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Since 1970, the U.S. immigrant population has risen dramatically. In fact, foreign-born citizens represent 12.5% of the entire U.S. population (Census Bureau 2008). As would be expected, this dramatic shift in the makeup of the population represents an important shift in the makeup of the U.S. workforce.

As scholars study the impact of a diversified workforce, significant evidence shows that workplace diversity is beneficial at the firm-level, helping companies generate higher earnings, net profits, and return on investment (Hartenian & Gudmunson 2000; Herring 2009; McCormick & Kinloch 1986; Erhardt, Werbel, & Shrader 2003). Other studies, though, have shown less-favorable impact of diversification on corporate culture, including greater misperception, miscommunication, and increased tension, among others (e.g., Adler & Gundersen 2008; Thomas 1991; Tsui et al. 1992).

Although the specific impact will continue to be debated, a more culturally diverse business environment is an important reality for the real estate industry. Not only does a changing population result in a more diverse workplace, it also represents a shift in customer demographics. As minorities and immigrants are the fastest growing home-buying segment, real estate professionals must understand and learn how to leverage the opportunities that exist within a diversifying population (PR Newswire 2010).

**Motivational Cultural Intelligence and Diversity Climate – Our Study**

Our research team set out to examine the area of motivational cultural intelligence (CQ) as a driver of cross-cultural sales performance. Motivational CQ refers to an individual’s ability to direct and sustain energy toward learning about and functioning in situations characterized by cultural differences (Ang et al. 2007). Relative to other dimensions of cultural intelligence or CQ (e.g., cognitive CQ, behavioral CQ), we believe that motivational CQ is the most accurate in terms of predicting an employee’s cross-cultural task performance. Therefore, using motivational CQ as a foundation, we sought to take an integrative view of *individual motivational CQ*, *firm motivational CQ*, and *firm diversity climate* to learn more about how these variables influence employee cultural sales (i.e., the number of transactions occurring between people of different cultural origins).
The real estate industry provides a strong context to study these variables, as real estate professionals serve in a role that directly engages the increasingly diverse workforce and customer base in the U.S.

For our study, we surveyed 305 real estate sales agents from 26 real estate firms in the northwest United States using both online and paper-based questionnaires. In addition to demographic data, our survey measured four key variables shown in the appendix.

**What We Learned**

Our research provides strong support for the impact of both the individual real estate sales professional’s personal motivations and for the impact of the real estate firm’s ability to shape cross-cultural sales exchanges. Specifically, our data show:

1. *An individual real estate professional’s motivational cultural intelligence (CQ) is positively related to volume of his/her sales exchanges which span the cultural divide.* This means that as real estate brokerage firms seek to develop a customer base that reflects the diverse marketplace, identifying and recruiting individuals to represent the firm who have higher levels of motivational cultural intelligence is a key strategy. Hiring managers might consider the full battery of questions that we used to measure this trait by considering our full article.

2. *The impact of the firm’s motivational cultural intelligence (CQ) shapes the level of cross-cultural sales that the firm generates.* The individual real estate agent’s motivational cultural intelligence, assuming a moderate to high level, will be enhanced (in academic circles, we call this a moderating effect) by the firm’s motivational cultural intelligence. Leaders of real estate firms and brokerage houses can facilitate the organization’s motivational cultural intelligence by creating opportunities for agents to engage across cultural boundaries in non-sales-related situations which will serve to enhance the agents’ ability and motivation to do the same in the real estate sales role. The end result will be even greater cross-cultural sales exchanges which will allow the firm to penetrate more diverse markets.

3. *Firms that provide a climate in which diversity is acknowledged and even celebrated provide a context that enhances the individual’s motivational cultural intelligence (CQ).* Offering diversity training, having an agency in which everyone, regardless of cultural background, has opportunities for leadership and clearly celebrating the firm’s rich cultural tapestry produces another accelerating (what scholars call moderating) impact on the individual’s ability to achieve cross-cultural sales. Individuals having a moderate to high level of individual motivational cultural intelligence (CQ) will experience even greater levels of cross-cultural sales if they are engaged in an operation having a strong diversity climate.
What This Means for Real Estate Professionals

The results of this study have important implications for the real estate industry. At the firm-level, leadership must reinforce an environment that encourages employees to engage in accelerated development of motivational cultural intelligence (CQ). Companies might consider shifting resources into training initiatives to help agents recognize cultural cues and to empower employees to respond positively in diverse cultural environments. Engaging in cross-cultural training programs aimed at orienting and acclimating employees with prominent local or regional cultures will also drive cross-cultural real estate transactions for the organization. Cross-cultural training initiatives can also yield business development opportunities as employees are introduced to a new network of prospective clients.

Additionally, an organizational culture that promotes diversity in leadership and in the body of its employees can be an important differentiator among competitors. For real estate agencies, this could mean incorporating intentional diversity management and hiring strategies to encourage a more ethnically-robust workforce. Our findings support the notion that a diverse organization can increase a firm’s intercultural business success.

Finally, the impact of the individuals’ motivational cultural intelligence also matters for cross-cultural real estate transactions. Taking the time to understand how a prospective agent thinks about and cares to engage with others who are cultural different from his/herself is an important strategy for those in leadership positions at real estate firms. The environment can accelerate the cross-cultural sales process but the individual must have a propensity to want to engage in such exchanges in the first place.

Conclusion

Cross-cultural effectiveness goes beyond simply recruiting a diverse workforce. Companies (and individuals, alike) need to adopt a strong diversity-centered climate to leverage the opportunities that exist in the increasingly diverse U.S. population. Agencies and agents who engage in important cross-cultural training initiatives and promote an intentionally diverse employment strategy can influence cultural sales success.
Appendix: Sample Survey Measures

1. **Individual Motivational Cultural Intelligence (CQ)**
   - I enjoy interacting with people from different cultures.
   - I am confident that I can socialize with locals in a culture that is unfamiliar to me.

2. **Firm Motivational Cultural Intelligence (CQ)**
   - Agents in my firm enjoy interacting with people from different cultures.
   - My firm shows confidence that it can socialize with locals in an unfamiliar culture.

3. **Firm Diversity Climate**
   - Diversity is a part of relevant education and training activities in the organization.
   - Organizational members have equal access to leadership opportunities.

4. **Cultural Sales**
   - The number of sales transactions, involving clients/agents from cultures who differed from an employee’s own culture.

References


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