehicles available to assist businesses as they transform their managers into cross-culturally skilled leaders. Ultimately, companies that ignore this challenge will find themselves at a competitive disadvantage; individuals who fail to develop their EQ and CQ will likewise suffer. Individuals must go through the stages of awareness, motivation, and action/reaction in order to become cross-culturally skillful, and so must each company.

We acknowledge that successful global leadership is a function not only of leadership behaviors, but also of multiple intelligences: analytical intelligence (measured by IQ), emotional intelligence (measured by EQ), and cultural intelligence (measured by CQ). In this work, we have focused on the latter two. To be successful, global leaders must not only understand but also be able to work within the local culture and display high IQ, EQ, and CQ. Fig. 1 portrays a conceptualization that links all of the concepts we have presented. To be a successful leader in the domestic environment requires IQ, EI, organizational CI, and motivation. Motivation includes the elements of motivation (its direction, intensity, and persistence) and the types of motivation such as the need for achievement, goal motivation, or the ability to overcome adversity. These motivation issues are discussed in a sidebar. The 12 leadership behaviors that are classified into the three major groupings mentioned in Box 1 are then used to achieve results, but the success levels of these behaviors are affected by the sets of factors on the left side of the model: that is, IQ, EQ, organizational CQ, and other motivation. Accomplished appropriately, domestic leadership success occurs. In summary, at the domestic level of competition, IQ or analytical intelligence, EQ or

emotional intelligence, organizational cultural intelligence, motivation and leadership behaviors contribute to successful leadership. But these factors do not immediately translate into global leadership success. Rather, CQ (cultural intelligence) is a moderating variable (Box 1).

Box 1

In addition to IQ, EQ and Organizational CQ, there is another factor which contributes to domestic leadership success: motivation; specifically, the elements of motivation and the types of motivation.

Stephen Robbins (2003) identifies the three key elements of motivation as the direction, intensity, and persistence of that motivation. The term "direction" refers to whether that motivation is aimed in a positive or negative direction, depending upon the perspective of the perceiver. For example, determination of direction might depend on whether or not the individual's motivation is good for the individual, is good for the organization, or both. The "intensity" of the motivation describes how hard a person tries and how compelling the motivation is at some moment. The "persistence" of the motivation describes how long a person can sustain the effort and how long the intensity of the motivation remains compelling.

There are many types of motivation. McClelland & Winter's (1969) need for achievement is one of the best known of the motivation-to-succeed motivators, but success may also be a function of goal motivation, self-actualization motivation, the desire to lead or manage, and other motivational factors. In addition, as Paul Stoltz (1997) has shown, the ability or drive to overcome adversity is often an important motivational factor.

A company seeking to have its leaders succeed globally must either select leaders with the appropriate skills or develop its existing leaders in those skills, particularly as they relate to emotional and cultural intelligences. Furthermore, it must either choose those who possess high levels of motivation to be successful leaders or develop those motivations in them. The abilities to persist in the face of adversity, endure in frustrating, confusing, and lonely foreign environments, adapt to different ways of thinking, and elicit the right responses in cross-cultural interpersonal relationships are prerequisites to successful global leadership. Learning from experiences, as well as failures, goes a long

way in developing cultural and emotional intelligences. Understanding *why* a positive or a negative outcome occurred and *how* to repeat or avoid this outcome in the future is part of a life-long learning process. From an organizational perspective, developing successful global leaders is not just the task of the human resources department; rather, the entire organization must be involved in areas such as mentoring, coaching, role modeling, assessment, education, and providing experience. Only then can the organization expect to derive the maximum impact from a global business strategy.

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