Global leadership success through emotional and cultural intelligences

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Abstract Culturally attuned and emotionally sensitive global leaders need to be developed: leaders who can respond to the particular foreign environments of different countries and different interpersonal work situations. Two emerging constructs are especially relevant to the development of successful global leaders: cultural and emotional intelligences. When considered under the traditional view of intelligence as measured by IQ, cultural, and emotional intelligences provide a framework for better understanding cross-cultural leadership and help clarify possible adaptations that need to be implemented in leadership development programs of multinational firms. This article posits that emotional intelligence (EQ), analytical intelligence (IQ), and leadership behaviors are moderated by cultural intelligence (CQ) in the formation of global leadership success.

**KEYWORDS**
Cultural intelligence; Emotional intelligence; Global leadership success

"But when a prince acquires the sovereignty of a country differing from his own both in language, manners, and intellectual organization, great difficulties arise; and in order to maintain the possession of it, good fortune must unite with superior talent." —Niccolo Machiavelli, The Prince

1. Global interaction and interpersonal relationships

To say that globalization is upon us is axiomatic. Conducting global, international, and cross-cultural business is a mundane reality for most contemporary large organizations. Even if your business is a medium- or small-sized firm, you have probably experienced globalization through interactions with global participants that belong to at least one, or perhaps more, of these four key categories: customers, competitors, suppliers, or employees. Global business is already a substantial force in the world’s economy: The World Trade Organization reported that, in 2003, international trade comprised 30% of global GDP. In their book Race for the World, Lowell L. Bryan et al. (1999) predicted that, by the year 2029, 80% of world output would be in global markets. Thus, while globalization has arrived, the full extent of its impact on business has yet to be felt.

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If growth in international trade continues as expected and predictions for its eventual size hold true, global business will see at least a twofold increase. Such dramatic changes in the conduct of business require leadership from individuals skilled in global aspects of business functions such as marketing, operations, finance, human resource management, information management, and R&D. However, global leaders must also be extremely skilled in the interpersonal conduct of global business. This requires emotional and cultural intelligences, the focal points of this article.

Unfortunately, while the need for global business leaders has never been so urgent, serious deficiencies exist in the preparation of corporate managers as they deal with the interpersonal realities of global business. In a comprehensive review of the global leadership literature, Vesa Suutari (2002) came to the following conclusions:

- Leaders need to develop global competencies.
- There is a shortage of global leaders in the corporate world.
- Many companies do not know what it means to develop corporate leaders.
- Only 8% of Fortune 500 firms have comprehensive global leadership training programs.
- There is a need to better understand the link between managerial competencies and global leadership.

Similarly, Tracey Manning (2003) summarized the research of many leadership scholars and found that multinational companies’ efforts to develop effective global managers fell far short of the optimum:

- 85% of Fortune 500 firms surveyed did not have an adequate number of leaders.
- 65% felt their leaders needed additional skills.
- One-third of international managers underperformed in their international assignments based on their superiors’ evaluations.
- Organizations have erroneously promoted leaders to international assignments based on technical and organizational skills.

Ultimately, the negative consequences of wrong leadership choices are both expensive and well-publicized. And while the overall picture of global leadership development indicates businesses are not pursuing this matter sufficiently, the outlook is even more bleak regarding the development of global leaders’ emotional and cultural intelligences. Although some firms are endeavoring to enhance the emotional intelligence capabilities of their leaders, very few have moved to grow cultural intelligence, as awareness of this important concept is still at an early stage. In this article, we discuss the concepts of emotional and cultural intelligences, why they are critical to successful global leadership, and how they may be developed in global leaders.

2. A convergence of forces

It is evident that global leadership development should be a priority for companies that interact across cultures. Fortunately, how this development should proceed is becoming clearer. Several markers of what we term “global leadership skills” are noteworthy. First, there is increasing agreement regarding what it is that good leaders do, even while management flexibility is assumed as a given. Inevitably, leadership is contingent on the factors involved in a particular situation, but we generally know what good leaders should do or consider doing most of the time, at least in the United States. Simply put, leadership is the ability to turn vision into reality. More specifically, Robert House and his colleagues defined leadership as “the ability to influence, motivate, and enable others to contribute toward the effectiveness and success of the organization” (House et al., 1999, p. 184). Additionally, in 2002, Gary Yukl, Angela Gordon, and Tom Taber, after reviewing a half-century of leadership behavior research conducted primarily in the U.S., concluded that leaders must successfully perform 12 behaviors, which can be grouped into three broad categories: task, relationship, and change/innovation (Yukl et al., 2002). These behaviors are those that leaders/managers should engage in or consider engaging in to be successful.

A second marker of global leadership skills is an emerging focus on leadership at every level of the organization, which facilitates the creation of a platform from which to launch a global leadership development effort. This recognition of the relationship of system to manager is occurring not just in the management literature, but in numerous corporations, as well. For example, IBM, a company already well known for its strong leadership, revamped its leadership model in 2002, when newly appointed CEO Sam Palmisano realized IBM needed a new model of leadership that was future-focused, where the company’s customers became clients (reflecting long-term relationships, not short-term fixes) and whereby IBM enabled its customers to “respond instantly at whatever got thrown at them” (Tischler, 2004, p. 112). As Donna Riley, IBM’s Vice President for Global Talent, expressed, “If leader-
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