

CQ: The Test Of Your Potential For Cross-Cultural Success

David Livermore, 01.06.10

Find out whether you have the skills you need to lead in a globalized world.



Globalization and multiculturalism are racing ahead. Coca-Cola sells more beverages in Japan than in the U.S. Entrepreneurs in China, Brazil and Nigeria create businesses that compete with mammoth Western corporations. Virtual meetings and conference calls happen across borders around the clock.

People have long understood that success in today's globalized economy requires cultural awareness and an ability to adapt to different cultures. Now research indicates that those kinds of awareness and abilities can be measured and evaluated. They are quantified as your cultural intelligence quotient, or CQ.

What is CQ?

What CQ measures is the capability to function effectively in a variety of national, ethnic and organizational settings. It's a form of intelligence that has been tested by academic researchers in more than 30 countries over nearly a decade. CQ is similar to IQ and EQ (emotional intelligence quotient) in that it quantifies a set of capabilities believed to be important to both personal and professional success. It is unique in that it focuses specifically on the skills needed for success in unfamiliar cultures. Everybody has a specific CQ. It can be assessed and enhanced.

The CQ concept was first introduced by two business researchers, Christopher Earley and Soon Ang, in their 2003 book, *Cultural Intelligence: Individual Interactions Across Cultures*. They wrote the book for an academic audience, but a year later a report in the *Harvard Business Review* described cultural intelligence as a core capability essential for success in 21st-century business. Since then, cultural intelligence has attracted worldwide attention across diverse disciplines and has been cited in more than 60 academic journals. Most of the research has examined what gives rise to cultural intelligence and looked at testing strategies that may lead to enhanced CQ. Leaders with high CQs understand how to encounter new cultural situations, judge what goes on in them and make appropriate adjustments to understand and behave

effectively in those otherwise disorienting circumstances. They have repertoires of strategies and behaviors for orienting themselves when they encounter unfamiliar behaviors and perspectives, so they can discern whether a seemingly bizarre behavior is explained by culture or is unique to a particular person or organization. Such discernment is critical in, for instance, cross-border negotiations, understanding new markets, unifying dispersed leadership teams and developing global marketing plans.

Chief executive officers with high CQs learn how to adapt to the tastes of culturally diverse markets while retaining their brands' strong identities. Human resource managers with high CQs display a better sense of how to handle a Muslim employee's request to miss a sales conference during Ramadan. Hospitals led by culturally intelligent leaders are more effective at treating immigrant patients and get sued less for misdiagnoses of those patients. And so it's no surprise that more and more leaders and organizations are finding enhancing their CQ to be critical to their success.

How is CQ measured and enhanced?

Increasing a person's CQ begins by assessing that person in terms of four distinct CQ capabilities. The four capabilities are similar to those measured by emotional and social intelligence tests but are specifically related to cultural challenges. They are:

◆**CQ Drive** (motivation), the person's interest in and confidence at functioning effectively in culturally diverse settings. Our studies have found that without eagerness to take on the challenges of multicultural work, leaders face a high rate of failure.

◆**CQ Knowledge** (cognition), the person's knowledge of how cultures are similar and different. The point is not to be an expert on every culture but to understand core cultural differences and their effects on everyday business.

◆**CQ Strategy** (meta-cognition), how the person makes sense of culturally diverse experiences. This comes into play when making judgments about one's own or others' thought processes. It makes possible effective planning in the context of cultural differences.

◆**CQ Action** (behavior), the person's capability to adapt his or her behavior to different cultures. It requires having a flexible repertoire of responses to suit various situations while still remaining true to one's self.

You can gauge CQ very roughly simply by observing someone with these four capabilities in mind. Watching and interacting, you begin to see which of that person's capabilities are strongest and weakest, and how he or she compares with other people.

A more concrete way of calculating CQ is by completing an online assessment, which provides an overall CQ score as well as a score for each of the four capabilities. The assessment, which you can find at www.culturalQ.com, uses the Cultural Intelligence Scale, which is the first academically validated measure of CQ. Two researchers, Soon Ang at Nanyang Business School in Singapore and Linn Van Dyne at Michigan State

University, developed the scale to measure an individual's competency in each of the four capabilities; they submitted it to experts in business, psychology, sociology, education and anthropology whose input helped further refine it. The CQ assessment that resulted is now being used widely both in business and at universities.

Three versions of the CQ assessment are available online. They all take less than 30 minutes to complete. They are:

CQ Quick Self-Assessment, in which participants are asked their level of agreement with 20 statements such as: I am confident I can effectively socialize with people from a culture unfamiliar to me (CQ Drive); I know the predominant legal and economic systems of other cultures (CQ Knowledge); I check the accuracy of my cultural assumptions as I interact with people from different cultures (CQ Strategy); I use pause and silence differently to suit various cross-cultural situations (CQ Action). The idea is simply to help individuals see where their greatest and weakest CQ capabilities lie.

CQ Self-Inventory, which achieves a deeper analysis of cultural intelligence by having individuals respond to 54 questions that reveal their competency in the four CQ capabilities. A CQ Action question: When interacting with a client from a different culture, do you mimic their behavior or retain your own style? The participant ends up with a numerical score for each of the four CQ capabilities as well as an overall CQ score.

CQ Multi-Rater (360) Assessment, which is the most accurate measure of CQ. It combines self-inventory with feedback from others. Participants complete the CQ Self-Inventory, and five individuals they know also answer questions.

After completing any of the three versions of the CQ assessment, you receive a report that includes your own CQ score, the worldwide norm based on the tests of nearly 25,000 others, and personalized strategies for enhancing your CQ. For example, if your CQ Drive is deficient, you might be urged to find ways to connect an existing interest in sports, art or business with an upcoming cross-cultural assignment. For CQ Knowledge you might be pointed to Web sites, novels and movies that can enhance your cultural understanding.

More forms of CQ assessment are being tested, including one that tracks a person's response to cross-cultural interactions presented on film, and dozens of studies of CQ are underway at universities around the world.

What are the benefits of CQ?

Business leaders with a low CQ may see no connection between cultural intelligence and the profit-and-loss sheets that determine their survival, but they miss the staggering bottom line differences that separate people and companies who prioritize enhancing their cultural intelligence from those who don't. Research done at the Cultural Intelligence Center, in East Lansing, Mich., has found that people with higher CQs are consistently more personally and professionally effective. They have an edge in the

crowded job market and enjoy greater personal satisfaction and less burnout in all kinds of multicultural situations.

Companies also benefit from increased CQ. A study showed that of 100 companies that adopted CQ assessment and training, 92% had increased revenues within 18 months. Executives at every one of them credited cultural intelligence as a significant contributor to those increased revenues, which in some cases were up by almost 100%. Also, companies that worked to enhance their leaders' CQs expanded internationally faster and became more successful at attracting and retaining top talent.

A growing number of leaders in business, government and nonprofits are realizing the benefits of assessing and developing their CQ. It's a matter of having the skills you need to lead in today's globalized world. You don't get CQ from intuition or experience alone, but anyone can develop it. It begins with assessing your CQ and then using evidence-based strategies to enhance it, both personally and for your organization.

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<http://www.forbes.com/2010/01/06/cq-cultural-intelligence-leadership-managing-globalization.html>