

The Relationship between Cultural Intelligence and Management Competencies

Subjects: **Management**

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Managers with higher Cultural Intelligence (CQ) are more effective in their leadership roles, the CQ of leaders contributes to a more positive perception of leadership performance in teams that are characterized by significant cultural diversity.

cultural intelligence

management competencies

multicultural management

management evaluation

1. Introduction

Cultural Intelligence, a 21st century concept, determines the extent of workers' success in foreign cultures, but also provide an answer to why dealing with issues that arise from cross-cultural problems can cause failure or success. The name used for this concept is Cultural Intelligence, which was abbreviated by Ang as CQ, "short for cultural intelligence quotient" ^[1]; both forms (Cultural Intelligence and CQ) are used in research and the literature equally for the cultural intelligence model itself and the measured level of cultural intelligence, which can be confusing.

The individual relationships of a person living in a foreign culture have an impact on their life, their resilience and, of course, their performance in the workplace. The ways in which people can be successfully encouraged to work better vary from nation to nation and culture to culture. For all these reasons, there is a growing need for more and more people—whether managers or subordinates—to excel in their professions and to successfully overcome intercultural barriers, whether at home or in cultures and countries other than their own ^[2].

Working abroad is no longer surprising, as there is no small community or family that is not affected by the fact that one of its members decides to emigrate permanently or temporarily overnight, but it is by no means certain that they are prepared for the challenges of the new environment ^[3]. The globalisation of circumstances also poses a challenge for the newcomer, but the development of personal competences, including the elements of integration competence, is necessary to be able not only to cope but also to succeed ^[4].

In the case of diverse (i.e., multicultural) groups, initial friction arising from cultural differences can hamper success from the moment of entry and can escalate into serious conflicts if not properly addressed and managed in time, with negative financial consequences if workers from different backgrounds are hired.

2. The Relationship between Cultural Intelligence and Management Competencies

2.1. The Importance, Brief History and Measurability of CQ

CQ is a discipline of the 21st century, a product of globalization. Rockstuhl et al. [5] pointed out that, although leadership is influenced by general intelligence and emotional intelligence, these findings relate to operating at home, in one's own country, and there was little research examining the impact in transnational contexts [5]. In the 21st century, researchers have turned their attention intensively to the skills and competences needed to integrate into other cultures. Egwuonwu et al. define CQ as human capital that can improve managerial relationship performance [2].

A pioneer in CQ research was Ang [6], who in 1997 noted that experts of different nationalities recruited for the Y2K problem, although skilled at their work and considered the best in their field, were not able to work together effectively. By exploring this new workplace requirement, Ang and Earley created the concept of CQ [7] and published a book on the results of their research, CQ [6]. Thomas and Inkson [8] further elaborated on their two classical theories, and listed knowledge, mindfulness, and intercultural skills as the components of CQ, with knowledge being the knowledge of one's own and other cultures, mindfulness being the ability to pay attention to context, and intercultural skills being the skills to use the former two. Dogra and Dixit [9] have brought together the most significant published work on CQ beyond classical CQ research (**Table 1**).

Table 1. CQ research.

Research Topic	Researchers
The link between CQ and the performance of foreigners	Kim, Kirkman and Chen (2008) [10]
The link between CQ, individual global identity and multicultural groups and group performance	Shokef and Erez (2008) [11]
The moderating role of CQ in foreign managers	Elenkov and Manev (2009) [12]
An integrated model of experiential learning and CQ	Ng, Dyne and Ang (2009) [13]
A conceptual model to investigate the role of CQ in labour diversity and group performance	Karma and Vedina (2009) [14]
The impact of CQ on conflict management skills	Ramirez (2010) [15]
Linking management CQ to leadership and team performance	Groves and Feyerherm (2011) [16]
A conceptual model in which prior intercultural experience influences international leadership potential through CQ	Kim and Dyne (2012) [17]
Link between CQ and employee engagement	Kodwani (2012) [18]

Research Topic	Researchers
Impact of short-term international experience on CQ dimensions	Engle and Crowne (2013) ^[19]
The impact of CQ on multicultural negotiation performance	Groves and Feyerherm (2014) ^[20]
The role and impact of CQ on task performance	Jyoti and Kour (2015) ^[21]
CQ, global leadership preparation and communication effectiveness in terms of anxiety and uncertainty management	Mukherji, Jain and Sharma (2016) ^[22]
Factors influencing CQ	Garamvölgyi and Rudnák (2017) ^[23]
Conceptual model: the impact of management CQ on group performance	Dogra and Dixit (2017) ^[9]
Theoretical framework for examining the relationship between management CQ, group CQ and organisational CQ	Dogra and Dixit (2017) ^[9]
Developing CQ	Raver and Van Dyne (2017) ^[24] Alexander, Ingersoll, Calahan, Miller, Shields, Gipson and Alexander (2021) ^[25]
CQ and intercultural training	Alexandra (2018) ^[26]
CQ and the way we speak	Ng, Van Dyne, and Ang (2019) ^[27]
CQ and cultural diversity	Alexandra, Ehrhart, and Randel (2021) ^[28]

1. Livermore, D. Digital, Diverse & Divided How to Talk to Racists, Compete with Robots, and Overcome Polarization; Berrett-Koehler Publishers: Oakland, CA, USA, 2022; p. 43.

2. Egwuonwu, A.; Sarpong, D.; Moad, C.; Oduro, C. Cultural Intelligence and Managerial Relational Performance: A Resource Advantage Perspective. *J. Intellect. Cap.* 2022, 23, 617–638.

In recent research, Schlaegel et al. ^[30] presented the results of seventy studies on CQ.

3. Rudnák, I.; Garamvölgyi, J. Hungary's Young, Technically Educated Workforce Engaged in Working Abroad. *Hung. Agric. Eng.* 2016, 29, 40–43.

As indicated above, the volume of research shows that CQ is gaining ground in the palette of studies, and its field of application is constantly expanding, proving that it is indeed an inescapable phenomenon of our time.

4. Rudnák, I. The Challenges of the Multicultural Environment among the Big Companies' Managers of Hungary. Ph.D. Thesis, Szent István University, Gödöllő, Hungary, 2010. Available online: https://archive2020.szie.hu/file/tti/archivum/Rudnak_Ildiko_ertekezes.pdf (accessed on 15 October 2022).

5. Rockstuhl, T.; Seiler, S.; Ang, S.; Van Dyne, L.; Annen, H. Beyond General Intelligence (IQ) and Emotional Intelligence (EQ): The Role of Cultural Intelligence (CQ) on Cross-border Leadership Effectiveness in a Globalized World. *J. Soc. Issues* 2011, 67, 825–840.

Currently, the best-known measurement tool is the Cultural Intelligence Scale (CQS), which has been developed over several years of work to create, refine, validate and cross-check the instrument. The development of the CQS has involved a wide range of samples with different compositions, including managers, students, expatriates and members of multicultural groups from all over the world ^[32]. The Cultural Intelligence Scale (CQS) was developed

6. Earley, C.P.; Ang, S. Cultural Intelligence: Individual Interactions across Cultures; Stanford University Press: Stanford, CA, USA, 2003.

7. The Cultural Intelligence Difference: Master the One Skill You Can't Drive Without in Today's Global Economy; Amacom: New York, NY, USA, 2011.

8. Thomas, D.C.; Inkson, K. Cultural Intelligence: Surviving and Thriving in the Global Village; CQ consists of four domains of ability, i.e., four factors (motivation, knowledge, strategy, action) which together determine the CQ score. These four factors correspond to the four dimensions of general intelligence [33]. These

9. Dogra, A.S.; Dixit, V.A. A Review of Cultural Intelligence and Behavioural QOM. *Indian J. Manag. Sci.* 2018, 3, 706–712.

10. Kim, K.; Kirkman, B.L.; Chen, G. Cultural Intelligence and International Assignment Effectiveness: A Conceptual Model and Preliminary Findings. In *Handbook of Cultural Intelligence: Theory, Measurement, and Applications*; ME Sharpe: Armonk, NY, USA, 2008; pp. 71–90.

11. Erez, M.; Shokef, E. *The Handbook of Cross-Cultural Management Research*; SAGE Publications, Inc.: Thousand Oaks, CA, USA, 2022; pp. 285–300 [5].

12. Elenkov, D.S.; Manev, I.M. Senior Expatriate Leadership's Effects on Innovation and the Role of Cultural Intelligence. *J. World Bus.* 2009, 44, 357–369.

13. Ng, K.Y.; Van Dyne, L.; Ang, S. From Experience to Experiential Learning: Cultural Intelligence as a Learning Capability for Global Leader Development. *Acad. Manag. Learn. Educ.* 2009, 8, 511–526 [35].

14. Karna, K.; Vedina, R. Cultural Intelligence as a Prism between Workforce Diversity and Performance in a Modern Organization. *Rev. Int. Comp. Manag.* 2009, 10, 527–542.

15. Ramirez, A.R. Impact of Cultural Intelligence Level on Conflict Resolution Ability: A Conceptual Model and Research Proposal. *Emerg. Leadersh Journeys* 2010, 3, 42–56.

2.2. Brief Description and Measurability of Management Competencies

16. Groves, K.S.; Feyerherm, A.E. Leader Cultural Intelligence in Context: Testing the Moderating Effects of Team Cultural Diversity on Leader and Team Performance. *Group Organ. Manag.* 2011, 36, 535–566.

17. Kim, Y.J.; Van Dyne, L. Cultural Intelligence and International Leadership Potential: The Importance of Contact for Members of the Majority. *Appl. Psychol.* 2012, 61, 272–294.

18. Kodwani, A. Cultural Intelligence and Engagement amongst India's IT Professionals. *Singap. Manag. Rev.* 2011, 33, 16–28.

19. Eingle, R.L.; Gowne, K.A. The Impact of International Experience on Cultural Intelligence: An Application of Contact Theory in a Structured Short-Term Programme. *Hum. Resour. Dev. Int.* 2014, 17, 30–46.

20. Groves, K.; Feyerherm, A.; Gu, M. Examining Cultural Intelligence and Cross-Cultural Negotiation Effectiveness. *J. Manag. Educ.* 2014, 39, 209–243.

21. The Joyce K. Wong, *Cultural Intelligence and Job Performance: An Empirical Investigation of Manifests* Moderating and Mediating Variables, *Int. J. Cross-Cult. Manag.*, 2017, 17, 205–226 [45]. In recent decades, there has been an increasing focus on the development of key competences related to and necessary for leadership (Adler [46], Hite and McDonald [47], Kakabadse, Bank, and Vinnicombe [48], Leblanc [49], Margerison [50], Mark. 2015, 1, 7–13. Effectiveness for Global Leadership Preparedness: Study Of Indian Managers. *J. Int. Bus. Res.* Margerison [51]). A number of researchers have attempted to identify the competences required for successful leadership, with a view to ensuring that leaders can be trained and developed on an ongoing basis (Analoui [52]; Rudnák, J.; Garamvölgyi [53]. *Cultural Intelligence: Key Influences*, *Soc. Space* 2017, 13, 1–19; Cockrell, Hunt, and Schroder [54]. Education Review Office [55], Katz [56], Mann and Staudenmiller [57]; Peter [58]. International Profiles Inc [59]; SHL [60]; Williamson [61]) [62].
22. Mukherji, S.; Neera, J.; Sharma, R. Relevance of Cultural Intelligence and Communication leadership (Adler [46], Hite and McDonald [47], Kakabadse, Bank, and Vinnicombe [48], Leblanc [49], Margerison [50], Mark. 2015, 1, 7–13. Effectiveness for Global Leadership Preparedness: Study Of Indian Managers. *J. Int. Bus. Res.* Margerison [51]). A number of researchers have attempted to identify the competences required for successful leadership, with a view to ensuring that leaders can be trained and developed on an ongoing basis (Analoui [52]; Rudnák, J.; Garamvölgyi [53]. *Cultural Intelligence: Key Influences*, *Soc. Space* 2017, 13, 1–19; Cockrell, Hunt, and Schroder [54]. Education Review Office [55], Katz [56], Mann and Staudenmiller [57]; Peter [58]. International Profiles Inc [59]; SHL [60]; Williamson [61]) [62].
23. Raver, J.; Van Dyne, L. Developing Cultural Intelligence: In *The Cambridge Handbook of Workplace Training and Employee Development*; Cambridge University Press: Cambridge, UK, 2017, pp. 407–440. A growing number of researchers have agreed on the importance of certain competencies, which were also promoted by senior management firms as SHL [63], Schroder [64] and Vincent [65]. This indicates that it is possible to create a universal competency model for assessing managers. There are three main types of Management Competencies: task management, people management and self-management [62]. Management Competencies are needed when carrying out a wide range of leadership tasks. Different competences are needed by employees and managers in different organisational hierarchies [42].
24. Alexandra, V. Predicting CQ Development in the Context of Experiential Cross-Cultural Training: The Role of Social Dominance Orientation and the Propensity to Change Stereotypes. *Acad. Manag. Learn. Educ.* 2018, 17, 62–78. A comparison of Mintzberg's leadership roles, general Management Competencies and IMC Management Competencies was done by Coetzee et al. where IMC's personality trait and leadership skills factors were matched to Mintzberg's interpersonal roles, IMC professional skills factors were matched to Mintzberg's informational roles and IMC entrepreneurial skills factors were matched to Mintzberg's decisional roles. Mintzberg considered information transfer and verbal communication to be very important in leadership. He considered leadership to be more of an art than a science [66].
25. Alexander, K.C.; Ingersoll, L.T.; Calahan, C.A.; Miller, M.L.; Shields, C.G.; Gipson, J.A.; Alexander, S.C. Evaluating an Intensive Program to Increase Cultural Intelligence: A Quasi-Experimental Design. *Front. Interdiscip. J. Study Abroad* 2021, 33, 106–128.
26. Alexandra, V.; Ennhart, K.H.; Randel, A.E. Cultural Intelligence, Perceived Inclusion, and Cultural Diversity in Workgroups. *Personal. Individ. Differ.* 2021, 168, 110285. SHL's Inventory of Management Competencies (IMC) tool provides a 360-degree assessment of managers based on sixteen generic management competency models for measuring outstanding management performance/effectiveness [42], which leads the field in personal assessments. Since its publication it has been used in numerous research studies, but its validity has been tested under rigorous conditions. In a meta-study of 33 studies (22 empirical studies), it was found that the IMC instrument was used in the majority [67]. Today, more than 5500 organisations use the SHL tool and techniques [66].
27. Ng, K.Y.; Van Dyne, L.; Ang, S. Speaking out and Speaking up in Multicultural Settings: A Two-Study Examination of Cultural Intelligence and Voice Behavior. *Organ. Behav. Hum. Decis. Process.* 2019, 151, 150–159.
28. Alexandra, V.; Ennhart, K.H.; Randel, A.E. Cultural Intelligence, Perceived Inclusion, and Cultural Diversity in Workgroups. *Personal. Individ. Differ.* 2021, 168, 110285. SHL's Inventory of Management Competencies (IMC) tool provides a 360-degree assessment of managers based on sixteen generic management competency models for measuring outstanding management performance/effectiveness [42], which leads the field in personal assessments. Since its publication it has been used in numerous research studies, but its validity has been tested under rigorous conditions. In a meta-study of 33 studies (22 empirical studies), it was found that the IMC instrument was used in the majority [67]. Today, more than 5500 organisations use the SHL tool and techniques [66].
29. Cultural Intelligence Center. Articles | Cultural Intelligence Center, 30 October 2018. Available online: <https://culturalq.com/about-cultural-intelligence/articles/> (accessed on 13 February 2023).
30. Schlaegel, C.; Richter, N.F.; Taras, V. Cultural Intelligence and Work-Related Outcomes: A Meta-Analytic Examination of Joint Effects and Incremental Predictive Validity. *J. World Bus.* 2021, 56, 101209.
31. Garamvölgyi, J.; Rudnák, J. Correlations between Intercultural Competence, Cultural Intelligence and Culture Shock in Proceedings of the Innovációs Kihívások és Lehetőségek 2014–2020 között' : XV. Nemzetközi Tudományos Napok, 2016; pp. 485–493. Available online: <https://poszintert.hu/api/publication/3044723> (accessed on 13 February 2023).
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33. Ang, S.; Van Dyne, L. Conceptualization of Cultural Intelligence—Definition, Distinctiveness, and Nomological Network. In *Handbook on Cultural Intelligence: Theory, Measurement and*

2.3. The Relationship between CQ and Management Competencies

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