

The Role of Cultural Intelligence from the Perspective of Leader

Elvira Ziyatdinova

DEGREE THESIS	
Arcada	
Degree Programme:	BBA-12
Identification number:	15470
Author:	Elvira Ziyatdinova
Title:	The role of cultural intelligence from the perspective of leader
Supervisor (Arcada):	Christa Tigerstedt
Commissioned by:	
Abstract:	
<p>The aim of the research is to identify the role of the cultural intelligence from the point of view of a leader and to examine the impact of culture on leadership. The purpose of the research is to compare findings from a practical research conducted as a set of interviews with established leaders of different companies based in Finland, against the theoretical observations on cultural intelligence, leadership, attributes of the effective leadership within a culturally diverse environment. The findings explore and prove the hypothesis that cultural intelligence is an important skill of the effective leadership within the intercultural environment. The theoretical part of the research on CI was based on the theory of cultural intelligence introduced by P. Christopher Early and Soon Ang in their monograph "Cultural Intelligence; Individual Interactions across cultures "(2003). The theoretical findings about relationship between leadership and CI were deployed from Richard Lewis book " When cultures collide."(2012)</p>	
Keywords:	Cultural Intelligence, culture, intelligence, leadership, effectiveness, leader,
Number of pages:	58
Language:	English
Date of acceptance:	

Table of Contents

1. INTRODUCTION	5
1.1 Research and Background	5
1.2 Research Aim.....	6
1.3 Research question	6
1.4 Limitation	7
1.5 Theoretical framework.....	7
1.6 Structure of thesis.....	8
2. THE CONCEPT OF CULTURAL INTELLIGENCE	8
2.1 Basic definition of culture and intelligence	10
2.2 The concept of cultural intelligence	12
2.3 Four facets of cultural intelligence	14
2.3.1 Metacognitive CI.....	16
2.3.2 Cognitive CI	17
2.3.3 Motivational CI.....	18
2.3.4 Behavioral CI.....	19
3. LEADERSHIP	20
3.1 Basic definition of Leadership	20
3.2 Attributes of effective leadership	22
3.3 Relationship between leadership and cultural intelligence	24
3.3.1 CI Profiles	26
4. RESEARCH METHODOLOGY	27
4.1 Research method	27
4.2 Data collection	28
4.3 Data analysis.....	30
5. FINDINGS.....	33
5.1 CI AWARENESS	33
5.2 CULTURAL INTELLIGENCE AS A SKILL FOR EFFECTIVE LEADERSHIP	37
5.3 SUCCESS AND CHALLENGES OF CI APPLICATION IN CULTURALLY DIVERSE ENVIRONMENT	43
6. DISCUSSION AND CONCLUSION	47
6.1 CONCLUSIONS.....	47
6.2 ETHICAL CONSIDERATIONS.....	48

6.3 FURTHER RESEARCH	49
7. REFERENCES	50
8. APPENDICES.....	54

1. INTRODUCTION

1.1 Research background

Globalization, expatriation and multinational working environments have put those who are in leadership positions into a situation, when the interaction with multicultural stakeholders, including customers, suppliers, employees and communities happens on a daily basis and company's performance often relies on the level of cultural intelligence competence.

One of the main tasks of a leader is to communicate a vision and influence others towards the goals. That task becomes more complicated as the leadership moves from the domestic ground to the intercultural environment, where cultural differences across societies and countries not only in business practices but also in value and moral systems can be can in contrast with those of the own culture. The effectiveness of the leadership requires being skilled and opened about understanding cultures, learning more about it from the interaction with other cultures and resulting in being more empathetic to different cultures by adjusting one's behavior with to the cultural sensitivities. All those attributes belong to the field of Cultural intelligence competence that enhances the effectiveness of management in a multicultural context and therefore in global context.

Cultural intelligence is one of the latest contributions on intelligence, being more actively investigated along with well known emotional, interpersonal and social intelligence. Interest in these so-called "applied" intelligences is rapidly increasing, allowing the scholars to investigate the specifics of the mentioned intelligences. (Goleman, 2015)

Today's leadership literature views cultural intelligence as capability for successful adaptation to unfamiliar settings attributable to cultural context.

The practical realities of globalization and the importance of Cultural Intelligence has been acknowledged (Early & Ang, 2003) based on Schmidt and Hunter's (2004) definition of general intelligence, which underpins cultural intelligence as a specific form of general intelligence that rotates around capabilities to comprehend, reason and behave appropriately in situations characterized by culturally diverse and multicultural environments.

A person with high cultural intelligence is able to understand the human behavior better and therefore in a better position to lead people in a manner to thrive for business success.

The business environment's increasing diversity enhance the idea that cultural intelligence is a fundamental managerial competence which promises a competitive advantage to organizations that possess this talent (Tan 2004; p.19-21).

David Livermore in his book "Leading with cultural intelligence" (2012) states that "leadership today is a multicultural challenge and the old school approach to the challenge either by simplifying the matter through the usage of several clichés and instructions for making the cultural interaction process too complicated by announcing that only a cross-cultural guru can be an effective leader is not a 21st century approach." Cultural intelligence is a tool that navigates modern leaders across national, ethnic and organizational cultures and opens up a number of opportunities in achieving success in diverse markets and leading multicultural workforce.

1.2. Research aim

The aim of the research is to identify the role of the cultural intelligence from the point of view of a leader and to examine the impact of culture on leadership.

The purpose of the research is to compare findings from a practical research conducted as a set of interviews with established leaders of different companies based in Finland, against the theoretical observations on cultural intelligence, leadership,

attributes of the effective leadership within a culturally diverse environment. The findings explore and prove the hypothesis that cultural intelligence is an important skill of the effective leadership within the intercultural environment. The author has chosen the qualitative method as a research strategy for the present work.

1.3 Research question

The main research question is “Is cultural intelligence important for effective leadership in the multicultural environment from the perspective of a leader?”

Hypothesis of the research would be the statement:

“Cultural intelligence is important for an effective leadership from the point of view of a leader”.

In case of the positive answer, the researcher will explore the question: “How the integration of four dimensions of CI: Metacognitive, Cognitive, Motivational and Behavioral CI impact the effectiveness of cultural leadership?”

1.4. Limitations

The researcher has limited the scope of the research by choosing the theoretical material mainly connected the cultural intelligence and its four dimensions. Numerous theories on culture and leadership were not specifically explored due to the wide range of interpretations, non- related to the research aim.

1.5. Theoretical framework

The theoretical part of the research on CI was based on the theory of cultural intelligence introduced by P. Christopher Early and Soon Ang in their monograph “Cultural Intelligence; Individual Interactions across cultures “(2003).

The theoretical findings about relationship between leadership and CI were deployed

from Richard Lewis book "When cultures collide."(2012)

1.6. Structure of thesis

The present thesis is divided into 4 parts, containing six chapters. The first part/chapter is Introduction, where the researcher demonstrates the reasoning behind the choice of the research topic, sets the research aim, the research questions and explains why the qualitative method was chosen as a research strategy for the present work.

The second part of the thesis is the method section in a form of a literature review to identify the key terms and theories connected to the research topic. The material in Chapter 2 is dedicated to the review of the theoretical material about cultural intelligence, types of cultural intelligence and the concept of culture and intelligence in relevance to CI. In the Chapter 3 the researcher presents the literature review on the subject of leadership in culturally diverse environment. In the subsection "Relationship between leadership and cultural intelligence" contains overview on the subject and presents a basis for the content of the data collection. The third section of the thesis is the discussion about research methodology, merged with the explanatory section about data collection and data analysis.

The fourth part of the thesis is assigned to the discussion of findings, derived from the comparison of the practical research and theoretical observations. In the Chapter 6 the researcher makes recommendations on the further research and draws the conclusion about research outcome.

2. THE CONCEPT OF CULTURAL INTELLIGENCE

"Global Leadership and Organizational Behavior Effectiveness" (GLOBE) Research Program conducted "Culture, Leadership, and Organizations: the Globe Study of 62

Societies”, based on results from about 17,300 middle managers from 951 organizations. The research was complemented by the second volume on cultural leadership with in-country leadership literature analysis, interview data, focus group discussions to support the descriptions of leadership behavior in those 25 cultures.

The major outcome of the study is that the successful leadership behaviors vary in different cultures. In order to lead the organization, managers need to understand the local and ethnic cultural diversities of the working environment and adapt the behavior accordingly. Basically the old saying “When in Rome do as the Romans do” remains the postulate for the effective leadership within the culturally diverse environment.

Poor cultural intelligence becomes the reason for leadership failure and unnecessary conflicts. Uncountable amount of business schools spend a lot of time and effort to train students to become effective leaders, the training continues at the working place. Different programs, for example, on workplace diversity are directed on the improvement of communication and team building. The core of any team building is culture, the work effectiveness is directly depends on how well employees understand the culture of a particular group and business. Understanding the corporate culture demands a great amount of hard work from all the members of the team. The task becomes more complicated when the employee should embrace the corporate culture within a culturally diverse group. The question rises how modern leaders can shape the culture of a company as the cultural dimensions of society have become too complex.

Arkadi Kuhlmann in his article “Culture – driven leadership” states, “A leader’s success in the modern environment greatly depends on the ability to understand and develop the culture of the working place. Sharing a culture is a formidable task, as many valuable qualities of a leader are not taught in the classroom. Emotional maturity, authenticity and a strong character are gained through the life experience

and are essential to achieve the effectiveness of the culture-driven company. “

The author of the present work explores the role of the cultural intelligence from the point of view of a leader.

2.1 Basic definition of culture and intelligence

Before discussing cultural intelligence and its aspects, it is important to go to the root of the matter and start with the definition of culture and intelligence and the reasoning behind establishment of the theory of cultural intelligence.

Geert Hofstede in his work “Culture and organizations” writes “ Social systems can exist only because human behavior is not only random, but to some extent predictable. For each prediction of behavior we try to take both the person and the situation into account...as the more accurately we know a person’s mental programming and the more accurately we know the situation, the more sure our prediction will be.” (1979, P.15)

For a long time the term “ general intelligence” had more narrow meaning as an ability to solve problems in academic settings. Schmidt and Hunter (2000, p.3.) acknowledge general intelligence as” the ability to grasp and reason correctly with abstractions (concepts) and solve problems.” It is not merely book learning, a narrow academic skill, or test - taking smarts. Rather it reflects a broader and deeper capability for comprehending our surroundings – “ catching on”, “ making sense” of things, or “ figuring out” what to do.

Nowadays it is universally acknowledged that the intelligence does not stay only inside the classroom, but is a part of a bigger picture and belongs to a real world, where the social aspect (social intelligence), emotional aspect (emotional intelligence) and practical intelligence make general intelligence mobile and applicable to a certain situation and turn it into successful intelligence.

In opinion of Robert Sternberg, a professor of Human development in Cornell and an author of the Diarchic theory of human intelligence: “Intelligence has to be understood, measured and developed in its cultural context. “ (Sternberg, 1985) Sternberg provides intelligence with a broader meaning based on one’s personal standards and within one’s sociocultural context. Successful intelligence is the ability to succeed in life within one’s cultural context by capitalizing on strengths and compensating for or correcting weakness through adapting to, shaping, and selecting environments by a combination of analytical, creative, practical, and wisdom-based/ethical skills and attitudes. Education and society should take into account the cultural/ecological context in which intelligence is embedded.

The term” culture” can have numerous interpretations and can be applied to different areas of human development. According to Triandis (1972) the term culture contains both objective and subjective elements. Objective culture refers to observable and visible artifacts and practices of cultures that address fundamental human needs of gathering food and relating to others, the environment and the universe (Brown, 1991; Murdock, 1987; Triandis, 1994). The following elements can be referred to the objective culture: knowledge of economics (capitalism versus socialism), legal aspects, political system, knowledge of the types of traditional cultures (matriarchal and patriarchal), beliefs and typical role expectations from males and females, socio-linguistic knowledge regarding rules of languages, usage of non-verbal elements, understanding other languages and dialects.

Subjective culture describes the hidden psychological features of cultures that are less obvious. It consists of the values, beliefs, norms and assumptions that are shares within the society.

Although the each nation has a particular unique culture, there is still similarity in core beliefs and concepts are set in the different environments. What is different is the way in which members of a society interpret these concepts. For example every

culture has a notion of “ Time”, but Finnish notion of time will be different from the Italian one.

Geert Hofstede explains culture as “ the collective programming of the mind that distinguishes the members of one category of people from another”. One can immediately distinguish the phrase ”collective programming”. Richard D. Lewis in his book “ When cultures collide” (2012) interprets collective programming as a process of transformation of national/regional concepts, learnt from the early childhood, into core beliefs, which are almost impossible to ignore or discard. Those core beliefs are questioned or weakened when the belief holder travels abroad or interacts with a person with a set of core beliefs different from his own. At that point so called “ culture shock” is imposed on a belief holder, which is a result of not just person’s visual observation, but as a result of action or an utterance. The belief holder faces dilemma of either accept the differences and try to work on finding the common grounds of interaction or to reject anything which is divergent to the core beliefs. The decision-making moment is the evidence of possession or lack of the cultural intelligence.

2.2.The concept of cultural intelligence

Cultural Intelligence focuses on a specific domain - the domain of intercultural communication. Thus Earley and Ang (2003) define cultural intelligence by modifying the definition of general intelligence, given by Schmidt and Hunter, and stating “Cultural Intelligence is a specific form of intelligence focused on capabilities to grasp, reason and behave effectively in situations characterized by cultural diversity.”(2007, p.337)

Cultural intelligence became an important part of intercultural management studies, as there is an increasing interest in the question why some of individuals are able to

function more effectively in the culturally diverse environment than the others. Studies confirm that CI can predict a variety of important outcomes in the intercultural context such as cultural adaptation, expatriate performance, intercultural performance and global leadership.

Richard Lewis has been working on the practical aspects of CI implementation in different spheres of business, leadership and personal development. According to him, Cultural intelligence is "not only about broadening one's horizons by living in other countries, by learning foreign languages, by reading books on history, philosophy, other cultures. It is about practicing empathy with the points of view of others", understanding what motivates a person to behave in a particular way by taking into account the geographic, cultural, historical positions, "seeing himself or herself from that location and trying to fuse a multiplicity of beliefs, talents, skills, values and vibrant, positive qualities into a viable, benign procedure toward a cosmopolitan understanding". (L, 2006)

CI has a complex pattern, consisting of different capabilities. The starting point of identifying them is to look into the field of human intelligence, explored by Sternberg in his triarchic theory of human intelligence. There he referred to loci of human intelligence and specified how these loci operate in generating intelligent behavior. He defined the triarchic theory of intelligence as "a theory of individuals and their relations to their internal worlds, their external worlds, and their experience as mediators of the individual's' internal and external worlds (1985, p.317).

Triarchic theory is three-dimensional as it consists of three main forms of intelligence: practical, creative and analytical. Analytical intelligence is responsible for effective processing of the information and abstract thinking. Analytical intelligence is test measureable. Creative or experiential intelligence allows a person to come up with new ideas. Practical or contextual intelligence is responsible for finding practical solutions to real problems, so called "street smart" intelligence.

Sternberg identifies different “loci” of intelligence within the person and divides them into mental and behavioral. The concept of “ loci” of intelligences was further on expanded by Ang into four dimensions or facets of cultural intelligence: metacognition, cognition and motivation as mental capabilities that reside within the head plus overt actions as behavioral capabilities. (S. Ang et al 2007, p.237)

2.3. Four facets of cultural intelligence

Earley and Ang (2003) utilized Sternberg’s multiple-loci of intelligence to create a concept of Cultural Intelligence as a four-dimensional structure with metacognitive, cognitive, motivational and behavioral components within the culturally diverse environment.

Metacognitive CI is an individual capability to acquire and understand cultural knowledge and is focused on higher - order cognitive processes with capability to create plan, monitor and revise mental models of cultural norms for countries or groups of people.

Cognitive CI is based on the knowledge of norms, practices and conventions on different cultures acquired from educational and personal experience (Ang et al, 2007 p.338).

Motivational CI reflects the capability to be interested and motivated in learning new about other cultures and be willing to function in situations culturally different from its own.

Behavioral CI is responsible for demonstrating appropriate behavior in a certain cultural context and is derived from the knowledge obtained through the metacognitive, cognitive and motivational CI.

Metacognition, cognition and motivation are referred to mental capabilities and result in mental functioning, behavioral intelligence attributes to the behavioral capability to

flex motor skills and demonstrate a range of verbal and nonverbal actions.

2.3.1. Metacognitive CI

Metacognitive CI attributes to the mental capability to acquire and evaluate cultural knowledge. The main dimensions of Metacognitive CI are awareness and monitoring of cognitive processes. According to Triandis (2006), persons with high metacognitive CI have high awareness of how their own culture determines their behavior and their understanding of intercultural situations. Before being exposed to a new culture, they thoroughly prepare, for example through cross-cultural training programs. During the interaction, they audit how their interpretation is in line with intentions of others. Triandis calls these characteristics as isomorphic attributions. Heightened awareness and audit launch the mental mechanism, responsible for acquiring and understanding knowledge, relating to culture. The essential attributes of the mentioned process are self-awareness, other - awareness and situational awareness (Triandis, 2006).

To understand the nature of metacognitive CI the specific metacognitive self-regulated mental processes are to be mentioned: planning, awareness and checking.

Planning has a strategic basis and is launched before the actual encounter with another culture. Drawing of short - term and long term objectives and creating action plans for specific steps to be taken in specific cultural environments are the main characteristics of planning. Planning is based on thinking about culture and reflecting what is to be done before the actual action. Planning can be self- reflecting (What can I do to achieve what I want?), relating to others (What might they do to achieve what they want?) and engaging both parties (How might our actions affect what we can achieve in this situation?).

Awareness is characterized as knowing about cultural thinking and knowledge of self

and others in real time. (Ridley, Schulz, Glanz and Weinstein, 1992). While planning is about accepting consciousness, awareness depicts degree to which people have real-time understanding how culture influences:

- Their own mental processes and behaviors
- The mental processes and behaviors of others in intercultural interactions
- The intercultural situations.

Awareness implies that a person is capable to correlate own cultural habits with those of another culture and postpone some judgment until enough information is accumulated to interpret intercultural interactions. It includes being aware of how cultural aspects of the situation might be influencing personal behavior and the behavior of others. To generalize said above – awareness is the individual's competence to make sense of self, others and the specific situation.

The third sub - dimensional aspect of the metacognitive CI is checking, which includes reviewing assumptions and adjusting mental maps when actual experience is not the same as expectations. It uses the method of comparison between the expected outcome and the actual outcome of the intercultural communication. After checking personal cultural assumption, checking assumptions made about culturally diverse others and checking interpretations after interaction lead to the communication adjustment during the real –life situation.

All three sub-dimensions of the metacognitive CQ prompt a person with high metacognitive CQ to plan ahead, reflect upon the situation during the actual communication and adjust the behavior accordingly.

The timeframe of the three sub-dimensions is to be divided into three stages. Planning happens before the interaction, awareness should be during the whole process from the initial planning until the end of interaction. Checking takes place during and after the communication.

To summarize above said, it can be noted that sub-dimensions represent an essential

component of the metacognitive CQ, because they target proactive thinking about participants of a situation in intercultural environment (planning), challenging dependence on culturally – bounding habits and thinking (awareness) and adjusting strategies to ensure that mental models are culturally appropriate and work as an assistance for the successful outcomes in the intercultural encounters (checking).

2.3.2. Cognitive CI

Cognitive CI accumulates the general knowledge about cultures and cultural differences. Perception of elements that build up the cultural environment brings an understanding how the system arranges the patterns of behavior and interactions within a culture, and why behaviors and interactions differ across different cultural environments (Ang & Van Dyne, 2008). This general knowledge can be subdivided into two main areas, such as:

- Culture-general knowledge – informative knowledge of the major elements that constitute the cultural environment;
- Context-specific knowledge – informative knowledge about a cultural behavior within a specific environment and procedural knowledge of how to be effective in that specific environment. (Ang and Van Dyne, 2008).

Culture-general knowledge is explained as knowledge of the universal elements that constitute a cultural environment (Ang, 2008). It gives an important organizational framework for thinking about possible ways of comparing different cultures and getting an understanding about similarities and differences.

Context-specific knowledge deals with the field of informative knowledge about manifestation of cultural characteristics in a specific environment and the procedural knowledge how to be effective in that environment.

An environment or domain could be related to specific subcultures such as business environment, diplomatic environment, peacekeeping forces, educators or

demographic subgroups based on gender, age and education. The individuals working in multicultural business or diplomatic environment should possess detailed cultural knowledge about the norms and expectations of these subcultures in order to perform effectively. Context –specific knowledge is directed to the specific insider understanding of how to operate in a specific environment, whereas culture –general knowledge refers to a broader comparison across cultures based on outsider understanding and comparisons (Morris, Kwok, Ames and Lickel, 1999).

2.3.3 Motivational CI

Motivational CI is explained as a mental capability to monitor and direct power towards performance within intercultural environment in a real problem-solving situation.

Motivational theories have a different approach towards the moving force of the work-related behavior. Some motivational theories emphasize the individual characteristics, such as needs, values and traits as the source of constraints for the work-related behavior. Others pay more attention to the context in which the behavior is expressed, such as job description or the cultural individualities.

Ang chooses to focus on intrinsic, extrinsic and self-efficacy as sub - dimensions of motivational CI.

Intrinsic Interest is defined as valuing culturally diverse experience in and of itself because it is inherently satisfying (DecI, 1975). The intrinsic satisfaction is gained from the novelty of intercultural interactions and basic enjoyment of cooperating with people from different cultural background. The fundamental interest in other cultures and working with diverse groups is also a part of intrinsic interest, which is self-generated, comes from the inside of a personality and not situation inflicted.

Extrinsic Interest is described as appreciating the tangible personal benefits that can

be derived from culturally diverse experiences (Ryan& Deci, 2000). This kind of interest is connected to the satisfaction from the intercultural experience and an enhanced reputation based on the intercultural work experience.

Self-Efficacy to Adjust is a capability to use a task-specific confidence in culturally diverse situation, such as interacting with locals, possessing different cultural background, or being confident to operate in the culturally diverse environment. Self – Efficacy comes from the personal will to get involved in the situation of cultural diversity.

People with high motivational CI are positive about the intercultural interaction as they see the benefits of the activity and are confident in their capabilities to successfully operate within the situation.

All three sub - dimensions of motivational CI activate energy that allows a person to perform effectively within the diverse cultural setting even when the situation is difficult.

2.3.4. Behavioral CI

Behavioral CI works on adjusting behaviors to fit different cultural contexts. Ang identifies the behavioral CI as an individual's capability to enact a wide repertoire of verbal and nonverbal actions when interacting with people from different cultures (2009). Behavioral CI is the way of applying all the three dimensions of the CI in a real life situation by using appropriate behavioral ways.

Communication behaviors can be placed into three main categories: verbal, nonverbal and speech acts.

Verbal Behavior refers to flexibility in vocalization. A person can adjust his or her behavior by changing the pace of the speech, the amount of warmth or enthusiasm, the use of pauses or silence as in different cultures they are treated in a different way.

Nonverbal behavior is defined as flexibility in communication by using gestures, facial expressions and body language. Some cultures are more expressive in the usage of non-verbal means of communication than the others. The task for a non-local outsider is to learn through the metacognitive CI the appropriate ways of nonverbal communication and adjust his or hers behavior accordingly.

A person with high behavioral CI shows behavioral flexibility in intercultural environment by adjusting the behavior to a new context.

To sum up the mentioned above, the CI can be defined as “an outsider’s seemingly natural ability to read the message, sent by a stranger, in a correct way, in the same way as his compatriot will understand” (Early, 2009). The capability of ‘reading the message’ is a result of interaction of four dimensions of CI: metacognitive, cognitive, motivational and behavioral.

3. LEADERSHIP

3.1. Basic definition of leadership

What makes a great leader? The answer to the question is very opinionated and depends on the set of professional skills, intelligence level, situational aspect, where different types of situation demand different types of leadership style. As the topic of research is related to culture, the researcher sought the definition of leadership to be connected to a cultural aspect, particularly the leadership in intercultural environment. Each society has a diverse set of values and core beliefs. This set is reflected in the concept of leadership and organisation. This observation allows the researcher to assume that the concept of leadership is culture - bound. Authority may be based on achievement, wealth, education, charisma or birthright. The organisation can be structured in a vertical, horizontal or matrix way and can be adjusted according to

20

religious, philosophical or governmental requirements. But not a single culture looks at the concept of authority, hierarchy or organisational structure identically as the other one.

The tremendous change in the conduit of business from domestically oriented to globally expanded requires leaders to be not just marketing operations, finance, information management savvy but also exceptionally skilled in interpersonal conduit of global business. In order to achieve that, the leaders should possess emotional and cultural intelligence. According to David Goleman, the emotional intelligence is the most important component in the performance of the successful leader as it overshadows the technical and intelligent skills. (Goleman,?)

There are different assumptions about leadership. The common discussion is where one is born as a leader with charisma or certain talents. Peter Drucker in his article "What makes an effective executive" expresses an opinion that leadership is not about personality or talent. The style, attitude and characteristics can vary depending on a personality, but the one this in common is the understanding that the right things are to be done in right ways by following eight (Drucker p.24) rules:

- Ask what needs to be done
- Ask what's right for the enterprise
- Develop action plans
- Take responsibility for actions
- Take responsibility for communication
- Focus on opportunities, not problems
- Run productive meetings
- Think and say " We", not "I"

One of the challenges within the international team is the effective management of a group of people with established norms and rules, which are different from the norms and rules of a leader. Leaders are to make decision and adapt to an organizational

setting that may be unfamiliar and uncomfortable.

Coming back to the definition of leadership, GLOBE researchers explored the phenomenon of an organizational leadership and viewed leadership as “ the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organizations of which they are members”. (R. House, 2002) The researcher used the given definition of leadership to investigate the attributes of effective leadership.

3.2. Attributes of effective leadership

One of the challenges within the international team is the effective management of a group of people with established norms and rules, which are different from the norms and rules of a leader. Leaders are to make decision and adapt to an organizational setting that may be unfamiliar and uncomfortable.

In any leadership definition the word “motivation” comes as a fundamental skill. As noted by R.D Lewis ” Motivating people who generally head toward the same goals and objectives and who entertain the same hopes, ideas and aspirations, in a familiar national context, should be achievable through reasonably sensitive management.” (Lewis 2012) The picture becomes obscure when the same task is applied to people who do not share the same values, habit, rules and laws. Lewis advises to engage strategies, which will build trust.

In order to estimate leader effectiveness across cultures, GLOBE team, which was mentioned in the introduction of the thesis, has established nine cultural dimensions that make it possible to identify the similarities and differences in leadership norms, values, beliefs and practices among societies. The findings were supported by the theoretical outlines, proposed by Hofstede (1980), Schwartz (1994), Smith (1995) and others. Those dimensions include:

- *Power distance* - the level to which members of the society expect power to be

distributed equally.

- *Uncertainty avoidance* - the range to which the organization relies on social norms, rules and procedures to avoid the uncertainty of future events.
- *Humane orientation* - the level to which the society is ready to reward an individual for being fair, generous and kind to others.
- *Collectivism through organizational institutes* - the extent to which the society encourages and rewards the collective distribution of resources and collective actions.
- *Collectivism through family ties* - the degree to which an individual expresses loyalty, pride and connectedness with the family.
- *Assertiveness* - the level of aggressiveness and confidence of individual in communicating with others.
- *Gender egalitarianism* – extend to which the gender inequality is minimized in the society.
- *Future orientation* - how society is future- oriented through planning and investing in the future.
- *Performance orientation*: how the society supports individuals in improving performance and achieving excellence.
- *Human Orientation*: the way the individuals are treated in organizations for being fare, friendly, altruistic and generous to others.

Based on those cultural dimensions the 62 countries were divided into clusters according to their similarities and later on leadership styles were formulated based on the definition of a leader as “ a person in an industry or organization, who is exceptionally skilled at motivating, influencing, or enabling you, others or groups to contribute to the success of the organization or task”

The outcome of the research leads to the conclusion that societal and organizational culture influences what leaders do, their behavior and attributes. The effectiveness of

a leader depends on how well “the interaction between leader attributes and behaviors and organizational contingencies” is established. (House, 2002)

In summary, the idea expressed by R. House that “the attributes and practices that distinguish cultures from each other are predictive of the leader attributes and behaviors, and organizational practices, that are most frequently perceived as acceptable are most frequently enacted and are most effective” led the researcher to the conclusion that leaders with an ability to successfully navigate between different cultures through engagement of CI will be effective and reach a higher level of acceptance within the organizational structure.

3.3. Relationship between leadership and cultural intelligence

In the leadership context CI is the ability of a leader to perceive the unfamiliar characteristics prevailing in the organizational environment and adapt a leadership style, which will be effective in that environment.

In their monograph, Kim and Dyne, explore the value of the contact for international leadership, specifically prior intercultural contact, which has been considered as the most important factors leading to international leadership success. Through the prior contact leaders obtain skills and abilities to manage successfully in different parts of the world, thus it can be suggested that CI can be enhanced by education and experience.

When talking about the attributes of a leader, the following characteristics can be looked at from the point of the intercultural maturity. The three main “ personal ability” dimensions, identified by Hammer (1978) and highlighted by Niitamo, are responsible for the cross- cultural success:

- Ability to deal with psychological stress,
- Ability to communicate

- Ability to establish interpersonal relationships.

The personal traits, such as the tolerance for ambiguity, cultural empathy and attitudinal factors, combined with the social interaction and communication plus the ability to withstand the stress make a leader to stand out within the intercultural environment.

Through the application of experiential learning theory, Kok-Yee Ng and Soon Ang make an assumption that CI is an “ essential learning capability that leaders can use to translate their international experience into effective experiential learning in culturally diverse context.”(2009)

When discussing the leadership skills of the leaders in different countries, Richard D. Lewis looks on the leadership style through the linear- active, reactive and multiactive classification. He presents leaders in linear active cultures as task-oriented, orderly, agenda - oriented, focusing their attention and the attention of their subordinates to the immediate results. They inspire staff with their careful planning (Lewis, 2010). Multi-active leaders are more extraverts and are interested to use human force as an inspirational factor. Networking is the main leadership skill they focus on and they will put a lot of effort into creating a contact.

Reactive leaders are also people oriented, but dominate with knowledge, patience and quiet control. (2012, p. 111) They seek for the harmony in the team-working environment. They achieve their position through learning about their organization from the bottom, as they spent years going from one unit to another within the organization.

When it comes to the practical implementation of the theory of cultural intelligence in connection with the managerial styles, Earley and Mosakowski have created a set of Cultural Intelligence profiles.

3.3.1.Cultural Intelligence profiles

Earley and Mosakowski established a set of cultural intelligence profiles, based on the results of a “ Diagnosing your Cultural Intelligence” research that involved a large group of managers.

The first type of the cultural intelligence profile is the Provincial type, who demonstrates his potential while working with people of similar background, but struggles to perform in the different environment.

The second type is the Analyst, who spends a lot of time learning about foreign cultures and employs different strategies in the alien environment. The process is divided into stages, starting from the assessing the environment and the patterns at work and what kind of interaction they demand according to the cultural differences.

The Natural follows the inner gut when he enters the new environment; he starts with the observation of the surroundings and then takes control of the situation in a natural way without employing any previously learned strategies or coping with feelings of disorientation.

The main asset and the core CI component of the Ambassador is his confidence that he belongs to any environment that he enters. This type is the most common CI related managerial type, with the ability to avoid underestimating cultural differences, although doing so creates a certain degree of discomfort.

The Mimic is good at creating an amicable environment and building trust with hosts. The process is done through the high degree control over actions and behavior, such as keeping the right distance from the other person or making an eye contact or speaking the language at the right speed, which make the other person at ease and helps to connect.

The Chameleon a very uncommon managerial type, as all the components of CQ is a part of his personality. There is a possibility of him being mistaken for a native, but

with a higher capability to achieve results, that natives fail to achieve.

In their research that has involved more than 2000 managers, Earley and Mosakowski discovered that there are more of s hybrid type managers, that the pure type. The most common hybrid was the combination of the Ambassador and The Analyst's skills.

As there is a permanent discussion whether cultural intelligence is an inherited trait or if it can be cultivated during lifetime, Earley and Mosakowski are of the opinion that "unlike other aspects of personality, cultural intelligence can be developed in psychologically healthy and professionally competent people." They have introduced a 4-step program that firstly identifies the CQ strengths and weaknesses of participants in order to establish the starting point of development efforts. The participant is choosing the activities based on his weaknesses in different areas whether lacking motivational, cognitive or behavioral CI.

To summarize above said the researcher reviewed the methodological material, related to the theoretical basis of interconnection of cultural intelligence and leadership. The researcher examined the concept of Cultural Intelligence as a four-dimensional structure with metacognitive, cognitive, motivational and behavioral components within the culturally diverse environment and worked on establishing the links between the cultural intelligence and leadership.

4. RESEARCH METHODOLOGY

4.1 Research method

The author has chosen the qualitative method as a research strategy for the present work. According to Bryman and Bell (2007), the qualitative research is prioritizes the words rather than the quantitative aspect of the data and:

" Predominantly emphasizes an inductive approach to the relationship between theory and research; has rejected the practices and norms of the natural scientific model...in

preference for an emphasis on the ways in which individuals interpret their social world; and takes a view on social reality as a constantly shifting emergent property of individuals' creation".

The method of Interviewing, chosen for the present research allowed the researcher to be more flexibly in exploring the subject, as the researcher's greater interest in the interviewee's point of view through the exploration of interviewee's background, the reflection of his or hers experience on the research subject. It gives a better insight into what interviewee sees. All mentioned above makes the qualitative interviewing flexible, following the pace suggested by the interviewee and making possible for new significant issues to emerge during the interview. Bryman and Bell (2007) outline the following qualitative types of interview: semi-structured and unstructured. Unstructured interview possesses the similarities with a conversation with an outline for main theme (question) to be asked by a researcher.

A semi-structured interview is outlined by a list of questions, connected to the main theme, but the interviewee has a great deal of freedom to express the opinion. When communicating with several interviewees, the researcher uses the similar set of wording.

The author of the present research was interested in employing the semi- structured interviewing with a list of questions, so called an interview guide, on the specific topic to be discussed. The researcher's purpose was to acquire a genuine understanding of the views of members of social setting of people with common attributes – leaders within the international environment upon the cultural intelligence.

4.2. Data collection

The qualitative part of the data collection is a set of semi-structured interviews with a

sample of six interviewees.

All the respondents either due to their areas of responsibility in their working places, living in foreign country or interactions in their personal life find themselves communicating with people from different cultures on daily bases. Four of the respondents are working in global settings with companies whereabouts in Finland. Two of them are running their own businesses with international staff and representative brunches abroad: China, France, Canada and England. The following abstracts from the interviews confirm the frequencies of international interaction and profoundness of the international exposure.

On daily basis. Of course, within our office we have mostly Finnish employees, but due to my responsibilities, I work globally and my business leaders are situated all over the world. (Respondent 1)

Every moment and every day. At my working place I cooperate with people from 40 different nations on daily basis. (Respondent 3)

Middle- senior management, there you start seeing the mix.” “ All the time., on a daily basis in my office. (Respondent 4)

My daily work is based of being in contact with people from different backgrounds. In Helsinki the atmosphere is westernized and similar to my country, whereas in the Middle East I worked with people with different traditions, there is a different history, social norms and completely different outlooks. (Respondent 6)

Interviewees had a minimum of ten years' professional experience. The researcher preferred the qualitative research method as a better option for exploring the lived experience of participants and the semi- structured interviewing for deeper understanding of the correlation between cultural intelligence and leadership. The interviews are between 50 and 60 minutes' duration and are taped and transcribed verbatim.

Several open-ended questions will be used to find answers to the following research

questions:

- How do you understand Cultural Intelligence?
- Why do modern leaders need Cultural Intelligence?
- Your definition of leadership?
- Your definition of culture?

Several sub-question connected to the main research questions allowed the researcher to project a better view on the perception and attributes of cultural intelligence:

- What attracts/ challenges you in working with people from different cultures?
- How does the organizational culture of your company influence your decisions?

The interview guide was used as a basis for the data collection and further analysis. The interview is divided into 3 main parts: questions, related to the background of an interviewee; general questions about understanding leadership and cultural intelligence; questions, related to personal experiences of an interviewee, concerning the interaction and application of leadership skills in the diverse cultural environments; questions, related to the performance within culturally diverse environment. A separate section of the interview guide was connected to CI as a leadership skill in Finnish working environment.

4.3. Data analysis

After completing the sets of interviews, the researcher faces a challenge of analyzing a large mass of material. The researcher used Alan Bryman's book "Social Research

Method” as a reference for investigating the general approaches to the qualitative data analysis and identifying the most research relevant approach.

Miles (1979) praises the richness of the qualitative data but calls it an ‘attractive nuisance’ due to the difficulty to give a wider significance to the social science. Alan Bryman considers two strategic approaches to data analysis: analytic induction and grounded theory. The process of analytic inductions starts with the rough definition of research question, and then it is followed by the hypothetical explanation of research question through data examination. The data collection continues until no cases that are inconsistent with a hypothetical explanation (deviant or negative cases) of a phenomenon are found. (Bryman, 2012)

Grounded theory, developed by Glaser and Strauss, is a multidimensional set of tools, including theoretical sampling “the process of data collection for generating theory, whereby the analyst jointly collects, codes, and analyzes his data and decides what data to collect next and where to find them in order to develop his theory as it emerges” (Glaser and Strauss, 1967); coding: whereby data are broken down into component parts, which are given names; theoretical saturation, which relate the data collection and data coding; constant comparison, where the data is permanently compared with the concepts.

The researcher concentrated on the process of data coding by reviewing transcripts and labeling component parts that had an appearance of being of potential theoretical significance. Using the definition of Charmaz (1983: 186), coding can be characterised as “shorthand devices to label, separate, compile, and organize data.” The data is treated as potential indicators of concepts, and the indicators are constantly compared (Bryman, 2012). Strauss and Corbin (1990) differentiate the coding process into three practices: open coding, axial coding and selective coding.

The researcher considered the selective coding process as the most suitable for relating the data with the theoretical findings and connecting it with the research

question. Selective coding starts with choosing a core category and comparing it with other categories. In case of the present research three main categories were identified: cultural intelligence, leadership and relationship between effective leadership and cultural intelligence. The rest of categories were focused around the main category. Strauss and Corbin call a core category a storyline that frames an analytical account of the phenomenon of interest. (1990)

Selective or focused coding concentrates on the most common codes and those that are the most data revealing. During the process the initial codes might be exchanged for the new codes, which can be the generated by combining the initial ones.

The researcher has followed the main steps and consideration in coding in accordance with the guideline from Bryman.

- The coding was done as soon as the interviewing was done by continuous reading through the initial set of transcripts with noticing key words and names given to themes and data.
- The code reviewing was the next step in order to exclude the repetition of words and phrases in description of the same phenomena.
- The general theoretical ideas were related to the data and the connections between concepts and categories were established. The researcher was actively looking for the themes, which might have support or contradict the main points of the research questions as the thematic analysis is considered to be one of the most common approaches to qualitative data analysis. (Bryman, 2012: 579). During the theme searching process, Ryan and Bernard (2003) advise to look for repetitions, metaphors and analogies, similarities and differences, theory related material.

During the analysis an emphasis on repetition was the most common criteria for establishing a pattern that the data can be organised into a theme. For example, a constant repetition of the word 'observe' allowed the researcher to establish a theme

related to 4 facets of CI. Other themes were straightforwardly linked to the content of the questions.

5. FINDINGS

The data analysis was looked on through the prism of the aim of the research. The findings were arranged into groups in accordance with the research questions. The researcher looked for relevance of the key terms of CI and leadership, discussed in the methodology section, to the respondents' observations and opinions.

5.1. Cultural Intelligence: cultural awareness

To be able to answer the research question, the researcher organised the interviewing process around the perception of CI and its dimensions by the respondents.

The starting point was to identify the respondents' perception of culture in general. The comments of Respondent 2 who is working in the area of cultural intelligence were very much in line with the definition of culture given by Triandis (1972), which was discussed in the 2.2. of the present thesis.

There are different cultures - all interrelated. We can talk about general, underlying culture; about values, beliefs, behaviour, about arts, ways to see "beauty"; about how society is built: position of individuals, families, tribes. (Respondent 2)

Culture is something that evolves as a result of your values in practices. (Respondent 4)

Most of respondents had a tendency to refer to the business culture, when being asked

a question about culture. This tendency was especially obvious with employees of big companies with a solid corporate culture.

It's so difficult to tell whether it is my company's culture or myself, whether they are apart. Even if you do not realize that you are doing that, maybe you are. (Respondent 1)

The organisational culture is a very strong part of what you do. Having a mono organisational culture will give you a certain level of confidence of the way you work. When I am taking a hard decision, it is done with a feeling that the company will support me. (Respondent 4)

The geographical location of a company has a solid influence on the way the organizational culture is built. One of the respondents explains that the characteristics of Nordic countries: direct communication, transparency; respecting people and decisions are the main characteristics of the company he is working in.

Although it is a governmental institution, my office in Helsinki does not have the same institutional feel as in my headquarters. It is quite different with a distinct local variation. (Respondent 6)

These observations support the idea expressed by R. House that “societal cultural values and practices affect organizational culture” and that “organizational cultural values and practices affect what leaders do” (House, 2002).

It was interesting to note that although the theory of Cultural Intelligence has been explored for more than a decade and with a plenty of research materials and recommendations available, some of the respondents did not have a clear perception

of the term, but intuitively they were able to identify the core dimensions of CI without labeling them.

Whether it is called that or something else, certainly, the approach of not rushing in and understanding the situation, understanding that people are different whether it has to do with their culture, nationality, background or whatever... Maybe to take a little bit of time to understand that and not think that everybody is the same and treat each other the same as you. (Respondent 1)

The discussion involved not only the exploration of theoretical knowledge of CI, the researcher was interested in practical application of CI in the diverse working environment, particularly in: what is considered by the respondents to be a successful cultural communication and what are the challenges of applying CI.

Some of the respondents found it difficult to clearly identify what can be called a successful cross - cultural communication because of the global environment they work in. They accept the sensitivity in approaching certain cultures:

Ok, you find there are some cultures where you need to be more aware, to be more sensitive, that you aware that something can come through in a little different way. (Respondent 2)

The respondents' opinion on the successful communication within the diverse environment is very much aligned with the notion of utilizing the successful intelligence, introduced by Robert Sternberg, and discussed by the researcher in the present thesis. The idea of capitalizing the strengths and correcting weaknesses by using the combination of analytical, creative, and practical and wisdom-based skills is a core factor of success.

To be successful in cultural interaction one is to have humility about one's point of view; is to be able to say I am not always right, to keep listening and to be opened to change. (Respondent 1)

Is being able to effectively engage with people, who are not from my own country and my own language group and culture, being able to understand what the person standing in front of you is thinking. (Respondent 6)

The respondents cannot always identify whether the communication was successful or not as it is a sensitive area, which is not always easy to measure.

Sometimes what I feel as a success is not a success from the other person's view and sometimes what I think I did not succeed in, people come back and tell me: "You did a right thing. It becomes more black and white in a business transaction. (Respondent 4)

At the age of globalization some of respondents do not identify the challenges in communication as cultural challenges, they stopped perceiving them that way.

Most of the issues that I deal with are cross-cultural, but by now I am not used to see it from the cross- cultural perspective. (Respondent 3)

This perception is related to the notion of how strong the organizational culture a person works in is.

In my organisation, they often do not see me as an Indian guy, just as a good

manager. (Respondent 4)

But at the same time the same respondent corrects himself.

When we are driving the change, which is a large part of senior management, then the cultural issues come up and there cultural issues become even more obvious.
(Respondent 4)

The given statement underlines the difference between managerial responsibilities and the leadership skills, where the capability to drive the change enhanced by the ability to understand the cultural differences and navigate the changes accordingly.

When talking about the evidences of cross - cultural differences, the Respondent 1 refers to written encounters.

Some cultures, for example, UK culture, is very careful about how you word your email. (Respondent 1)

When sharing some negative experiences of failed intercultural communication, a Respondent 2 states that the clash of cultures usually happens when parties rush into conclusions without looking at the situation from another angle.

I was behaving in an extremely bad way, whereas I was assuming they were behaving wrongly. For my culture they were showing a bad behaviour, from their culture I was badly behaved. (Respondent 2)

5.2. Cultural Intelligence as a skill for effective leadership

The second part of the interviews was dedicated to respondents' perception on leadership: general understanding of the term "leadership" and whether the culturally diverse environment demands a different set of leadership skills for the successful communication. Some of the respondents employed the term "cultural leadership" while giving their insight on the subject.

Cultural leadership first of all starts from recognizing that there is such a thing – and that you include it in your way of working, your company way of working. It is a leadership issue – what type of culture do we want to nurture in our company and how do we develop it. (Respondent 4)

The art of leadership changes and depends on the culture of organisation. (Respondent 6)

The researcher was focused on gathering respondents' opinion on leadership as a prerequisite for establishing the relation between leadership and cultural intelligence. The respondents' answers bore more of a practical content, obtained through years of leading experience.

The really good leadership is about whom do you have, whom you build as your team, who networks around you. (Respondent 1)

Leadership is about understanding the big picture; working with your teams to select the roads to go, motivating and committing yourself and your company to go those roads, keep alert for changes. The main emphasis is on selecting the route. (Respondent 4)

Leadership is what makes people work beyond their capabilities. The best leadership quality is that you are able to get people perform and deliver at the level, that they themselves do not believe, maybe not believe, but do not know. To help someone work at a level where he has not been by inspiring him, by coaching him, by guiding him. (Respondent 5)

All the responses support Peter Drucker's description of effective leadership, where the understanding that the right things are to be done in right ways through the motivation, discipline and cultural maturity. (Peter Drucker. p)

Leadership is not doing things by yourself, but to make people you work with to align their interests with your interests to pursue and deliver the aim. The leadership is not fixed, everything depends on the context. (Respondent 6)

Respondent 6 discussed the different ways of demonstrating effective leadership: such as direct leadership - when a leader does not ask for discussion but giving orders by prioritizing a situation. The leadership "by example" is based on cohesiveness, the preferred language is "We language". Those skills follow the set of rules of effective leadership, introduced by Drucker (2012) and discussed in the chapter 3 of the thesis.

I am asking you for solution. As a leader I recognize that somebody else actually might be in a better place to do stuff. (Respondent 6)

While performing the data analysis the researcher made an assumption that the managerial attributes of respondents' profiles were very much in line with the Cultural Intelligence profiles, introduced by Earley and Mosakowski and discussed in the "Relationship between leadership and cultural intelligence" of the present thesis.

As it was noted in the theoretical part that the most efficient leader profiles is a hybrid of the Ambassador and the Analyst.

You can be a good leader, but to be a great leader you need to have some talent. You should have some makings of a leader, the key things great leaders need: the cultural dimension, the emotional intelligence. (Respondent 4)

The theoretical discussion of the 4 facets of the CI underlined the certain attributes related to the metacognitive, cognitive, motivational and behavioral CI. The curiosity, observation, processing and adjustment can be considered as core leadership skills that correspond to the four facets.

- **Awareness as part of metacognitive CI:**

Earley and Ang's theory of cultural intelligence recognises "awareness" as a part of the one metacognitive CI. Most of the respondents are using the word "awareness" in describing the interaction with people from a diverse environment.

You have to be aware - Ok, they are not meaning any different, but is just a normal context of that. (Respondent 2)

You have to be aware how you balance out different things. (Respondent 3)

The researcher conducted an analysis of repetition of certain words and the word "awareness" was the third common used word by all the respondents in the context of CI.

- **Planning as a part of metacognitive CQ:**

All the respondents were expressing the same notion that the successful intercultural interaction demands a certain level of preparation and planning. For example, it is important to set a clear structure of a meeting or engaging an intermediate party for the successful interaction.

You need to make some guidelines or make things clear that there are some places where you need to be more hardline about it. (Respondent 1)

Power of intermediate is understandable. (Respondent 3)

If I were giving a speech in Vienna, I would read up how to give a good speech in Austria or if I am struggling with a particular family communication. (Respondent 3)

This response is an example of how the motivational CI in the form of self - efficacy creates the bas for the effective intercultural communication.

With some cultures you can use a direct way of expressing your opinion, whereas with others you can never do that. The hint is the best way to deliver the message (Respondent 4).

Some of the tools shared by the respondents are: making a manuscript to each meeting, defining roles for each person. In case of the engagement of a local intermediate, the key to success is to listen to the other side and to redirect the conversation immediately if a party is about to go CI-wise wrong.

I prepare for an objective of a meeting. The content is important, but also the context in which we are saying. (Respondent 2)

When we are meeting new customers it is always important who is sitting next to whom, making senior people feel like they are senior people. (Respondent 5)

When asked: "When you are working with a culturally diverse environment, what would you set as a daily goal?" the respondent emphasizes that the main goal is driven mostly by business circumstances.

You have to see what you have said always on the point of view of the receiver. Did he get the same message? (Respondent 4)

- **Observation as a part of behavioral CI:**

It was mentioned already that a repetitive pattern of certain words usage gave to the researcher opportunity to come to the conclusion that the successful employment of cultural intelligence is a capability to observe, to listen, and not to rush with the conclusions. The word "to listen" was used 15 times and was the most commonly utilized word in CI context.

The responses confirm the theoretical discussions by Ang and Earley (2004) on the behavioral CI, where verbal, nonverbal and speech act communication behaviors are the examples of the behavioral flexibility and the adjustment to a new context.

I spend a lot more time observing and listening to them and as you to get to know them and become more active than. (Respondent 3)

I am observing people and looking for the clues from a person I communicate with.

(Respondent 4)

It is important to listen and ask questions without having an answer in your head beforehand, and then you truly understand where the other person is coming from.

(Respondent 3)

Saying something is not a priority. The first priority is listening, not passive not speaking, I mean just what does the person opposite me saying and thinking.

(Respondent 6)

These results offer valuable evidences that for the effective leadership within culturally diverse environment the practical use of four facets of CI is crucial. As suggested by Earley and Ang, awareness, observation, self- efficacy to adjust, motivation, flexibility in behavior is the skills that can be considered as advantage for the successful intercultural communication.

5.3 Success and challenges of CI in culturally diverse environment

To identify the profile of the CI minded leader the interviewer's question was about the attraction of working within a diverse environment. The general outcome of the opinions is that at the present moment the cultural diversity of working environment is a norm and the employers are interested in a set of job-based skills regardless of the location or the cultural background.

I think it would be a very blunt working environment if you did not come up with different people, different backgrounds. They bring different perspectives on things.

(Respondent 1)

Nowadays the world is evolving so quickly and with the digital agenda it becomes difficult to find the right people from one country. (Respondent 5)

There are two aspects to be taken into consideration: positive and philosophical. I like learning generally in life and I think to be working in different perspectives is a process of understanding more about yourself, because it throws what you believe into sharper belief. (Respondent 3)

In growing years we moved a lot... moving and encountering people with differences is not a mental barrier. I prefer the diversity. (Respondent 4)

Most of respondents are very specific that at the present moment, especially in the western working environment, in our case Finnish environment, there is no option in choosing to work in monoculture or multicultural environment.

The respondents recognize different challenges to be considered in cross-cultural communication. Most of them are related to the areas of professional responsibility.

For example, a respondent with an HR background notices that:

In terms of HR leader contexts, people have very different motivations and understanding, for example, about people's pay. (Respondent 1)

Another respondent connects the challenges with the tendency to judge based on the own cultural framework.

Particular in stress or when the framework with the other party differ in some (from your point) serious issue, you tend to JUDGE – this person is wrong/mean/stupid/ ...(Respondent 2)

One of the challenges the respondents comment on is the inconsistency between their own core beliefs and set of values and the beliefs of people with different cultural background.

To be able to adapt to the mentioned challenge Respondent 3 quotes a model, developed by CI coach Julia Middleton. It projects the idea that each person has a set of values that can be positioned as core or flex values. The Core comprises the things that define a person: the things that won't change (or won't change easily). Flex contains things that one can choose to change - things that one can adapt to: circumstances, to other people or other cultures. The fluidity of Flex is also considered to be strength.

I am aware of my British core now and the things I am not prepared to bend on now. Understanding what is essentially and not negotiating that but being flexible about a whole a lot of stuff is my understanding of being culturally open-minded. This is me, this is a core part of me. I am prepared to say that's wrong. I am able to have an opened conversation and be able to change my mind if I am convinced, but to have a clear message - this is I. (Respondent 3)

Respondent 5 observes that the challenges run in the same sphere as in being attracted to work in the diverse environment.

There is no norm in certain things, you have to learn to read people kind of quickly and take those subtle hints. (Respondent 5)

This sentence unites the cultural intelligence with the emotional intelligence and confirms the theoretical findings that for successful leaderships it is not enough only to understand other cultures, but it essential to understand personalities.

I am not sure that it is only cultural thing; it is more like a personality thing.
(Respondent 1)

The respondent 1 puts an accent to *the very human, person-to- person thinking* and comes to the conclusion that:

In the end people individually respond very much the same and I do not think that I even notice anymore... (Respondent 1)

Thus at this point the emotional intelligence steps forward as a mean of successful interaction with others. This finding validates the theoretical assumption made by Kerri Crown in “ Cultural exposure, emotional intelligence, and cultural intelligence: An exploratory study” that “ being exposed to other cultures through experiences abroad enhances cultural and emotional learning and in turn impacts both emotional intelligence ad cultural intelligence.”(Crown, 2012)

According to GLOBE project findings, the dimensions of leadership attributes and behaviors are dimensions of the culturally endorsed theories of leadership of a country. (House, 2002) As the interviewees for the research are based in Finland, the researcher was interested in respondents’ opinion on how the results of GLOBE research on culturally endorsed leadership dimensions in Finland correspond to their perception according to the experience. The respondents were provided with the results of GLOBE leadership study, where the leadership scores for outstanding leadership in Finland were collected based on the leadership data collected in Finland. The respondents mostly agreed with the results of survey. The only score, which was in contrast with their experience, is the “ Charismatic” score.

Certainly, when I think of Finland leaders, they are not around charismatic, team

oriented – yes. (Respondent 1)

Charismatic. First of all, charisma is a very qualitative thing; it depends on what is defined as a charismatic leadership. Especially as international people, your view on the charismatic leadership is different from the local perspective. Charismatic is not something I would agree with according to my experience. (Respondent 4)

It's a different type of charisma. I have met a lot of charismatic people in Finland, but it's a different type – trustworthiness, seriousness, and an ability to take business forward in a steady serious way, not in a fun way. They prefer to concentrate on people, numbers and things. (Respondent 5)

In researcher's opinion, the difference between the GLOBE research results and the respondents' observations lay in interpretation of the term "charisma". The authors of the GLOBE project point out that charisma "reflects the ability to inspire, to motivate, and to expect high performance outcomes from others on the basis firmly held core values" (Globe, p.65) whereas the common perception is that "charisma is the power to inspire devotion and commitment for the group's goals and produce power through infectious qualities of leadership and influence, involving a leader's aura, dynamism and persuasiveness."(Globe, p.515)

6. DISCUSSIONS AND CONCLUSIONS

6.1. Conclusions

The researcher's work led to conclusion that CI is a crucial attribute of the effective leadership within culturally diverse environment. This paper has investigated the concept of Cultural Intelligence as a four-dimensional structure with metacognitive, cognitive, motivational and behavioral components within the culturally diverse environment and worked on establishing the links between the cultural intelligence and leadership. The results of this study support the idea that the role of the cultural intelligence is important from the point of view of a leader. The researcher managed to compare findings from a practical research conducted as a set of interviews with established leaders of different companies based in Finland, against the theoretical observations on cultural intelligence, leadership, attributes of the effective leadership within a culturally diverse environment. The findings explore and prove the hypothesis that cultural intelligence is an important skill of the effective leadership within the intercultural environment.

6.2 Ethical considerations

During working on the research the researcher was following the “ Guidance for the good scientific practice” supported by Arcada University. The rules of the ethically sustainable data collection were applied, such as:

- All the respondents were informed of the purpose of the research and about voluntary participation
- All the respondents have given a written consent to use their interviews for the research purpose.
- The researcher has informed all the respondents about the confidentiality of the information they provide with no names mentioned in the research paper.
- Research materials are kept in the secure place without outsider's access to it.
- The researcher observed integrity and accuracy in conducting research,

recording and reporting results.

6.3 Further research

This research has gone some way towards enhancing understanding of CI and tools for the practical implementations of four facets of CI. The researcher is confident that the results may improve the knowledge about cultural intelligence in Finnish working environment. The study suggests that the further research can be done in the field of CI application in other countries, for example China, where the concept of CI only starts to accumulate interest. On a wider level research is needed to determine the influence of organizational culture on CI and the leadership style.

This research has raised questions in need of further examination in regard of the GLOBE project on leadership styles, specifically identifying the leadership styles in Finland.

LIST OF REFERENCES

- Ang, S & Van Dyne, 2008, 'Conceptualization of cultural intelligence', In S. Ang & L. Van Dyne (Eds), *Handbook of cultural intelligence: Theory, measurement, and applications*, Armonk, NY: M.
- Bryman, A, & Bell, E. 2007 *Business research methods*, Oxford, Oxford University Press.
- Bryman, A 2012, *Social Research Methods* (pp. 565-584). Oxford: Oxford University Press
- Charmaz, K 1983 'The Grounded Theory Method: An explication and Interpretation', in R.M. Emerson (ed.), *Contemporary Field Research: A Collection of Readings*. Boston: Little, Brown
- Crown, A. C, 'Cultural exposure, emotional intelligence, and cultural intelligence' *International Journal of Cross Cultural Management*, vol. 13, Issue 1, pp. 5 – 22
- Deci, E.L 1975 *Intrinsic Motivation*, Plenum Publishing Company Limited
- Earley, P. C., & Ang, S 2003, *Cultural intelligence: individual interactions across cultures*, Stanford, Calif, Stanford University Press.
- Goleman, D 1998, 'What makes a leader', Harvard Business Review January 2004
- Glaser, B.G., and Strauss, A.L 1967 *The Discovery of Grounded Theory: Strategies for Qualitative Research*, Chicago: Aldine
- Hall, E.T, 1992 *The hidden cultures*, Anchor books
- House, R, Javidan, M, Hanges, P & Dorfman, P 2002, 'Understanding cultures and implicit leadership theories across the globe: An introduction to project

GLOBE' *Journal of World Business*, vol 37, no. 1, pp. 3-10. DOI: [10.1016/S1090-9516\(01\)00069-4](https://doi.org/10.1016/S1090-9516(01)00069-4)

- House R.J. et al (Eds), 2004 *Culture and Leadership, and Organizations: the GLOBE Study of 62 Societies*, Thousand Oaks, CA: Sage.
- Hunter, J. E., & Schmidt, F. L 2004, *Methods of Meta-Analysis: Correcting Error and Bias in Research Findings* (2nd ed.). Thousand Oaks, CA: Sage
- Hofstede, G 1980, *Culture's Consequences*, Beverly Hills, Calif.: Sage
- Kuhlmann, A 2010, 'Culture-driven leadership' *Ivey Business Journal* issue March <http://iveybusinessjournal.com/publication/culture-driven-leadership/>.
- Lewis, R.D 2007, *Finland, cultural lone wolf*, Finland: WS Bookwell
- Lewis, R.D 2010, *When cultures collide: Leading across cultures*, Quercus
- Livermore, D. A 2010, *Leading with cultural intelligence: the new secret to success*, New York, American Management Association. <http://www.books24x7.com/marc.asp?bookid=32473>
- Middleton J., 2016 'IQ, EQ and CQ: An evolution in Intelligence' <http://commonpurpose.org/knowledge-hub/all-articles/what-is-cultural-intelligence/>
- Miles, M.B 1979, 'Qualitative Data as an Attractive Nuisance', *Administrative Science Quarterly*, 24, pp.590-591
- M. W. Morris , K. Leung , D. Ames , & B. Lickel, 1999 'Views from inside and outside: Integrating emic and etic insights about culture and justice judgment', *Academy of Management Review*, 24: 781–796.
- Ng, KY, Van Dyne, L & Ang, S 2009, 'From experience to experiential learning: Cultural intelligence as a learning capability for global leader development' *Academy of Management Learning and Education*, vol 8, no. 4, pp. 511-526.

- Niitamo, P 2010 *WOPI–Work Personality Inventory*, Helsinki: Competence Dimensions Ltd.
- Ridley, D.S., Schulz, P.A., Glanz, R.S., & Weinstein, C.E. 1992 ‘Self-regulated learning interactive influence of metacognitive awareness and goal-setting’ *Journal of Experimental Education*, 60 (4), pp.293-306.
- Ryan, G.W., and Bernard, H.R 2003, ‘Techniques to identify themes’, *Field Methods*, 15, pp.85-109
- Ryan, R.M., and Deci E.L 2000, ‘Intrinsic And Extrinsic Motivations: Classic Definitions And New Directions’, *Contemporary Educational Psychology* 25.1, pp. 54-67.
- Schmidt, F.L., & Hunter, J.E 2000, Select on intelligence. In E.A. Locke (Ed.), *Handbook of principles of organizational behavior* (pp.3-14). Oxford, UK: Blackwell.
- Sternberg, R J. 2000, *Successful intelligence: A unified view of giftedness*. In C. F. M. van Lieshout & P. G. Heymans (Ed.), *Developing talent, across the lifespan* (pp. 43–65). Hove, UK: Psychology Press.
- Sternberg, Robert J 1985, ‘*Implicit theories of intelligence, creativity, and wisdom*’
- *Journal of Personality and Social Psychology*, Vol 49(3), Sep 1985, pp.607-627. <http://dx.doi.org/10.1037/0022-3514.49.3.607>
- Tan, J-S 2004, ‘Issues & observations: Cultural intelligence and the global economy’, *Leadership in action*, 5(24) (pp.19-21).
- Triandis, Harry C., Vassiliou, Vasso 1972, ‘Interpersonal influence and employee selection in two cultures’, *Journal of Applied Psychology*, V 56(2), Apr, pp.140-145.
- Triandis, H.C., 1994 *Culture and Social Behavior* McGraw-Hill

- Triandis, H.C 2006, 'Cultural intelligence in organizations', *Group and Organization Management*, Feb: 31, 1<https://www.researchgate.net/publication/247738378_C>

8. APPENDICES

Appendix I

INTERVIEW GUIDE

<i>Main subjects</i>	<i>Researcher's questions</i>
Respondent's background	Can you tell me a bit about yourself, and your area of responsibility in the organization you work for?
	If you look at the entire company here in Finland, where do cross-cultural encounters take place and who is involved?
	How often do you find yourself in cross-cultural encounters?
Cultural Intelligence and leadership:	What is your definition of leadership?
	What is your definition of culture?
	Are you aware of the term "Cultural Intelligence"?
	Do you agree that cross-cultural leadership is one of the top management

	challenges at the present moment?
	How does your organization integrate cultural intelligence?
	What leadership skills are necessary for a successful CQ cooperation?
	And how much Cultural intelligence does it demand of you? Give examples.
	How big a problem is language proficiency and cultural sensitivities between locals and expat leader according to your experience?
	When leading others, what are the things that you would never change, no matter where you were in the world? Give examples.
	<p>Dave Livermore, one of the foremost experts on cultural intelligence breaks the cultural intelligence concept into four capabilities:</p> <p>CQ drive- What is my interest in the cross-cultural assignment?</p> <p>CQ Knowledge – What cultural</p>

	<p>information is needed to fulfill this task?</p> <p>Strategy – What’s my plan?</p> <p>Action – What behaviors do I need to adopt to do this effectively?</p> <p>Do these concepts correlate with your approach to CQ at your working place?</p>
Leadership and cultural intelligence in Finnish environment	Please describe the working culture in Finland according to your experience?
	Could you define some typical cultural differences between Finnish culture and your own culture?
	What did you find to be your greatest leadership challenged on arrival? How were you able to get around the problem?
	According to Richard D. Lewis, cross-cultural communication consultant, leaders in reactive countries (Finland is considered to be one of them) are people oriented but dominate with knowledge, patience and quiet control. They display modesty and courtesy, despite their accepted seniority. They know their companies well (having spent years

	<p>going around various departments), this gives them balance, the ability to react to a web of pressure</p> <p>Do you agree with this observation? If not, how does his statement differ from your experience?</p>
<p>CQ on organizational level: How can CQ be spread or learned throughout the entire organization?</p>	<p>Do you prepare yourself before taking part in cross-cultural encounters? How?</p>
	<p>Are there certain considerations you take beforehand that take possible cultural differences into account? (Issues of time, agreement on structure of the meeting, location, how to give feedback, language (which language to use, which style and level, use of interpreter?), communication style, etc.)</p>
	<p>In your opinion, and when thinking of your daily work, what is your main goal when working with a culturally diverse team or talking with other people? How do you make sure to achieve your goals?</p>
	<p>When recalling your last couple of meetings, have there been situations where you thought <u>afterwards</u> that you should have acted differently? Could you</p>

	give an example? Did cultural differences play a role?
	In your experience, which role does culture play in your company? Is this something that is discussed?
Conclusion	Are there any more things you would like to say before we end the interview?
	May I contact you, if further questions should arise?
	Thank you for your cooperation.