1 INTRODUCTION

When people work across cultures and countries, a global perspective in management theory becomes critical. Given the global nature of work people increasingly work in international teams and divisions (Earley and Gibson 2002). However, management literature is populated with numerous tales of ineffective expatriate managers who fail to grasp important nuances of their host culture (Black and Gregersen 1991; Black, Gregersen, Mendenhall, and Stroh 1999). The result of such inability to adapt and understand local culture is significant and costly to organizations.

Many frameworks used to study human interaction in various settings have been developed in North America and Western Europe during the last three decades. One such stream of research has emphasized a fundamental aspect of human cognition, or intelligence (Sternberg 1985, 1997). The tradition of research on intelligence can be traced back one hundred years, with early contributions by theorists such as Binet, Guilford, Spearman, Terman, Thurstone, and Thorndike. The twentieth century reflects an even greater emphasis on the definition, assessment, and measurement of human intelligence, evidenced by such endeavors as the development of the standardized intelligence test (Stanford-Binet) and rise of the Educational Testing Service and its impact on modern education.

The significance of intellectual assessment, with its relative social implications, is the subject of public debate as reflected by the publication of recent works such as *The Bell Curve* (Herrnstein and Murray 1994). How might people be classified? Are assessment instruments culturally fair and unbiased? Is the predictive validity of these instruments sufficient to warrant reliance on them? Is intelligence a unidimensional construct reflecting a general factor ("g"), or is it multidimensional

or componential? The topic of intelligence and its assessment remains most compelling but incomplete.

Amid the various popularized versions of such work come a number of important advances in work on the topic of intelligence, representing a significant break from traditional views of the construct (H. Gardner 1983; Mayer and Salovey 1997; Sternberg 1977, 1985, 1997, 2000a). For example, drawing from an intellectual tradition rooted in Thorndike (for example, Thorndike and Stein 1937) and Thurstone (1938), Howard Gardner proposed and popularized the idea that there are multiple facets to one's intelligence (see, for example, Gardner's books including *Frames of Mind* [1983] as well as *Multiple Intelligences* [1993]). Gardner developed a theory of multiple intelligences, including bodily kinesthetic, linguistic, musical, and personal intelligences. He argued that his intelligences exist on the basis of their cultural significance and their relation to underlying brain structures and functioning. A number of other scholars' works reflect this departure from the dominant view of intelligence as consisting of an underlying construct, "g." (We review these conceptual models in Chapter 2 as a foundation for our subsequent discussion.) Robert Sternberg's Triarchic Model (1977, 1988) provides one such framework that has a great deal of significance for our research. Sternberg's idea of tripartite organization of human intelligence is highly significant and has given rise to a number of additional models and variations.

More recent advances have generated renewed interest in the notion that there exists a social intelligence separate from the cognitive skills often thought to underlie general intelligence. For example, Mayer and Salovey (1997) describe one of the concepts related to social or personal intelligence: emotional intelligence. This concept has become extremely popular, and we believe it has been misunderstood in its discussion and presentation. Emotional intelligence has expanded excessively and now seems to incorporate many, many related concepts, thus it has lost some of its discriminative capacity. Nevertheless, one of the key contributions of recent work on multiple intelligences frameworks is that of identifying *social intelligence*—a concept that dates to the time of Thorndike (1920), who referred to social intelligence as the ability to understand others and to act or behave wisely in relating to them. In a related vein, some scholars define social intelligence as the ability to get along with people, knowledge of social matters, ease with others, empathy for others, and insights concerning others.

The concept of social intelligence reflects a general category of capability concerning social interaction. People having a high social or emotional intelligence are thought to be relatively more able to empathize, work with, direct, and interact with other people. In essence, high social intelligence reflects a person's capacity to

perform actions (such as problem solving) with and through others. From the organizational viewpoint we take throughout this study, social and emotional intelligence seems clearly related to such popular and important concepts as leadership and motivation. Leadership centers largely on an individual's ability to discern key moods and emotions (as well as to evoke relevant reactions) in followers (House, Wright, and Aditya 1997). Thus, social intelligence is an important factor in understanding a leader's capacity to shape and respond to the needs and reactions of followers.

Sashkin's (1988) adaptation of Parsonian theory, for example, argued that charismatic leadership can be thought of as a fundamental aspect of value reorientation. The charismatic leader is one whose work is "defining, constructing, and gaining commitment to a set of shared values, beliefs, and norms about change, goals, and people working together—that is, defining, building, and involving people in the organization's culture" (Sashkin 1988, 136). From this view, a charismatic leader functionability depends on the extent to which a shared culture exists between the leader and the followers. An effective leader is one who can identify emotions and underlying values that are shared with followers, rather than assume a more proactive role.

The argument that a charismatic leader instills a vision within his or her followers by identifying key emotions and values of a follower is particularly important from a cultural perspective. The shared vision, the argument suggests, provides followers guidance for their actions. However, how does one guarantee that such a shared vision comes to pass? Kets de Vries (1988) uses a psychoanalytic approach in which he identifies underlying cultural themes that emerge as collective symbols. He argues that for leaders to be effective there must be a congruence between their own and societal concerns. The essence of the charismatic leader is a projection of personal struggles into a shared, or universal, concern that societal members (followers) try to solve collectively. For example, in an individualistic society, a leader must struggle against the situation as an autonomous agent; in a collectivistic society, the social relation of leader to follower (and social protocols) dominates the leader's attention. A collectivistic leader struggles to maintain her in-group's social structure as they confront external challenges.

One of the most effective ways for charismatic leaders to transfer these struggles to their followers is through myths and symbols. Kets de Vries argued that leaders are ideal recipients for the "crystallization of primitive and unstable identifications" (1988, 243) as a result of transference. In other words, a charismatic leader becomes a group ego and conscience to handle the followers' anxieties as well as the embodiment of the followers' favored past relationships. A paternalistic leader assumes the role of father figure in a society endorsing a strong and controlling relationship

among parents and children. From a cultural viewpoint, it becomes clear that the charismatic trait reflects different characteristics, or themes, across cultures. Thus, Gandhi's struggles capture relevant aspects of Indian culture, but not necessarily ones that would provoke sentiment in American culture. Thus, a charismatic leader of one organization does not necessarily capture the hearts and minds of followers from a different type of organization. From a social intelligence viewpoint, an important element is how does a leader identify these key symbols of a new culture with which he or she is unfamiliar? How can an American expatriate manager use the inspiration of "remember the Alamo" in an Indonesian factory having employees unfamiliar with the state of Texas let alone the Alamo and American history? Further, once this expatriate manager realizes the futility of inspiring with American slogans and historical references, how does he or she go about identifying inspirational symbols identified by the Indonesian employees? In Part Two of this study we take up these questions when we describe applications of our model to work practices.

Despite the abundance of interest and published work in the past three decades on intelligence, a large gap remains in the examination of the nature of intelligence from a cultural viewpoint. We introduce a construct of intelligence that reflects adaptation to varying cultural contexts, or what we call *cultural intelligence* (CQ). (We use the shorthand label of CQ as a convenience to remind the reader that this is a facet of intelligence. However, we do not use CQ in a strict fashion as is implied by "IQ"; that is, we do not mean to denote a mathematical relationship generated from normative data of capability. In this sense, our usage parallels that from the literature on emotional intelligence and their usage of "EQ.") Our approach differs from what may be inferred from a casual look at the idea of intelligence across cultures. This book is significant because of what we posit as a new framework for understanding intercultural exchange and what we do not assert concerning the nature of intelligence across cultures. We neither endorse (nor refute) the cultural relativity argument of Berry (1974), nor do we adhere to the universal arguments dominating much of the recent work on "g" (such as Jensen 1982a) and brain potentials. Our focus is to provide a new understanding for the age-old problem of the sojourner: Why is it that some people adjust relatively easily, quickly, and thoroughly to new cultures but others cannot seem able to do so. There are anecdotal cases (many of them) of individuals who show great empathy within their own culture—seemingly high on "emotional intelligence" and other forms of social intelligence—yet they fail to adjust to new cultures easily. In contrast, some managers appear lacking in social skills yet adjust effectively to new cultures.

In the latter case it might easily be asserted that the problem was merely one of "matching" a person's interpersonal style to a particular culture. Let us assume the difficulty faced by a person who is Apollonian (reticent) in style (Glenn and Glenn 1981) but living in a Dionysian (effusive) culture. If this individual moves to a more Apollonian culture (for example, German culture) than we would predict a better fit of person to culture and, hence, a better-adjusted individual. However, this is not the argument that we make with the notion of CQ. Rather, we argue that this person may have the capability to adjust to the new cultural circumstance because of the three facets of CQ that form the core of our discussion.

In the case of the highly empathetic person (from the perspective of her own culture), why should not a high social intelligence and EQ translate to a cultural chameleon able to move among cultures with great ease? Take, as an example, the American manager who ran a maquiladora just on the Mexico side of Arizona. This manager was reported by his American employees to be highly understanding and sympathetic with a good insight into people's interests and needs. In an attempt to "get to know his key employees better" he invited his two top managers (Mexican) to his home in Arizona for a weekend visit with his wife and family. He viewed this gesture as a chance to let these managers know that he viewed them as more than employees alone. After refusing the invitation numerous times, the two managers finally (after a period of several months) acquiesced and visited his home. The next week he returned to the factory only to find that both managers had resigned. How could such a thing happen? Had he offended them during the visit? Were they insulted by the relative opulence of his household? Had the lowered power distance reflected in the visit offended them? These were the various possibilities that he mulled over in his mind as he attempted to contact them and ask them to return to the company. After a number of calls one of the two managers agreed to return to his job. When the American asked this manager what he had done (or left undone) to offend his guests, the Mexican manager replied that he had not done anything at all to them. They had, in fact, enjoyed the visit. However, it problematicized for them maintaining control of their employees on the factory floor. The American asked why, since he had assumed that "mingling" with the "boss" would raise their social capital and enhance their prestige and face. The Mexican manager said that the opposite was true. By lowering the power distance between himself and his Mexican managers, the American sent a signal to all of the employees that there was no significant power differential within the company. As a result, the power base of the Mexican managers (who relied on cultural values of strong power and authority) was undermined. Under this circumstance, they felt that they had no recourse except for leaving the company. The American manager had great empathy

and social intelligence *within* his own culture, but he was unable to discern and interpret the cues provided by individuals from another culture. It is for this type of anecdotal evidence that we put forth our model of cultural intelligence.

WHAT OUR APPROACH IS NOT

This book does not represent several things, and we want to avoid any confusion with regard to them. First, our book is not about the relative intelligence of different cultures. We are not taking an approach akin to that used in Hernstein and Murray's *Bell Curve* work, nor do we take on the controversy of cultural bases of intelligence from a demographic approach. Throughout the book we treat CQ as individual's difference and characteristics, much like the traditional work has treated cognitive intelligence. Each individual can be thought of as having his or her unique CQ, and this capability is based on unique experiences. CQ as a group-level construct does not really make sense in the way that we approach the construct, just as an individual-level definition of intelligence or personality does not apply to groups or teams without significant redefinition and adaptation.

Thus, reference to CQ as if some cultural groups, societies, or nations are "more culturally intelligent" than others is wholly inaccurate. Despite personal experiences that many of us have had in dealing with one culture or another—and the resulting temptation to label some cultures are "smarter" and more able to adapt to newcomers than others—we are not describing intelligence as an attribute of a group of people. The reader interested in such an approach to the study of various peoples might pursue some existing cultural frameworks and ideas such as cultural syndromes including "tight versus loose" or "masculine versus feminine" cultures (Glenn and Glenn 1981; Hofstede 1991).

Second, our book is not about the reconceptualization of intelligence as a relative concept varying from one culture to another (Berry 1974). Although we by no means disagree that such a conceptualization is useful, and in our opinion, correct, our intention is not to argue for a cultural relativism of intelligence. The idea that intelligence varies as a function of one's cultural, social, and ecological background is the core element of John Berry's work and an extension of Witkin's notion of psychological differentiation (Witkin and Berry 1975). Berry (1974) argued that conceptions of intelligence vary substantially across cultures. Berry proposed a four-level model of context that specified the nature of context. At the highest level is ecological context, reflecting the natural habitat of a person. Next is the experiential level, or the pattern of recurrent experiences that provide the basis for learning. The third level is the performance context, comprising the limited set of environmental

influences that account for particular behaviors at specific points in space and time. Finally, at the most proximate level is the experimental context, or the setting in which research and testing of ideas and ways of engaging the world occur.

Various studies support Berry's assertions that intelligence is best thought of as having specific (emic) as well as universal (etic) aspects to it (Gannon and Assoc. 2001; H. Gardner 1983; Sternberg et al. 1999; Triandis 1972, 1975). The imperialism reflected in past work (and present as well) by Western researchers seems inappropriate and rather impractical from an applied field such as management.

That said, our approach posits a universal construct of intelligence that is critical for individuals who are attempting intercultural interactions and living. We focus our attention on the explication and definition of a component of intelligence that is key for adjusting to, and interacting with, cultures other than one's own.

Third, our construct of cultural intelligence is not simply a minor adaptation of social intelligence or emotional intelligence. Let us begin by contrasting our construct with that of emotional intelligence. According to Mayer and Salovey, emotional intelligence refers to a complex set of characteristics: "the ability to perceive emotions, to access and generate emotions so as to assist thought, to understand emotions and emotional knowledge, and to reflectively regulate emotions so as to promote emotional and intellectual growth" (1997, 5).

Emotional intelligence captures a variety of attributes related to a person's ability to read and respond to the affective states of others. Further, it reflects a person's ability to regulate and direct his own affective states. For example, a leader who is transformational (Bennis and Nanus 1985) is able to detect and guide the mood of his or her followers in order to motivate them and inspire them to pursue the leader's vision. An effective leader inspires through the careful regulation of emotion. Take, for example, Kennedy's speech about American patriotism ("Ask not what your country can do for you but what you can do for your country"). We can think about the setting, nature of presentation, actions of leader and subordinate as working according to these organized ideas. No one attending the president's speech needed to be told to remain quiet during its presentation, nor did the president need to be told to use dramatic pauses to heighten emotional responses in the listeners. The content of his speech drew on the American ideal of the importance of each person making a difference, and his use of dramatic pauses and emotion are ideal for inspiring Americans.

However, this presentation style and content may not be useful in other, more group-focused cultures (Earley and Erez 1997). That is, the symbolism relating to individual initiative and differentiation may be alienating in cultures for which personal identity is tied to group context. We are making two basic points: first, the

actions of leaders and employees are not spontaneous; and second, expectations that guide the actions used by leaders and employees reflect (to a degree) emotional intelligence, and, more importantly, these expectations that we hold about leaders and work have cultural as well as personal roots.

The latter point is an important way that cultural intelligence differs from emotional intelligence. Emotional intelligence presumes a degree of familiarity with culture and context that may not exist. Although the researchers dealing with emotional intelligence do not specifically limit their models to being culture-bound, they do not provide any adequate discussion of cross-cultural context and how the concept might be expanded to include it.

Cultural intelligence differs from social intelligence as well for the same reasons we specify for emotional intelligence. The formulations of social intelligence are relatively void of cultural richness. This is ironic since one of the earliest critics of reformulations of intelligence theory called for the explicit consideration of cultural context (Berry 1974) and the concept itself is very old in the literature (Cronbach 1960). According to Salovey and Mayer (1990), social intelligence reflects the ability to understand and manage people. Renewed interest concerning social intelligence arose during the 1980s and 1990s, and this work is nicely represented by Sternberg and Smith's (1985) as well as Sternberg and colleague's work (1981) on the topic. In one study, Sternberg and Smith asked subjects to view photographs of couples and to judge whether they were strangers posing together or actually involved in a dating or marital relationship. Sternberg and colleagues (1981) asked lay people to describe what they perceived to be an "intelligent person." They found that a number of the attributes were "socially related," such as accepting others as they are and displaying interest in the world around them. In a related vein, Cantor and Kihlstrom (1985) have argued that social intelligence may be an underlying dimension of personality. According to their view, social problem solving (an inherent part of social intelligence) is a central personality process that underlies social behavior. They place the locus of personal characteristics in social and personal schemata that we store in memory and retrieve in various social situations.

So what are we left with in such a comparison? Social intelligence might be thought of as a superordinate characteristic under which we might classify cultural intelligence, much in the same way that emotional intelligence is presumed to subside (Salovey and Mayer 1990). However, there are a number of problems with this classification (Miller 1997). First, social intelligence sans culture presumes universality of content and processes. That is, if we do not explicitly differentiate psychological processes across cultures, we fail to capture the impact of environment (Miller 1997). This is not to say that all psychological processes underlying intelli-

gence are culture-bound—this is not our point. However, we argue in this book that the etic aspects of cultural intelligence reflect metalevel, or general, cognitive capacities that are readily transferable across contexts. In our framework, there are key aspects of higher-order processing, such as category formation of social relationships (for example, marriage), that are universal but their specific manifestation may differ. (We develop these arguments further in Chapter 3.) In our view, universal aspects of cognitive processing, such as the existence of declarative from procedural knowledge, exist, but the content of these categories are culture- and individual-differences bound.

Second, if we assume that cultural intelligence is subsumed within social intelligence, then it follows that we must reject a cultural relativism of content and process of discovery. Logically, then, the ways that we discover social knowledge and practices must be invariant across cultures. This is a position that we strongly refute; indeed, there seems to be ample evidence from cross-cultural psychology to abandon such a position (for example, Miller 1997, 1984; Smith, Peterson, and Misumi 1994; Triandis 1994). Given the progress that has been made on understanding how ecological and social forces influence thought processes, experience of emotion, and behavior responses it seems clear that assuming a universalist stance on social intelligence is unwarranted. As such, we see cultural intelligence as a separate form of intelligence distinct but not superordinate to social intelligence. In this specific case, cultural intelligence captures the capability of a person to adjust to various cultures and cultural settings and not just within a single one. Thus, we define cultural intelligence as:

> A person's capability for successful adaptation to new cultural settings, that is, for unfamiliar settings attributable to cultural context.

Cultural intelligence consists of three aspects, including cognitive, motivational, and behavioral elements. The cognitive aspect refers to general cognitive skills that are used to create new specific conceptualizations of how to function and operate within a new culture as well as culture-specific knowledge (both declarative and procedural). The general, or metalevel, skills reflect etic categories of definition (for example, long-term pairing of mating partners or so-called marriage institution) as well as metalevel procedural aspects (for example, styles of cognizing and discovery). Certain communication competencies, such as coherence, reasoning, and error detection, are categories of communication. These categories are universal, or etic, at a general level. At a culture-specific level, how each is defined may vary. Is intuition proper "reasoning"? Is fully explicating one's ideas "coherent" or excessive? (In a high-context culture, one can imagine the coherence

of a low-context communicator as intolerably excessive at times.) A somewhat different question concerns the ways that people come to acquire declarative knowledge of their environment. Thus, the other facet of cognition is the procedures that one uses to attain declarative knowledge about another culture. At a metalevel, this procedural knowledge is etic in its nature, although people vary in their capability of executing these procedures. That is, at a general level people share across cultures "ways to learn to learn" about a new culture. These are assumed to be hard-wired in the sense that they are the fundamental processes through which all individuals gather and store information about the world around them. The psychological mechanisms of memory storage, retrieval, and the like are etic, although the specific way these mechanisms operate may well be emic. For example, all people have a long-term storage for memory (except in unusual circumstances related to illness or disease) and are able to access memories within such a storage region (procedural effects). The content of the memory structure is idiosyncratic (specific memories) to the individual.

The second element of cultural intelligence refers to the motivational basis for CQ. For successful adaptation to a new cultural setting a person must be able to cognize and understand a culture, and, at the same time, feel motivated to engage others in the new setting. It is not enough to be able to figure out why young male college students hold one another's hands in China during class lecture, or why German MBA students look repeatedly at their watches in anticipation of the onset of class; one must be motivated to adapt and adjust to the cultural setting. Without such motivation, adaptation will not occur, so we argue that this does not reflect CQ. In a sense, we are attempting to capture some of the direction implied by Sternberg and his idea of tacit knowledge or practical intelligence. That is, without including an element of motivation it is limiting to talk about intelligence as defined by adaptation to one's environment. If an individual is unmotivated and will not engage the world, why would we expect to find evidence of adaptation? In our usage, we will look at several aspects of motivation, including self-efficacy expectations, goal setting, and self-concept/-evaluation through identity.

The final element of our approach refers to the capability for an individual to actually engage in behaviors that are adaptive. Perhaps due to our organizational research backgrounds, we believe that cultural intelligence is not meaningful unless an individual is able to generate the behaviors needed to reflect cognition and motivation. Similar to the adage of "deeds versus intentions," we believe that CQ reflects a person's ability to generate appropriate behaviors in a new cultural setting. Without this aspect of CQ, a person may be able to cognize what is appropriate in a given culture and feel motivated to move forward but he will be unable to do so if the appropriate response is not in his repertoire. For example, you have

just visited your friends in Germany and they are taking you to a nice restaurant. They kindly order the food for you, and you are served what appears to be a healthy portion of meat. Not wanting to risk catching Mad Cow disease from tainted beef, you politely ask your hosts the origins of the beef (explaining your concerns). At this, your hosts heartily laugh with one another and point out that you have no worries whatsoever because you haven't been served beef . . . you have been provided a nice cut of horsemeat (a delicacy gaining popularity in Europe as a result of Mad Cow scares, foot-and-mouth disease, and other plagues for the twenty-first century). Despite your understanding of why you have been given horsemeat and your desire (motivation) not to offend your hosts, you find yourself unable to eat the dinner. This vignette reflects the difficulty of cultural encounters from a behavioral perspective. That is, many of our reactions in cultural settings are sufficiently ingrained that we may find it very difficult to overcome our reinforcement history. There may be other instances for which we are unable to generate appropriate responses such as linguistic nuances. The first author (a nonnative Chinese speaker who has attempted to learn Chinese) had a well-intentioned Western colleague who had prepared a careful speech in Chinese to show his Chinese colleagues his appreciation for their hospitality. After listening to the American's speech one of the Chinese professors commented (well out of hearing range of the American so as to avoid offending him), "I really appreciated his trying to give his speech, but I had absolutely no idea what he was saying." The American seemed unable to produce the appropriate tones during his speech even though he had the correct "words." Our point is that without effective execution, a person's CQ is not realized. CQ requires effective adaptation to cultural circumstance—not merely one's thoughts, intentions, or wishes.

We describe these three aspects of CQ a bit further in the following overview of the chapters and describe them in great detail within the chapters themselves.

OVERVIEW OF OUR APPROACH

An emphasis on the Western psyche detracts attention from the importance of cultural and national differences in people's values and beliefs, and how these differences may affect work behavior. More importantly, many of the cues used by people from one culture to ascertain another person's emotional state (for example, empathize) are radically different across cultures. A "friendly" smile for a Canadian may seem straightforward until she encounters a Thai employee for whom more than twenty separate smiles provide subtle cues for radically different frames of mind (Komin 1991). A person having high emotional intelligence may be entirely incapable at generalizing across cultural settings given such confusing signals.

What then enables some people to function as cultural chameleons while others flounder? Our argument is that a separate category of social intelligence reflects a person's capability to gather, interpret, and act on these radically different cues in order to function effectively across cultural settings. We refer to this capability as Cultural Intelligence, or CQ.

The focus of our book is the development and exploration of the concept of Cultural Intelligence (CQ). We seek to define CQ and provide a general conceptual framework for its assessment and application to intercultural interactions. CQ reflects a person's adaptation to new cultural settings and capability to deal effectively with other people with whom the person does not share a common cultural background and understanding. This is an important aspect of how our construct differs from existing approaches to the study of social intelligence including Salovey and Mayer (1997) as well as Gardner's work on multiple intelligences (1983). When people interact with others from different cultural backgrounds, many, if not most, of the common cues for understanding and predicting the other's moods, emotions, and intent are unavailable or easily misattributed. However, some individuals are able to quickly integrate themselves into social gatherings, command effective action from work units, and so forth, whereas others are quite ineffective. Many times the difference between these successful and less successful individuals is not a matter of motivation alone; some people have an enhanced capacity to step into a culturally foreign context and quickly determine the right thing to do at the right time.

We develop and describe the nature of cultural intelligence along with its relationship to other forms and frameworks. In our approach, CQ can be thought to consist of three fundamental components: cognitive, or a person's ability to develop patterns from cultural cues; motivational, or a person's desire and directed effort to engage others and follow through; and action, or a person's capability to appropriately enact selected behavior in accordance with cognition and motivation.

Although the mapping of our framework onto existing frameworks is not a perfect one, one theory that we find useful in organizing our thinking about cultural intelligence is presented in Triandis's (1972) treatise, *Analysis of Subjective Culture*. This model concerns itself with the way people in different cultures perceive their social environment as well as the impact of environmental factors on these processes. Perhaps the most notable aspect of Triandis's model is its breadth in trying to assess the relations among environment, social environment, values, and psychological process.

The distal antecedent of subjective culture is physical environment—resources as well as historical events. The physical environment has a direct impact on a so-

ciety's economic activities, which, in turn, influences more proximal antecedents, such as occupations and labor structure. For example, take the relationship of population to the use of labor-intensive production methods. In China, it is common to see several score of laborers dig a ditch for a drainage system rather than a small crew using earth-moving equipment. The combination of ample labor and scarce technological resources leads to production methods that emphasize labor-intensive methods.

Historical events have an impact on the social and political organizations that evolve in a society as well as more proximal aspects of culture including language, religion, location, and feedback from one's own behavior. For example, the impact of the Second World War on Japan resulted in a shift from a militaristic orientation to an industrial one. The emphasis on rugged survivalist characteristic of settling the western part of the United States is thought to have contributed to the strong individualistic orientation of Americans. Historical events play a role in the type of organizations that evolve in a society as well. The Chinese Cultural Revolution under Chairman Mao led to an ideology of the commune, egalitarianism, and focus on the welfare of Chinese society. The profound impact of the revolution on Chinese society serves to illustrate that historical events can have marked effects on a society even during a relatively short time frame.

Triandis posits that proximal antecedents have an impact on pancultural psychological processes, which, in turn, create subjective culture. For example, religion and language influence the types of categorizations that individuals make, the number of categories they use, as well as the consistency with which a particular label is assigned to a particular object. Little (1968) showed that Mediterranean people prefer shorter distances for social interaction than northern Europeans. This difference in social behavior reflects different religious norms concerning interaction and the impact of these norms on cognitive scripts for behavior in a social context. Occupations and social settings existing in a culture influence aspects of subjective culture as well, since roles that individuals enact as well as tasks that they perform are dependent on their occupations. For example, occupations such as the trades (for example, carpentry) that involve mentoring and apprenticeship encourage hierarchically differentiated roles within the context of a communal group (Van Maanen and Barley 1984).

The impact of basic psychological processes such as learning (cognitive and instrumental), categorization, and conditioning on subjective culture is illustrated through a variety of more specific sociological and psychological constructs including roles, tasks, norms, cognitive structures, values, affect, behavioral intentions, habits, and utilities.

The determinants of action in Triandis's model are an individual's behavioral intentions and habits. Patterns of action are a function of behavioral intentions, which are influenced by subjective culture. It is the link of subjective culture to behavioral intentions that provides an explicit relation that is lacking in value-based models. In a subjective culture approach, values influence behavioral intentions through an individual's affective states as well as cognitive structures (although values are reciprocally determined by cognitive structures). Patterns of action and behavioral intentions resemble other information-processing models (for example, Ajzen and Fishbein 1980), although many of the details concerning roles, norms, and tasks remain as unspecified antecedents in these other models. Triandis adds nonvolitional antecedents of action not typically incorporated in others' models as well. Habits, he argues, represent the impact of repeated feedback concerning particular actions. In associative cultures, linguistic cues often convey rank among people, and these nuances of language are enacted habitually. Likewise, social behavior and protocol such as social distances reflect habit rather than cognition. Anyone coming from a culture that uses a large social distance knows how uncomfortable it can be to interact with someone "face to face" who is from a small social distance culture. Social habits clearly are reaffirmed by cultural values and norms.

Thus, the core of Triandis's model is the specific action of behavioral patterns as a function of distal and proximal antecedents that impact subjective culture. His model captures the relation of macro-, societal-level influences on specific individuals' responses through psychological process. His model captures our three elements of cultural intelligence in many ways. Cognition forms the core of Triandis's subjective culture model along with motivation (cultural values and perceived utility) and behavior (reflected in habits and behavioral repertoire). Our cultural intelligence framework can be thought of as a subsystem of this wide-ranging model with an emphasis on understanding how and why individuals adjust differentially to varying cultural circumstances. We think that this model is a useful way of understanding how the facets of cultural intelligence operate together.

In our earlier example of the "Thai smile" interpreted by the Canadian three facets operate. First, she needs to observe the various cues provided in addition to the smile gesture itself (for example, other facial or bodily gestures, significance of others who may be in proximity, the source of the original smile gesture) and to assemble them into a meaningful whole. Second, she must have the requisite motivation (directed effort and persistence) to persevere in the face of incomplete or difficult circumstance. Third, she must choose from among her behavioral repertoire to respond using culturally acceptable actions (to the recipient of the action). If any of these three facets are lacking, then a person is likely to be ineffective in

dealing with people from different cultural backgrounds. Thus, a high CQ person has capability with all three facets.

What seems to be lacking in the research literature is an integration of the broader cultural and national contexts in which people live and work with this emerging emphasis on cross-border work. To make things even more complex, people from different cultures and/or nations, who do not necessarily share a common way of interpreting and evaluating situations, are more likely to respond dissimilarly to the same context. A work unit consisting of several Malaysian, Thai, and Australian managers will exhibit markedly different reactions to the same organizational intervention as a group consisting of managers from Brazil, the United States, and Germany.

Unfortunately, current theories of psychology and management do not adequately provide a conceptual framework for understanding how culture and organizational behavior are related to human intelligence. This lack of adequate theoretical frameworks for understanding the moderating effect of nation or culture leads us to the development of a new model for that purpose. What is missing from the research literature is a theoretical framework that can be brought to bear in explaining the differential successes that we observe as people interact interculturally. We posit that this differential success is attributable to varying levels of cultural intelligence possessed by people. We explore the fundamental nature of cultural intelligence, its components and composition, and its relationship to other componential frameworks of intelligence.

Thus, our primary focus is the development and presentation of a new conceptual framework that can be brought to bear for researchers seeking new research topics and directions concerning international functioning for people.

ORGANIZATION OF THE BOOK

The book is organized into two major sections: Part I consists of a general introduction and presentation of the theory of cultural intelligence; Part II consists of measurement and application issues in using the concept of cultural intelligence in a work context.

In Chapter 1 we discuss the nature of international work and the increasing need to create interdependent teams of diverse people. We provide a general context of the key problem focused on in our book—understanding social actions in a global context. Our focus is on how existing models tend to view intelligence as a culturally embedded construct, and we emphasize the need to develop a way of describing how some people are able to move among various cultures and effectively

integrate themselves. This is not the same as the thrust of cross-cultural researchers such as Berry (1971; Berry and Annis 1974) for which intelligence is presented as a culturally defined emic. Rather, our emphasis is on an etic aspect of intelligence that provides individuals with the capacity to operate across various cultural boundaries.

In Chapter 2 we describe the need to integrate various types of literatures on intelligence for a better understanding of how intelligence operates in an intercultural context. We review the nature of intelligence as a general construct with a focus on providing current perspectives on intelligence using unidimensional versus multidimensional models, current assessment methods, and so on. This chapter includes a discussion of a multiple intelligences framework such as Gardner's multiple intelligences concept, Salovey and Mayer's social intelligences, and Sternberg's tripartite view along with a discussion of social and emotional intelligence.

Chapter 3 consists of a presentation of our general model concerning the nature of cultural intelligence and the model's functioning in an international organization. We provide construct definition and a general overview of the model followed by more specific sections on facets of the model.

Our general model consists of several elements including cognitive, motivational, and behavioral bases of cultural intelligence. That is to say, we argue that cultural intelligence is best thought of as consisting of three distinctive elements. The first element refers to the cognitions that we have concerning other cultures. This is not suggesting content-specific knowledge much like Sternberg and his colleagues suggest with their notion of tacit knowledge (Sternberg 1997; Sternberg and Wagner 1994; Sternberg, Wagner, Williams, and Horvath 1995). Tacit knowledge reflects task-specific information and skills that we believe are limiting in the case of international or cross-cultural experiences as we describe later in our book. Our focus is on cognitions and relevant cognitive processing of general and setting-specific knowledge. This is a critical distinction between our concept of cultural intelligence and related concepts such as social or emotional intelligence. That is, a person may well have content-specific knowledge but is woefully inadequate at transferring that knowledge at a general level to a new setting. Individuals having high cultural intelligence, however, have the cognitive capabilities to transfer learning and acquire key information across radically different settings and domains. Thus, the cognitive aspect of our model refers to the thoughts and processes through which individuals acquire and develop their coping mechanisms and cognitive structures (for example, schema, plans, and scripts) across various cultural boundaries.

The second element of our model refers to the nature of a person's motivation with regard to cultural engagement. As we described earlier, our conceptualization of cultural intelligence is not merely as a capability or ability to adapt to the environment as posited by many researchers (for example, Sternberg et al. 1999) without regard to motivation. That is, by our usage, even if I have the relevant cognitive skills for processing information about a new culture this does not constitute cultural intelligence without the additional characteristics of motivation and behavioral repertoire. Being culturally intelligent is not merely knowing how, for instance, to discern new patterns of social behavior in order to figure out why someone just poured a bit of their drink on the ground (for example, giving ablutions to the honored dead versus sloppy actions versus disrespect of the host). It requires that a person have the motivation to respond to the various situations confronting him or her across these settings. As we discuss in Chapters 3 and 5, the motivational aspect of our framework requires an understanding of people's motives and self-guided actions. In this regard, we draw from relevant motivation theory including Bandura's Social Learning Theory (Bandura 1997) as well as Locke and Latham's Goal Setting Theory (Locke and Latham 1990) and the first author's past work with Erez (Erez and Earley 1993). We present the motivational aspect of cultural intelligence as both an interest in dealing with new cultures as well as perceived capability of doing so. In this regard, we tie our presentation into the extent work by Bandura, Locke, Markus and Kitayama among others.

The final section of Chapter 3 focuses on the behavioral consequences and repertoire of cultural intelligence. Let us assume for a moment that an individual possesses the cognitive capacity and skills needed to figure out what is going on in a new cultural context. Let us further assume that this person is motivated and has a strong sense of efficacy with regard to cultural engagement. Does this ensure effective action within a new cultural setting? No it does not. The problem may lie in a person's existing repertoire for behaving in a new culture along the desired lines. For example, imagine that this is your first encounter with an Ashanti businessman from central Ghana. A friendly form of greeting in Ashanti culture is to clasp hands in a handshake and slowly pull one another's hands away from each other rubbing palms together. As you do so, you move your middle finger and thumb around the other person's middle finger and thumb in a "snapping one's fingers" gesture and as the two hands physically separate at the fingertips, each person makes a snapping sound of the interlaced middle fingers and thumbs (overlapping one another). Our astute traveler may know about this custom, be inclined to follow it, and even attempt it. However, such an action is likely to end in failure

for a number of times. For some people, it is not at all easy to acquire such a behavior successfully, so a culturally intelligent action is not achieved. Does this mean that our sojourner is not culturally intelligent? By our usage we would say yes. It is not sufficient to have knowledge of another group's ways of dealing with the world. One must be able (and motivated) to use this knowledge and produce a culturally appropriate response. In this sense, our notion of cultural intelligence captures Sternberg and Wagner's notion of tacit and practical knowledge with an action orientation. (Sternberg's formulation of the Triarchic Theory of intelligence has much to offer, and we draw our inspiration for his work. As we describe in Chapter 3, his Triarchic Model has three subtheories including a componential, experiential, and contextual subtheory. The componential subtheory includes a performance component to it that focuses on the proper execution of actions similar to our behavioral element.)

Chapter 4 presents a basic definition of culture used in our approach along with various facets of culture. Our emphasis is on the various ways that people can acquire and process information to solve problems. In particular, we look at various forms of reasoning in relation to CQ emphasizing analogical and inductive reasoning as requisite talents of the high CQ person.

Our view of the cognitive systems involved in CQ is that both declarative and procedural knowledge operate and exist at multiple levels of analysis and that this is one of the ways that someone with high CQ is able to figure out the appropriate rules and implications for behavior within a new cultural context. Cognizing and knowledge operate at a metalevel of organizing, and this is the key to cultural adjustment and enactment. That is, a person with high CQ has the capacity to "learn to learn" in a new cultural setting. This is not merely an application of existing knowledge to a given situation as one might expect in the case of a person with high social intelligence operating within his own cultural milieu. High CQ people are able to come into a radically unfamiliar social environment and figure out how to learn the appropriate cues to attend to in order to figure out what is actually happening within a culture. This is not simply (although even this is not terribly simple) using one's personal experiences as a way of judging a situation (for example, "I was in a related situation a few years ago and what seemed to work was X," or "Someone reacting this strongly must clearly be angry and so I need to help diffuse this anger"). It means looking at a new cultural setting afresh without imposing a number of existing ideas about what things must mean or how one needs to operate to proceed.

The discussion of CQ from a motivational perspective emphasizes a person's values, preferences, and goals as central. The value and preference structure gives

rise to particular motives and these are, in turn, the impetus for setting goals and direction of action. In Chapter 5 motives are discussed in relation to a person's desire to integrate into his or her work unit as well. We draw from Status Theory (Hughes 1971) as well as Categorization Theory (Tajfel 1982a; Tajfel 1982b; Tajfel and Turner 1986)) and Role Identity Theory (Stryker 1980, 2000; Stryker and Serpe 1982) as a means of understanding how people's motives may differ with regard to CQ.

In addition, we discuss the nature of motivation and CQ from a capabilities perspective, namely, the role of self-efficacy expectations and goals in understanding adaptation. Put simply, if a person does not have sufficient efficacy to enact a given set of actions then we would not expect high CQ. That is, CQ reflects a person's motivation to proactively engage their new environment, and this is best understood using self-efficacy concepts (Bandura 1982, 1986, 1997; Earley 1999; Earley and Randel 1997; Erez 1997; Erez and Earley 1993; Locke and Latham 1990).

Finally, the action component of our framework looks at a person's ability to draw from an existing repertoire (or to create new actions) to translate motives into successful responses. That is, if someone has analyzed the situation accurately (cognitive) and is motivated to respond (motivation), how might he or she actually respond in a culturally appropriate fashion?

In Chapter 6, we first draw from Hall's earlier insights about social interactions in cross-cultural encounters (Hall 1993) and Goffman's idea of "life as drama" on the importance of behavior of self in everyday life (Goffman 1959). We then draw from Schlenker's seminal work on theory of self-presentation to explain the process in which an individual enacts social behaviors in any culture (Schlenker 1980).

Part II takes up measurement and application of the theory we propose. Chapter 7 describes various approaches taken by others to the assessment of intelligence from various approaches. We then introduce and describe an initial assessment of our development of an instrument designed to measure CQ using a field study from an internationally diverse sample of managers. Our approach is modeled after the procedures described by Sternberg and his colleagues in their development of a tacit knowledge instrument (Sternberg 1997, 2000; Sternberg et al. 1999). We began our assessment by collecting a relatively large pool (about two hundred) of critical incidents given by managers concerning how they adjusted to a new cultural setting. They were asked specifically to relay to us one successful and one not so successful anecdote from their recent work experiences. We analyzed these incidents to determine what appeared to be key aspects of CQ to predict success versus failure. Next, we combined this new instrument with some additional tests of problem solving and logical reasoning to assess the cognitive aspects of CQ. To

this, we added the motivational dimension of CQ through the use of Bandura's self-efficacy framework. In a relatively preliminary fashion, we are able to report on some of the utility of our assessment approach although we shall do more extensive testing of this instrument in our subsequent research program on CQ.

In Chapter 8, we focus on using the concept of CQ to aid an expatriate manager with a new work assignment. We describe the role of CQ as an assessment device for a manager to understand where he or she might have difficulties in dealing with people in an international context. Our focus in this chapter is on the use of CQ for effective functioning with a multinational work team since this context is highly appropriate for a concept such as CQ and it is a timely emphasis as well. That said, how is it that people having a high CQ are able to utilize the various human resources around them in a multinational team. How does CQ fit into a company program that would enable team leaders to make the most of the human resources around them? Our discussion looks into the way that high CQ people are able to adapt themselves as well as adapt others from varying nationalities in order to develop a commonality of views and procedures needed for a multinational team to be effective (Earley and Francis 2002; Earley and Mosakowski 2000).

We follow up Chapter 8 with an emphasis on understanding how CQ can be used for intranational contexts as well as international ones. That is, the concept of CQ is wholly appropriate for understanding the importance of cultural diversity within an eclectic country. In Chapter 9, we explore further the nature of diversity and how various role identities operate to influence interpersonal interactions within a given nation (but across cultural groups). Are these traits organized into some sort of hierarchy? This is, of course, somewhat debated but generally agreed upon. If so, how does CQ better equip a person to discover the nature of these hierarchies and act on them? An important aspect of one's social environment is reflected in the various identities and persona that people adopt for themselves, and someone having high CQ is able to identify and utilize such information for them. We draw from Stryker's Role Identity Theory as a means of understanding how these hierarchies are constructed and how they may vary culturally and personally. Although there has been a great deal of attention directed toward diversity and demographic characteristics and their implications for organizational functioning (for example, Tsui, Egan, and O'Reilly 1992), little research has focused on the nature of the trait hierarchies and their construction and ordering. In a recent paper, Earley (1999) looked at the trait hierarchies for four national samples (English, French, Thai, and American) and used these hierarchies as a way of understanding status and group decision making. A few other researchers have grappled with these issues as well (Mulder 1977; Sidanius, Pratto, and Rabinowitz 1994). To

date, however, we have no systematic way of understanding how these hierarchies are constructed and influenced by cultural context or setting. In this chapter, we explore these hierarchies in relation to CQ, not to determine the causes of the hierarchies (which is well beyond the scope of our presentation in this book), but to link them to adaptation by the high CQ individual. It is this person who is able to enter into a new cultural setting and quickly understand how role identities play out in status and action within the cultural group and subgroup.

Chapter 10 presents the results of the various relationships described in the rest of the model. The discussion focuses on the patterns of interaction, expectations of intent, and action as causal influences of various organizational processes in an international context.

Now that we have provided a general organizing framework for cultural intelligence and a preliminary discussion of its assessment and application we turn our attention to a more elaborate description of its utility for work organizations. Having established a preliminary assessment tool in the previous chapter, we now look at how this tool might be used as part of a selection system so that companies can better predict who will be most effective from an applicant pool for cultural adaptation. We discuss the utility of the instrument as well as how it might supplement current selection systems used by companies as they choose expatriate employees for future assignments.

We conclude the book with a discussion of the general significance and implications of this research for the fields of psychology, sociology, and business. In the final chapter we describe how the concept of CQ is useful for expanding our knowledge of intelligence as a general concept using cross-cultural psychology. Although there has been a call for such expansion and integration (Berry 1974; Miller 1997; Smith, Peterson, and Misumi 1994) of ideas, few formal attempts have been made to do so. One might argue that recent speculation by Howard Gardner (1998) to capture additional forms of intelligence in his work (for example, naturalistic or spiritualistic forms) provides some insights concerning cultural influences. However, this is clearly not the center of his focus, and we believe it is meritorious of further study and thought.

Our topic is an important one as well from an organization's perspective given the global expansion of business. In our concluding chapter we discuss some of the implications of CQ for future work on international organizations and international teams. This discussion applies as well to multinational teams and related topics within companies (Earley and Laubach 2000; Earley and Mosakowski 2000). We close our book by suggesting a number of new directions that researchers might follow with our CQ framework as well as some implications for practice.

SUMMARY

This introductory chapter was written by the first author during the peak of the U.S.-China "crisis" concerning a Chinese jet fighter that was lost when it collided with a U.S. reconnaissance airplane. The result of this incident was that the Chinese detained twenty-plus aircrew from the U.S. plane (the Chinese fighter pilot was lost in the incident) and for quite some time the government refused to allow the detainees to return to the United States. What the Chinese government had asked for was a formal apology from the United States admitting their responsibility for the incident. This incident created tremendous animosity on both sides of the Pacific Ocean; each party accused the other of being uncooperative and provocative. The stance taken by many Americans at the time was that there was no reason for the United States to admit that they had done something wrong unless there was evidence that such wrongdoing had taken place.

The first author happened to have a meeting with an exchange student from Hong Kong who expressed his disappointment in the Americans' unwillingness to admit their wrongdoing even if they were not "wrong" (debate continues concerning the true culpability of the incident). He said that for sake of face, the United States should admit responsibility because they clearly have more *mianzi* (Earley and Randel 1997), or social status. As a result, he explained, the Americans have a burden to admit wrongdoing and, in doing so, they would gain even more mianzi in the eyes of the Chinese. Whether this is the case, our point is that many Americans would view admitting mistakes as a sign of weakness, and that would contribute to the loss of face. However, this student argued that in China when a more powerful person admits an error to a less powerful person, the result is that the increase of face given to the weaker party is returned several times over through mianzi afforded to the more powerful party by the weaker one.

How can we comprehend such complex thinking across such a wide range of cultural settings throughout the world? Are some people more able to do so than others? More importantly, can we teach skills to managers so that they are able to do so? These are the questions that lie at the heart of our book. We attempt to bridge a gap in the organizations literature concerning why some people fail to adjust to new cultures if they seem very empathetic and sensitive in their own cultures. Further we seek to understand the very nature of intelligence itself and how cultural context helps to shape it. Through this approach we believe it is possible to expand and clarify the most fundamental of human characteristics—intelligence.