XLQ: Cross-Cultural Leadership Intelligence

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Abstract

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Project Management & Leadership

The mobility of capital, expertise, and resources has led to a market that is dynamic, yet the industry remains staid and conservative (Murray and Langford, 2003). Most all construction projects are unique endeavors because of their technology, location, and people. On many construction projects, the infrastructure for communications and authority must be created rapidly, and placed into operation before testing or improvement can occur. Teams must be built and progress through the forming, storming, norming, performing, adjourning phases described by Tuckman and Jensen (1977). On international projects, the teams are both inter-organizational and intra-organizational. This team building is most often accomplished when the execution of the project has already begun.

In such a dynamic environment, cross-cultural leadership skills are essential for there is seldom adequate time for training and exploration of political, social, cultural, contractual, and technological issues. As the saying goes, the team must *hit the job running*. A leader must have cross-cultural leadership skills to depend upon, and must be able to build *quick trust* (Jarvenpaa, Knoll and Leidner, 1998). One of those strategies was Leadership.

Panteli and Duncan (2004) considered trust in virtual teams from a *dramaturgical* perspective based on the theory of impression management. In this interesting article the authors argue that (Pg. 425): "when virtual interactions are examined through the dramaturgical perspective, a distinctive type of trust, different from traditional conceptualisations of trust, emerges from players' actions and interactions, one that is situated within the virtual context that characterises temporary virtual teams." The authors also point out that Contractual Agreements have been found to be one of the main characteristics of virtual work arrangements and influence (Desanctis and Monge, 1999), (Grisham and Walker, 2005).

Suffice to say that on international construction projects cross-cultural leadership is a key ingredient into the realization of successful projects. The following section of this paper describe the components of what a Cross-Cultural Leadership Model, or XLQ Model.

Introduction

From practice in the international industry, that there are cross-cultural leadership dimensions that are recognized globally (*etic* (Pike, 1967)) trust, empathy, power, and communication skills. As the doctoral coursework and research progressed, the added dimension of transformation emerged. Also, there is a serious lack of published Project Management literature. In a search between 1995 and 2005 of the literature in the Project Management Journal and the international Journal of Project Management there were 1,173 citations, of which 77 addressed leadership or culture, and zero addressed cross-cultural leadership.

Compare this to a search for the word leadership at www.amazon.com for books that yielded over 16,000 references, and for culture over 55,000 references. A search conducted in the electronic EBSCO database for articles at RMIT University yielded over 57,000 articles relating to leadership, and over 62,000 articles relating to Culture.

From experience, there are three aspects to leadership interaction – the leader, the follower, and the situation. The characteristics (personality, intelligence, education, will power, experience, etc.) of the leader are the foundation to the transaction, for the leader must (to use a metaphor) hold the mirror for the followers and situation. The characteristics of the leader have no context without the followers and situation. Therefore, the thesis considers the validation of trust, empathy, transformation, power, and communication to be the domain of the follower and the transaction. The definition of leadership is the *ability to inspire the desire to follow, and to inspire achievement beyond expectations*.

The following sections summarize the finding from the thesis that prepared at RMIT University under the tutelage of Dr. Derek Walker.

Culture

Cultural theory has predominately been the domain of sociologists, psychologists, and anthropologists. Project Management has paid little attention to the topic in the last ten years. Cultural intelligence (CQ) is a critical attribute for leaders. Cultural Intelligence influences, and is influenced by, each of the five leadership dimensions of trust, empathy, transformation, power and communications.

The starting place for a review of culture is naturally with Hofstede (2001) who performed his original study in 1968 and a subsequent study in 1972. The version of the text referenced thus incorporates his original work. The dimensions are Long/short term orientation, power distance, uncertainty avoidance, masculinity/femininity, and individualish/collectivism. The restrictions of this paper prohibit a discussion of each, but they can be found in the thesis at www.thomasgrisham.com.

There are numerous other authors who have contributed to the body of work on culture such as ((Hall and Hall, 1990), (Arrien, 1993), (Goleman, 1995), (Darlington, 1996), (Luthans and Hodgetts, 1996), (Earley and Erez, 1997), (Gibson, 1997), (Inglehart, Basanez and Moreno, 1998), (Trompenaars and Hampden-Turner, 1998), (Den Hartog, House, Hanges, Ruiz-Quintanilla and Dorfman, 1999)), and (Jarvenpaa *et al.*, 1998) to mention but a few. The range of perspectives includes numerous disciplines and perspectives, and recently more international research.

Another mammoth study was the GLOBE Survey (House and Javidan, 2004). In one of the broadest and most thorough studies of leadership and culture, House and Javidan (2004) reported on Global Leadership and Organizational Behavior Effectiveness Research Program (GLOBE) survey of 17,300 mid-level managers representing 951 organizations (financial services, food processing, and telecommunications) in 62 cultures. The research addressed how organizational practices are influenced by societal forces, and they cross referenced their work with that of Hofstede (2001), and Schwartz (1994). The editors found that leadership is culturally contingent upon the culture in which the leader functions. The dimensions for culture were uncertainty avoidance, power distance, institutional collectivism, group collectivism, gender egalitarianism, assertiveness, future orientation, and performance orientation.. The *practice* was established by asking how things actually are, and the *values* by asking how things should-be. The work on the thesis connected the leadership dimensions back to each of these cultural dimensions.

Knowledge

In the global economy, it is important that people develop the ability to empathize with other cultures, rapidly. In an environment that relies heavily on virtual communications with teams spread around the globe, building trust and providing leadership are critical business and project management skills. There is a significant body of literature on cross-cultural issues, but often it focuses on a thin band of customs and business practices. While this knowledge is essential, it generally is only durable enough for short business engagements. It is not adequate for extended expatriate assignments, or for extended projects with virtual teams. Another method is needed if one is to learn more quickly about other cultures.

One potential method that has emerged is the use of metaphors to provide a window into other cultures that is rich and informative, not judgmental. The literature on metaphors begins with Aristotle, and has a long history of debate between those who believe metaphors to be a knowledge transferable representation of complex ideas, and those that believe it to be an intellectually lazy way to avoid detailed descriptions of complex ideas. There are also those that have argued that metaphors in the cultural domain are in danger of crossing the line into stereotypes. Metaphors are a way to increase the understanding of other cultures, and thus empathy. Further, the study of metaphors will help those from low context cultures, like the Unites States, to develop sensitivity for communications in high context cultures.

The work of Gannon (2004) is most useful in understanding ways to expedite the learning curve and provide richer insights into cultures. It provides far more than just the normal considerations for gift giving, meeting timing, and social etiquette. A model based on six-sigma terminology was developed. Green belt level meaning a person has an understanding of basic etiquette, black belt level meaning a person has a Gannon level of understanding, and master black belt meaning a person has lived in the culture.

Leadership

There are no shortage of leadership theories and studies, and there are numerous overlaps in terminology relating to the differences between leadership and management. This section of the paper will focus on published leadership issues, research, and theory. The starting point for leadership research is Bass & Stogdill (1990), not because they were the first, but because their work was such a complete review of the

literature, and such a thorough consideration of the issues relating to leadership. The work of so many top writers of the last century addressed this issue including ((Yukl, 1998), (McGreggor, 1960), (Drucker, 1973), (Goldsmith, Greenberg, Robertson and Hu-Chan, 2003), (Heifetz and Laurie, 1997), (Burns, 1978), (Yeung and Ready, 1995), (Bennis, 1989), (Turner and Henry, 1996), (Hoppe, 1990), (Mullavey-O'Brien, 1997), (Kluckhohn and Strodtbeck, 1961)), and many more.

Turner and Müller (2005) were commissioned by the Project Management Institute (PMI) to conduct research to determine if a projects manager's leadership style was a success factor on projects, and if it id different on different types of projects. The authors started with a literature review and found (Pg. 49): "surprisingly, the literature on project success factors does not typically mention the project manager and his or her leadership style or competence as a success factor on projects. This is in direct contrast to the general management literature, which views effective leadership as a critical success factor in the management of organizations, and has shown that an appropriate leadership style can lead to better performance."

This section of the thesis provided a review of the literature on leadership from 1862 through 2005, and highlighted the connections between the works referenced and the hypothesis of the thesis. There is a very rich body of knowledge in leadership that has been explored by psychologists, sociologists, anthropologists, religious scholars, political scientist, business management thinkers, and many more. The research attempted to provide a wide range of perspectives on leadership rather than an exhaustive study of a limited number of authors, for it is believed that this approach is better suited to a study of cross-cultural leadership. It provides diversity of opinion and viewpoints.

Conflict

Conflict is an integral part of human interaction between people, groups, cultures, sects, firms, and countries. Conflict can, if guided, be healthy and productive. However, if ignored may lead to disastrous consequences, and the deterioration of long-term relationships. In the international marketplace, the potential for conflict is extremely high as cultural beliefs and customs collide with regularity. Therefore, cross-cultural leadership must attend to the inevitability of conflict with guidance, knowledge, patience, and a celebration of diversity. Part of cross-cultural leadership intelligence, is the ability to manage conflict. A strong leader will avoid avoiding conflict, and will imbue this attitude in his/her followers.

As with all of the other section of the thesis, there was an abundance of literature on conflict. One book that is particularly well researched and assembled was by Michelle LeBaron (2003). Ms. LeBaron provides a superb review of the literature, and a concept of lenses that corresponds well to the types of issues that are actually encountered in international disputes. Experience as an arbitrator for the International Center for Dispute Resolution confirms her approach as being a solid and practical way to think about cross-cultural conflict resolution.

Other authors discovered in the research included ((Rahim, 1983), (Augsburger, 1992), (Habib, 1987), (Levinson, 1994), (Singelis and Pedersen, 1997), (Avruch, 1998), (Levine, 1998), (Ting-Toomey, Gao, Trubisky, Yang, Kim, Lin and Nishida, 1991), (Deutsch, 1973), and (Lederach, 2000)) to mention a but a few.

The research led to the creation of the Hourglass model for dispute resolution. The lenses of the hourglass mode start with knowledge, progress through diagnosis, and then intervention. From the intervention will flow lessons, through diagnosis again, and extend knowledge. The model is a general process and is not intended to be a dogmatic or static approach. For example, as knowledge is consulted there will be a possible recognition that more information is required and therefore some diagnosis may be required. Following this same approach there may be a need to engage (subtle intervention) in preliminary dialogue to facilitate the diagnosis and knowledge. The perfect world would be 100% knowledge at the start, with a mindset to acquire as much knowledge as possible. The size of the ellipses represents the amount of time that should be applied to each of the lens. On the output side, lessons are learned and they need to be diagnosed, and then the knowledge base can be increased - this could be from an individual to an institutional perspective.

It is suggested that the model be applied using a preventive approach, but it may be utilized just as well in a responsive way. The key is that the acquisition of knowledge and diagnosis of the conflict are the most important lenses. Many conflicts occur from a lack of understanding or a failure of communications. Both of which can be moderated by increasing the knowledge and diagnosis prior to a formal or structured intervention.

In the knowledge lens, the use of metaphors is a critical technique for developing a richer knowledge of cultures (personal, societal, commercial, etc.). A cultural knowledge of the cultural individuality of the contestants including religion, customs, folklore, music, art, literature, philosophy, language, history, geography, ethics, power, gender, and economic status are critical. Knowledge of the structure of the economic agreement is also important to know whether it is a fixed price contract or an alliance. For diagnosis, an example of a necessary technique would be to employ active listening skills to increase the knowledge of the details or feelings of the contestants. This would also be a skill of great importance with

the intervention lens. During intervention, negotiation skills are primary, after communication and effective listening.

Testing and Results

The hypothesis was tested using a Delphi panel of experts. Two rounds of questions regarding leadership, culture, knowledge, and conflict were posed to the panel. After the first round, the results were shared with the entire panel, so that they could be utilized in the second round. The Delphi panel consisted of 23 panelists with almost 700 years of international cross-cultural experience. The hypothesis was confirmed by the panelists, as were the connections to the GLOBE survey dimensions of culture. The detailed procedures utilized and the test results are available at www.thomasgrisham.com.

XLQ Model

The goal of the thesis was to develop a model for cross-cultural leadership. To meet this goal the first step was to explore the existing literature on cross-cultural leadership, knowledge transfer through metaphor, and conflict management in a multi-cultural environment. The review included multi-disciplinary sources, and utilized an exegetical approach in the evaluation of the literature.

The results of the thesis were the XLQ Model that is shown in Figure 1. The hub of the steering wheel is Trust, without it, leadership cannot function. The spokes of the wheel are Transformation, Communication, Power, and Empathy. The wheel itself is culture for without the effective use and coordination with the other aspects, the wheel would in fact not be a wheel, and would be ineffective. The lubricant for the wheel is Conflict Management. Conflict can be used to stimulate creativity, but if not managed can cause enough friction so that the wheel cannot turn.

The wheel also assumes that the leader has knowledge of each component of the wheel, and of the destination or goal of the drive.   A weakness in any component will reduce the effectiveness of the leader, and will potentially lead to a non-sustainable business model.   The XLQ Model was constructed from the XLQ Aspects of Leadership and Culture. The XLQ Leadership Dimensions (Trust, Empathy, Transformation, Power, and Communications) are made up of Descriptors and Sub-descriptors that are detailed in the thesis.

International Project Management, and business management, has suffered from a lack of a codified approach to the training of people to work in multi-cultural environments. There are no shortages of cultural training programs in existence, and certainly no shortage of leadership and cultural theories. What the thesis has attempted to do is to provide a simple model for cross-cultural leadership that can be used for evaluating and improving leadership skills, resulting in improved performance. The model provides a simple outline of leadership attributes that can be utilized to structure assessment and training for Project Managers in a consistent and systematized manner. For the model, it does not matter if the Project Manager was born in China and raised in the USA, or born in the USA and raised in Japan since it is a universal *etic* template. So training for leadership skills in Malaysia or Botswana can be structured in the same way, with the emphasis on the XLQ Leadership Dimensions.

The model also provides a structure for future research and testing. For example, if testing a group of executives from three countries for the importance of face, the relationship of face to XLQ Leadership can be linked. Future research can be connected back to XLQ Model to further amplify and confirm/reject the Descriptors and Sub-descriptors. Or research on metrics for evaluation and training can utilize the Delphi panel scores as a benchmarking system.
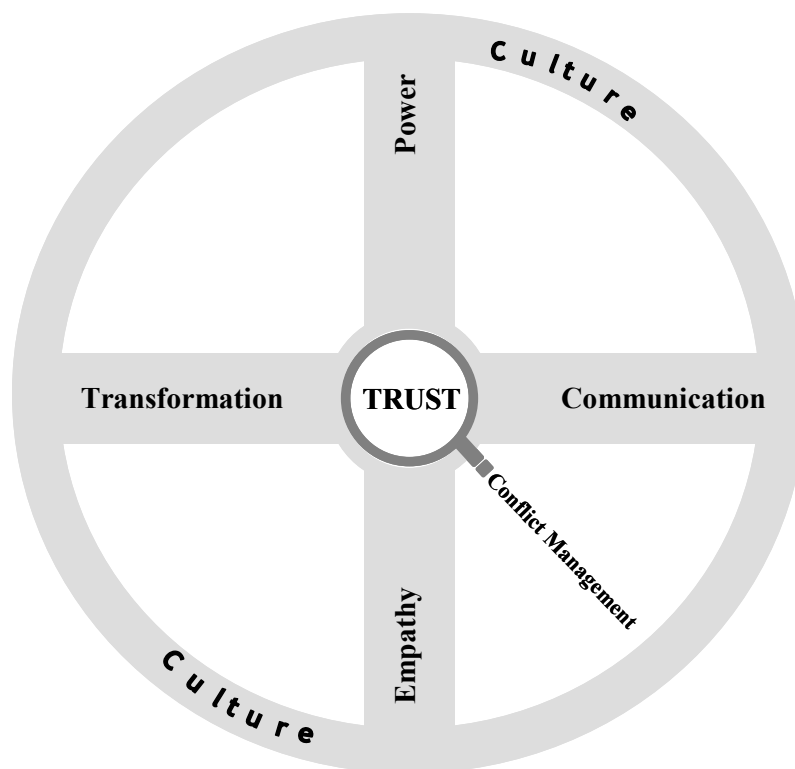
Figure 1. XLQ Model

Conclusions

International Project Management, Construction Management, and business management, has suffered from a lack of a codified approach to the training of people to work in multi-cultural environments. There are no shortages of cultural training programs in existence, and certainly no shortage of leadership and cultural theories. What the thesis has attempted to do is to provide a simple model for cross-cultural leadership that can be used for evaluating and improving leadership skills, resulting in improved performance.

Furthermore, hhe model provides a structure for future research and testing. For example, if testing a group of executives from three countries for the importance of face, the relationship of face to XLQ Leadership can be linked. Future research can be connected back to XLQ Model to further amplify and confirm/reject the Descriptors and Sub-descriptors. Also, research on metrics for evaluation and training can utilize the Delphi panel scores as a benchmarking system.

Implications & Future Research

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