Cultural intelligence – the art of leading cultural complexity

The challenge of global business today is not just to manage people with different nationalities but to manage a cultural complexity of different differences.

Why is cultural intelligence important?
Companies are dependent of employees’ ability to successfully transfer knowledge and create business results across professional, geographical, organizational, and national boundaries and often a combination of these differences at the same time.

Differences are vital for the knowledge-intensive company today because it influences performance in two ways: Differences can lead to waste of resources if they are not being bridged, and differences are the key for better results and new thinking if they are actively being used. As organizations become more global and strategic alliances become more common, developing the skills to get the best from differences is therefore a necessity rather than an option.

All leaders need cultural intelligence
Actually, all leaders are leading diverse teams. Global and local, private and public sector companies all have different silos and people with different professional backgrounds and work functions as well as diversity regarding gender, age, and ethnic/national background. All teams consist of differences that need to be managed professionally and the challenge of culturally complex companies cannot be solved using the thinking of past generations. The modern concept of culture is a broad concept that goes beyond culture as synonym for nationality and includes all differences that are relevant for collaboration in the modern workplace.

What is cultural intelligence?
Cultural intelligence (CI) is the ability to create a fruitful collaboration with people who think and act differently from you. Cultural encounters have emotional, cognitive, and practical aspects, and consequently cultural intelligence has three interdependent dimensions:

Fig. 1: CI Model

Intercultural engagement is the fuel of the situation and contains the positive driving forces such as motivation, curiosity, and a learning attitude to other people. Intercultural understanding consists of understanding oneself as a cultural being as well as understanding people with different backgrounds. It also includes cognitive flexibility enabling you to see the situation from different perspectives. Intercultural communication is the ability to turn off your cultural autopilot and instead use manual control where you are listening, asking

About Elisabeth Plum
Elisabeth Plum is an experienced organizational consultant with a particular focus on how to capitalize on differences in project management, cross-national collaboration, and change management.

Elisabeth holds a Ph.D. in Cultural Sociology from University of Copenhagen and has written numerous articles and books of which the latest are:
- "Samarbejde lokalt og globalt, forskelle er vitale" (Gyldendal 2013)
- "Cultural Intelligens – the art of leading cultural complexity" (2008) in Danish: "Kulturel Intelligens" (Børsen 2007).

Read more about the books via links below.

Questions or comments?
You are welcome to send Elisabeth an E-mail.

E-mail Elisabeth

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Andrea Straub-Bauer
questions, summarizing, and in other ways trying to improve the communication so that differences can be bridged and used in the situation.

The definition of CI emphasizes the idea that successful cultural encounters are not just a question of possessing knowledge about a specific “foreign” culture. The three dimensions influence each other and are equally important so none of them can stand alone.

How best to develop CI – the overlooked dimension
Cultural engagement is the most overlooked dimension in intercultural encounters and at the same time it holds the key to how much people invest in improving the outcome of a situation. You need this emotional dimension to overcome the stumbling blocks and create business results outside of your comfort zone. You cannot take for granted that employees are motivated for this. Many leaders hesitate to work with this dimension because they are afraid of creating problems, and they hope the emotional reactions will disappear if they are being ignored. But we are not as rational as we would like to think and emotional reactions are real and affect business results.

In the cultural complex company it is therefore important to make it legitimate to talk about differences – both the negative and the positive sides – no matter how experienced people feel they are. Let go of the “world champion” attitude and accept that we can all improve our ability to bridge and capitalize from differences.

There is never only one explanation
Cultural complexity in the company is a field where stereotypes are popular but it is important to develop a broad cultural understanding. Why have Eva and Peter collaboration problems? Is it because Eva is German and Peter is Danish? Or because Eva is an economist working as a controller in HQ, while Peter is an industrial designer from the R&D department in a local subsidiary? Their problems are probably caused by more than one of these cultural differences. If you see only one explanation, you are simplifying too much and will become part of the problem instead of part of the solution.

Framing is an important intervention
When it comes to the action part of being culturally intelligent it is important to know that collaboration problems are not caused by the differences themselves but by the way we see and name the differences and the way we handle them. Words, framing, and models are thus powerful interventions – even though we often are not aware of this.

It makes a huge difference whether the leader introduces the new group by saying: “In this group we have members with many different nationalities so we have to beware not to misunderstand each other.” Or: “In this group we have different professional backgrounds, nationalities, experiences, and work functions, so let’s use this diversity actively to create new solutions.” The first comment singles out the national differences as a negative potential, while the second offers a broad view of the members’ many differences and voice the positive potential.

Our choice of language and perspective is not innocent but a way to frame and shape the ‘world’. It influences people’s expectations and what they focus on. To be a culturally intelligent global leader means that you let go of habitual stereotyping, see people as nuanced individuals, and find ways to focus on the business potential in the many differences.