Cultural Intelligence
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CULTURAL INTELLIGENCE

Living and Working Globally
SECOND EDITION

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and

KERR INKSON

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a BK Business book
To Tilley:
Whose support and affection can only be explained by the fact that she finds obsessive-compulsive behavior attractive in some way.
— Dave

To Nan:
Whose love always supports me, and sometimes inspires me, in my writing and everything else I do.
— Kerr
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Preface

This book is an update of our first book on cultural intelligence, the basis of the people skills that are critical to management success in today’s global environment. In this second edition we apply these concepts more broadly to the interactions of people not just in organizations but more broadly in their daily lives.

In October 2008, as we—Kerr in Auckland, New Zealand, and Dave in Vancouver, Canada—were working on the final draft of this edition, we were once again reminded of the forces of globalization that are shaping the environment in which we must all learn to function. The global nature of the financial crisis that began with subprime mortgages in the United States but resonated around the world made the degree of integration of the economies in the world fairly obvious. Globalization has many effects, but one of the most important is the dramatic increase in the opportunity and need to interact with people who are culturally different from ourselves.

Both of us live in very multicultural cities and are reminded in our daily lives of the tremendous variety of attitudes, values, beliefs, and assumptions about appropriate behavior that
culturally different individuals hold. Yet in order to solve the problems of today’s global society, indeed in order to function day to day, we must learn to understand and integrate these differences. The range of cultures we encounter may be slightly unusual, but only slightly as migration patterns respond to rapid economic and political changes occurring around the world. The world is becoming more interdependent; to keep pace we must all learn to think globally—we must all develop our cultural intelligence!

This book is about becoming more effective in dealing with people from different cultural backgrounds. It is about acquiring the global people skills that are important for functioning in the twenty-first century and beyond. It is for people who travel overseas and encounter new cultures, as well as for those who stay at home and find that other cultures have come to them. It is about acquiring the cultural intelligence in order not only to survive without difficulty or embarrassment in our new multicultural environment but also to pursue our goals in this environment with the confidence needed for success.

Like its predecessor, this book is different from many other books you may have seen about cross-cultural skills or living and working in other countries.

First, this book is not country-specific. We do not provide laundry lists of drills and routines that should be applied in this country or that. Our intent is rather to help you to acquire a way of thinking and being that can be applied to any number of countries and cultures.

Second, this book is based on years of sound academic research. However, it is not an academic text, and we have tried to present important concepts in a straightforward way. To make the learning concrete, we have illustrated each chapter with a number of case studies in cross-cultural behavior, from various cultural settings.

Finally, we don’t promise that this book will solve all your interpersonal problems, either at work or in your daily life.
However, we sincerely believe that if you read and apply the concepts outlined here, you will be well on your way to acquiring a critical contemporary skill—cultural intelligence.

Cultural intelligence builds on earlier concepts that you have probably heard of: the intelligence quotient (IQ) and emotional intelligence (EQ), the idea that it is important how we handle our emotions. Cultural intelligence (CQ) incorporates the capability to interact effectively across cultures.

The concept is easy to understand, but it takes time and effort to develop high levels of cultural intelligence. However, becoming culturally intelligent is essentially learning by doing and has useful outcomes beyond the development of skilled intercultural performance. In addition, different cultures are fascinating, and learning them can be a lot of fun. This book is the place to start the journey.

The first three chapters outline the fundamentals of cultural intelligence. Chapter 1 shows how a lack of cultural intelligence can negatively affect intercultural interactions. It examines the problems with current methods of addressing these cross-cultural issues and identifies acquiring cultural intelligence as a more productive approach. The next two chapters outline the principles and practice of cultural intelligence. Chapter 2 helps you to understand what cultural differences are and how they are reflected in different people’s behavior. Chapter 3 helps you to discard your assumptions about the way people “should” behave, practice mindfulness—a kind of attention to culturally based behavior—and develop skills for use in cross-cultural situations. The message in these chapters is that the task of understanding culture is difficult but not impossible, and if you learn the basic principles, adopt a mindful approach, and are prepared to act as a culturally adaptive person, you can function effectively in a variety of cross-cultural settings. Moreover, it will be a rewarding experience for you.

The next four chapters apply the fundamentals of cultural intelligence to a number of common interpersonal challenges
in multicultural settings. By applying the principles outlined, you can be more effective in making decisions (chapter 4); communicating, negotiating, and resolving conflicts across cultures (chapter 5); leading and motivating others who are culturally different (chapter 6); and designing, managing, and contributing to multicultural groups and teams (chapter 7). In chapter 8 you will learn how cross-cultural understanding, mindfulness, and skills are acquired and can be developed by means of education, everyday experience, and foreign travel. Finally, we provide a bibliography of key sources for those wanting to explore cultural intelligence in more depth.

Kerr is a Scot who lives and works in New Zealand. Dave is a New Zealand citizen but was born and educated in the United States and now lives and works in Canada. As we write and teach about cultural diversity, we are constantly reminded of our own cultural backgrounds. While we both have extensive international experience and between us have lived and worked in ten different countries, we know that these backgrounds influence how we think and write. We have worked very hard to be objective in this regard, but we would be pleased to hear from readers who feel we have missed or misinterpreted things that are obvious to them from their cultural perspective.

With this book we have attempted to help readers understand and integrate cultural differences, to appreciate the wonderful diversity of our fellow human beings all around the world, and to help people everywhere become more knowledgeable, more attentive, and more skilled in their interactions with others. We sincerely believe that by developing cultural intelligence, we can all make the world a more productive and a happier place.

Dave Thomas  Kerr Inkson
Vancouver  Auckland
Numerous individuals, organizations and environments have contributed to the production of this second edition. We are grateful to Steve Piersanti at Berrett-Koehler for taking the risk of publishing our first edition, and for convincing us to make room in our schedules to do a second. Working with Jeevan Sivasubramaniam, Managing Editor, and the outstanding staff at Berrett-Koehler has made this project a pleasure. We thank Rick Wilson, Dianne Platner, and everyone at BK for caring about our books and making them the best they can be. Our thanks also go to David Peattie and his colleagues at BookMatters for their efforts in making our book pleasing to look at and easy to read and to Mike Mollett, who has worked on both editions of the book, this time as copyeditor. We are also grateful to Christopher Morris, Joseph Webb, and Danielle Scott for their helpful reviews of the first edition and our plans for a revision. We also thank Peter Heslin for his comments on the feedback he received from students for whom he prescribed our first edition. Any errors and omissions are of course our responsibility alone.

Positive comments about the first edition from readers and colleagues also inspired us to proceed with this volume. Many
of the ideas in this book were the product of, or refined in, numerous discussions that Dave has had with members of the International Organization Network (ION). We are grateful to Richard Brislin for many of the examples of cross-cultural interactions that we have adapted for use here and to Andre Pekerti for culture-specific advice. Yuan Liao reviewed many of our Chinese examples and provided research assistance. Thank you, Echo!

Our work on this book has paralleled work by the Cultural Intelligence Project, which has been developing a vehicle for assessing cultural intelligence. Led by Dave, this international consortium is doing work that both inspires and informs this book. Members of the Cultural Intelligence Project are Kevin Au, Zeynep Aycan, Richard Brislin, Jean-Luc Cerdin, Bjørn Ekelund, Efrat Elron, Mila Lazarova, Martha Maznevski, Andre Pekerti, Steven Poelmans, Elizabeth Ravlin, and Günter Stahl.

This volume is informed not only by our academic study but by the numerous cross-cultural encounters that make culture come alive for us. Therefore, we thank all those people who have helped to educate us and beg forgiveness from those we have offended along the way through our own lack of cultural intelligence.
Bob Weber hangs up the telephone and leaps to his feet. Furious, he bounds out of his office in search of his Korean-born administrative assistant, Joanne Park. He has just been berated by his customer in Pennsylvania for not sending the contract for softwood lumber to him on the date specified. This exchange, plus the current volatility in the Canadian stock market, is really making him edgy. As he walks down the hall toward the employee lunchroom, he begins to calm down. He knows he must handle this situation with an employee carefully.

He arrives at the lunchroom and pokes his head in the door.

“Is Joanne here?” He sees her at a table, sharing her lunch with several other administrative staff. He still feels annoyed, but he keeps his voice in control.

“Oh, I see you are in here. I was looking for that contract to Zott Industries that I asked you to type. Did you forget?”

Everyone stops talking. They look uncomfortable. Joanne gets up from the table.

“Oh, Mr. Weber. I am so sorry! I will do it right this minute!”

“No, that’s okay. After lunch is fine. But, we do need to get it out today.” He goes out.
Joanne averts her eyes. She looks miserable. The other staff are looking at each other knowingly.

A few minutes later Bob is sitting behind his desk busily talking on the telephone. Joanne comes in briskly and delivers the contract (with two hands, typical of Korean culture) into Bob’s in-box.

She then turns and goes out just as briskly and closes the door firmly but quietly behind her.

Bob ends his phone call, gets up from his desk, and follows Joanne into the hall. His anger has gone. After all, Joanne has never made such a mistake before. Now he is concerned for her.

“Joanne, can you come in here for a minute.”

Joanne comes in obediently and stands in front of him with her head down, not making eye contact with Bob.

“Is there some sort of a problem here? If so, we need to talk about it.”

There is no response from Joanne.

“Does it have something to do with forgetting to type the contract?”

Joanne nods. She still doesn’t look at him.

He is conciliatory, friendly. “Oh! That was no big deal! It’s done now. Just forget about it. But in the future just make sure and tell me if something is wrong so we can talk it out. Okay?”

Joanne nods again.

Over the next few weeks Joanne takes several days of sick leave, and three weeks later she resigns.

The actions and reactions of Bob Weber and Joanne Park reveal quite different outlooks on resolving a problem at the office. Like most Americans, Bob thinks the best way to resolve conflicts is to have a frank and open discussion about them and work through any differences. In contrast, Joanne’s cultural background tells her that she will never be able to recover the status she had formerly enjoyed after being reprimanded in front of her peers. And being confronted again with her mistake by Bob in his office just added to her loss of face. Both Bob and Joanne continue to operate as if they were totally immersed among others of their own culture.
As a result, both Bob and Joanne endanger the things they value most: Bob, despite his good intentions, has failed to correct the cause of the administrative error and portray himself as a caring boss. And Joanne has left a job in a good organization that she generally enjoyed. If each had been willing and able to accommodate, at least in part, the other’s customs and had made more effort to help the other to understand his or her own customs, Bob might have been able to create an efficient and friendly working environment, and Joanne might have learned some new ways of dealing with her new culture.

For example, Bob might have had some discussions with the other managers who have Korean staff and adjusted some of his managerial style and communication behavior. For her part, Joanne might have noted her own feelings and communicated to Bob how his behavior affected her.

The story of Bob Weber and Joanne Park is typical—it is a story that is enacted again and again in many situations around the world as ordinary people, working both within their own countries and overseas, grapple with the problem of relating to others who are from cultures where things are done differently.

Consider the following examples:

- A British company trying to run a Japanese subsidiary experiences inexplicable problems of morale and conflict with its Japanese workforce. This seems out of character with the usual politeness and teamwork of the Japanese. Later it is found that the British manager of the operation in Japan is not taken seriously because she is a woman.

- Two American managers meet with executives and engineers of a large Chinese electronics firm to present their idea for a joint venture. After several meetings, they notice that different engineers seem to be attending the meetings and that their questions are becoming more technical, so much so that the Americans have difficulty
answering them without giving away trade secrets. The Americans think this attempt to gain technological information is ridiculous. Don’t the Chinese have any business ethics? How do they sleep at night? Later they learn that this is common practice and considered to be good business among the Chinese, who often suspect that westerners are interested only in exploiting a cheap labor market.

- In Malaysia, an old woman is struggling to unload some furniture from a cart and carry it into her house. The furniture is heavy, and she stumbles under the weight. Many people crowd the street, but no one makes an effort to offer help. A couple of young American tourists who are passing by see the problem, rush up, and start helping the old lady. The locals on the street seem bemused and perplexed by these Americans helping someone they don’t even know.

- A Canadian manager faces difficulties because his five key subordinates are, respectively, French-Canadian, Indian, Italian-American, Chinese, and Iraqi. How can he treat them equitably? How can he find a managerial style that works with all of them? How should he chair meetings?

- A Dutch couple, an engineer and a teacher who have volunteered for two-year assignments in Sri Lanka to assist local economic development, spend an evening visiting a Sri Lankan couple to whom they have been introduced by a friend. They want to “get a feel for” the Sri Lankan people. Their hosts are gracious and hospitable but much more reserved than the Dutch couple are used to. The guests feel awkward and find it hard to make conversation. Later, they panic because of the ineptitude they felt in dealing with the Sri Lankans.¹

These stories provide real-life examples of people from different parts of the world struggling with problems caused by intercultural differences. Do you identify with any of these
situations? Do you wonder how to deal with people from other countries, cultures, or ethnic groups? Have you been in situations, like the ones above, that have left you puzzled and frustrated because you simply haven’t felt tuned in to the people you have been dealing with? If so, you are not alone; you are attempting to operate in a multicultural world.

The Global Village

There are seven billion people in the world from myriad different cultures, but we live in a village where events taking place ten thousand miles away seem as close as events happening in the next street. We find ourselves in this global village whenever we read a newspaper or watch television or buy a product from the grocery store shelf. We can watch a Middle East firefight as if we were there, eat tropical fruit with snow on the ground outside, and meet people from far-off exotic places at the local mall. The following dramatic examples of globalization are familiar to almost everyone.

The Global World Comes to the United States

Americans’ consciousness of the increasingly global society that they live in has been powerfully raised by what may turn out to be the two major crises of the first decade of the new millennium.

On September 11, 2001, the world came to America in a new and horrifying way. The young men who flew their hijacked airliners into the great U.S. citadels of the World Trade Center and the Pentagon were citizens of the global village. They were operating in a world with a profoundly increased consciousness of difference—haves versus have-nots, Christians versus Muslims—as well as far fewer boundaries. To the terrorists, America was not a distant vision but an outrage beamed nightly into their homes through their televisions, a place they could visit personally for the price of a plane ticket. They slipped easily into the world’s most powerful nation, acquired its language, were accepted by their neighbors, and took flying lessons from friendly, helpful locals. Most likely they