

PERCEPTION OF MANAGERS ABOUT CULTURAL INTELLIGENCE (CI) AND IT'S RELATION TO INDIVIDUAL AND ORGANIZATIONAL PERFORMANCE

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Abstract

*The manager strives to maintain a proper link between top management and the employees. The quality of performance of the employees depends on the leadership, Knowledge, Skills, Attitude(KSA) and the talent of a manager. The manager has to be multi-intelligent with a nice blend of Intelligent Quotient-IQ, Emotional Quotient-EQ,Social Quotient-SQ and of course Cultural Quotient-CQ or Cultural Intelligence (CI).If a leader is culturally intelligent then he can motivate the organization and labour force to be culturally intelligent. Studies found that IQ remains same in all ages but **Cultural Intelligence (CI)** changes as per experience and training. As the Economy becomes increasingly global, the workforce becomes increasingly diverse. In every organization the Human Resource is Heterogeneous & Diverse in nature.*

Cultural Intelligence is, "A person's capability for successful adaptation to new cultural settings, that is, for unfamiliar settings attributable to cultural context."(Earley and Ang2003)

*Cultural Intelligence (CI) is Multidimensional construct .Cultural intelligence is proven to reduce attrition, attract & retain top talent ,improve innovation, promote leadership and make multicultural teams more effective. When **Cultural Intelligence** levels are high in organisations, diverse teams perform better in several areas :innovation, cost saving, productivity, efficiency, employee engagement, profitability, etc. To overcome the challenges in Diversity management, the diversity training inclusive of Cultural Intelligence training is desirable. The data is collected through questionnaire from57 managers of various organizations to judge the awareness of CQ and also to know whether any tailor- made efforts are initiated in organizations or not. Also the attempt is made to know whether CQ and work performance are related with each other.*

Key words: *cultural intelligence (CI)/cultural quotient (CQ), diversity training, work performance*

Introduction

“The conventional definition of management is getting work done through people, but real management is developing people through work.” (AghaHasanAbedi)

Organizational culture is a system of shared assumptions, values, and beliefs, which governs how people behave in organizations. Cultural Intelligence is the gift of effectively interacting and working with people in diverse cultures within the purview of related Acts. Earlier research has proved that high Cultural intelligence means effectively adopting various multicultural situations and absence of Cultural intelligence means mutual distrust, language barriers, conflict etc. It is indeed a developmental skill. Cross cultural leadership is a challenge(Livermore2015).Cultural intelligence is the persons capability for successful adaptation to new cultural settings that is for unfamiliar settings attributable to cultural context(Earley and Ang2003).**Cultural Intelligence** is the pathway for a journey from desire to action.(Livermore2015). IQ remains same in all ages but **Cultural Intelligence (CI)** changes as per experience and training (Livermore 2009). When **Cultural Intelligence** levels are high in organisations, diverse teams perform better in several areas: innovation, cost saving, productivity, efficiency, employee engagement, profitability, etc.(Livermore 2015).The workforce diversity had the benefits like better decision making, higher creativity and innovation ,better distribution of economic opportunities. But disadvantages mainly include: Increase in cost of training, Increase in conflicts, increase in labour turnover and absenteeism. (Ongori Henry, Agolia J. Evans2007)

*‘ The true measure of the value of any business leader and manager is performance’- Brian Tracy*There are certain determinants of Big five personality Test that are directly associated with Individual and Organizational Performance like extra version, emotional stability, agreeableness, consciousness and openness to experience. On the same ground, Researcher thinks that cultural intelligence is the variable to perform the work in a better way in the global world. Cultural Intelligence helps to maximize their potential as well as performance of teams in multicultural environment. (Balsubramaniam Laxminarayan ,Dr .D. Nirmala2014). Diversity training is a tool to improve organizational culture(Lion ,simone2009) and leadership qualities(Ang2003),so the researchers believe in *‘Management is doing things right; leadership is doing the right things” by Peter F. Drucker.*

Objectives of the study:

1. To know the extent of awareness in Managers about Organisation Culture and **Cultural Intelligence (CI)**.
2. To check the Perception of Managers about Cultural Intelligence (CI) and it’s relation to Individual and Organisational Performance.
3. To know whether Managers expect more research in this direction.

Hypotheses to be tested:

H1 : The managers perceive that they are moderately aware about the Cultural Intelligence.

H2 : The Managers are aware about the role of Cultural Intelligence (CI) in Individual and Organisational Performance.

H3 : There is positive relation between Cultural Intelligence (CI) and Individual and Organisational Performance.

Review of Literature

According to *Pallvi Arora, Neelu Rohmetra* (2010), Cultural Intelligence is newer area of research. *Ahmed Vedadi, Bahram Kheiri* (2010) discussed about Cultural intelligence is not limited to International Interaction, rather encompassed national subcultures, communication and organization cultures. The countries and Organizations are considered as small world and Cultural intelligence can help them to act more effectively and properly.

Balsubramaniyam Laxminarayan, Dr.D. Nirmala (2014) discussed about how Cultural Intelligence helps individuals to appropriately behave and respond in culturally diverse settings. Cultural Intelligence helps to maximize their potential as well as performance of teams in multicultural environment. Further proposed study is to investigate the effects of Cultural Intelligence on leadership and managerial effectiveness.

ASHRM Foundation's Effective Practice Guidelines Series Cultural Intelligence: The Essential Intelligence for the 21st Century EPG(2015), Sponsored by Ingersoll Rand emphasized on CI as essential skill set. The researcher thinks that CI is the critical way to more effectively respond to demands and opportunities of 21st Century.

So the efforts are needed to develop Cultural intelligence in organisations. The first step towards this is – Understanding Cultural intelligence and to find the challenges before individual employees and Managers in dealing with diverse issues as Behaving bias and discrimination is human tendency. Also to explore the ways that individual employees and managers And HR Managers increase Cultural Intelligence.

Conceptual framework of Cultural Intelligence

Cultural Intelligence is a multi dimensional concept. There are four Dimensions of Cultural Intelligence (CI) or Cultural Quotient (CQ) (Refer figure :1)

1. **Cognitive CI** refers to knowledge of an Individual regarding cultural norms, practices and conventions, strategies in different cultural settings. High cognitive means understanding basic culture.

2. **Metacognitive CI** refers to the level of a person's conscious of cultural awareness and processing during cross-cultural interactions. High Metacognitive means Cultural Understanding with Interpretations.
3. **Motivational CI** refers to the capability of a person to pay attention and energy towards learning about and functioning in situations characterized by cultural differences. High Motivational means Energy and self-confidence to pursue needed cultural understanding and Planning.
4. **Behavioral CI** refers to the capability of a person to do verbal and nonverbal communication while interacting with people from different cultures.
High Behavioral means ability to engage in leadership in cross cultural environment.
With this, to understand the research required in this area, one shall discuss the need and challenges involved in this.

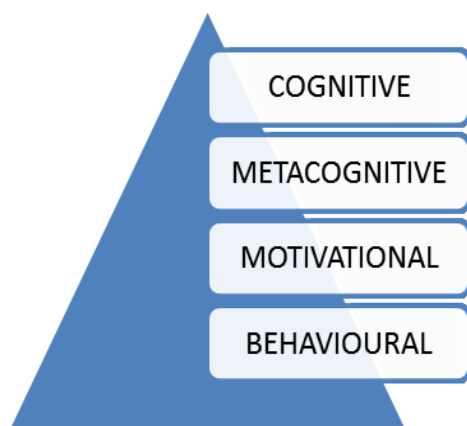


FIGURE 1 : DIMENSIONS OF CULTURAL INTELLIGENCE

Need to nurture Cultural Intelligence:

“Culture is simply a shared way of doing something with a passion.” Brian Chesky, Co-Founder, CEO, Airbnb

In today's globalised world, there is an urgent need to make companies aware about role of Cultural Intelligence in Organisational Success. The study is needed to learn techniques to raise Cultural Intelligence of employees in organisation. It improves Interpersonal relations amongst the human force. It also boosts Self-Confidence of human resource to work effectively in multicultural environment. One can understand the maxim: **Better Teamwork: Better Execution**. The same is applicable to the employees who are equipped with high Cultural Intelligence working in fast changing and diverse markets. Managing multicultural workforce requires high cultural intelligence. Past studies proved that Cultural Intelligence helps to attract and retain top talent also supports profitability and cost saving. (Livermore 2015) The organizations were keen to exhibit better image of organization and employees, And to keep healthy Organizational Culture to get succeed. The employees as well

organizations need to increase their adaptability for number of reasons. Effective and happy workforce turns into Positive organizational culture and also better work Performance.

Research Methodology

This part elaborates the method of study conducted. Data is collected through Primary and Secondary sources.

Primary Data

A well-structured opinion survey questionnaire is circulated to Managers of the organisations. The sample taken is 57 managers from Organizations: service as well as manufacturing Companies viz: Automobile, Banking, IT, Hotels, Hospitals, Educational Institutes, etc.

Secondary Data

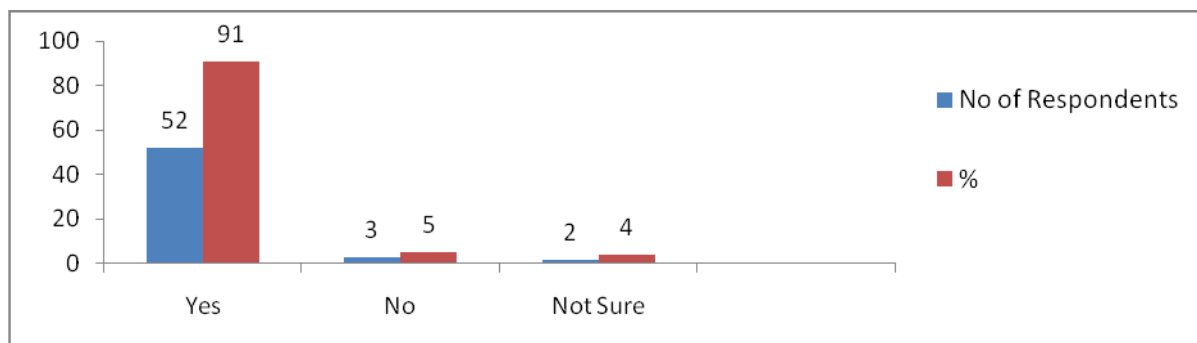
Data collected through Secondary sources. It includes Books, online resources, Journals, Thesis, Magazines, Newspapers, The official websites of the Organisations involved.

Analysis and Interpretation

17 questions were asked in the Questionnaire consisting of Organisation culture , Cultural training programs, Culture , work life and work performance, Importance Of Cultural Intelligence, rating of cultural intelligence etc. The analysis and interpretations are discussed further.

A) Organisation culture related : Question1

Each Company has unique Organisation culture	Number of Respondents	%
Yes	52	91
No	03	05
Not Sure	02	04
Total	57	100



Analysis

When asked about uniqueness of each Organisation Culture, 91% respondents believe that every organization has its own unique culture. 5% respondents said there is no uniqueness in the Organisation

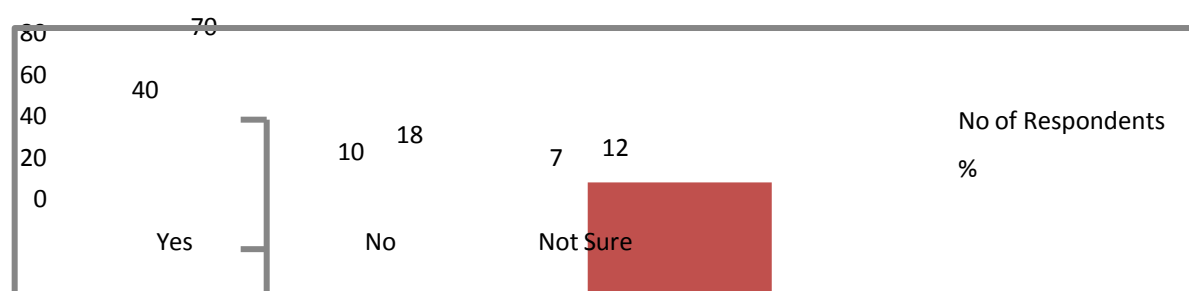
Culture whereas 4% were not sure about the response.

Interpretation

Majority of respondents think that each organization possesses unique Organisation culture. The objective to know the extent of awareness in Managers about Organisation Culture is fulfilled. In every unique organizational culture, the need to upgrade Cultural Intelligence of an Individual and organization is underlined.

Question 2

There must be a match between Individual culture and Organisation culture	Number of Respondents	%
Yes	40	70
No	10	18
Not Sure	07	12
Total	57	100



Analysis

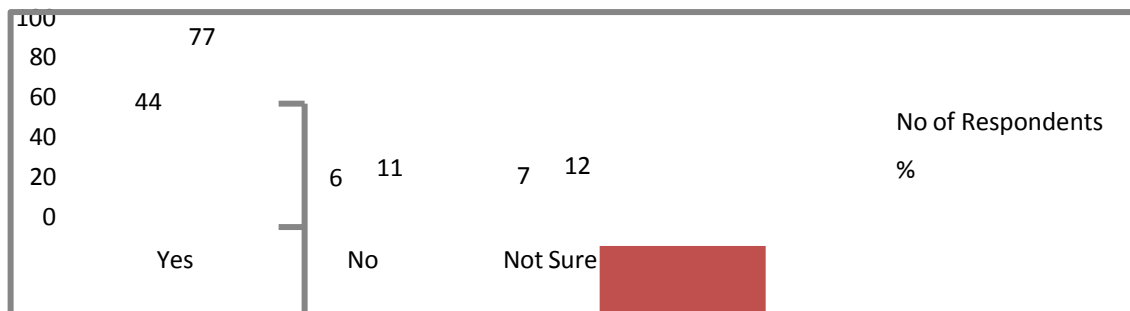
70% respondents believe that there must be a match between Individual culture and Organisation culture whereas 18% does not believe in the match. 12% were not sure about the answer.

Interpretation

Majority of respondents said there has to be a match between Individual and Organisation culture. So there is a relation between unique Organisation culture and Individual culture (cultural intelligence of Human resource). So, this gives support to the Hypothesis: the managers perceive that they are moderately aware about the Cultural Intelligence.

Question 3

Mismatch between Individual Culture and Organization Culture has adverse effect on Individual and Organisational performance	Number of Respondents	%
Yes	44	77
No	06	11
Not Sure	07	12
Total	57	100



Analysis

77% respondents think that Mismatch between Individual Culture and Organization Culture has adverse effect on Individual and Organisational performance where as 11% are against this statement. 12% are not sure about it.

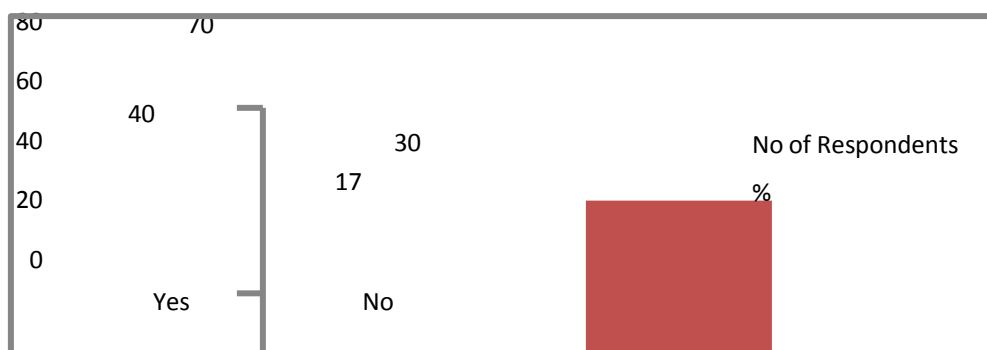
Interpretation

Majority of the respondents agreed that a mismatch between the two affects Individual and Organisational performance. If CI of the Individual is weak then there is a chance of mismatch in Individual and Organisation culture. It gives support to the hypothesis that the Managers are aware about the role of Cultural Intelligence (CI) in Individual and Organisational Performance.

B) Cultural training programs

Question 4

The respondent's company has given orientation about the Company's culture at the Induction Program when respondent joined.	Number of Respondents	%
Yes	40	70
No	17	30
Total	57	100



Analysis

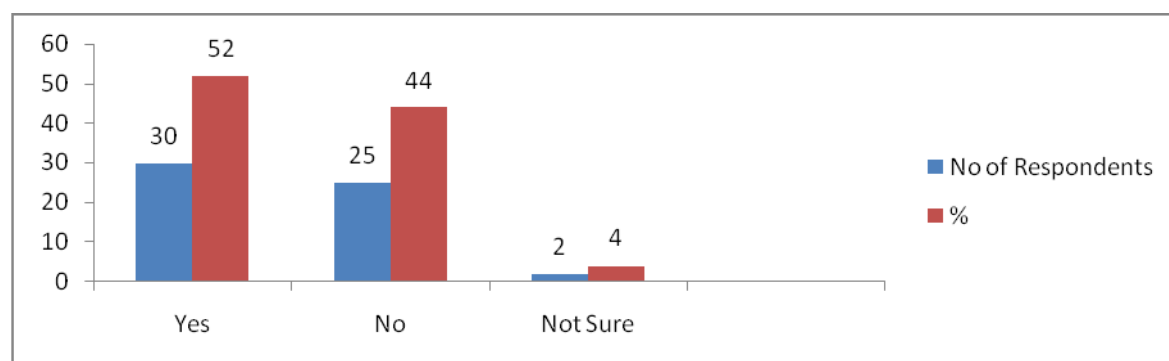
70% respondents agreed that their companies have conducted the Induction programmes and 30%

respondents agreed that their companies have conducted the Induction programmes.

Interpretation

Though majority of respondents have attended Induction programmes. The newly recruited employee can easily work in the known environment which can happen after Induction Program. The match between Organisation and Individual culture will be successful if Induction program is conducted by companies. It gives boost to the objective that Managers are moderately aware of importance of Organisation culture and further Cultural Intelligence. **Question 5**

Special Training Programs conducted on Organisation Culture and Diversity Management in Organisations	Number of Respondents	%
Yes	30	52
No	25	44
Not Sure	02	04
Total	57	100



Analysis

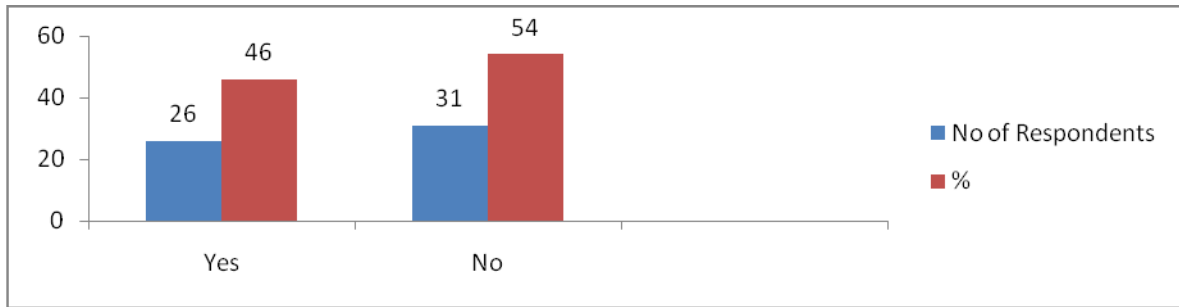
52% respondents said that Special Training Programs conducted on Organisation Culture and Diversity Management in their companies whereas 44% respondents are saying that no such programs were conducted.

Interpretation

Special training programs related to Organisation Culture and diversity Management are helpful to increase level of cultural intelligence. so the hypothesis that Managers perceive that they are moderately aware about Cultural intelligence is satisfied.

Question 6

Special Training Programs attended on Organisation Culture and Diversity Management	Number of Respondents	%
Yes	26	46
No	31	54
Total	57	100



Analysis

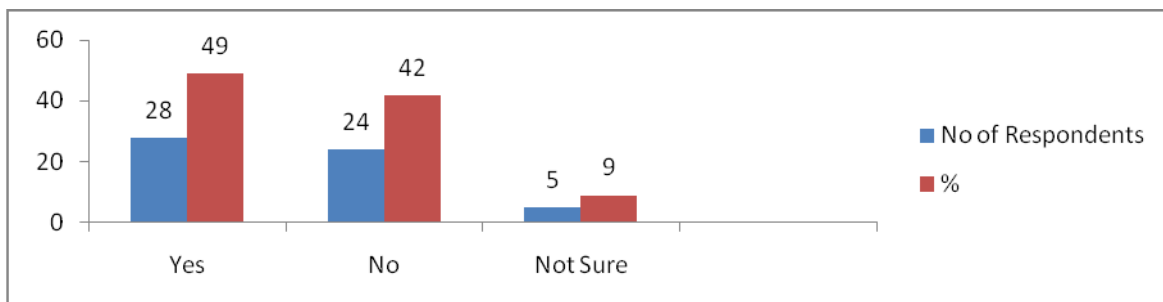
46% respondents have attended the special training programs whereas 54% have not attended.

Interpretation

There is scope for organizing more such trainings and encourage the Managers to attend it to know Diversity Management and organization culture related issues. The extent of Awareness and importance is observed in Managers about Organisation culture , diversity Management and Cultural intelligence.

Question 7

Diversity Management Policy to deal with the challenges and Opportunities of diverse culture of employees.	Number of Respondents	%
Yes	28	49
No	24	42
Not Sure	05	09
Total	57	100



Analysis

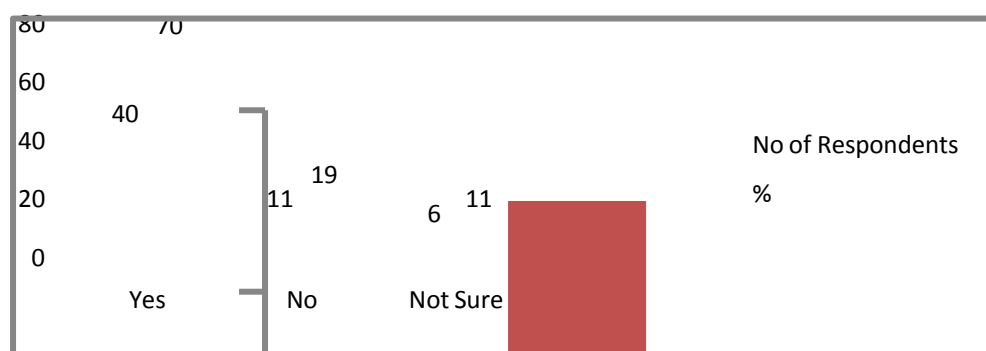
49% employees said that their company has Diversity Management Policy to deal with the challenges and Opportunities of diverse culture of employees, 42% are saying no and only 9% are not sure.

Interpretation

The extent of awareness of Organisation culture, diversity Management policy and Cultural intelligence is again underlined with majority respondents saying they have such policy. So there is a scope for researchers to help in making and implementing these policies in organisations.

Question 8

Company complies with Diversity related Laws and Regulations	Number of Respondents	%
Yes	40	70
No	11	19
Not Sure	06	11
Total	57	100



Analysis

70% of the respondents said that their company complies with Diversity related Laws and Regulations, 19% said no for the same and remaining are not sure about this.

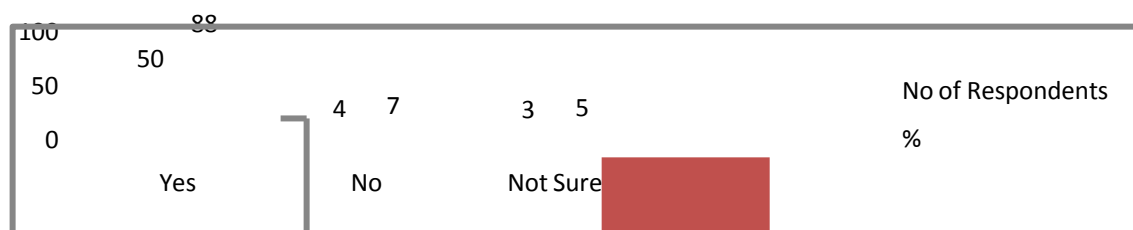
Interpretation

There has to be a training on such laws which is quite satisfactory as per analysis as majority of respondents giving positive response. Here, the extent of Awareness is measured in Managers about Organisation culture, diversity Management and Cultural intelligence.

C) Culture, work life and work performance

Question 9

Congruence to organizational culture has positive impact on quality of life & on quality of work life	Number of Respondents	%
Yes	50	88
No	04	07
Not Sure	03	05
Total	57	100



Analysis

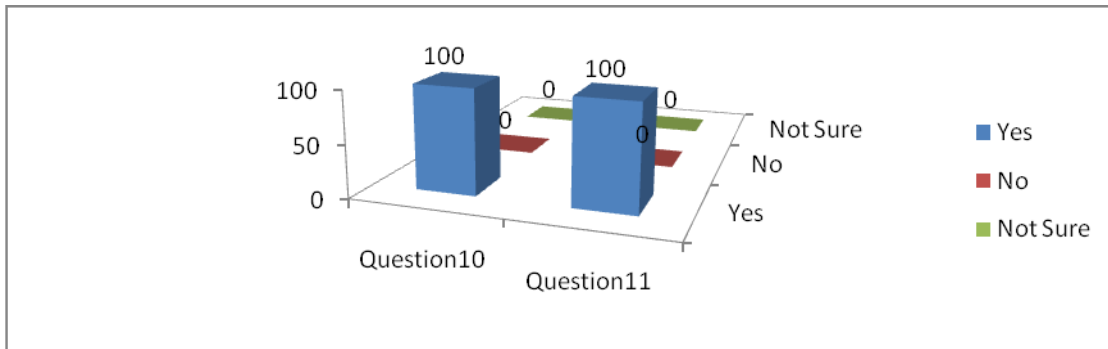
88%respondents are saying that Congruence to organizational culture has positive impact on quality of life & on quality of work life,only 7% are saying no ,remaining are not sure.

Interpretation

Majority of managers agreed about the role of Cultural intelligence in Organisational and Individual performance and also about positive relation between the two factors.

Question 10 &11

Statements	Yes		No		Not Sure	
	Number	%	Number	%	Number	%
Positive Organisation Culture leads to better organisational performance	57	100	00	00	00	00
Positive Organisation Culture leads to better Individual performance	57	100	00	00	00	00



(In percentage)

Analysis

100% respondents agreed that Positive organization culture leads to better individual as well as organizational performance.

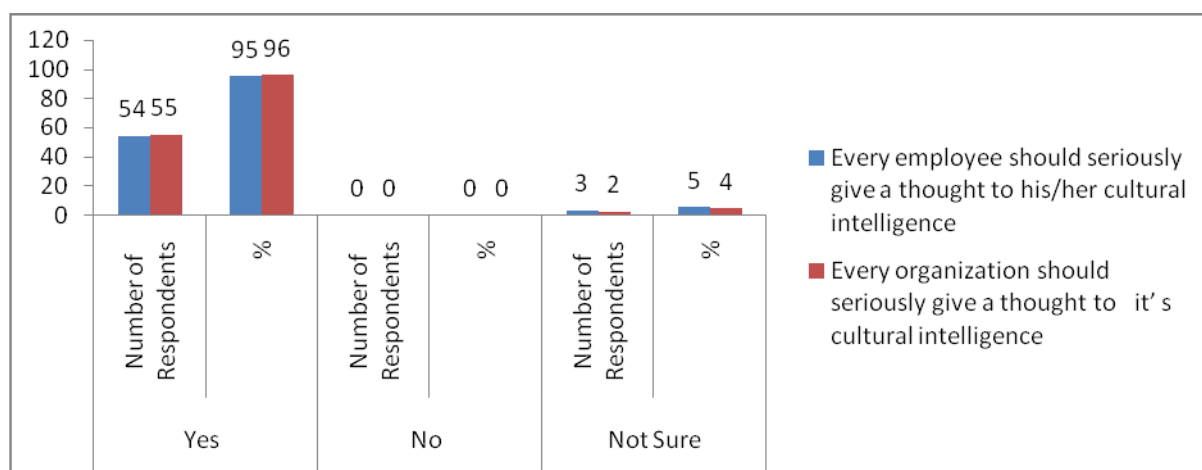
Interpretation

All the respondents saying that there is a positive relation between Organisation culture, cultural intelligence and Individual and organizational performance.

D) Importance of Cultural Intelligence

Question 12 &13

Statements	Yes		No		Not Sure		Total	
	Number of Respondents	%	Number of Respondents	%	Number of Respondents	%	Number of Respondents	%
Every employee should seriously give a thought to his/her cultural intelligence	54	95	0	0	3	5	57	100
Every organization should seriously give a thought to it's cultural intelligence	55	96	0	0	2	4	57	100



Analysis

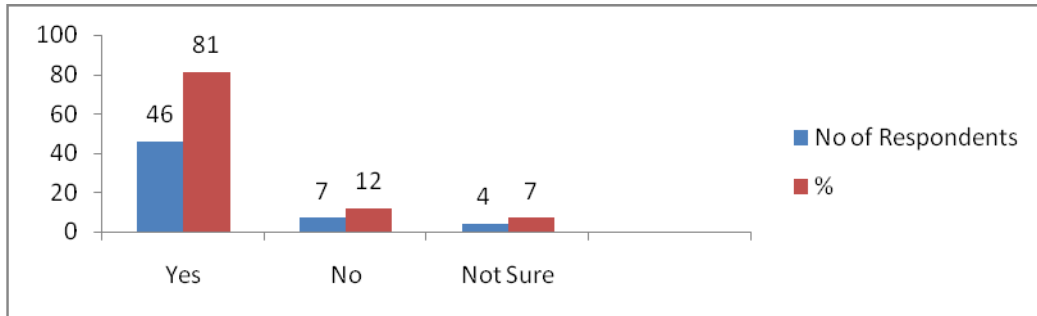
95%respondents think that every employee should seriously give a thought to his/her cultural intelligence .96%employees think that every organization should seriously give a thought to its cultural intelligence as it boosts the performance of Individual and of organisation .

Interpretation

Majority of mangers are aware about role of CQ in Individual and organizational performance.

Question 14

Thought to explore the concept of Cultural Intelligence more	Number of Respondents	%
Yes	46	81
No	07	12
Not Sure	04	07
Total	57	100



Analysis

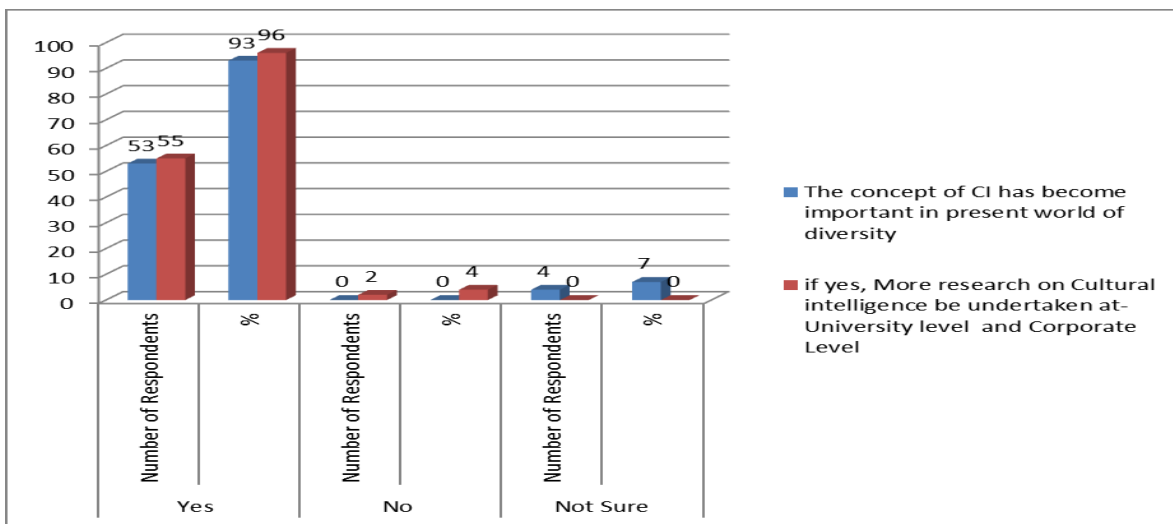
81% managers want to understand more about CI, 12% are saying no .

Interpretation

The objective of the study to know whether more research is expected by managers is fulfilled with positive response by majority of managers.

Question 15A & 15B

Statements	Yes		No		Not Sure		Total	
	Number	%	Number	%	Number	%	Number	%
A)The concept of CI has become important in present world of diversity	53	93	00	00	04	07	57	100
B)if yes, More research on Cultural intelligence be undertaken at-University level and Corporate Level	55	96	02	04	-	-	57	100



Analysis

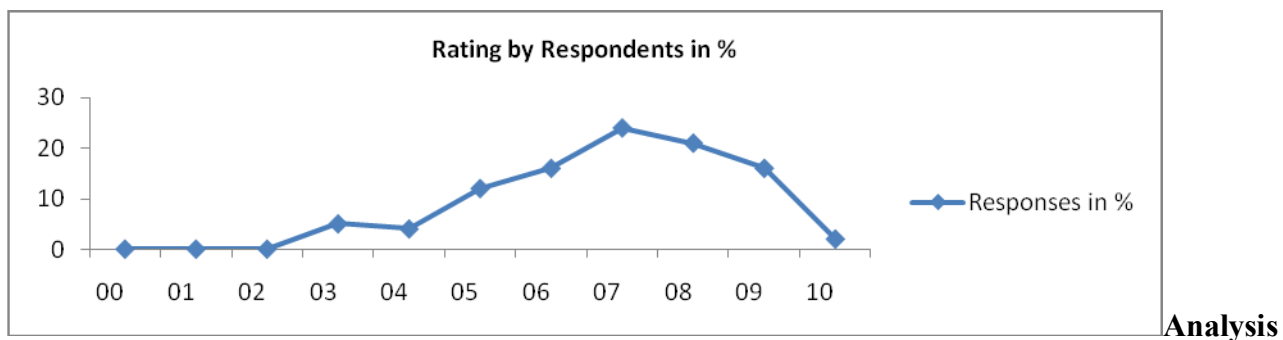
93% managers agreed that CI has become important in present world of diversity to increase productivity and performance, only 7% are not sure about it.96% managers said that more research on Cultural intelligence be undertaken at-University level and Corporate Level ,only 4% are denying this.

Interpretation

Majority of respondents are pointing out towards Importance of CI and its positive correlation with Individual and Organizational performance.

E) Scale of cultural intelligence: Question 16

The question was asked to rate the respondent to rate himself about how much cultural intelligent on the scale of 0 to 10



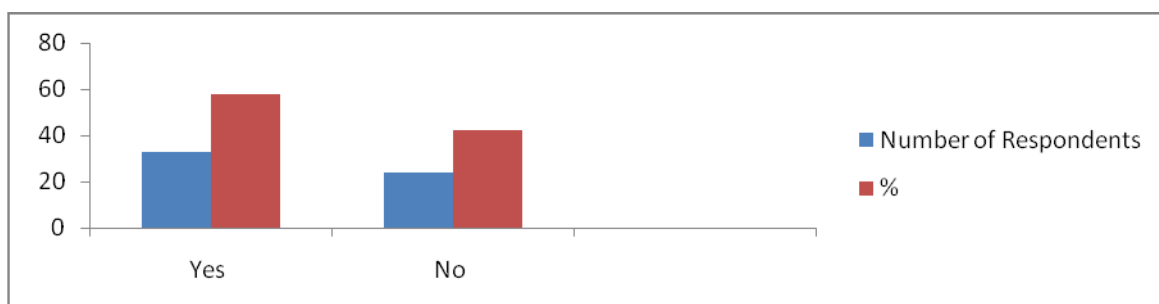
The minimum rating on 0 to 10 scale starts at 3 (5%). The maximum scale of CI of managers is 7 (24%) followed by 8 (21%), scale 9 (16%) and scale 6 (16%) whereas scale 10 has been quoted by only 2% respondents.

Interpretation

More than 75% respondents feel that their CI is 6 or more than 6, there is a need to find out whether the organisations and Individuals are really culturally intelligent, so more research is expected in this regard.

Question 17

Willingness to conduct Cultural Intelligence Survey in respondents Organisation	Number of Respondents	%
Yes	33	58
No	24	42
Total	57	100



Analysis

58% respondents allowed to conduct CI survey of their organisations. 42% are saying no.

Interpretation

Managers are interested to face such surveys in order to know diversity related issues, how to handle it, get solutions for the same and also increase in the individual and organizational performance. So hypothesis that Managers are aware about Role of Cultural Intelligence in performance is judged here.

Findings

1. Majority of respondents say that:

- Each Company has unique Organisation culture.
- There must be a match between Individual culture and organization culture.
- Mismatch between the Individual culture and organization culture affects Individual and Organisational performance.
- Positive Organisation Culture leads to better organizational performance
- Positive Organisation Culture leads to better Individual performance
- Every employee should seriously give a thought to his/her cultural intelligence
- Every organization should seriously give a thought to its cultural intelligence
- Managers think they should explore the concept of Cultural Intelligence more
- The concept of CI has become important in present world of diversity

2. Majority of Respondents also said that their Organisations conducted orientation about Company's culture at Induction Programme when they join their organization.

3. Respondents answered that Organizations conduct Special training programmes on Organisation culture and diversity management.

4. Though special training programmes are conducted only less than 50% of respondents have attended it.

5. Less than 50% respondents' companies have Diversity Management Policy to deal with Challenges and opportunities of diverse culture in employees.

6. Organizations of majority respondents companies comply with diversity related laws and regulations.

7. There is congruence to organizational culture has positive impact on Quality of work life and Quality of Life of the employees.

8. Majority of the respondents supported for conducting more research on cultural intelligence at

University as well as at corporate level.

9. More than 75% respondents feel that their CI is 6 or more than 6 out of 10, there is a need to find out whether the organisations and Individuals are really culturally intelligent ,so more research is expected in this regard.
10. More than 50% respondents allowed the researcher to do cultural Intelligence survey of their companies .It means that there is awareness and curiosity regarding cultural intelligence and the need and importance of the study is also felt.

Suggestions

1. The organisations should conduct
 - Awareness programmes on Cultural Intelligence.
 - Sensitivity programmes on Cultural Intelligence.
 - Capacity /competency building programmes on Cultural Intelligence.
 - Informal programmes like Open House,Cultural Platforms etc.,

To develop the Cultural Intelligence in the employees to enable them..

 - To gel with the culture of the employees around and organization itself.
 - To reduce the mismatch between Individual and Organisationculture .
 - To reduce the adverse effect of mismatch between Individual and Organisation culture.
2. The organization should increase the contents on Organisation culture in its Induction Programs.
3. The organizations should conduct Special training programmes on diversity management and it should be seen that every employee completes this training.
4. The organizations should frame diversity management policy to deal with Challenges and Opportunities of diverse culture of employees. Such policies should be made transparent and open.
5. There should be Cultural intelligence cell in the organisations to deal with related issues.
6. To increase the quality of life and quality of work life more research on Cultural intelligence is undertaken.
7. Cross cultural Training sessions should be conducted to know role of stakeholders in nurturing cultural intelligence. The module is required to initiate Participative Leadership in organizations.

Conclusion

Though the managers are moderately aware of CQ ,they expect more research in terms of CQ assessment,development of tools or techniques to measure CQ,ways to increase CQ etc.To get the benefits of high cultural intelligence, it is necessary to Spread awareness of CQ Assessment Test. The

efforts should be taken to promote the development and validation of available tests to assess the cultural intelligence in organisations. No standard method is yet developed to follow Unbiased handling of Diversity Management. The employees are in favor of Resistance to change in the organization so the attitudinal changes are required in them.

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