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# Cultural Intelligence at Work – A Case Study from Thailand

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## 1 Possible answers

### 1.1 Assess Markus's Cultural Intelligence according to the four capabilities (metacognition, cognition, motivation and behaviour).

1. Cognition aspect: Which values influence Markus's behaviour? Which values drive Khun Somchai's behaviour?
2. Metacognition aspect: Please describe Markus's reflection process and adjustment of cultural assumptions.
3. Motivation aspect: What is Markus's "inner source of drive" that helps him to manage the situation successfully?
4. Behaviour aspect: How does Markus's communication change? How does he adapt to the situation?

| Capabilities | Components   |
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| Cognition    | <ol style="list-style-type: none"> <li>1. Markus's values: Performance Orientation (Masculinity*); Task Orientation, employees are resources (Individualism*); decentralization of decision making, empowerment of people, sharing/transferring of responsibilities (Power Distance*); time is money (Short-term Orientation*).</li> <li>2. Markus's experiences help him to analyse and judge the leadership situation; he knows about cultural differences and takes these differences into account to achieve his objectives.</li> <li>3. Values of Khun Somchai: People Orientation, happiness (Femininity*); group and harmony orientation (Collectivism*); top-down, centralized decision making, respect for seniority (Power Distance*); long-term perspective for return on investment (Long-term Orientation*)</li> </ol> <p><i>* Hofstede's Value Dimensions (Hofstede et al. 2010)</i></p> |

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| Metacognition | <ol style="list-style-type: none"> <li>1. A cultural clash makes Markus reflect on the situation: how can he be successful by adapting his leadership behaviour and by questioning his own leadership values? He's not just copying the Thai leadership behaviour but respects it and combines it with his own values and beliefs. (He is performance-oriented and respects the relationship-oriented Thai management style.) He values the cultural differences and intercultural conflicts as a possibility to learn, to adjust and to improve his leadership capabilities.</li> <li>2. Markus realizes during the first discussion that he cannot succeed with his approach. The Thai CEO clearly signalled his disagreement by moving the discussion to questions about his holidays. Markus demonstrated a high degree of cultural awareness when he recognized this signal.</li> <li>3. Markus adjusts his mental model of how to hold this conversation with his boss; he adapts and integrates the different perspectives and revises his strategy accordingly.</li> </ol> |
| Motivation    | <ol style="list-style-type: none"> <li>1. Markus is an experienced manager who has worked in several countries. He knows about cultural differences and has gained in-depth insights into the Thai culture. He is still eager to learn and is fascinated by exploring cultural differences.</li> <li>2. One aspect of Markus's inner motivation is to share knowledge and experience. At his age he is no longer driven by career-based motivation and works out of interest rather than necessity.</li> <li>3. Another aspect of Markus's inner motivation is curiosity and learning. He is motivated to learn and expand his own leadership capabilities and those of others.</li> </ol> <p>These motivational aspects help Markus to see cultural differences as possibilities for learning rather than as problems.</p>  |

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| Behaviour | <ol style="list-style-type: none"> <li>1. Markus does not insist on finding a solution during the first discussion with the Thai CEO. He remembers that he needs to show respect to his Thai boss and does not push his point further (even though he is frustrated with the outcome of the conversation).</li> <li>2. Markus adapts his communication style and frames his arguments in a more relationship-oriented way during the second discussion.</li> <li>3. Markus respects the dynamics of behaviour and communication during the discussions. He uses his standing as a senior manager to convince his boss to promote a younger, well-qualified member of staff, while at the same time respecting the Thai CEO's wish to support a loyal member of staff. By doing this, he signals "compromise" and "caring for others" which are both important values in Thai culture. Presenting his arguments in accordance with Thai values earns him the respect of his Thai boss. Khun Somchai, on the other hand, agrees to promote a younger person "under the guidance" of Markus as a senior manager (he compromises on his value of "seniority-based promotions" but puts Markus in charge as a mentor).</li> </ol> |
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*Table 1. Assessment of CQ*

**1.2 How did Markus manage to overcome the cultural differences and turn them into a synergistic solution? Which aspects of "intercultural competence" helped him to achieve this? (Please read the article by Bird et al. 2010, which should help you answer this question.)**

Markus achieves his objectives by combining respect for his own cultural values with esteem for the Thai culture, which is "foreign" for him but at the same time "familiar". According to the Cultural Intelligence approach, Markus uses his knowledge about the Thai culture and the cultural differences between Switzerland and Thailand to adapt his leadership behaviour in order to achieve his objectives. He analyses the first round of discussion, recognizes the cultural clash and modifies his behaviour. He maintains a positive attitude and is motivated by his achievement orientation as well as his respect for Thai culture.

Markus demonstrates intercultural competence with his ability to successfully operate in another culture. According to Bird et al. (2010), intercultural competence contains the following dimensions:

1. **Nonjudgmentalness:** the ability to suspend judgment about people and situations that are unfamiliar.
2. **Inquisitiveness:** the attitude of actively pursuing the understanding of cultural differences.

3. **Tolerance of ambiguity:** the ability to manage uncertainty.
4. **Cosmopolitanism:** the interest about different cultures.
5. **Category inclusiveness:** the tendency to cognitively include and accept other categories.
6. **Relationship interest:** the interest in and the awareness of the social environment.
7. **Interpersonal engagement:** the desire and willingness to initiate and maintain relationships with people from other cultures.
8. **Emotional sensitivity:** the awareness of and sensitivity to the emotions and feelings of others.
9. **Self-awareness:** the awareness of one's own values, strengths and weaknesses.
10. **Social flexibility:** the ability to modify ideas and behaviour, to compromise and to be receptive to new ways of doing things.
11. **Optimism:** a positive, buoyant outlook towards other people, events, situations and outcomes.
12. **Self-confidence:** one's confidence in oneself and one's tendency to take action to overcome obstacles and challenges.
13. **Self-identity:** the awareness of personal values independent of situational factors.
14. **Emotional resilience:** the emotional strength and resilience to cope with challenging cross-cultural situations.
15. **Non-stress tendency:** the tendency to calmly respond to stressful, intercultural situations and events.
16. **Stress management:** the degree to which stress reduction techniques are actively utilized in one's personal life.
17. **Interest flexibility:** the willingness and ability to substitute important personal interests of one's own background and culture with similar, yet different, interests of the host culture.

To exemplify the application of the intercultural competence dimensions to our case, we choose the example of emotional sensitivity (dimension 8):

It is important to highlight how significant Markus's emotional sensitivity was for handling this situation in a culturally appropriate way. From his experience of working in Thailand, Markus understood how disastrous it would have been if he had reacted by demonstrating a strong ego or anger, or if he had pushed his favourite candidate too aggressively in the first meeting with the Thai CEO. In Thailand, keeping one's emotions under control is crucial as Thais are very sensitive in this regard. Losing one's temper is regarded as unsophisticated and the subsequent loss of face would damage the trust that had been carefully established over a long period of time.

**1.3 To what extent are Thai and Swiss leadership approaches different? Which mutual learning opportunities for Thai and Swiss leaders can you identify? (Please read the article by Niffenegger et al. 2006, which should help you answer this question.)**

Thai and Swiss leadership behaviours seem to be different from a variety of perspectives. In Switzerland decision making is classically done bottom-up by making compromises in collective discussions. It is mostly decentralized and responsibilities are delegated to the employees as much as possible. Routines, rules and processes tend to be understood as a framework for ensuring individual freedom and are discussed socially and legitimized by a majority. However, these processes tend to lead to slow and long decision paths, which may inhibit management decision making in the short term. Especially in crisis situations, such management routines are sometimes seen as constraining by Swiss managers.

Conversely, in Thai culture, decisions are typically implemented top-down. Employees follow the instructions of management. Once decisions are made they are implemented and tend not to be questioned. The identification of employees with the company is not so much based on common business objectives but on relationships and loyalty to the leaders and the organization. The centralization of decision making can also lead to time lags and action bottlenecks.

The combination of both sides can open new perspectives for managers. Depending on the situation of the organization one or the other procedure may be preferable. The time lag introduced by Swiss managers is a result of the cultural preference to discuss decisions intensively and legitimize them through democratic exchange of opinions; the Thai time lag, however, stems from centralized decision making and an over-concentration of responsibility at the top of an organization, and thus can lead to bottlenecks. A top-down approach may seem preferable when clear and quick decision making is required. When flexibility is required, a bottom-up approach with delegated decision processes may have its merits.

Clearly, both the Thai and the Swiss perspectives bring potential learning opportunities for leaders, managers and their organizations. The example discussed in this case study can easily be transferred to other cultural differences and leadership behaviours (e.g. task vs. relationship orientation, short-term vs. long-term orientation). The contrasts between the two cultural frameworks provide rich sources of information. Leaders who develop an ability to operate simultaneously in each of these environments gain useful synergies in their approaches to business.

## 2 References

Bird, A., Mendenhall, M., Stevens, M. J. & Oddou, G. (2010). "Defining the content domain of intercultural competence for global leaders". In: *Journal of Managerial Psychology*, 25:8, 810–828.

Niffenegger, P., Kulvivat, S. & Engchanil, N. (2006). "Conflicting cultural imperatives in modern Thailand: Global perspectives". In: *Asia Pacific Business Review*, 12:4, 403–420.

Hofstede, G., Hofstede, J. G. & Minkov, M. (2010). *Cultures and Organizations – Software of the Mind*. New York: McGraw-Hill.

## 3 Further reading for the lecturer

Ang, S. & Van Dyne, L. (2008). "Conceptualization of cultural intelligence: Definition, distinctiveness, and nomological network". In: Ang, S. & Van Dyne, L. (Eds): *Handbook on cultural intelligence: Theory, measurement and applications* 3–15. Armonk, NY: M.E. Sharpe.

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