A Qualitative Evaluation on the Role of Cultural Intelligence in Cross-Cultural Leadership Effectiveness

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Most cross-cultural leadership research has been conducted and based upon various dimensions of culture (Hofstede, 2001; House, Hanges, Javidan, Dorfman, & Gupta, 2004; A. Trompenaars & Hampden-Turner, 2002). We argue that an understanding of cultural differences and cultural dimensions in a general sense is not enough on its own to achieve cross-cultural leadership effectiveness. This study aims to investigate the importance of, and the implementation of, cultural intelligence (CQ) as a key component of cross-cultural leadership capabilities within the context of Western–Chinese cultural differences. Derived from information and insights gathered through a series of in-depth interviews with 32 Western expatriate managers (among them are 26 Australian expatriates) and 19 local Chinese managers who represent top- and middle-level executives working in Australian businesses operating in China, this study confirms that expatriate leaders' CQ can positively impact their cross-cultural leadership effectiveness. Given the large and increasing interest in doing business in China among Western firms, the further development of this study will highlight its pragmatic value. We intend to design a consulting model based upon the key findings, thereby providing an effective application tool to assist Western leaders to enhance their cross-cultural leadership effectiveness.

This century is the era of globalization of the world economy. Foreign direct investment (FDI) has been playing a significant role in this process. China has become the world's third largest trading economy and the fastest growing one (Zhang, 2005) since its accession to the World Trade Organization (WTO) on December 11, 2001. As a result, China has been considered to be one of the most attractive destinations for FDI.

Australian investment is an active one among this large scale FDI in China. Due to the strong complementary commercial relationship between the two countries, Australian investment in China has grown rapidly and expanded considerably over recent years. This rapid growth brings great opportunities, yet it also creates challenges. One of most difficult challenges is to maximize expatriate leadership effectiveness in the cross-cultural situation of Australian investment businesses in China.

In regard to the question of western expatriate managerial efficiency in China, cross-cultural management competency has been discussed and highlighted by many researchers. Pan and Zhang (2004) attempted to clarify Chinese cultural characteristics by applying Hofstede's (1980, 2001) cultural dimensions and their impact on managerial performances. Sergeant and Frenkel (1998) emphasized the importance of the application of knowledge of cultural differences to enhance expatriate managerial effectiveness. Li and Kleiner (2001) conversely suggested personnel localization as the solution to cultural conflicts in achieving business success in China through an analysis of expatriate–local relationship and their role in organizational effectiveness.

The cultural differences between China and Australia and their influence on the effectiveness of the organization have also been studied. Australia has a western, Anglo-Celtic cultural background, and China follows Confucian culture. The cultural differences between Australian and Chinese can lead to different management styles and practices (Wang & Clegg, 2002). Hutchings (2002) pointed out that Australian organizations should pay more attention to the cross-cultural preparation and adaptability in expatriate selection. In their later research, Hutchings and Murray (2002, 2003) argued that the significance of Chinese cultural attributes is determined by company size and the individual expatriate's length of service in China. Liang and Whiteley (2003) also believed that searching for cultural synergy and optimizing cultural interactions are more rational and practical for Australian businesses in China.

While these studies focused on cultural influences as a complicating factor in the effectiveness of foreign businesses in China, they gave less attention to expatriate managerial competencies relevant to leadership dynamics within the context of cultural differences. This empirical study aims to address this gap by investigating the importance of, and the implementation of, cultural intelligence (CQ) as a key component of cross-cultural leadership capabilities within the context of Western-Chinese cultural differences. The result proposes that expatriate leaders' CQ can positively impact cross-cultural leadership effectiveness, thus contributing significantly to the success of Australian businesses operating in China.

The article begins with a brief review of literature on the linkage between CQ and expatriate leadership effectiveness from a theoretical perspective followed by a description of the qualitative methodology employed in the study. The findings and discussion are then presented, and the article concludes with implications and recommendations for further research.

Literature Review

Over 350 definitions exist for the term leadership (Daft & Lane 2005). Even though none of the hundreds of definitions of leadership in the literature is agreed upon as the so-called correct definition, most reflect the notion that leadership involves "an interaction between the leader, the followers, and the situation" (Hughes, Ginnett, & Curphy 2002, p. 22). Leadership can be seen as a process in which the situation can influence which leadership behavior or style is most effective (Ayman, 2004; DuBrin & Dalglish, 2003; Hughes et al.). Some leadership emergence or behaviors that appear effective within one situational context may be seen as ineffective in another (Avery, 2004). One of the important situational factors is that of culture (Yukl, 2002).

In cross-cultural context, leaders are increasingly confronted with the need to influence people from other cultures. Successful influence requires a good understanding of these cultures.

Leaders must also be able to understand how people from different cultures view them and interpret their actions (Yukl, 2002). Successful leadership behaviors may differ within various cultures (House et al., 2004). In regards to the international management, Miroshinik (2002) pointed out that the first major contributor to problems and failures of business abroad is differences of culture. Dickson, Den Hartog, and Mitchelson (2003) explained that different cultural environments require different managerial behaviors. Strategies and structures that are appropriate in one cultural setting may lead to failure in another. Schein (1997) stated that "culture and leadership are two sides of the same coin" (p.15). Hence, cultural difference is a crucial situational factor in leadership effectiveness in relation to cross-cultural contact.

One way to approach the research of the relationship between cultural differences and leadership is through the identification and measurement of culture dimensions (Dickson et al., 2003) which have been developed and refined by many researchers (Hofstede, 1980, 2001; House et al., 2004; F. Trompenaars, 1993; F. Trompenaars & Hampden-Turner, 1997). Hofstede (1997) presented that culture is a collective mental programming, a software of the mind. According to Hofstede (1997), culture is not genetic; it does not derive from one's genes but from one's social environment where it is learned. Culture also exists on different levels. F. Trompenaars (1993) made a distinction between national culture and corporate culture, noting that the highest level is the culture of a national or regional society. Both Hofstede (1980, 2001) and F. Trompenaar (1993, 1997) attempted to clarify the cultural differences at the national level through the identification and measurement of culture dimensions. The latest cross-cultural research endeavor has been the global leadership and organizational behavior effectiveness (GLOBE) project, a long-term, multiphase and multimethod research program consisting of 150 researchers who have been collecting data from 18,000 middle managers in 62 countries (Javidan & House, 2001). Although it provided a theoretical rationale for the cross-level effects under investigating the relationships between leadership, social culture, and organizational culture, this research emphasized the significant impact of cultural dimensions in cross-cultural leadership effectiveness.

Clearly, the study of cultural dimensions has been of particular value in relation to beginning the project of reaching a deeper understanding of the situations that face leaders who are working in cultures unfamiliar to them. However, merely understanding cultural differences is far from achieving leadership effectiveness in cross-cultural social contexts. Hence, there is a challenge in seeking the best way to understand and implement the dimension approach to cross-cultural management, which also can be applied to the leadership domain. As a consequence, researchers (Earley & Ang, 2003; Peterson, 2004; Thomas & Inkson, 2004) have begun to present a new perspective in effectively managing cross-cultural differences: the perspective of CQ.

CQ is "a person's capability for successful adaptation to new cultural settings, that is, for unfamiliar settings attributable to cultural context" (Earley & Ang, 2003, p. 9). This definition introduces the dynamic nature of the concept in that CQ is significantly constituted by an individual's difference and characteristics, and the cultural environment supposed to be effectively adapted to is unfamiliar to a person. According to Earley and Ang, cultural intelligence comprises three interactive fundamental components: cognitive, motivational, and behavioral. The cognitive component refers to one's specific knowledge to perceive and understand about a new culture based on various types of cultural cues. The motivational component refers to one's self-motivation and commitment to adapt and adjust to a new culture

environment. The behavioral component refers to the capability of a person to generate the behaviors/actions needed to appropriately reflect cognition and motivation.

Early and Ang's (2003) CQ model emphasizes the interactive linkage of the three components. CQ requires one to perceive, understand, oblige, and act to adapt to a new cultural setting. A person with high CQ is capable of continuing to learn in a new cultural environment. He or she is interested in dealing with new cultures. More importantly, without successful execution, a person's CQ is hard to be realized. CQ requires effective behavioral adjustment to a new culture, not just one's thoughts, intentions, or wishes.

Similarly, Thomas and Inkson (2004) demonstrated that CQ involves (a) knowledge, understanding the fundamentals of intercultural interaction; (b) mindfulness, developing a mindful approach to intercultural interactions; and (c) behavioral skills, building adaptive skills and a range of behaviors so that one is effective in different intercultural situations.

In fact, CQ is not a new concept in cross-cultural study but a new perspective focusing more on cultural adaptation. Hofstede (1997) stated that an effective intercultural communication requires three phases: awareness, knowledge, and skills. With awareness, one may be able to observe the relevant clues about the relativity of the culture. Knowledge is about another culture's symbols, heroes, and rituals ["while we may never share their values, we may at least obtain an intellectual grasp of where their values differ from ours" (Hofstede, 1997, p. 231)]. Skills are practices based on awareness and knowledge to adapt in the new environment. In the same way, Peterson (2004) recommended three steps to improve one's CQ: (a) learn knowledge about facets and cultural traits, (b) build awareness of self and others, and (c) adjust behaviors.

Clearly, the first attribute of CQ is the knowledge of the culture. The cultural dimensions identified by Hofstede (1980, 2001), A. Trompenaars and Hampden-Turner (1998), and House et al. (2004) have provided the fundamental knowledge required to understand the cultural differences.

Like culture itself, however, CQ is not inherent. Rather, CQ is a basis by which the cognitive, motivational, and behavioral components of effective intercultural adaptation can be comprehended and, consequently, learned (Bailey, 2004). Peterson (2004) discussed CQ in terms of the abilities/skills of cultural adaptation. He defined CQ as the

> ability to engage in a set of behaviors that uses skills (i.e., language or interpersonal skills) and qualities (e.g., tolerance for ambiguity, flexibility) that are tuned appropriately to the culture-based values and attitudes of the people with whom one interacts. (p. 89)

Based on Gardner's (1984) multiple intelligences theory, Peterson identified four dimensions of CQ: (a) linguistic intelligence refers to the language skills needed to interact with people from other cultures, but one does not have to speak a second language fluently to have cultural intelligence; (b) spatial intelligence refers to the ability to adapt spatial behaviors in other cultural settings; (c) intrapersonal intelligence refers to the ability to know one's own cultural style; and (d) interpersonal intelligence refers to the ability to respond appropriately to others.

In general, a number of researchers in the field (Bibikova & Kotelnikov, 2004; Earley & Ang, 2003; Earley & Mosakowski, 2004; Janssens & Brett, 2006; Peterson, 2004; Thomas & Inkson, 2004; Triandis, 2006) have claimed that CQ can help leaders successfully deal with different national, organizational, and professional cultures. Nonetheless, as a relatively new entrant in the field of leadership research, there is a clear need for more thorough empirical research based on the theory of CQ, given its increasing significance for cross-cultural leadership and the extent to which it remains unexplored territory for business researchers. Most cross-

cultural studies have been based upon quantitative questionnaire surveys. This research intends to qualitatively investigate the role of CQ in cross-cultural leadership effectiveness.

Research Methodology

This study seeks to gain an understanding of leadership practices in a particular industry within a particular context, that is, Australian businesses operating in mainland China. Hence, it is crucial to gain a great deal of information about these business organizations. Thus, the experience and viewpoints of the individuals working in these organizations become a very rich resource to inform the researcher's understandings. A qualitative research approach enables the researcher not only to understand and explain the personal experience of individuals but also to experience research issues from the participants' perspective. Consequently, the researcher may use a combination of methods to gain a broad understanding regarding the research questions (Ticehurst & Veal, 2000). Given these considerations, a qualitative methodology was employed for data collection in this study. The investigator conducted a series of semistructured in-depth interviews with 32 western expatriate managers (including 26 Australians, 2 Australian Hong Kong Chinese, 1 Irish, 1 English, 1 American, and 1 New Zealander) and 19 local Chinese managers working in Australian businesses operating in Shanghai and Beijing from November to December 2004.

Interviewees were selected and recruited from *AustCham* (The Australian Chambers of Commerce in China) *Directory of Australian Businesses in China* (2004). Both expatriate and Chinese participants represent top- and middle-level executives of Australian businesses operating in China in different industries such as minerals and energy, manufacturing, consulting, building and construction, banking, legal services, and education. The expatriate participants had been living and working in China from 2 months to 16 years. On average, the participants were in their forties. Participation in this study was voluntary, and participants' anonymity and confidentiality were assured. Given that the Australian business executive community in China is not a large one and the respondents' identities can be easily recognized, direct quotations from the respondents are not coded in this article. The coding of respondents will be employed in the author's thesis.

Subject to the respondents' consent, the interviews were digitally recorded and later transcribed verbatim. In regards to key factors of leadership effectiveness from the Australian–Chinese cross-cultural perspective, within each interview, respondents were asked what they believe are the keys to successful leadership in Australian–Chinese cross-cultural workplaces. Furthermore, the individual interviews of expatriate managers gathered information both about their successful experiences and their frustrations, whilst focus group interviews with Chinese local managers obtained employees' perceptions on the same issues.
The interviewees were asked the following: Are there certain skills or any good experiences for expatriate managers in regards to the cultural adaptation and dealing cultural differences while working in China?

Given the qualitative nature of this research which focuses on participants' perceptions and experiences and the way they make sense of their lives (Creswell, 2003; Locke, Spirduso, & Silverman, 2000; Merriam, 2002), the research findings are displayed in direct quotations from the participants. These direct quotations are most appropriate expressions for the participants' perceptions and viewpoints. As King (2004) suggested,

The use of direct quotes from the participants is essential. These should normally include both short quotes to aid the understanding of specific points of interpretation—such as clarifying the way in which two themes differ—and a smaller number of more extensive passages of quotation, giving participants a flavor of the original texts. (p. 268)

Findings

When the interviewees, both expatriate and Chinese, were asked to identify some typical cultural differences between Chinese culture and Australian culture, most of them were not able to give immediate or direct answers as expected. There was a lot of variation in their answers. Some interviewees did mention *face* or *Guanxi* (relationship), but they rarely specified the significance of these well-known words which have been used often in literature regarding cross-cultural management in China. Instead, rather than identifying the cultural characteristics of China and distinguishing Chinese culture from Australian or Western culture, the expatriate respondents did not emphasize China as a particular cultural norm. They argued that people make differences, as revealed in the following comments:

People are people, and it does not matter where you come from. We have the same needs; we want to be warm; we want to be safe; we want to be fed; we want to have friends. So, in those respects, there are no cultural differences. We want the same things. It is just about how we go about getting them. If you are a good human being, then you will meet good human beings. It does not matter what country you come from.

Again, it does not matter that you are in China or anywhere else; it is human condition.

People sometimes want to label things as being Western style or Chinese style or some other style when they really should be looking at what is effective style.

I think there are a lot more similarities between Chinese people and Australian people than there are differences. I think the basic human position is the same.

I have traveled a lot throughout the world. If you are open to talking to people and listening to their ideas then you are going to find that you can do business with them. If you only want to do things your way, then you are never really going to develop your own business.

I find in any culture in the world, if you use good manners and respect other people, and then when you look at situations and apply common sense, you can usually work your way through almost any situation. Human beings are human beings anywhere in the world. Basically, we all have similar aspirations. It is not hard to understand that human being motivation. If you treat people the way you expect to be treated yourself, you usually make progress.

To tell the truth, I do not think that there is too much difference when [we] look at [it] on an individual basis. I do not think there is any real difference. But, it is definitely the case that in any cross-cultural environment, when there are difficulties or when there are basic

issues that need to be dealt with in the office, the first instinct of most people is to retreat into a group (in term of cultural background).

You have to understand that we are foreigners operating in a Chinese culture/country, and it is different. But, at the same time, do not use it as an excuse, because you have to bring in some of the Western practices and Western ways. You cannot just say, "oh, this is China, so we will not do it that way." What we have to do here is position XXX [the organization's name] in China as a branch of XXX, not different from XXX branches in other countries. It operates on the same systems, must report same output, same service values, same corporate values. But, in managing it, to get it to meet those guidelines, there is a different management style because culturally the Chinese operate differently.

Additionally, those who have been working in different cities in China argued that there are big differences between different cities in China, such as between Beijing and Shanghai or between Shanghai and Suzhou (a small city very close to Shanghai in which many foreign invested factories are located).

Therefore, rather than emphasizing the influence of cultural differences and presenting their cultural shock, respondents suggested that expatriate leaders' cultural awareness, motivational cultural adaptation, and behavioral skills significantly contribute to leadership effectiveness in cross-cultural workplaces. These elements all reveal key facets of CQ. In addition, effective cross-cultural communication between the expatriate leaders and their local followers is an important way not only to understand but also to adapt to the host culture, and communication becomes a considerable indication of expatriate leaders' CQ.

Cultural Awareness

Culturally intelligent expatriate leaders usually have high personal interest in new cultures (Earley & Ang, 2003) and an understanding of the expectations of local followers (Thomas & Inkson, 2004) as well as certain reasoning skills to help their culturally perspicacious understanding or culturally strategic thinking (Earley, Ang, & Tan, 2006). Most Chinese interviewees highlighted that it is important that their expatriate managers have a willingness to appreciate Chinese culture and an open mind to understand, respect, and accept specific cultural habits or backgrounds of the local staff.

Meanwhile, many expatriate managers also emphasized the importance of a deep understanding of Chinese culture and cultural differences. According to the respondents, it is crucial to learn about the main aspects of the culture, particularly why things are done in a certain way. It is also necessary to understand the culture on a personal level because by making an effort with the people themselves, expatriate managers can gain a well-rounded perspective on the environment in which they work. Other nonwork aspects of the culture are also significant, including the history and social structure. The following quotations are typical of the opinions of the expatriate managers regarding improving their cultural awareness.

I think it is about trying to learn as much about that situation as you possibly can. . . . It is a matter of really trying to find out and understand as much as possible.

Having some knowledge of how Chinese people think and work is very important.

At least to understand part of the culture and the reasons why things are done in certain ways is very important.

On a deeper level is understanding where people are coming from, why they do things, why they do not do things. . . . So, I have made great efforts to understand.

Understanding the cultural differences and what the other drivers are for that individual or for the culture.

To understand the social knit of the community and the people is very important and the history obviously.

There is no way you can completely understand it. I think just having some elements of it and being able to understand some of it—you are still daily left thinking, "I wonder why that ended up that way?" At the end of the day, it's all about respect and understanding that there is a difference.

Motivational Cultural Adaptation

Culturally intelligent leaders identify cultural differences through knowledge and mindfulness and have the ability to act appropriately for the situation across cultures (Thomas & Inkson, 2004). It is necessary for an expatriate manager to find a balance between different cultures and be self-motivated to adapt to the culture. Some interviewees, including experienced expatriate managers who have been in China for years, new arrivals, as well as Chinese managers reported the following:

You got to get balance between western values and Chinese values. I do not think you should dismiss Chinese values, and I do not think you should throw away your own values either. You have to mix them.

There is definitely a historical and cultural background difference [between Australia and China]. Just deal with it; you cannot just ignore it.

If you just want to do things in your own way, you will never really . . . develop.

You have to understand that you are the one who is different, not the whole world or not the whole country. So, you need to sit back, and you need to watch, and you need to learn, and you need to not make rash decisions or bold moves in the first few weeks. Don't be scared of it. Don't be worried that it is different. Just watch, listen, and learn, and be careful how you tread for the first little while and then slowly roll out your personality and your thoughts and your skills when you feel it's appropriate to do so. It's as simple as that really.

What I do not try to do is changing people . . . I am trying to find ways of working that require minimal changes from the people I have to work with. . . . So, the person that has

to change most is me because I have to find ways that I am comfortable putting up with these frustrations.

In other words, expatriate leaders' interest in dealing with new cultures as well as their perceived capability of doing so are very important (Earley & Ang, 2003). Some of the interviewees pointed out the following:

So, you are operating in another culture. And, if you are not comfortable in the culture, it is going to affect the way you do business. If you have a passion for the culture, it makes life a lot easier. . . . [Those who are successful are those who] . . . do have a passion for working here, living here, enjoy living in another culture and being a part of what is really a very dynamic society. Dynamic not just in terms of business, but in terms of society, the changes here are just so devastatingly fast. It is an exciting place to live in that regard.

If you are open to new things, can accept other people's values, and are willing to listen, . . . that improves your chances of success.

Moreover, most expatriate interviewees repeated words such as *patience*, *tolerance*, and *persistence* when they talked about cultural adaptation.

It takes time to adapt. It is a learning process.

There are ways to do things. Try to adapt, being patient.

I think, clearly, you have to be tolerant, patient, and understand that you cannot be sure of anything.

You need to be consistent, and I guess consistency is probably one of the biggest things that people need to see.

Self-motivation or interest is very important, as one explained.

What I do believe in my mind is that there are two different sorts of people: those who adapt to a different environment and like travel and those who do not. I have been surprised. Some people will adapt and accept the challenge, and, therefore, it is enjoyable. And, in our case, it is just that, happy to accept those cultural differences because they are challenging and fun. They can be frustrating at times too, but there are numbers of expats that we meet from time to time who have not adapted and would never adapt and will just constantly be making negative comments about the country, the city, Chinese people. But, my wife and I do not find any problem.

When the interviewee who made the preceding remark was asked about the necessity and importance of predeparture cross-cultural training, he commented:

I think you would find that if you did that training in Australia before people came here, I think you would find those two groups of people: those people who can adapt and those

who cannot adapt. Those people who can adapt would accept the training and would learn a little bit but they might as well come here and find out for themselves.

Similarly, another interviewee stated the following:

I think it is critical finding people who want to work in China who are enthusiastic about it. They will learn that as they go along. They will read about China. They will pick up the books. They will read the books with interest. They will visit places in China. They will talk to the people. The worst thing you can have [is] an expatriate in any country . . . who does not want to be there because they will not learn; they will not integrate; they will not understand what's going on, and they will not be a productive manager.

Adaptive Behavioral Skills

An expatriate leader with high CQ has the capability of learning the appropriate cues in the host culture setting as well as the capability of adapting their behavioral repertoire responses (Earley & Ang, 2003). One interviewee illustrated this with the following comment:

I have found that I have had to sort of adapt my styles particularly to build relationships with people in different ways than if it was in Australia.

Another interviewee with over 10 years working and living experience in China, a fluent Mandarin speaker, remarked:

I think as a leader here, first and foremost, you know you have to recognize that there is a different role to play. You have to change your body language, the way you work with people, and talk to people.

This interviewee and many other experienced Australian expatriates demonstrated their behavioral cultural intelligence by sharing their experience of dealing with Chinese employees and customers.

I found that the essence of leadership in China is to have [a] very strong sense of occasion. There are certain occasions for certain behaviors expected and appropriate. . . . You have to take a lot of time taking people to one site and having a chat.

It takes several years for foreigners to understand and work with Chinese people and know what is right, what is wrong, what is true, what is not . . . So, listen to the people, be patient, because it takes time for you to understand business and the culture and start to have your own judgment what is right to do, what is not right to do.

If [you find] anything wrong, come and chat. If you have some idea, come and chat. It took me 3 1/2 years, because they do not want to do that. It takes time to get the trust from people.

The process of improving expatriate leaders' CQ essentially involves learning from social experiences. Thomas (2006) suggested paying attention to and appreciating critical differences in culture and background between oneself and others, recognizing how culture affects behavior and the importance of different behaviors. With 7 years of working experience in China, one interviewee suggested a practical cultural adaptation model:

Take the time and listen. If I am puzzled by what someone said or by their particular action, I would always go and discuss with someone else and say, "Well, in this particular

situation, what could be driving that?" I always try to understand people better. And, you do not know the culture; you do not know the language; and you just try to figure out that on your own. So, you really need to focus on your education and talk to people [about] your opinions and your value, Chinese people, and ask them questions and try to learn in that way. . . . Ask about their family or this or that. I've got [a] very good memory so that I can remember something about somebody. So, they feel the boss really value[s] them and care[s] about them.

He then added that listening is very important:

I think you have to listen to your Chinese colleagues. It does not mean they are right; it does not mean you are wrong. But, you got to listen because that is how you learn about the culture; that is how you learn about the colleagues; that is how you improve your emotional intelligence. So, listen, take your time. . . . If you are patient and take the time and demonstrate with your continuing actions, Chinese people will learn to trust you and be prepared to share their opinions with you.

Likewise, another expatriate interviewee suggested the following:

You have to understand that you are the one who is different, not the whole world or not the whole country. So, you need to sit back, and you need to watch, and you need to learn, and you need to not make rash decisions or bold moves in the first few weeks. Do not be scared of it. Do not be worried that it is different. Just watch, listen, and learn, and be careful how you tread for the first little while and then slowly roll out your personality and your thoughts and your skills when you feel it is appropriate to do so. It is as simple as that really.

Additionally, culturally intelligent leaders demonstrate a sense of humor in dealing with cultural barriers. An Australian expatriate manager who has quite a few years of Asian working experience but only 2 months experience in China shared the following:

It is about being honest and open and using humor a lot in the right place and the right format to break down a lot of barriers. I think humor is a multinational tool that you can use in most places.

Effective Communication and Language

Most respondents agreed that effective communication is a fundamental element of effective leadership. Communication in a cross-cultural environment encounters many possible barriers to shared understandings since people from different cultures do not share common backgrounds, codes, or conventions (Thomas & Inkson, 2004). The language in communication, however, is considered as the greatest potential barrier by most expatriate interviewees who do not speak Chinese whereas Chinese-speaking expatriate interviewees and English-speaking Chinese interviewees do not regard language as the key to communication. Although some stated the following:

Communication is always difficult. [The] first barrier here is language.

Clearly the biggest challenge is the language barrier.

> I am very open about talking to people. . . . Again, to us, most things come back to communication. If there is a problem, it is usually because people [are] not communicating not because of the language difficulty.

On the contrary, others made the following remarks:

> Language is important, but it is a tool; it is only a tool for communication. I know some people do not speak Chinese at all. But, they can communicate; they can get messages across.

> Language skills are very important, particularly for what I do, but the ability to communicate and the willingness to communicate are more important.

Culturally intelligent expatriate managers intentionally adapt their own style of language to be in harmony with the vocabulary and style of nonnative, English-speaking local people (Thomas & Inkson, 2004). One interviewee recommended the following:

> When I give a direction, or I ask a question, I will ask the question three different times, and I will ask in three different ways, and I will not use the same words. I test the question to make sure the question [was] understood.

Peterson (2004) suggested that one of the ways to establish communication is through familiar language. The tip of keeping it simple is applicable in cross-cultural communications. For instance, one interviewee mentioned that he never uses double negative or words such as *incorrect* or *incomplete*.

> So, you got to try and balance in being more precise in your e-mail and with making sure that you are using simple language or not complex thoughts [made up] of complex words.

Similarly, other interviewees commented:

> So, what we do here is speak English. But, you speak slowly, use simple words, and you have to be prepared to explain.

> The importance of speaking very simply, slowly; using simple words; and understanding that, maybe, that's the best way of communication.

Furthermore, language is not only an important communication tool between individuals with different cultural backgrounds but also an effective way to understand the culture and people's analogical reasoning behind their behaviors, as two interviewees indicated:

> The cultural problems can be overcome and at least identified if the language is working.

> I think the very base is knowledge of the language. Language gives you insights into culture, business practices, history and, most importantly, gives you insights [into] how [the] Chinese think.

Discussion

The findings demonstrate that (a) CQ is a reality in the lives of the interviews and (b) expatriate leaders' CQ plays a significant role in enhancing cross-cultural leadership effectiveness.

Cultural differences lead to misunderstanding which leads to conflict, low morale, and lack of productivity in work settings (Levy-Leboyer, 2004). Cultural awareness is a preliminary element of an expatriate manager's CQ. As previously noted, rather than discussing Chinese culture and the differences between Chinese culture and Australian culture or Western culture, almost all respondents led the interview conversations to the importance of cultural awareness and adaptation. In response to the question regarding typical cultural differences between Chinese culture and Australian culture, most of the participants were not able to give immediate or direct answers as expected. Their answers varied widely and demonstrated very different perspectives. This finding supports the assumption discussed in the beginning of this article which stated that an understanding of cultural differences and cultural dimensions in a general sense is not enough on its own to achieve expatriate leadership effectiveness. As stated by Earley et al. (2006), culture and country are somehow not necessarily identical. Many subcultures may exist within an overarching culture in one single country. Furthermore, even people within the same subculture do not necessarily see the world in the same way.

Therefore, cultural awareness does not merely mean some fundamental knowledge about a culture but includes expatriate leaders' interest in and ability to develop their understanding about that specific culture from cultural cues. On the one hand, the expatriate leaders' knowledge and acceptance of cultural differences can be increased with experience, practice, and a positive attitude toward day-to-day learning (Brislin, Worthley, & Macnab, 2006). On the other hand, although the culture possibly gives clues about the mean position of a sample of individuals, it indicates little about the particular individual. Culturally intelligent expatriate managers do not jump to conclusions from only one or two clues but collect more information before making a judgment. They also pay special attention to the situation, and they have the ability to identify the information that is relevant for making a judgment and can integrate this information and situation to make the correct judgment (Triandis, 2006). In another words, CQ emphasizes metacognition or thinking about thinking. According to Earley and Peterson (2004), a high CQ person must inductively create a proper mapping of the social situation to function effectively.

The findings also empirically validate the other two critical elements of CQ: (a) the motivation of expatriate managers to culturally adapt their behavioral skills or actions and (b) their aptitude to determine where new behaviors are needed and how to execute them effectively. Expatriate managers high in motivational CQ have the desire, drive, and efficacy to continually translate information to generate strategies to deal with working, living, and interacting in the new cultural environment (Templer, Templer, Tay, & Chandrasekar, 2006). They also have an aptitude to determine where new behaviors are needed and how to execute them effectively (Earley & Peterson, 2004). With that motivation, expatriate managers constantly have a keen interest to observe the situation and adjust their behaviors and leadership style to enhance their experience in new cultural situations, thus enabling effective cross-cultural leadership. In particular, it is worth noting that a culturally intelligent expatriate manager recognizes his own identities and how they are interrelated but has the flexibility to adjust, reprioritize them, and so on as the situation demands (Earley et al., 2006). Also, the findings stress the importance of leaders' patience, openness, and flexibility.

Significantly, the findings confirm that effective cross-cultural communication between the expatriate leader and local followers is an important way not only to understand but also to adapt to the host culture, thereby communication becomes a considerable measurement of expatriate leaders' CQ. Javidan and House (2001) pointed out that effective cross-cultural

communication involves finding integrated solutions, or at least compromises, which sounds simple but can be fairly complicated in cross-cultural situations. Expatriate leaders with high CQ may not speak the local language fluently, yet their host communication competence enables them to behave and interact appropriately in different cultural environments (Earley & Ang, 2003). Language competence, however, according to the findings, is essential not only to assist effective cross-cultural communication but also to improve expatriate leaders' cultural awareness. Therefore, it becomes an effective tool to improve the CQ of expatriate leaders. As Alon and Higgins (2005) stated, language provides the basis for cultural understanding, intercultural communication, and possible immersion in a foreign culture. Therefore, the language competence needs reinforcement. To be realistic, however, for those who do not speak Chinese, it is crucial to be able to effectively communicate with translators.

Finally, the findings suggest that expatriate managers' CQ can be increased with experience, practice, and a positive attitude toward lifelong learning. The longer the expatriate managers' working experience in China, the higher CQ they perform.

Conclusion

While most cross-cultural leadership studies to date have focused on examining and explaining the cultural differences and their influence on leadership effectiveness, the findings of this study evaluate a new and important avenue of research in the cross-cultural leadership domain. The study provides empirical data to aid in the understanding of both practical and theoretical discussions of the role of CQ in cross-cultural leadership effectiveness in China. The qualitative investigation applied in this study yielded a broader and deeper understanding of cross-cultural leadership effectiveness in today's China than would otherwise have been possible using a more traditional survey. As stated previously, the selectivity of the participants has taken into account many elements such as different management level, industries, organization sizes, and individual working experiences. As an interviewee stated, "leadership is a lot about learning by doing." The participants' viewpoints and perspectives derived from their daily practice are "unique, valuable, and hard to learn in other ways" (Wilson & Dalton, 1998). In turn, the information collected from this group of participants is rich, thorough, and diverse.

This study has pragmatic value given the large and increasing interest in doing business in China among Western firms. An expatriate manager's CQ, as a significant element in cross-cultural leadership effectiveness, should be taken into account by such firms in expatriate selection as well as prearrival and postarrival training.

The findings of this study also have significant implications for individual Western expatriate managers. CQ is not inherent, and it can be learned (Earley & Ang, 2003). Expatriate managers should increasingly give attention to improving their CQ in their daily business practice. It should be noted that as this study precedes, a series of practical tools such as CQ assessment and CQ training will be developed based upon relevant literature and the collected data.

In further research, the collected data will be analyzed in greater depth and breadth in relation to CQ as well as key factors which significantly contribute to expatriate leadership effectiveness such as emotional intelligence (EQ) and transformational leadership. With regard to CQ, although the present analysis confirmed the general features and importance of the concept as it has been articulated in the literature, a further analysis is needed if we are to go

beyond those general features. Moreover, further development of this study will highlight its practical value. The authors intend to design a consulting model based upon the key findings, thereby providing an effective application tool to assist Australian expatriate leaders as well as those from other countries to enhance their cross-cultural leadership effectiveness in China.

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