

LEADING
— WITH —
CULTURAL
INTELLIGENCE
THE REAL SECRET TO SUCCESS

THIRD EDITION

DAVID LIVERMORE

FOREWORD BY
SOON ANG, PHD, AND LINN VAN DYNE, PHD



HARPERCOLLINS
LEADERSHIP

AN IMPRINT OF HARPERCOLLINS

CONTENTS

Foreword by Soon Ang, PhD, and Linn Van Dyne, PhD xiii

Prologue xv

PART I

Cultural Intelligence for Global Leaders

1. Culture Matters: Why You Need Cultural Intelligence 3

Creating and navigating culture is one of a leader's most important roles. See why culture matters and beware of the myths that often inform global leadership practice.

2. What Is Cultural Intelligence? 25

Discover the four capabilities found in culturally intelligent leaders and learn what the research says about the ROI of developing cultural intelligence (CQ) in yourself and others.

PART II

Developing Cultural Intelligence

3. CQ Drive: Discover the Power of Difference. 49

Explore the motivational drivers you can leverage in yourself and others for managing the challenges of working in contexts characterized by diversity, complexity, and change.

4. CQ Knowledge (Part 1): Understand the Culture Effect. . . . 73

Develop your ability to read any intercultural situation by improving your understanding of how culture influences a situation. And gain fundamental insights into the role of geopolitics in how you lead.

5. CQ Knowledge (Part 2): Learn Ten Cultural Dimensions. . . . 97

Learn ten cultural value dimensions and their impact on day-to-day leadership tasks like change management, conflict resolution, communication, and more.

6. CQ Strategy: Create an Inclusive, Agile Plan 127

Gain the skill to effectively plan and strategize in light of the cultural differences and complexities involved in any situation.

7. CQ Action: Adapt, but Not Too Much. 149

Discover if, when, and how to adapt your leadership style based on the people, objectives, and circumstances.

PART III

Cultural Intelligence for Organizations and Teams

8.	Leading a Culturally Intelligent Team	177
	Develop the skills to lead diverse, high-performing teams that are inclusive and innovative.	
9.	Building a Culturally Intelligent Organization	199
	Discover the leading practices for building cultural intelligence into the purpose, people, and processes of any organization.	
	Epilogue	225
	Reflection and Discussion Questions	227
	Acknowledgments	231
	Appendix: Ten Cultural Clusters.	233
	Notes	241
	Index	255
	About the Author	265

PART I

Cultural Intelligence
for Global Leaders

CHAPTER ONE

Culture Matters: Why You Need Cultural Intelligence

Scroll through many articles in *Forbes*, *Fast Company*, and even *Harvard Business Review* and you get the sense that leadership is a universal skill set that includes 5:00 a.m. workouts, letting people work autonomously, communicating transparently, and eliminating anything that resembles hierarchy. Yet this is not how the majority of people want to be led.

When I reviewed leadership content published over a five-year period including books, articles, seminars, and even business school curriculum, I found that roughly 90 percent of the content was designed for leading in individualist, egalitarian cultures.¹ But 70 percent of the world is collectivist and hierarchical, values that not only characterize people in Shanghai and Dubai but increasingly people in Copenhagen and Omaha. And while in the past it would have been hard to find a more hierarchical context than India, many younger Indians grew up in families where they were empowered to voice their opinions and challenge authority. If you expect every thirty-two-year-old Indian engineer to address you formally, you may be surprised.

4 Leading with Cultural Intelligence

Today, most leadership contexts include people with a diversity of values and backgrounds on the same team. Organizations need culturally intelligent leaders—leaders who can influence diverse groups to work toward common goals within a global context. Leading with cultural intelligence is not about geography. It’s about having the dynamic agility to lead anyone, anywhere.

All my life I’ve been fascinated by cultures. From as far back as when I was a Canadian American kid growing up in New York, I was intrigued by the differences my family would encounter on our trips across the border to visit our relatives in Canada. The multicolored money, the different ways of saying things, and the varied cuisine we found after passing through customs drew me in. I’ve learned far more about leadership, global issues, and my faith from my cultural experiences and work than from any graduate course I’ve ever taken or taught. I’ve made people laugh when I’ve stumbled through a different language or inadvertently eaten something the “wrong” way. I’ve winced upon later discovering I offended a group of colleagues because I spent *too* much time complimenting them publicly. I’m a better leader, teacher, father, friend, and citizen because of the diverse relationships I’ve forged. And through the fascinating domain of cultural intelligence, I’ve discovered an enriched way to understand and prepare for my work across borders, at home and abroad.

Cultural intelligence (CQ) is *the capability to relate and work effectively in culturally diverse situations.*² This includes traditional differences like nationality and race, but it applies equally to any number of figured worlds we encounter. Figured worlds are the social contexts where we figure out who we are and what we value. For most of us, this begins within our family context and expands to include other figured worlds including our interests, professional identity, religious background, gender, socioeconomic group, and myriad other social contexts that shape us. Cultural intelligence gives us the adaptability to effectively communicate across many figured worlds. You see this exemplified by leaders like Indra Nooyi, PepsiCo’s former CEO. One

second, she's giving her board a no-nonsense update about the company's share price, and the next minute, she's lightheartedly telling a group of consumers about how her grandmother scolded her for wasting water while growing up in India.

Cultural intelligence can be learned by most anyone. It offers leaders an overall repertoire and perspective that can be applied to myriad cultural situations. It's an approach that includes four different capabilities, enabling us to meet the fast-paced demands of leadership in our increasingly digital, diverse world. Think about a project you're involved in right now that includes a diversity of people and perspectives and consider these questions:

- What's your motivation for addressing the cultural dynamics of this project? (CQ Drive)
- How well do you understand the impact of culture on this project? (CQ Knowledge)
- How will you strategize in light of the culture effect? (CQ Strategy)
- How do you need to adapt your leadership to see this project succeed? (CQ Action)

If you're not sure how to answer some of those questions, we'll get to that. But before more fully describing cultural intelligence and how to develop it, we need to spend a few minutes understanding its relevance to us as leaders, whether you work for a local start-up, a midsize university, or a multinational company.

From the Midwest to West Africa in Twenty-Four Hours

It's the day before I fly to Monrovia, the capital of Liberia. Liberia, a small country on the coast of West Africa, isn't a place I ever planned to visit. But given that the university where I was working was forming a partnership there, it became a regular destination for me. The twenty-first-century world of globalization makes even the most foreign places seem oddly familiar in some strange way. Wi-Fi in the hotel, Diet Coke, and the use of US dollars removes some of the far-away feeling of a place like Monrovia. Even so, I still have to make a lot of adaptations to do my job as a leader in a place like Liberia.

In some ways, faraway places can seem strangely familiar. In other ways, not so much.³

The day before I leave for West Africa is spent tying up loose ends prior to my weeklong absence. I respond to emails from colleagues in Dubai, Shanghai, Frankfurt, and Johannesburg and I talk on the phone with clients in Kuala Lumpur and Hong Kong. My wife and I grab a quick lunch at our favorite Indian restaurant, and we talk with the Sudanese refugee who bags the groceries we pick up on the way home. Before my kids return from their Cinco de Mayo celebration at school, I call my credit card company and reach a customer service representative in Delhi. Even in the small city of Grand Rapids, Michigan, where I lived at the time, intercultural encounters abound.

One would think travel across our globally connected world would be easier than it is. Getting from Grand Rapids to Monrovia takes deliberate planning, and it wreaks havoc on the body. The travel had to be planned around the three days a week when Brussels Air, the only Western airline that flies to Monrovia, goes there. But still, the fact that I can have breakfast with my family one morning and go for a run along the Atlantic Coast in West Africa less than twenty-four hours later is pretty amazing.

On the flight from Brussels to Monrovia, I sit next to Tim, a twenty-two-year-old Liberian guy currently living in Atlanta. We chat briefly. He describes his enthusiasm about going home for his first visit since his parents helped plan his escape to the States during the civil war ten years earlier.

As we land, I see the UN planes parked across the tarmac. Eight hours earlier I was walking the streets of Brussels and grabbing an early morning waffle. Now I am making my way toward passport control in Monrovia.

Eventually I end up at baggage claim next to my new acquaintance Tim. A porter who looks so old he could pass for a hundred is there to help Tim with his luggage. The porter asks Tim, "How long are you staying here, man?" Tim responds, "Only two weeks. I wish it was longer." The porter bursts out with a piercing laugh. "Why, my man? You're from America!" Tim responds, "I know, but life is hard there. I wish I could stay here longer. Life is better here." The porter laughs even harder, slaps Tim on the back, and says, "You're talking crazy, man. Look at you. You have an American passport! You don't know what a hard life is. I've been working the last thirty-seven hours straight, and they haven't paid me for six weeks. But I can't give up this job. Most people don't have jobs. But look at you. You've been eating well. You look so fat and healthy. And you live in the USA!" Tim just shakes his head and says, "You don't know. You have no idea, no idea. It's hard. Never mind. Just get my bag." I see the fatigue penetrating Tim's broad shoulders.

I can understand why the porter finds it absolutely laughable that a twenty-two-year-old bloke who can afford a two-week vacation across the ocean can consider life "hard." Yet I imagine there are some significant hardships for Tim as a young Black man living in Atlanta. The statistics are stacked against him. How many people lock their car doors when he walks by? What extra hoops did he have to go through to get hired at the fitness center where he works in suburban

8 Leading with Cultural Intelligence

Atlanta? And Tim told me about the enormous expectations on him by his family and friends who stayed in Liberia. After all, they didn't get to escape the war, so the least he can do is send regular amounts of money to support them. Observing these kinds of interactions as I travel has provided me with some of the most important lessons about how to lead effectively.

As I walk out of the Monrovia airport, a brightly smiling woman adorned in glowing orange from head to toe sells me a SIM card for my phone for five US dollars. I send a text message to my family to let them know I arrived safely. While walking, texting, and looking for my driver, I nearly trip over a woman relieving herself, I see kids selling drinking water, and I pass men my age who by Liberian standards are statistically in their final years. Using my smartphone to send a text message home makes the foreign seem familiar. But watching my kids' peers sell water makes the same place seem foreign.

After a decent night of sleep, I go for a morning run along the muddy streets by my hotel. I keep passing children carrying buckets of water on their heads. Breakfast at the hotel where I stay occurs at a large dining room table where guests are served two runny eggs, a hot dog, one piece of plain white bread, and a cup of instant coffee. On this particular morning, the breakfast table includes UN consultants from India and Sweden, an economist from the United States, some North American business professionals, and a British physician.

I begin talking with the US businesswoman seated next to me. She works for a US company that sells baby food. She tells me this is her fifth trip to Monrovia in the last two years. After her first trip, she convinced her company there was a growing market for baby food in Liberia, particularly among the many Liberians who were coming back after living abroad during the fifteen-year war. While overseas, some Liberians saw the nutritional benefits and convenience of baby food, and they were sure they could convince their fellow Liberians to buy it as well. The company shipped several containers of baby food. They selected the kinds of food to send based

upon market research of the Liberian diet; but the company used the same packaging employed in the United States: a label with a picture of a baby on it, albeit a Black baby. The company launched its product with many promotions including free samples for parents to try with their kids, but very few people picked up the samples, and even fewer purchased the baby food, despite it being introduced at a very low price. Sales of the baby food flopped until the company suddenly realized that African grocery distributors usually place pictures of the *contents* on their labels. Therefore, marketing food with a baby on the front didn't sell.

Hearing the businesswoman's story, the white-haired British doctor sitting across from us chimes in with a story of his own. He tells us how he shipped several crates of medicine from London six months ago, but it still hasn't arrived in Liberia. He had called and emailed the Monrovia shipyard from London every couple of days for the last few months and was continually told the shipment hadn't arrived yet. Once he reached Monrovia, he went to the dock almost daily to inquire whether his shipment had arrived. Each time he was told, "Come back tomorrow. It should definitely be on the next ship." But it never was. He is beginning to think he'll never see the medical supplies, and the value of his brief visit to Liberia is becoming seriously undermined by not having them. He muses that it now seems a waste of time for him to have come.

I go on to share a couple of my own cultural mishaps, and we talk about how easy it is to laugh at these things in retrospect; but at the time, the frustration and financial cost involved is anything but a laughing matter. Our breakfast conversation is a reminder of the many challenges that come with leading across borders. And in a few minutes, I am about to discover that reality again myself.

One of the key objectives for my trip to Liberia is to decide whether we should include a Liberian school, Madison College (pseudonym), in the multitiered partnership we were developing throughout the country. Our primary organizational contact in Liberia is Moses, a

catalytic Liberian who is leading an effort to rebuild the Liberian educational system after the war. Moses is the eldest of his father's eighty-five children and the son of his father's first wife. That makes him the highest-ranking member of his family now that his father is dead. Moses is short and stocky, and he carries himself like a tribal chief. He consistently cautioned our university against working with Madison College. He was concerned about the integrity and ethics of Dr. Jones, the president of Madison. This morning, Moses and I are visiting another key leader in Monrovia, Dr. Harris. Dr. Harris has done a lot of work with Dr. Jones and Madison College. Dr. Harris is a tall, stately looking man who remains behind his desk while we talk, sitting rigid and straight in a navy blue suit.

Soon after we get through the perfunctory introductions, Dr. Harris mentions that he sometimes teaches at Madison. I take that as my cue.

Me: How do you like teaching at Madison, Dr. Harris? Is it a good school?

Dr. Harris: Oh, it's a great joy for me to teach there. The students are so eager to learn. . . .

Me: And how about Dr. Jones? What's he like as a leader?

Notice that, while being direct, I am trying to ask open-ended questions, an approach that usually works well for me.

Dr. Harris: Madison is a very good school. Dr. Jones has been there for a long time, since before the war.

I can see my open-ended questions aren't getting me very far. My time with Dr. Harris is limited. I need his honest assessment of Dr. Jones, so I decide to go for it:

Me: I'm sorry if what I'm about to ask is a bit uncomfortable, Dr. Harris. But I've heard some concerns about Dr. Jones and his leadership. I'm not looking for unnecessary details. But we're considering a partnership with Dr. Jones and Madison College. This partnership would result in a high level of investment from our university. Might you be able to offer me any perspective on these criticisms I keep hearing?

Dr. Harris: It would be very good for the students if you partner with Madison College. Our schools have nothing here. The war destroyed everything. It would be very, very good. Please come.

I'm not entirely clueless. I can see what is going on, but I don't have time for what feels like game playing to me. I come at it again.

Me: Yes, that's why I'm here. But I wonder what you can tell me about Dr. Jones specifically. Would you feel good about endorsing him to us as a significant partner?

Dr. Harris: It's really quite amazing the school survived the war. I mean, of course they had to shut down for a while. The rebel soldiers overtook all of Monrovia. But they were one of the first places to reopen. They have very good people there.

Me: And you feel good about the way Dr. Jones is leading there?

Dr. Harris: Dr. Jones has done many good things. We've been friends for many years. Actually, we were classmates together in primary school. It would be very good for you to help Madison. I can introduce him to you if you like.

As we walk away from the meeting, I turn quickly to assure Moses: "Moses, I don't want you to think I don't trust your assessment of Dr.

12 Leading with Cultural Intelligence

Jones. It was just important for me to try to get his input. But that doesn't mean I'm discounting your reservations.”

Fortunately, Moses has learned to talk to a direct North American like me in a way that I get it. He replies:

Don't you get it, Dave! Don't you see? Of course he wasn't going to tell you his concerns about Dr. Jones. You should never have asked him that, especially not with me there. He would never speak disparagingly about him in front of another Liberian brother to a complete stranger from the States. They grew up together! What did you expect him to say?

I shoot back:

The truth! That's what. He doesn't need to give me gory details. But if he is aware of these improprieties Dr. Jones keeps being accused of, I expect him to at least encourage me to explore my concerns further. If someone asked me about a childhood friend I knew was embezzling money, I'd tell the truth!

Moses explains that Dr. Harris might have delved into this with me a bit if we had been alone. He says, “But it would be shameful for both of us if he had criticized his childhood friend in front of me. And he's teaching there. Talking about this would bring shame to him. You never should have asked him that—not with me there. Never!”

I wasn't totally oblivious to the cultural and interpersonal dynamics involved. But I was at an impasse in getting some key information I needed to move forward. I can usually make my way through these kinds of conflicts. But the interpersonal skills and persuasive strategies I use intuitively in other contexts weren't working for me here. This is where cultural intelligence comes in. It helps us effectively

adapt our leadership strategies when working with individuals from different backgrounds while still accomplishing what we need to get done. I'll come back to this story later to show how cultural intelligence eventually helped me resolve this dilemma.

Leading Everyone Everywhere Effectively

Most leaders won't end up working in Liberia, although don't discount the possibility. Africa is experiencing rapid economic growth. With a growing population, rising urbanization, and increasing foreign investment, Africa is an increasingly attractive market for many businesses. But culturally intelligent leadership is not solely for people working internationally. It's about having the dynamic agility to lead boomers and Gen Xers, engineers and marketers, trans women and straight guys, faculty and entrepreneurs.

Let's start with a foundational concept for why we need cultural intelligence to lead effectively, followed by three more specific reasons. At a fundamental level, cultural intelligence matters because not all followers want the same thing from their leaders. This is explained by an enormously useful idea known as *implicit leadership theory*, which says effective leadership is not only based on your leadership skills; it's as much determined by your followers' expectations.⁴ When I first assumed a leadership role at an organization in Singapore, I prided myself on inviting support staff to join me for lunch. They consistently turned me down. I thought they'd be thrilled that a senior leader wanted to socialize with them, but they found it incredibly uncomfortable. It didn't matter that my intention was to build rapport and trust with them; I was violating their expectations of how a leader is supposed to behave. It was certainly my prerogative to lead in a way that was different from what they expected, but if I was going to gain their trust, it was going to require a different approach than just

ignoring their preferences. Leading in the digital, diverse world requires understanding the diverse values and assumptions of those we lead and adjusting accordingly.

Let's look at three specific realities that illuminate why cultural intelligence is a nonnegotiable for most leaders today: diverse markets, diverse talent, and disruptive events and technology.

Diverse markets

Imagine you're a leader for a US financial services firm and your marketing team presents you with a mock-up for an advertisement targeting the Latino population. The marketing materials feature a brown couple enjoying their retirement on a private beach. But spending time alone on a beach is incongruent with the collectivist and family-focused values of many Latin American cultures. A Latino colleague suggests you replace the image with a picture of the couple standing in their kitchen surrounded by extended family, a much more appealing vision of retirement for many Latinos. But you're not sure. Is that accurate? And even if it is, will you be perpetuating stereotypes? Surely there are Latino couples who would be quite happy with a retirement alone on the beach. And by the way, what's the right language for referring to this demographic? Is it Latino? Latinx? Hispanic? Or something else? And are all Latinos brown?

Most organizations' greatest opportunities for growth lie in diverse markets. But understanding a broader range of customers' pain points, values, and priorities becomes much more difficult. In the past, leaders could pretty easily design products and services for customers and constituents because they looked like them, thought like them, and made buying decisions like them. But the greatest growth opportunities for many organizations lie in expanding to a diversity of customers, at home and abroad. The fastest growing markets worldwide are in Asia, Africa, and Latin America.⁵ Putting a picture of pureed carrots on the front of baby food might reduce sales in a

US market but increase them in Liberia. African American and Latino markets in the US are larger than the economies of 180 countries. But an absence of cultural intelligence is what caused a major backlash for Gucci when they released what was essentially a “black-face” sweater in the US. And when H&M used a Black child to market a hoodie that said “Coolest Monkey in the Jungle,” consumers across the globe revolted.

Understanding different markets isn’t really new. Coke, Sony, and Chanel have been doing that for decades. But today, the lines between local and global have blurred. You may have customers in Istanbul and Indianapolis with more similar tastes to each other than a vegan Democrat and an NRA Republican living next door to each other in Fort Wayne, Indiana.

One key strategy many organizations use to expand into diverse markets is joint ventures, mergers, and acquisitions. This is what my university tasked me to do on my visit to Liberia and it’s what Daimler and Chrysler were doing when Daimler’s \$37 billion acquisition of Chrysler was lauded as a coup on the Japanese car makers. But as so often happens, the cultural incompatibility between the two companies led to record losses. Daimler’s hierarchical, precision-obsessed culture clashed with Chrysler’s innovative, flat culture. The board eventually gave up on making the merger profitable and essentially paid an investment company to take Chrysler from them. Mergers and acquisitions can be just as tumultuous when combining two corporate cultures from the same country. The early days of Amazon’s acquisition of Whole Foods were rife with conflict given the combination of Amazon’s hierarchical, tight, process-oriented culture with Whole Foods’ egalitarian, laid-back culture.⁶

Diverse markets have never been more accessible. But cultural intelligence is a critical factor in pitching your value, setting your pricing, negotiating deals, and handling the myriad differences in regulations, legal systems, and trade agreements between one market and another.

Diverse talent

Meanwhile, organizations worldwide are spending unprecedented amounts on DEI. They understand that one of the best ways to reach diverse markets is by tapping the in-house expertise of a diverse workforce. Leveraging the nexus of consumer diversity with talent diversity is a no-brainer for culturally intelligent leaders. Yet in many contexts, DEI has become a political third rail riddled with polarizing viewpoints about how to handle racial inequity, gender fluidity, reproductive rights, and myriad other hot button issues. Some organizations are walking away from their DEI investments because they don't see the return on investment. Cultural intelligence is needed to ensure inclusion is directly linked with the organization's mission and strategy rather than being siloed as a side project. It requires a strategic effort to create inclusive, psychologically safe environments that support both employee engagement and effectively reaching diverse markets.

The explosion of DEI work has been beneficial in building awareness about diverse identities and values. But awareness isn't enough. We need to develop the skills to adapt how we lead a diverse workforce. Followers everywhere want leaders who communicate clearly, lead with vision, and avoid unethical behavior. But there are far more differences than similarities in what diverse team members want from leaders. Some want autonomy and others prefer to be micromanaged. Yes—you read that right! There are individuals who have been socialized in environments where leaders are expected to provide an enormous amount of detail and oversight. Some individuals want to be included in decision-making; others are confused when leaders ask them to weigh in on a decision. Even in the areas where followers agree about what they want, an individual's background significantly shapes how they define something like “clear, visionary communication.” For some, clarity means providing a brief summary with actionable items. For others, clarity means taking time to provide a great

deal of context, including the process that was used to make a decision. If you're from the dominant culture in your organization, your team will be paying attention to whether your attempts at clarity cross the line into mansplaining or ignoring subtle forms of discrimination on the team. Your goal as a leader is to lead everyone inclusively and effectively. That's impossible without cultural intelligence.

DEI is relevant everywhere, but it's not always perceived that way. One time I was with a group of executives at a bank in Hong Kong. We were discussing the issues of bias and discrimination, and one of the Chinese executives said, "This is such an American thing. We don't really deal with these issues here." Before I could respond, one of the Indian executives in the meeting said, "Oh really? How many of you were stopped on the way up to the boardroom this morning and asked to unlock the washroom?" Many of his colleagues laughed. He continued, "No. I'm serious. I was wearing my workout clothes when I arrived this morning, and I was stopped three times by people assuming I was a janitor."

I first started advising Starbucks because of their need to develop a more global approach to their DEI strategy. Their Asian, Middle Eastern, and European teams complained that the DEI work coming out of Seattle was too US-centric. While they were sympathetic to the importance of talking about the African American experience in the US, it felt out of touch to employees in Hong Kong and Dubai. Yet Starbucks knew that the issues of bias and discrimination were not unique to the US. Bias happens everywhere. Starbucks saw cultural intelligence as offering a lexicon and model they could use globally while allowing for regional adaptation.

Employers, customers, and top job candidates are looking to see whether we can go beyond lip service to inclusive leadership and cultural intelligence. They want to see concrete ways we lead everyone, everywhere, inclusively and effectively, and they're monitoring whether our DEI strategies are solely focused on race, gender, or cognitive diversity or whether it's a truly dynamic and inclusive approach

that looks at the impact of status, power, and conflicting values upon how everyone works together.

Disruptive events and technology

Perhaps the greatest test of a leader's cultural intelligence is their ability to act swiftly, deliberately, and effectively in the midst of uncertainty and disruption. Global leaders have to effectively navigate an environment that is increasingly characterized by global competition, volatility, ambiguity, and change. One wrong move and you can be faced with a PR nightmare or data breach.⁷

Helena Helmersson became CEO of clothing giant H&M just before the COVID-19 pandemic started. Six weeks into her role, H&M's shares decreased by 50 percent. They had to temporarily close most of their physical stores and prioritize online sales channels. But H&M was able to quickly adapt to the changing circumstances by investing in digital capabilities and accelerating online growth. Just as things became profitable again, a costly controversy erupted in China. Chinese consumers and government officials were irate when they heard that Helmersson was voicing concerns about allegations of forced labor in the Xinjiang region of China. This quickly resulted in the complete removal of H&M's online presence in China and a boycott of its physical stores. The company saw a sharp decline in sales in the region, with revenue dropping by 23 percent in the second quarter of 2021.⁸

Helmersson issued a statement that acknowledged H&M's commitment to the Chinese market while also emphasizing the company's dedication to sustainability and ethical business practices. She engaged in private discussions with Chinese officials, seeking to address their concerns and find a way forward. In addition, Helmersson oversaw changes in H&M's supply chain, including increasing transparency and implementing new due diligence processes to ensure that the company's products were not associated with forced labor in the

Xinjiang region. These steps helped to rebuild trust with Chinese consumers and government officials as well as with consumers, activists, and influencers around the world.

Helmerson's openness to change and her ability to figure out how to quickly adapt to new, unexpected realities was critical to her success. Part of this relied on figuring out what organizational capabilities were most important for adapting to the changes, including quickly building their digital capabilities when COVID shut down their stores. I experienced a similar situation on a much smaller scale in leading our global team at the Cultural Intelligence Center. When COVID hit, we had to figure out how to shift to providing the majority of our cultural intelligence sessions online rather than in person. A different kind of facilitation skill was needed to effectively teach sessions on CQ and unconscious bias over Zoom and across multiple time zones. And I, like leaders all over the world, had to instantly figure out how to effectively lead a fully remote staff.

Technology is one of the biggest disruptive forces that requires the openness and agility that comes from cultural intelligence. Soon after the release of ChatGPT, New York City Public Schools banned the use of the AI tool across all devices and networks. The district's leadership was concerned that students would use ChatGPT to cheat and would fail to learn critical thinking. This seemed like a questionable decision to me. This technology is evolving so quickly that I'm reluctant to say much about it, but let's consider the school administrators' decision to illustrate a point.

Interactive chatbots are going to be a huge part of all of our lives. We need kids to get good at using them. Rather than resisting this technological disruption, we need to teach students how to write good prompts, discern whether the data is accurate, and learn how to make ethical choices about generative AI. Just as we needed to learn how to effectively use calculators and search engines, we need to leverage technology to accelerate education and innovation rather than view it as a threat. Why not create courses on how to use and

maximize chatbots and equip teachers to incorporate it into the curriculum? To be fair, interventions are needed to identify cheating and effectively evaluate learning. But cultural intelligence is not only a skill that provides the agility to work with people from different backgrounds; it also helps us sense, interpret, and act on emerging technologies and the associated disruptions.

The chaos and disruption that comes with leading in today's world is not going away. Nor will the need to work effectively with diverse markets and talent. Leading *without* cultural intelligence results in slower response time, increased costs, growing frustration and confusion, poor job performance, decreased revenues, low employee engagement, and lost opportunities.⁹ But with cultural intelligence, you gain the strategic foresight and skill to discern, influence, and lead with courageous clarity without ignoring the inevitable risks and uncertainties.

Most Leadership Advice Is Biased

Despite the compelling evidence for why leaders need cultural intelligence, a great deal of leadership advice is written as if everyone wants to be led the same way. It often includes kernels of truth; but leading with cultural intelligence begins by critically rethinking a lot of what passes as essential leadership advice in light of the diverse people and contexts where you lead. Here are a few examples.

"Admit your mistakes openly to build trust."

I trust you more if you're aware of your mistakes and own them. But most people in the world aren't like me. If we're leading people from a face-saving culture, it can be extremely disorienting to hear your leader openly admit a mistake. *Why are you going on about this? What's your motive for talking about this publicly?* Leaders are given a position

of authority and honor; hearing them grovel about what they did wrong may actually erode trust. Implicitly, everyone knows when something has gone wrong. Many team members prefer that their leader makes up for it indirectly without drawing more attention to it. Owning mistakes is essential for all leaders. But how we talk about our mistakes with those we lead depends on the context.

“Get to the point.”

Do a quick review of many of the top leadership articles in *Forbes*, *Harvard Business Review*, and *Inc.* and you find a recurring emphasis on telling leaders to prioritize the big picture and long-term results. “The people you lead don’t want to hear you drone on about the details. Get to the point.” Well—maybe. But even if you don’t lead people internationally, you almost certainly have individuals on your team who want you to wade into some details both to fill in the blanks and to assure them you’ve thought this through carefully. While some individuals prefer that we get to the bottom line quickly, others (for example, many Europeans, engineers, and academics) want to hear how you arrived at your conclusions before you too quickly “get to the point.”

“Ask people what they want.”

When I talk with leaders about being mindful of the diverse preferences and values among those they lead, someone inevitably says, “I just ask people what they prefer.” I appreciate the intent, and it’s a good starting point. But there are many loopholes to this approach. First, many status-conscious individuals will tell you what they think you want to hear rather than what they actually prefer. And the more hierarchical the culture, the more people will be confused why you’re even asking them this question. You’re the boss! Second, this approach assumes those we lead know what they want. Just as Steve Jobs knew

that market research would not lead to the innovative iPhone he was after, so also, our teams may not always have the language or self-awareness to articulate what they prefer, need, or want.

“Here’s what women want.”

(or millennials, Ukrainians, Black professionals, etc.)

Rethinking this advice is tricky. Given that the workplace was designed by and for men, I support the importance of empathizing with the overarching realities that are unique to women or any marginalized group. But can we really reduce the desires of half the planet to ten points about how to lead women effectively? One of the things that has emerged in our research on cultural intelligence is the value of “sophisticated stereotypes”—research-based tendencies that serve as an unspoken starting point for what someone may want based on one dimension of their identity. But we have to hold these sophisticated stereotypes loosely and use direct interaction with individuals to determine what *they* want. Go ahead and educate yourself about the figured worlds represented on your team; but apply that information dynamically based on the people you lead in the real world.

“Never state your price first.”

This is a classic rule of negotiation that I come across almost weekly. It shows up in advice for sales leaders, entrepreneurs, and to job candidates who are negotiating salaries. Several years ago, I was leading a seminar with an international group of participants, and someone asked the consultants in the room how they approach pricing their services. A couple of North Americans said that they start with a consultative sales approach, followed by asking the potential client what their budget is, and only after that, providing a quote. A Malaysian woman in the group said, “That would never work for me in Asia. The first thing they ask me is, ‘What is the price?’ and if I did all this

dancing around about their needs and budget, they would dismiss me immediately.” Many expect that business relationships in more collectivist cultures will be more indirect about money and prefer to ease into it with small talk; in my experience, many of these business contexts are much more to the point about cost than what I experience in the West.

My point is less about ignoring the dominant leadership advice and more about reframing it through the lens of cultural intelligence. You may still decide to apply some of these ideas, regardless of the context, because they may fit your values as a leader. For example, I can’t lead authentically without acknowledging my mistakes and inadequacies. But I change how, when, and where I discuss my mistakes based on the context.

Leading in today’s digital, diverse world requires the cultural intelligence to think strategically and consciously about the individuals and contexts involved and the adaptations needed. When we lead with cultural intelligence, we’re much more likely to lead everyone inclusively and effectively.

Leading from Our Laptops

It used to be that leading globally meant impressing people with the number of stamps in your passport, your airline status, and tips for managing jet lag. Today, the world is at our fingertips. We can move seamlessly between conversations and meetings with people from many different figured worlds without ever leaving the home office. But when leading from the comfort of home, it’s easy to forget the need to adjust how we negotiate, use humor, and motivate people. Not everyone wants you to “start with why” (apologies Simon Sinek). Not everyone thinks titles are less important than bravery (sorry Brené Brown). And not all customers are waiting for you to wow them with your minimalist design (RIP Steve Jobs).

Learn everything you can from successful leaders and the endless books, seminars, and articles that are available. But filter it all through the lens of what it means for *you* to lead effectively while maneuvering the twists and turns of a complex world with unclear boundaries. The continually shifting landscape of global leadership can be disorienting, but it can also be life giving; experience and intuition alone are not enough. Cultural intelligence offers a way through the maze that's not only effective but also invigorating and fulfilling. But what do we actually mean by cultural intelligence and how will it help us as leaders?