Chapter 7
Cultural Intelligence in Organizational Contexts and Human Resource Management

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ABSTRACT
Throughout the past decade, the concept of cultural intelligence (CQ) has garnered increasing attention from researchers and professionals due to its importance in the world in which we live. In this scenario, understanding why some individuals adapt more effectively than others to different cultural situations has become a research goal with fascinating theoretical and practical implications in organizational life. This chapter introduces the concept and summarizes research about the topic, emphasizing relevant aspects for human resources professionals. It is structured as follows: (1) the benefits of a cross-cultural perspective in organizations; (2) concept of cultural intelligence; (3) measurement of cultural intelligence; (4) nomological network; (5) cultural intelligence and global leadership; and, (6) cultural intelligence related to negotiation. It concludes with a brief summary of theoretical, practical, and empirical implications of cultural intelligence in organizations.

INTRODUCTION
Why is it necessary to pay attention to the cultural differences to make sales, services or lead teams of people? What attitudes and behaviors should we take into account before negotiating with people of a culture that is different from ours? Should we adapt our language to different cultural contexts when we interact? What are our feelings when we must work with an Argentine person? And with an Iranian native? Is it the same as working with an American? How to build relationships of trust and cooperation with people from different cultural? What psychological aspects associated with culture may mark the path to success? How should people be assessed to understand their readiness for intercultural assignments? What are the implications for recruitment? What can individuals and organizations do to promote success in intercultural contexts? In short, what can human resources professionals do in this respect? All these questions lead us to cultural aspects associated with intelligence.

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### The Benefits of a Cross-Cultural Perspective in Organizations

A recent study carried out by the Economic Intelligence Unit of The Economist (2012) on a global sample of executives (N = 572) about how cultural and communication barriers affect organizations, found that there is a significant number of companies which recognize the benefits of overcoming cultural barriers that are present in its global context, but which are not doing enough to face that challenge. Some of the key findings of the report are as follow: (1) contrary to the expectations of many experts, the current economic downturn is spurring companies into becoming more international; (2) effective cross-border communication and collaboration are becoming critical to the financial success of companies with international aspirations; (3) most companies understand the cost of not improving the cross-border communication skills of their employees, yet many are not doing enough to address the challenge; (4) organizations with international ambitions increasingly expect prospective employees to be fluent in key foreign languages; and, (5) misunderstandings rooted in cultural differences present the greatest obstacle to productive cross-border collaboration. Analyzing this scenario, used as an example, we can assert that cultural intelligence has several practical implications for human resource professionals in organizational contexts. Decades of research suggest the benefits of practices that emphasize a cross-cultural perspective in organizations, in general, and cultural intelligence, in particular. And this should be increasingly important given the acceleration of globalization (Gelfand, Erez, & Aycan, 2007; Kim & Van Dyne, 2012).

### Concept of Cultural Intelligence

Throughout the past decade, the concept of *cultural intelligence* has garnered increasing attention from researchers and professionals due to its importance in the world in which we live: a world characterised by globalisation, the information technologies and international relations. In this new scene, understanding why some individuals adapt more effectively than others to different cultural situations has become a research goal with fascinating theoretical and practical implications in organizational life. But, what is cultural intelligence? Mainly, cultural intelligence complements other forms of intelligence, such as general mental ability, emotional intelligence, social intelligence and practical intelligence, assuming that intelligence is more than the ability to solve problems and grasp concepts in academic settings (Gardner, 1993; Ng, Van Dyne, & Ang, 2012; Sternberg & Detterman, 1986). All these forms of intelligence are complementary, because norms for social interaction vary among cultures and neither type of intelligence focuses specifically on capabilities with relevance to effectiveness in cross-cultural relationships (Ang & Van Dyne, 2008; Earley & Ang, 2003; Rockstuhl, Seiler, Ang, Van Dyne, & Annen, 2011).

Basically, Earley and Ang (2003) conceptualised *cultural intelligence* as a multidimensional construct made up of four dimensions. The first is the *metacognitive* dimension, which refers to an individual’s cultural awareness during interactions with people from different cultures. It consists of the processes