

**Panel Symposium**

**Cultural Intelligence, Cross-Cultural Competence, and Diversity:**

**Defining Concepts and Measuring Constructs**

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**Division Sponsors:** International Management Division  
Gender & Diversity in Organizations  
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## Panel Symposium

*When I use a word, it means just what I choose it to mean — neither more nor less.*

Humpty Dumpty, in *Alice Through the Looking-Glass*

Interest in cross-cultural management issues – at least from a North American perspective – seems to have begun in the mid-1960's with the publication of *Managerial Thinking: An International Study* (Hair, Ghiselli & Porter, 1965). However, it was not until the early 1970s that scholars began to publish a wide range of cross-national studies in management, encouraged in part by Peter Drucker's exhortation to U.S. management scholars to expand their horizons:

*“Management is a social function and embedded in a culture – a society – a tradition of values, customs and beliefs and in governmental and political systems.*

*Management is – and should be – culture conditioned; but, in turn, management and managers shape culture and society .... Management as a discipline and management as a practice were tackled from the beginning by men [sic] of many nationalities and races. It was a temporary aberration ... to forget this and believe instead against all evidence that management was an American specialty, if not an American invention.”*

(Drucker, 1974: xii)

Yet almost ten years later Adler lamented:

*“Less than 5 percent of organizational behavior articles published in top American management journals focused on cross-cultural issues. The majority of the cross-cultural articles were single culture studies; less than 1 percent investigated the interaction between employees of different cultures.”*

(Adler, 1983)

Now, thirty years on, we have a plethora of cross-cultural management studies and, in addition to publications in the standard business journals, there are at least 3 journals devoted to cross-cultural management and dozens of textbooks on culture, cultural intelligence, cross-cultural research, cultural competence, cross-cultural diversity, cross-cultural training, etc. Yet, despite this research output, there still appears to be confusion about the meaning and scope of the concepts that we use.

In the broad management literature there is no common interpretation (and much misinterpretation) of the following concepts:

**cross-cultural competence, intercultural competence,**

**cultural knowledge, cultural intelligence, cultural quotient (CQ)**

In addition, recent research in international management and leadership has focused on the importance of developing a **global mindset**, which encompasses the above concepts.

Furthermore, the confusion over definitions has, in turn, led to delays and false-starts in developing appropriate measures for some of the constructs.

Therefore, the purpose of this panel symposium is to engage a group of panelists in a formal, moderated, interactive discussion of (1) the terms above in the context of diversity; (2) the panelists' interpretation of them; (3) the relationships among them; (4) the implications of their use in a culturally diverse work environment; and (5) how they can be measured.

**Panelists.** We have invited experts in the fields of cross-cultural management, cultural intelligence, and global mindset. The members of the panel originate from five countries – USA, UK, Poland/Brazil, and Australia. They are:

1. Chris Earley, Dean, Krannert School of Management at Purdue University. The author of 10 books and numerous articles and book chapters, his recent publications include *Cultural Intelligence: Individual Interactions Across Cultures* (with Ang Soon), *Multinational Work Teams: A New Perspective* (with Cristina Gibson), *Culture, Self-identity, and Work* and *The Transplanted Executive: Managing in Different Cultures* (both with Miriam Erez), *Face, Harmony, and Social Structure: An Analysis of Behavior in Organizations*, and "Creating Hybrid Team Cultures: An Empirical Test of International Team Functioning" (with E. Mosakowski, *Academy of Management Journal*).
2. Jim Johnson, Professor of International Business, Rollins College. (Panel Moderator). His research has been presented at major international conferences and published in leading journals, including *Journal of International Business Studies*, *Strategic Management Journal*, *Management International Review*, *Journal of World Business*, *International Marketing Review*, and *Journal of Business Research*. With Tom Lenartowicz and Salvador Apud, co-authored "Cross-cultural competence: Toward a definition and a model," *Journal of International Business Studies*.
3. Tom Lenartowicz, Professor of International Business, Florida Atlantic University, has published in *Journal of International Business Studies*, *Management International Review*, *International Human Resource Management Journal* and other IB journals. With Jim Johnson and Salvador Apud (2006), co-authored "Cross-cultural competence: Toward a definition and a model," *Journal of International Business Studies*. He sits on editorial boards of four major IB journals.
4. Mary Teagarden, Professor of Global Strategy, Thunderbird School of Global Management, Distinguished Professor of Undergraduate Studies, and editor-in-chief of *Thunderbird International Business Review*. She has published more than 110 articles, books, chapters, and case studies in *Harvard Business Review*, *Academy of Management Journal*, *Human Resource Management*, *Journal of Operations Management*, *California*

*Management Review, Asia Pacific Journal of Management, Management and Organization Review, Management International Review and Organizational Dynamics* among others, and her current research projects focus on business dynamics in the Asian Pacific rim, Latin America and emerging market economies, including the People's Republic of China and India - and developing leaders' global mindsets. Dr. Teagarden sits on seven editorial boards and serves as an Advisor or Director on nine international corporate Boards.

5. Dave Thomas, Professor of International Business, Australian School of Business, University of New South Wales, Sydney. His publications include *Cultural Intelligence: Living and Working Globally* and *The Handbook of Cross-Cultural Management Research*, co-edited with Peter B. Smith and Mark F. Peterson.

**Format.** The format of the 90-minutes symposium will be as follows:

- Brief introduction to the topic and the panelists (5 minutes)
- Each panelist discusses the topic from his/her perspective (5-10 minutes each)
- Moderated panel discussion (20-30 minutes)
- Questions/comments from the audience (25 minutes)
- Concluding statements from the panelists

All members of the proposed panel have agreed to participate.

### **Interest to Sponsoring Divisions**

Although the terms above developed out of the international management literature, they apply not only to management and leadership across national borders but also to diversity in the polycontextual workplace within the nation-state in dealing with people from different ethnicities, religions, genders, and sexual orientations. For this reason, and because this topic closely reflects the theme of the 2014 Academy of Management meeting, *The Power of Words*,

this symposium is expected to draw wide interest from across the Academy, including - but not limited to - researchers and practitioners in International Management, Gender & Diversity in Organizations, Human Resources, and Organizational Behavior. Aligning the definitions and measures of the concepts and constructs that we use in different fields of management research will enhance our ability as researchers to discover new relationships and to shape future thinking in the management of diversity.

***Cultural Intelligence and Cross-Cultural Research***

Chris Earley

Dean, Krannert Graduate School of Management & School of Management

Purdue University, USA

Cross-cultural and intercultural research has focused on drawing from core values as a basis for comparing and contrasting practices of work globally. In the past decade, increasing attention has been directed towards understanding the nature and capability of managers who work in various cultural settings in order to better understand their capacity to work effectively under such circumstances. However, a number of ideas and terms have been used loosely to denote the capacity or ability of an individual working in varying cultural settings including cultural intelligence, cultural competence, and cultural knowledge and global mindset. In this panel, I will describe the concept of cultural intelligence and how it relates to these other constructs and in relation to an individual's adaptation and functioning in various cultural settings.

*Measuring Cultural Competence: Searching for the Holy Grail?*

Tom Lenartowicz

College of Business

Florida Atlantic University, USA

For decades several fields of social sciences have been prodigious in defining cultural intelligence (CI) and cultural competence (CC), with many of these definitions conflicting and/or overlapping. Then, in 2002, Earley presented a definition of cultural intelligence that appeared to be comprehensive and objective: cultural intelligence “reflects a person’s capability to adapt as s/he interacts with others from different cultural regions” (Earley, 2002: 283). Later on, Thomas built on this definition, “Cultural Intelligence incorporates the capability to interact effectively across cultures” (Thomas and Inkson, 2010) and then expanded it in a form of a manual of how an individual can become culturally intelligent.

As for cross-cultural competence, in 2006 Johnson, Lenartowicz and Apud offered a definition that so far has not been challenged in the IB literature: “Cross-cultural competence in international business is an individual’s effectiveness in drawing upon a set of knowledge, skills, and personal attributes in order to work successfully with people from different national cultural backgrounds at home or abroad” (Johnson, Lenartowicz & Apud, 2006: 530).

Once the field of IB had the definitions and concepts of CC and CI in place, the next logical step would be to measure these constructs. Although the field made progress towards measuring CI, the same cannot be said about the CC. The words “work successfully” and “effectiveness” in the CI definition mean that cross-culturally competent manager will achieve pre-set business goals despite the cultural setting. So the difference between these two concepts is the difference between “knowing” and “doing.” For example, to obtain a pilot’s license, one must pass two examinations: first, the written one, where the candidate shows that s/he knows everything about flying (intelligence), and then the practical one where the candidate actually flies (competence).



The first can be assessed in a classroom situation or online, but the second requires an examiner to evaluate the candidate in the air and, if necessary, take over the controls from the candidate since crashing the plane as sign of failure is not an option. I am skeptical about our ability to measure cultural competence since it has eluded all the attempts that have been made so far toward measuring it. So although we have established a definition and a model for cultural competence, it appears to be unmeasurable in practice.

***Beyond Our Models of Cultural Competence***

Mary B. Teagarden

Thunderbird School of Global Management, USA

In my work as an editor I seek manuscripts that (1) push the boundaries of the known -- for example, use of the GLOBE studies (House et al., 2004) in place of models such as the one developed by Hofstede (1980) since the latter provides a more contextually-grounded perspective (Shapiro, Von Glinow & Xiao, 2007); (2) use more complex theory to reflect and parallel the complexity of global business, such as the cultural intelligence work done by Earley (2002) or Earley and Ang (2003) in place of less complex, earlier work such as Goleman's (1995) emotional intelligence work or Vernon's (1993) social intelligence work; and (3) present a perspective that is more isomorphic with reality such as the comprehensive Global Mindset framework operationalized by Javidan and Teagarden (2011) in place of more fragmented cross-cultural frameworks identified by Johnson, Lenartowicz and Apud (2006), or Holt and Seki (2012a, 2012b).

Cultural competence in a diverse work context is necessary, but not sufficient, for global leader effectiveness (Teagarden, 2007; Holt & Seki, 2012a, 2012b). There are signals of a developmental shift in global leadership (Holt & Seki, 2011a). Global leadership is no longer the domain of expatriates or senior executives in multinational organizations; it is necessary in any diverse work context (Teagarden, 2007). This portion of the symposium will focus on specifying challenges--beyond the cultural ones--inherent in the diverse work context that threaten global leader effectiveness and drive this shift. Using the Global Mindset Inventory framework (and critiques of that framework), I argue that moving beyond our focus on competing models and frameworks of cultural competence is essential for understanding global leader effectiveness. I

use the Global Mindset Inventory (Javidan & Teagarden, 2011) as an example of how we might move our theory building forward.

Our literature addresses the challenge of multicultural effectiveness (Johnson, Lenartowicz & Apud, 2006, Holt & Seki, 1012a, 2012b). On the other hand, challenges that are often missed by our current models include the challenge of paradox given the panoply of contradictory signals and situations encountered in diverse work contexts (Osland & Osland, 2006; Smith & Lewis, 2011); and the challenge of appreciating individual differences within the context of cultural differences (Holt & Seki, 2012a). These are two of a much larger set of inadequately addressed effectiveness challenges that will be discussed. A well-developed Global Mindset (Javidan & Teagarden, 2011) is what enables a leader to effectively manage challenges such as these. More importantly, addressing the underexplored challenges will enable us to develop more robust models of global leader effectiveness.

***Cultural Intelligence: A New Theory Based Measure***

Dave Thomas,

Australian School of Business

University of New South Wales, Australia

Cultural intelligence was introduced to the literature by Earley (2002, p. 274) as “a person’s capability to adapt effectively to a new cultural context”. This introduction was followed by two books (Earley & Ang, 2003; Thomas & Inkson, 2003), from which two somewhat different conceptualizations emerged. By far the most popular instrument to measure the construct is a twenty-item self-report questionnaire constructed by Ang et al. (2007). However, this measure does not capture the theoretical uniqueness of the cultural intelligence construct. In this presentation I discuss the development and validation of a short, theory-based, measure of *cultural intelligence*. It captures the original theoretical intent of a multifaceted culture general form of intelligence that is related to effective intercultural interactions. The validity of the scale was established with 3526 participants in five language groups from around the world. Results provide evidence for construct and criterion related validity of the measure. It indicates that cultural intelligence is a single latent factor consisting of three subordinate facets. In support of construct validity the measure is modestly related to but distinct from emotional intelligence and personality and correlates positively with several indicators of multicultural experience. With regard to criterion-related validity, it relates as predicted to several dimensions of intercultural effectiveness.

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