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Beyond Cultural Awareness: A Cultural Intelligence–Strategic Management Integration Framework for Organizational Effectiveness

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ABSTRACT

This conceptual article develops the Cultural Intelligence–Strategic Management Integration (CQ–SMI) framework to explain how organizations convert culturally intelligent managerial judgment into repeatable strategic-management capabilities. Drawing on scholarship concerning cultural intelligence, organizational cultural intelligence, dynamic capabilities, and strategic decision-making, the article distinguishes individual and team cultural intelligence from the organizational routines through which culturally informed knowledge influences strategy. The proposed framework identifies four interconnected mechanisms: culturally informed strategic sensing, deliberative decision governance, context-sensitive resource orchestration, and coordinated strategic implementation. It also incorporates a feedback process through which organizations evaluate cross-cultural outcomes and revise their strategic routines. Nine theoretical propositions articulate the conditions under which these mechanisms may contribute to decision quality, coordination effectiveness, strategic adaptability, and organizational performance. The framework emphasizes that cultural intelligence alone does not guarantee organizational effectiveness; its strategic value depends on institutionalized practices, clear decision rights, knowledge integration, and managerial accountability. By specifying mechanisms and boundary conditions linking managerial cultural intelligence to strategic processes, the article contributes a process-oriented perspective to cross-cultural management research. It concludes with implications for managerial practice and a research agenda for operationalizing and empirically evaluating the proposed relationships.

INTRODUCTION

Organizations increasingly depend on geographically dispersed employees, multinational supply chains, culturally heterogeneous customers, and partnerships whose participants interpret risks, deadlines, legitimacy, and cooperation in different ways. Cultural intelligence (CQ)—the capacity to function effectively in culturally diverse settings—has therefore attracted substantial attention as an individual capability. Yet senior managers do not govern an organization merely by holding personal competencies. They govern through decisions, budgets, routines, incentive structures, and processes that survive particular appointments. The strategic problem is how culturally informed insight enters those organizational arrangements.

Existing scholarship already recognizes CQ beyond the individual. Moon (2010) conceptualized organizational CQ from a dynamic capability perspective, and subsequent research described organizational CQ as a firm-level ability to function effectively in complex multicultural environments. Lakshman and Gonzalez (2023) further developed a cross-level conceptual link from top-management-team multiculturalism through CQ to strategic agility and business model innovation. Those contributions preclude a defensible claim that organizational CQ or the association between CQ and strategy is itself new. An unresolved issue suitable for a more focused conceptual contribution is how CQ becomes embedded in identifiable strategic-management routines and what prevents that conversion from occurring.

The proposed Cultural Intelligence–Strategic Management Integration (CQ–SMI) framework answers the following question: Under what organizational conditions, and through which decision and coordination processes, does managerial CQ become a repeatable strategic-management capability? CQ–SMI conceives CQ-enabled strategic management as the disciplined incorporation of culturally informed interpretation, challenge, allocation, and implementation into recurring strategic choices. This approach differentiates the possession of culturally intelligent managers from the design of organizational processes that can use their knowledge.

The argument draws on three complementary foundations. CQ research describes the differentiated cognitive, metacognitive, motivational, and behavioural resources relevant to cross-cultural work (Rockstuhl & Van Dyne, 2018). Dynamic capabilities research explains how opportunities are sensed, seized, and met through organizational reconfiguration (Teece, 2007). Microfoundational scholarship highlights the need to explain how individual capabilities and organizational practices jointly produce strategic adaptation (Helfat & Peteraf, 2015). The result

is neither a new CQ personality scale nor a claim of demonstrated firm-performance effects. It is a set of specified causal propositions for investigation.

The contribution is threefold. First, the model distinguishes CQ stocks at individual or team levels from strategic-management routines at the organizational level. Second, it specifies four translation mechanisms—sensing, governance, orchestration, and implementation—with a feedback loop, identifying where cross-cultural competence may be lost between recognition and action. Third, it establishes measurable organizational indicators, countervailing risks, and contextual moderators rather than presuming that CQ always improves strategy. The article concludes with methodological guidance and managerial implications.

Theoretical foundations and limits of the claim

Cultural intelligence as a differentiated capability

CQ is commonly represented through four related dimensions: metacognitive CQ concerns awareness and regulation of cultural assumptions; cognitive CQ concerns knowledge of culturally patterned practices and institutions; motivational CQ concerns interest and persistence in cross-cultural engagement; and behavioural CQ concerns flexible verbal and nonverbal action. Rockstuhl and Van Dyne (2018) cautioned against treating these dimensions as interchangeable, showing that their relationships with intercultural effectiveness differ. Schlaegel et al. (2021) conducted a meta-analysis of 70 studies and found that CQ dimensions demonstrated incremental predictive validity for work-related outcomes beyond personality traits and other established predictors. This evidence supports attention to differentiated CQ components, but does not by itself establish the existence of an organizational strategic capability.

Managerial decision tasks place different demands on these dimensions. Metacognitive CQ can help managers recognize when forecasts rest on untested cultural assumptions. Cognitive CQ may improve interpretation of local institutional constraints and customer expectations. Motivational CQ may sustain engagement with weak or initially conflicting signals from subsidiaries, employees, and partners. Behavioural CQ can support the cross-cultural negotiation, communication, and adaptation necessary to implement decisions. These connections are theoretical mechanisms in the present paper, not estimates of causal effect.

CQ is distinguishable from demographic diversity and international experience. A culturally heterogeneous management team may contain multiple knowledge bases but still fail to use them effectively. Equally, managers can have substantial overseas experience while maintaining rigid

assumptions. CQ–SMI therefore treats cultural diversity and international exposure as possible antecedents or contextual factors—not interchangeable measures of the capability.

An important distinction is the difference between the possession of cultural knowledge and the disciplined use of that knowledge in strategic work. A manager may accurately describe norms associated with a particular market yet apply them indiscriminately to individual customers or colleagues. This is a form of cultural overgeneralization rather than effective cultural judgment. The metacognitive dimension matters precisely because it encourages managers to question whether an interpretation is warranted in a specific setting. Cognitive knowledge supplies possible explanations, motivation supports engagement with unfamiliar perspectives, and behavioural flexibility permits adjustments in communication and negotiation. These dimensions therefore function as complementary resources, but their strategic contribution depends on a decision setting in which managers can test and revise interpretations (Rockstuhl & Van Dyne, 2018).

An organization may also exhibit an uneven CQ profile. Senior executives might possess considerable experience with international strategy while regional teams have more nuanced stakeholder knowledge; alternatively, frontline employees may detect cultural friction that is invisible to executives. This asymmetry creates a management problem: how can dispersed insights be moved across hierarchical, geographic, and functional boundaries without losing contextual meaning? CQ–SMI treats the transfer, evaluation, and use of those insights as an organizational design task. Consequently, the model does not prescribe the same CQ-development intervention for every unit; it asks which dimensions and information channels are most consequential for the strategic activities under examination.

Organizational CQ and its strategic antecedents

Moon (2010) explicitly theorized organizational CQ in terms of processes, positions, and paths. This foundational contribution established that CQ can be approached as more than an individual attribute. Livermore et al. (2022) conceptualized organizational CQ as a firm's capability to function effectively in complex and unpredictable multicultural environments, emphasizing its role in organizational adaptation and effectiveness. Lakshman and Gonzalez (2023) proposed that team CQ connects top-management multiculturalism with strategic agility and business model innovation in multinational enterprises. CQ–SMI accepts these contributions and narrows the contribution to the recurring governance processes by which cultural insight shapes strategy.

Empirical work also suggests that the organizational pathway is indirect. Van Greunen (2022) examined CQ and knowledge-sharing behaviour within knowledge-intensive teams. Davies et al. (2023) studied host-country subsidiary chief executives, showing how inpatriation, headquarters social ties, and motivational CQ enter an account of knowledge transfer and subsidiary outcomes. Randel and Alexandra (2024) found that CQ related to perceived workgroup inclusion through synchrony preference and perceived similarity. These studies support the relevance of mechanisms linking CQ to collective outcomes, while highlighting that knowledge transfer, social inclusion, and strategic decision quality are distinct constructs requiring separate measurement.

The proposed framework is not equivalent to simply aggregating individual CQ scores. Aggregation requires a compositional rationale: a unit may demonstrate shared routines even when CQ is unevenly distributed, while a unit with high mean CQ may lack mechanisms to register dissent or use local information. Organization-level CQ–SMI capability therefore refers to institutionalized strategic practices with reliable enactment, regardless of which individual happens to chair a meeting.

Dynamic capabilities and managerial microfoundations

Dynamic capabilities are concerned with organizational capacities for sensing opportunities and threats, seizing them through commitments, and transforming resources and practices (Teece, 2007). This lens is particularly useful because cross-cultural intelligence does not generate value merely by improving awareness. It must affect strategic choices, commitments, and the organization's response to new information. Helfat and Peteraf (2015) explain the relevance of managerial cognitive capabilities to the microfoundations of strategic change, reinforcing the need to link individual attributes to observable organizational action.

Recent work on dynamic-capability microfoundations similarly demonstrates why management processes warrant explicit attention. Khan et al. (2020), examining circular economy business cases, identified specific skills, activities, and processes that facilitate capability development. Sheehan et al. (2023) studied human-resource microfoundations in knowledge-intensive businesses, showing that different organizational arrangements can have different innovation implications. These studies are not evidence specifically for CQ–SMI; they justify treating practices and configuration choices as theoretically consequential rather than assuming individual attributes automatically scale to firm-level outcomes.

Ma (2026, p. 3) emphasizes that sustainable organizational outcomes depend on the integration of strategic thinking, operational discipline, human judgment, organizational culture, and adaptability. The author further identifies cultural intelligence as an essential component of contemporary leadership and management, particularly in organizations operating across diverse cultural environments. Building on these foundations, the CQ–SMI framework proposes four mechanisms through which cultural intelligence can be institutionalized within strategic management processes: strategic sensing, decision governance, resource orchestration, and coordinated implementation. The connection to dynamic capabilities requires conceptual discipline. Ordinary capabilities permit reliable execution of existing operations, whereas dynamic capabilities concern the modification of a resource base when conditions change. CQ training alone can improve an employee's interpersonal competence without becoming a dynamic capability. Under CQ–SMI, the stronger claim applies only if culturally informed observations systematically lead management to reconsider opportunity assessments, decision criteria, resource configurations, or operating routines. This threshold prevents the framework from equating any culturally sensitive behaviour with strategic renewal (Teece, 2007; Helfat & Peteraf, 2015).

Managerial cognition is especially relevant at this threshold because strategic alternatives must first become thinkable to decision makers. A foreign partner's hesitation may be classified as lack of commitment, a different negotiation protocol, or evidence of conflicting institutional pressures. Such classifications are not neutral: they influence the information subsequently requested, the stakeholders consulted, and the options considered. The organization gains a potential advantage when managers can revisit such interpretations before they harden into formal commitments. Yet cognitive flexibility must be paired with processes that document choices and responsibilities; otherwise, additional interpretations can generate uncertainty without producing improved action.

The CQ–SMI framework: Constructs and causal architecture

CQ–SMI is defined as an organization's repeatable capability to integrate culturally informed managerial interpretation into strategic sensing, decision governance, resource orchestration, and implementation, supported by cross-level learning. Its critical attribute is institutionalization: formal and informal routines make cultural insight consequential for strategic decisions without depending on one culturally adept executive.

Unlike organizational CQ, which describes an organization's broader capacity to function effectively across cultures, CQ–SMI specifies the strategic-management processes through which culturally informed knowledge is converted into strategic action. The framework therefore focuses on institutionalized mechanisms rather than the aggregation of individual cultural intelligence scores.

Four distinct levels are relevant. At the individual level, managerial CQ influences what is noticed, understood, and communicated. At the team level, psychological and procedural conditions determine whether divergent cultural interpretations are exchanged and assessed. At the organizational level, routines allocate attention, authority, resources, and accountability. At the outcome level, firms may display higher decision quality, coordinated execution, adaptability, and eventually performance; these outcomes are temporally ordered and must not be collapsed into a single index.

Figure 1. Cultural Intelligence–Strategic Management Integration (CQ–SMI) Framework

Enabling resources	Institutionalized strategic processes	Proposed consequences
Managerial CQ dimensions; local knowledge; culturally diverse information	1. Strategic sensing → 2. Decision governance	More complete problem framing; decision quality
Team information exchange; voice and challenge mechanisms	3. Resource orchestration → 4. Coordinated implementation	Cross-unit alignment; strategic adaptability
Leadership commitment; data and accountability systems	Performance review → organizational learning → revised sensing	Learning and, contingently, sustained performance

The architecture is sequential for analytical clarity, but actual organizations may iterate or revisit prior stages. A culturally informed market signal can trigger immediate operational experimentation; implementation failures may force redefinition of the initial problem. Such recursion is central to the learning mechanism, not evidence of theoretical inconsistency.

Mechanism 1: Culturally informed strategic sensing

Strategic sensing concerns how management acquires and interprets information about stakeholders, competitors, employees, regulators, customers, and partners. Cultural differences can create asymmetric access to information, diverse interpretations of the same event, and conflicting definitions of what constitutes a credible warning. An executive team may, for example, misinterpret subsidiary reluctance to challenge a forecast as endorsement rather than as a communication norm or a perceived hierarchy risk.

In CQ–SMI, sensing becomes institutionalized when strategic scanning uses structured local consultation, explicit assumption checks, multilingual or locally adapted feedback channels, and records of disconfirming interpretations. Metacognitive CQ encourages scrutiny of one's own interpretive frame; cognitive CQ broadens the plausible explanations of unfamiliar behaviour. The relevant organizational capability is not the executive's personal sensitivity but the firm's repeatable capacity to obtain and validate culturally dispersed signals.

Proposition 1 (P1). The positive association between managerial CQ and culturally informed strategic sensing will be stronger when firms employ structured cross-cultural information-collection and assumption-challenge routines.

Proposition 2 (P2). Culturally informed strategic sensing will be positively associated with strategic problem-framing quality, particularly when culturally dispersed stakeholders possess nonredundant information.

For example, a company evaluating expansion into a new country may rely on aggregated demand indicators showing attractive growth, while regional employees report that purchasing decisions depend on relationship-based distribution arrangements. Neither signal should automatically prevail. A CQ-informed sensing routine would record the competing interpretations, identify the assumptions implied by each, and determine what further evidence would discriminate between them. The strategic value lies in improved information processing and problem framing, not in treating local knowledge as inherently accurate. Such routines should incorporate independent corroboration and the possibility that local stakeholders also have incentives to shape headquarters' decisions.

Sensing quality should be assessed through observable process features: the diversity of relevant information sources, the explicit recording of contradictory evidence, the speed with which culturally specific concerns reach decision makers, and the subsequent accuracy of assumptions. These are process indicators, not interchangeable proxies for firm profitability. A market-entry project can display disciplined sensing yet yield disappointing results because of exchange-rate movements or rival actions. Separating process quality from distal outcomes is essential to testing the CQ–SMI mechanism rigorously.

Mechanism 2: Deliberative decision governance

Information does not become strategy until it influences choices. Decision governance denotes who can raise concerns, what evidence is considered, how dissent is evaluated, and how authority is exercised. Cultural sensitivity that cannot alter a preferred headquarters decision has symbolic

value but limited strategic effect. Conversely, giving every stakeholder unlimited veto power can produce indecision and blur accountability.

CQ–SMI proposes a dual requirement: culturally inclusive voice and disciplined decision rights. Deliberation should invite context-specific alternatives while specifying deadlines, evidence thresholds, escalation mechanisms, and ownership. A decision log can identify assumptions that derive from one national or functional perspective, state what would falsify the assumption, and document why alternatives were accepted or rejected. This process helps limit the risk that managers use stereotypes as substitutes for local evidence.

Proposition 3 (P3). The positive relationship between culturally informed sensing and strategic decision quality will be mediated by decision-governance routines that combine culturally inclusive voice with explicit accountability.

Proposition 4 (P4). Decision-governance routines characterized by high participation but ambiguous decision rights will exhibit weaker effects on implementation quality than routines that combine participation with clear authority.

Inclusive decision governance is particularly vulnerable to symbolic participation. A manager may invite several culturally diverse representatives to a planning meeting but omit their objections from the final decision memorandum. CQ–SMI therefore distinguishes voice opportunity from decision influence. The relevant evidence includes whether participants can access decision materials, whether dissenting interpretations are documented, and whether the ultimate choice explains why consequential alternatives were accepted or rejected. These governance safeguards make it easier to determine whether culturally informed knowledge has actually changed organizational choices.

There is also a real efficiency trade-off. Extensive consultation can consume scarce managerial attention, slow time-sensitive decisions, and diffuse responsibility. Rather than proposing maximal participation, the framework recommends proportional deliberation: more intensive challenge when decisions are irreversible, culturally interdependent, or difficult to correct; abbreviated consultation when decisions are routine, reversible, and supported by reliable experience. Explicit decision rights preserve accountability, and escalation rules specify when unresolved cross-cultural disagreement should move to a higher organizational level.

Mechanism 3: Context-sensitive resource orchestration

Even a carefully justified decision can fail when budgets, staffing, incentives, technology, and operating capacity do not support its execution. Resource orchestration in CQ–SMI is the process

of configuring and deploying organizational resources in ways responsive to meaningful local variation while maintaining strategic coherence. The framework distinguishes legitimate adaptation from fragmentation. Uniform standards may be essential for safety, compliance, and financial control, whereas customer interaction or knowledge-sharing practices may warrant local discretion.

CQ-informed orchestration includes explicit identification of non-negotiable global constraints, transparent criteria for local adaptation, and distributed authority over contextual decisions. Motivational CQ can sustain managers' willingness to negotiate costly coordination across offices; cognitive CQ aids recognition of institutional and stakeholder differences. Nevertheless, resource allocation should remain evidence-based and consistent with fiduciary and operational constraints.

Proposition 5 (P5). The association between strategic decision quality and effective resource deployment will be stronger where firms establish transparent criteria for distinguishing global standardization from legitimate local adaptation.

Proposition 6 (P6). The relationship between CQ-informed resource orchestration and organizational adaptability will be moderated by the fit between delegated local decision authority and the interdependence of the activity being adapted.

This mechanism can be illustrated by a global service organization introducing a digital customer-support platform. The central company may require a common security architecture and consistent performance reporting, but local units may need language-specific workflows, staffing patterns, and escalation practices. A CQ-informed orchestration process would separate strategic invariants from adaptable execution features. Managers would document why an adaptation is justified, who approves it, and what evidence will later establish whether it improved service quality. This approach is neither unrestricted decentralization nor the imposition of a single operating template.

The framework also anticipates misallocation risks. Managers may justify preferred projects by invoking cultural differences without supplying credible evidence, or headquarters may grant discretion to influential subsidiaries while denying it elsewhere. Transparent resource criteria and comparable review procedures can reduce those risks. The objective is to align managerial discretion with the actual interdependence and knowledge requirements of the task. Where strong network effects require uniformity, extensive customization may be harmful; where customer needs and institutions vary materially, inflexible standardization may undermine performance.

Mechanism 4: Cross-cultural strategic implementation

Implementation involves translating commitments into coordinated work among units that may disagree about the meaning of urgency, accountability, constructive disagreement, and legitimate authority. Failure to align expectations can undermine otherwise sound strategies. Behavioural CQ is especially relevant to the communication and negotiation needed to bridge these differences, but managerial behaviour alone is insufficient if project governance rewards only headquarters-defined norms.

CQ–SMI predicts that implementation capability depends on shared milestones, role clarity, culturally responsive feedback, and documented procedures for conflict escalation. Cross-cultural coordination should preserve the substance of performance expectations while adjusting communication methods where warranted. A single implementation language or template may be efficient, yet it can unintentionally suppress important local information if stakeholders are unable to contest assumptions or express constraints.

Proposition 7 (P7). Cross-cultural implementation routines will mediate the relationship between context-sensitive resource orchestration and coordination effectiveness.

Proposition 8 (P8). The positive effect of cross-cultural implementation routines on coordination effectiveness will be stronger when teams have clear shared goals and reliable reciprocal communication channels.

A practical implementation challenge is that apparently shared objectives can conceal divergent interpretations of acceptable conduct. A target to "escalate problems quickly," for instance, may be understood as an invitation to challenge a superior directly in one unit and as a requirement to follow a formal chain of command in another. Managers should translate broad strategic commitments into observable responsibilities: who flags a problem, through which channels, within what timeframe, and with what protection against retaliation. Such specificity can reduce ambiguity while allowing communication practices to reflect local context.

Implementation audits should distinguish compliance with milestones from the social quality of coordination. Teams may meet short-term deadlines while withholding information, bypassing marginalized employees, or shifting costs to partners. Conversely, a team may invest in relationship repair that initially delays delivery but improves later cooperation. CQ–SMI proposes evaluating both task metrics and cross-boundary coordination indicators, including reciprocal information sharing, the resolution of substantive disagreements, and timely corrective

action. These patterns are consistent with research connecting CQ with workgroup inclusion and knowledge-sharing processes (Randel & Alexandra, 2024; van Greunen, 2022).

Feedback, renewal, and the performance pathway

Strategic integration remains fragile unless organizations learn from both successful and unsuccessful decisions. Post decision reviews should distinguish poor cultural interpretation, inadequate decision governance, mismatched resources, and defective execution. They should also consider alternative explanations, including market conditions or technical failure. This prevents managers from attributing every disappointing outcome to "cultural differences" and from using CQ as an unfalsifiable explanation.

Learning occurs when review findings alter scanning procedures, decision criteria, managerial development, or authority structures. Such revision is a candidate dynamic capability: it updates the routines through which future cultural information affects strategy. CQ–SMI predicts proximal process outcomes first, with financial or organizational performance effects contingent on competitive conditions and complementary assets.

Proposition 9 (P9). Organizations that systematically feed cross-cultural implementation and performance evidence into revisions of their strategic routines will demonstrate greater strategic adaptability over time than organizations that rely on ad hoc individual learning.

Boundary conditions and potential adverse effects

CQ–SMI does not assume that all culturally differentiated signals are relevant or that additional consultation is invariably beneficial. First, task cultural interdependence matters. For decisions contained within a single well-understood market, elaborate cross-cultural sensing may generate administrative cost without proportional benefit. For decisions involving dispersed operations, regulatory variation, or multicultural stakeholder coalitions, the value of institutionally embedded CQ should be greater.

Second, environmental dynamism and decision urgency affect the value of deliberation. Under moderate uncertainty, structured challenge can improve option quality. In acute crises, extensive consensus seeking may delay reversible operational decisions. CQ–SMI favors preauthorized emergency decision rights combined with rapid local consultation and retrospective review, rather than a universal prescription for longer meetings.

Third, power asymmetry can neutralize CQ. Headquarters may invite local views while allocating budgets and promotions to those who agree with headquarters assumptions. Under

such conditions, high CQ in subsidiary managers may not affect strategy. Incentive compatibility and procedural credibility are therefore necessary implementation conditions.

Fourth, excessive local adaptation can erode global control, brand coherence, fairness, or economies of scale. Managers may also essentialize cultural groups, overlooking within-country differences and situational factors. The framework consequently requires evidence of actual local needs rather than presumed national traits. It also accepts that some cultural conflicts reflect incompatible interests, not misunderstandings to be solved through greater sensitivity.

Finally, measurement is vulnerable to common-method bias and reverse causality. High-performing firms may invest more in CQ development and better management systems, yielding an association that does not establish CQ-induced performance. Credible tests must compare rival explanations and separate the capability's proposed stages temporally.

Managerial applications and implementation protocol

CQ–SMI can be translated into a five-stage management protocol. This protocol is a practical implication of the model and has not yet been validated as an intervention.

Management stage	Observable managerial practice	Potential evidence
Diagnose	Map culturally interdependent choices and identify missing stakeholder perspectives	Decision inventory; stakeholder coverage
Sense	Collect locally grounded signals and test alternative interpretations	Assumption logs; diversity of verified inputs
Decide	Clarify who can challenge proposals and who owns the final choice	Decision-rights matrix; recorded alternatives
Allocate and execute	Match resources, authority and communications to local conditions	Adaptation rationale; cross-unit milestones
Learn	Review outcomes, failures and changed assumptions and revise routines	After-action reviews; revised standard procedures

An organization implementing the framework might begin with a strategically material choice: entering a new regional market, integrating an acquired business, redesigning international human-resource policies, or relocating parts of a supply chain. Managers first establish whether cultural interpretation could materially change the decision. They then obtain independent local perspectives, document competing assumptions, and specify the criteria used to choose between global standardization and local adaptation.

Consider a multinational service firm planning to roll out a standardized performance-review system. Headquarters may assume that uniform feedback frequency enhances procedural fairness, while local managers may anticipate that public corrective feedback will undermine

participation in some settings. CQ–SMI would not prescribe automatic acceptance of either position. It would require credible contextual evidence, a documented decision regarding which features must remain uniform, locally appropriate implementation methods, and evaluation of outcomes such as appeal rates, feedback use, retention, and perceived fairness. The scenario illustrates the model; it is not presented as empirical case evidence.

At the strategic level, boards and senior teams can treat CQ–SMI as a governance design question. CQ training is useful only if the organization creates channels through which information changes decisions. Executives should ask not merely whether their managers have intercultural experience but whether important decisions record culturally distinct evidence, whether resource allocations reflect justified local differences, and whether post implementation learning modifies corporate routines.

Leadership development should therefore be paired with process redesign. A workshop may increase awareness of cultural assumptions, but the learning is unlikely to affect strategy if investment committees still accept a single market narrative, regional managers lack access to decision records, or incentive systems penalize inconvenient information. A feasible implementation program begins by identifying one recurring strategic decision and mapping the points at which relevant cultural interpretations are currently lost. The intervention then establishes a small number of repeatable practices, assigns ownership, and evaluates whether those practices alter decisions and outcomes. This creates an opportunity to distinguish individual skill gains from organizational change.

Executives should also avoid presenting CQ–SMI as a universal compliance checklist. Smaller firms may need lightweight review templates rather than formal committees, while large multinational corporations may require integrated governance across country units and business functions. The framework's four mechanisms can be scaled to the decision: sensing may consist of structured partner interviews, governance of an explicit assumptions log, orchestration of a limited local budget, and implementation of shared escalation protocols. The empirical question remains whether these practices produce improvements that justify their coordination costs.

Research design and measurement agenda

Construct operationalization

Future empirical work should measure individual CQ separately from institutionalized CQ–SMI routines. Individual CQ can be assessed using appropriately validated multidimensional instruments, with cross-cultural measurement invariance examined. Organizational routines

require independent evidence: policy artifacts, meeting and decision logs, documented escalation routes, resource-authority matrices, and repeated manager or employee assessments. Mean CQ scores should not serve as a proxy for organizational integration.

Construct	Possible observable indicators	Data source
Managerial CQ	Four-dimension validated CQ scores; scenario assessments	Managers; assessment instruments
Strategic sensing	Range of local input; recorded alternative interpretations	Documents; stakeholder surveys
Decision governance	Voice opportunity; documented challenge; decision-right clarity	Meeting logs; employee surveys
Resource orchestration	Evidence-based adaptation decisions; delegation fit	Budgets; governance records
Implementation	Milestone alignment; conflict resolution; feedback adequacy	Project systems; multiple units
Strategic adaptability	Speed and quality of justified policy revisions	Longitudinal events; archival records
Organizational performance	Context-appropriate productivity, retention, or financial outcomes	Independent archival outcomes

Empirical strategies

A staged multimethod design would first interview senior leaders, country managers, and frontline implementers to identify the actual practices by which cultural information is introduced, debated, and acted upon. Process tracing in contrasting projects could detect whether culturally informed insights changed decisions, or whether executives retrospectively attributed ordinary adaptation to CQ. Such an approach would strengthen construct validity before large-scale measurement.

A subsequent multilevel longitudinal study could sample decisions nested within managerial teams and firms. Time 1 would measure individual CQ and the institutionalization of sensing routines. Time 2 would assess governance quality and decision outcomes. Time 3 would measure resource adaptation and coordination; later periods would assess strategic adaptability and operating performance. Multilevel structural models could test mediation without conflating individual and firm-level measures. Important controls would include international experience, managerial tenure, firm size, institutional complexity, task interdependence, and prior performance.

Field experiments or staggered rollouts could provide stronger causal leverage. Comparable cross-border units might receive a structured decision-governance and learning protocol at different times, while other units continue existing procedures. Researchers could pre-register

primary outcomes such as the quality of decision assumptions, time to resolve coordination problems, and frequency of avoidable implementation rework. A design that changes both CQ training and decision routines simultaneously would not identify which component produced the effect; factorial or staged designs are preferable.

Researchers should also test null and adverse outcomes. Potential costs include slower decisions, greater coordination overhead, increased managerial stress, or inconsistent treatment of employees across units. The model should be rejected or revised if its predicted translation mechanisms do not explain performance beyond diversity, international experience, institutional sophistication, and generic organizational learning.

Operationalization should combine evidence from multiple informants and administrative records. Self-reported cultural competence and self-reported performance collected from the same managers at one point in time would create substantial common-method concerns. Stronger designs could combine validated CQ measures with coded decision memoranda, budget approvals, meeting records, implementation logs, and independent outcome indicators. Researchers should examine whether CQ–SMI operates as a reflective construct, a formative index of complementary routines, or a configuration whose elements are jointly necessary. A single aggregate score may obscure theoretically important differences between firms with excellent sensing but weak implementation and those with strong execution but poor strategic interpretation.

Cross-national comparisons raise additional measurement issues. Researchers should test whether CQ instruments and managerial-process indicators carry sufficiently similar meanings across languages, functions, and contexts before comparing coefficients. They should also account for firm size, internationalization experience, industry regulation, resource slack, and the cultural interdependence of focal decisions. Such controls cannot eliminate all endogeneity, but they help distinguish a proposed CQ–SMI association from the possibility that already capable organizations both recruit culturally adept managers and deploy superior strategic systems. Longitudinal measures of changes in routines would improve identification beyond static cross-sectional comparisons.

Discussion: Theoretical contribution

The first contribution is level specification. CQ scholarship provides persuasive reasons to examine individual and team competence, while organizational-CQ scholarship already supplies broader conceptual foundations. CQ–SMI adds an explicit translation criterion: culturally

informed knowledge must be incorporated into recurrent strategic processes. This criterion prevents the conceptual leap from the CQ of senior managers to an assumed CQ-enabled firm.

The second contribution is a governance pathway. Strategic management involves what managers attend to, who participates in choice, how resources are committed, and how implementation is monitored. CQ–SMI organizes those tasks into distinct mechanisms, thereby identifying cases in which an organization can be strong in one stage but weak in another. An organization may gather rich local intelligence yet exclude local voices from capital allocation; another may authorize local adaptation while lacking mechanisms to consolidate lessons. These configurations generate testable predictions distinct from a simple CQ–performance association.

The third contribution is a conditional account of effectiveness. More cultural information can improve decisions only when it is salient, credible, processed in time, and linked to authority and implementation capacity. The model therefore expects heterogeneous effects across task settings. Its predictions may prove most relevant to globally distributed firms, culturally diverse alliances, and cross-border strategic changes, but additional research is necessary before extending them to all organizations.

This interpretation also differentiates CQ–SMI from prior frameworks. Moon's (2010) organizational CQ focuses on the organization-level concept and dynamic-capability foundations. The later organizational CQ account addresses why culturally intelligent firms matter. Lakshman and Gonzalez (2023) explain how top-team multiculturalism and CQ might influence agility and business model innovation. CQ–SMI instead maps the internal governance and operating routines through which CQ-based interpretation may alter strategic attention, choices, allocations, execution, and learning. This is a proposed theoretical refinement—not a claim to have established a new empirically validated capability.

The framework is consistent with the management orientation advanced in Ma (2026, p. 3), which treats organizational effectiveness as dependent on judgment and the design of managerial systems. It extends that orientation by proposing a CQ-specific strategic process and measurable propositions, while preserving the conceptual distinction between leadership disposition and institutional capability.

The framework offers a set of falsifiable distinctions. If managerial CQ predicts implementation outcomes even in organizations without documented sensing, governance, orchestration, or learning routines, the specific institutionalization mechanism may be less important than proposed. If formal routines predict outcomes equally well regardless of CQ levels or cultural

interdependence, the model may describe generic good management rather than CQ-specific strategic integration. If extensive local adaptation reliably weakens coordination, the orchestration conditions require revision. Identifying these contrary patterns is important: a useful conceptual framework should specify evidence that could challenge its causal logic rather than interpreting every observed outcome as confirmation.

Another contribution concerns the unit of analysis. Prior scholarship has linked top-management-team multiculturalism, CQ, strategic agility, and business-model innovation (Lakshman & Gonzalez, 2023). CQ–SMI does not claim to originate that cross-level logic. It focuses instead on observable organizational processes through which an insight becomes a recorded option, an authorized resource commitment, a coordinated implementation task, and a revised routine. This provides a more concrete bridge between psychological CQ constructs and strategic-management scholarship, while leaving room for competing explanations based on experience, organizational learning, or formal governance quality.

Limitations and conclusion

The article is a conceptual synthesis, not a systematic literature review or empirical validation. Its literature base is selected for theoretical relevance, with DOI information included where available, and should not be interpreted as exhaustive coverage of CQ scholarship. The proposed stages may overlap in practice, and the direction and strength of their effects remain open questions. Organizational measurement is particularly difficult because formal policies may not reflect enacted routines and because firms with strong governance may also possess other complementary capabilities.

The CQ–SMI framework proposes that cultural intelligence becomes strategically consequential when organizations make culturally informed interpretation part of recurring processes of sensing, deliberation, allocation, execution, and learning. The central distinction is between possessing CQ and having managerial systems that can use CQ. By specifying intervening routines, boundary conditions, and research designs, the framework offers a falsifiable account of how CQ might contribute to decision quality, cross-cultural coordination, strategic adaptability, and ultimately organizational effectiveness. Its practical promise depends on disciplined implementation; its scholarly contribution will depend on empirical tests that distinguish CQ–SMI from existing organizational and dynamic capabilities.

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Declarations

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The author(s) declare that it is not applicable.
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Consent for publication
The author(s) declare that this is not applicable.

Competing interests
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