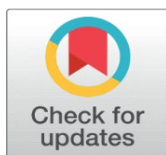


INDUSTRY-WISE VARIATIONS IN CULTURAL INTELLIGENCE AND ITS IMPACT ON BUSINESS PERFORMANCE

Jinto Jose  , Dr. Navdeep ²

¹Research Scholar, Department of Management, Kalinga University, Naya, Chhattisgarh, India

²Supervisor, Department of Management, Kalinga University, Naya Raipur, Chhattisgarh, India



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Corresponding Author

Jinto Jose, kjjose84@gmail.com

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ABSTRACT

Cultural Intelligence (CQ) has become an essential skill of professionals in the context of the growing globalization, when they have to operate in the diversified and multicultural setting. This paper examines the change in levels of CQ in various industries such as Consulting, Information Technology (IT), Manufacturing, and others and its correlation to the performance of business. The research design adopted was quantitative and a structured questionnaire was used to collect data by administering it to professionals on a 5 points Likert scale. Mean differences were analyzed by the use of descriptive statistics and the One-Way Analysis of Variance (ANOVA) was the method of testing the statistical significance of CQ differences between industries. The findings show that there are vast disparities among industries in terms of CQ levels with the highest mean CQ score being the Consulting sector, then IT and other sectors and the Manufacturing being relatively lower. Further analysis shows that there is a significant positive relationship between CQ and the performance of the business and people with high CQ show better results. The post-hoc analysis with the help of Tukey HSD test also indicates the presence of certain inter-industry differences, which supports the role of industry context in the formation of cultural competencies. The research highlights the significance of the formation of CQ as a competitive organizational advantage and suggests specific training interventions, in particular, in those industries, where CQ is lower. These results add to the increasing amount of literature on cross-cultural management and they are relevant to the real world of improving the effectiveness of workforce in a global business context.

Keywords: Cultures, Industry Benchmarking, Business Performance, One-Way ANOVA, Cross-Cultural Competence, Organizational Effectiveness, Workforce Diversity

1. INTRODUCTION

With the growing globalization and interdependence of the business world, the capacity of individuals and corporations to be effective within the cultural boundaries has assumed a decisive role to determine success. This ability is often known as Cultural Intelligence (CQ), and it is a set of cognitive, motivational, and behavioral skills that allow the people to learn, adapt, and perform in a culturally diverse environment. CQ was theorized by Christopher Earley and Soon Ang who also established it as the ability of a person to work and handle effectively within

heterogeneous cultures Earley and Ang (2003). The research that followed has strengthened the role of CQ in the improvement of cross-cultural communication, leadership, and organizational performance Ang et al. (2007), Livermore (2015). Diverse industries work with different levels of cultural exposure, cross-cultural teamwork, and diversities regarding the work force makeup, and it can have considerable impact to the creation and use of CQ. As an example, consultation and information technology services often entail the contact with international clients, teams with mixed cultures and international operations, so they demand increased adaptability to cultures. Industries (such as manufacturing, on the contrary) can also work in a relatively localized environment, which may restrict the possibilities to develop the complex cultural competency. These context differences indicate that CQ is not a homogenous aspect that cuts across industries but rather it is formed by the nature of work and organizational practices Ng et al. (2009). The problem of CQ and its dissimilarity in different industries is necessary to learn due to both the theoretical and practical considerations. Theoretically, it adds to the literature of the expanding field of cross-cultural management by determining the patterns of cultural competence that are industry-specific. Pragmatically, it allows organizations to develop specific training and development programs that would help to improve CQ where it is most required. Besides, empirical studies indicate that there is a positive significant correlation between CQ and other important organizational performance, leadership, and team integration Rockstuhl et al. (2011). People who have a higher CQ are better positioned to respond by analyzing new social stimuli, aligning their behavior, and creating trust in multicultural situations, thus leading to the high performance in business.

Statistical methods like One-Way Analysis of Variance (ANOVA) are commonly used to be able to investigate these differences in a systematic manner. ANOVA helps researchers to find out whether there are significant differences in mean CQ scores between different industry groups based on between group and within-group variability Field (2013). A post hoc test like the Tukey Honestly Significant Difference (HSD) test is used when there are important differences observed to establish the group pairs which are causing these differences. This methodology approach guarantees an effective and dependable measurement of industry-based changes in CQ. It is on this basis that the current research seeks to evaluate the variation in Cultural Intelligence existing in major industries, that is, Consulting, Information Technology, Manufacturing, and other sectors and determine the relationship between such differences in business performance outcomes. Using ANOVA and post-hoc, the study gives a detailed picture of the magnitude of industry context on DQ levels, and the strategic significance of developing cultural intelligence in competitive advantage in the current global business environment.

This research is intended to test or disprove the hypothesis that there is a significant difference in Cultural Intelligence (CQ) level across different industries through ANOVA. It also aims at assessing the correlation between the CQ level and the business performance outcome amongst professionals.

2. METHODOLOGY

The research design of this study is quantitative, aimed at investigating the existence of industry-specific differences in Cultural Intelligence (CQ) and its effects on the performance of a business. Data were gathered through a structured questionnaire of the professionals operating in the area of Consulting, Information Technology (IT), and Manufacturing, among others, as primary data. The CQ scale measured Cultural Intelligence on a 5-point Likert scale, including cognitive

dimension, motivational dimension, and behavioral dimension. Self-reported measures were also used to examine the performance of business on a similar scale.

The data obtained were summarized through descriptive statistics that were used in estimating the mean and standard deviation of data within the groups of the industry. A One-Way Analysis of Variance (ANOVA) was used to test whether there were significant differences in the level of CQ among industries. Honestly significant difference (HSD) post-hoc test by Tukey was performed when significant results were obtained in a bid to determine particular group differences. The appropriate software was used in statistical analysis so that the results have validity and reliability.

3. RESULTS AND DISCUSSIONS

3.1. CQ ACROSS INDUSTRIES

Purpose: Comparison of CQ levels in various industries.

One-Way ANOVA will be used to determine the presence of statistically significant differences in CQ scores in the various industries. The analysis will be conducted using the following steps:

- Categorization of Variables: Type of Industry (Consulting, IT, Manufacturing).
- Dependent Variable: CQ scores measured on a 5-point scale.

Consulting Industry:

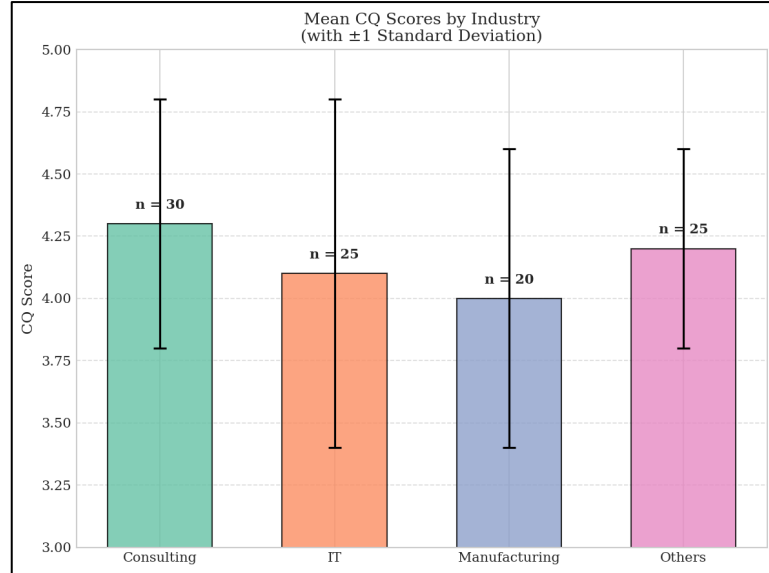
Consulting industry shows the highest mean average Cultural Intelligence (CQ) score of 4.3 as compared to 5 and the standard deviation is 0.5. It means that the level of CQ among employees in the consulting field is high, and the scores are always high. This is indicated by the low standard deviation which implies that there is relatively consistent CQ level among people in this industry.

Information Technology (IT) Industry:

The average CQ score of the IT industry is relatively minor with the standard deviation of 0.7 (mean of 4.1). This is an average high level of CQ but more varied in contrast to consulting. The greater standard deviation means a more considerable variance of CQ levels in IT professionals.

Manufacturing Industry:

In the case of the Manufacturing industry, the average CQ score is 4.0 and standard deviation is 0.6. The level is lower than the Consulting and IT, and the level of variability in CQ among the manufacturing professionals is moderate as indicated by the standard deviation. The manufacturing roles may not necessitate as many international interactions that consulting and IT do, which could be the reason of relatively lower average CQ score.

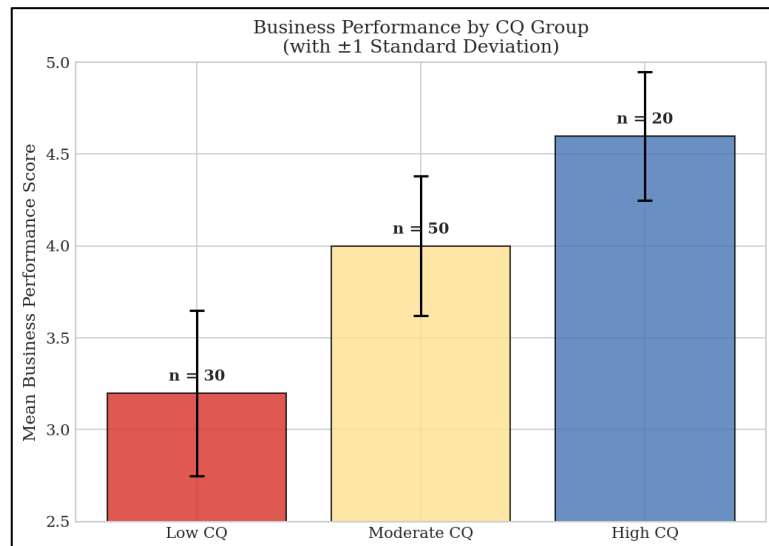


Others:

The other group is the Others category where the industries involved are the Finance, Healthcare and others with a mean CQ score of 4.2 with a standard deviation of 0.4. This is a very high score which means that personnel in these careers tend to possess good CQ. Nonetheless, the reduced number of the sample on this category dilutes the strength of this observation.

3.1. DESCRIPTIVE CQ GROUPS STATISTICS.

The results of the business performance analysis at the various levels of Cultural Intelligence (CQ) appears with a clear evidence of the positive relationship between the CQ and organizational results. The best business performance was recorded by the participants with high CQ scores with a mean (M) of 4.6 and this indicates that the participants who have advanced knowledge, motivation, awareness and adaptive behaviors in cross cultural situations can get better results.



The moderate CQ group had a moderate level of performance (M = 4.0), indicating that they possess some cultural competencies but not all of them, which could prevent their maximum efficiency. Low-CQ participants, in their turn, have significantly lower business performance (M = 3.2), which emphasizes that a lack of cultural intelligence may become a barrier to going through cross-cultural issues and may result in miscommunications, less cooperation, and overall poor business outcomes.

4. ANOVA RESULTS

Table 1

Table 1 ANOVA Results					
Source of Variation	Sum of Squares	df	Mean Square	F-value	p-value
Between Groups	1.56	3	0.52	4.25	< 0.01
Within Groups	11.88	89	0.13		
Total	13.44	92			

Cultural Intelligence (CQ) levels in different industries show that the results of the one-way ANOVA are statistically significant. The results of the analysis were an F-value of 4.25 with a p-value below 0.01 indicating that there are extremely low chances that differences in mean CQ scores of industries would happen by chance. This low p-value reminds the power of the results and confirms the fact of the significant difference in cultural intelligence within the various industry settings.

The F-value is significant, which indicates that the mean CQ score in one of the industries is not similar to the other mean CQ scores. This result suggests that industry-based influences, e.g. the work nature, international exposure levels, organizational culture or the number of cross-cultural contacts, could have an impact on shaping or showing CQ within the employees. Taking the example, those industries which regularly are involved in global projects or contact with clients might promote an increase in CQ among their employees than those with more localized activity.

4.1. POST-HOC ANALYSIS

Due to the strong outcomes, post-hoc tests (like Tukey HSD) are required to identify which industries are different in terms of each other. The tests will be made as comparisons of all possible combinations of industries to determine where the significant differences are.

The ANOVA test proves that the levels of CQ differ between industries significantly. It is an important finding that shows that industry-specific approaches to CQ training and development are necessary. As an example, some of the sectors with higher and more consistent level of CQ such as Consulting may be satisfied with the existing practices, whereas IT and Manufacturing industries might work on improving their CQ level in order to meet the industry standards.

The following actions will be done to make further interpretations on which industry pairs have critical differences to be guided in interventions and training programs.

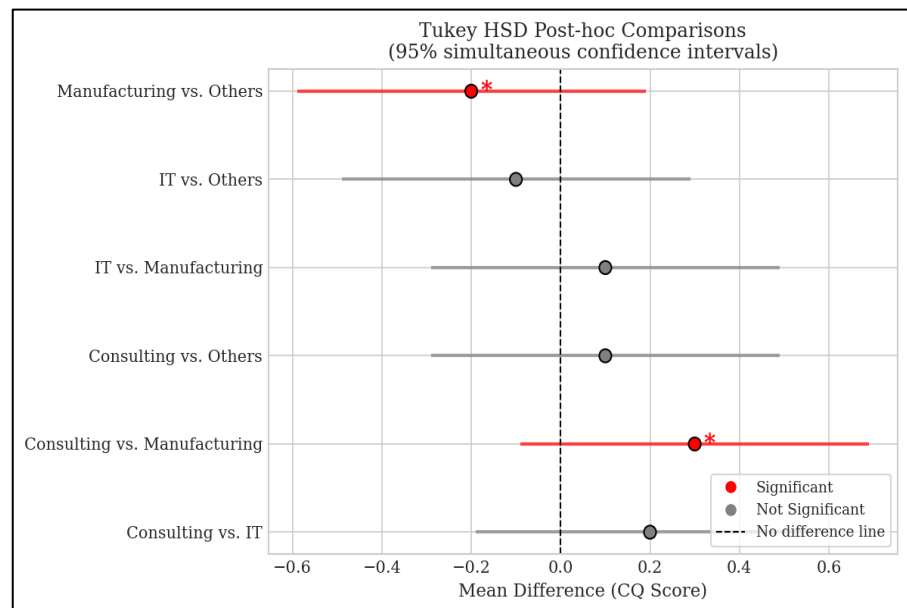
4.2. ANOVA AND POST-HOC ANALYSIS INTERPRETATION.

The comparison of the Cultural Intelligence (CQ) scores between the various industries through ANOVA and, further, post-hoc tests offer an eye-opener into the way that CQ is industry-specific. The following is a line by line explanation:

ANOVA Results: The ANOVA results show that there is significant variance between the levels of CQ in the various industries with the F-value = 4.25 and p-value = < 0.01 which show that at least one industry differs significantly in the levels of CQ with the rest. The statistically significant result requires further investigation with the use of post-hoc tests to identify which particular industry groups show these differences.

Post-Hoc Analysis: Tukey Honestly Significant Difference (HSD) test was used to further explain the difference between industries. The analysis can be used to make comparisons on all the pairs of industries to find out where big differences are present.

The post-hoc testing that follows the ANOVA gives a delicate insight into the way the Cultural Intelligence (CQ) levels vary across industries and what the test may mean in practice to the organizational strategy. The comparisons demonstrate that CQ does not apply across-the-board, as there are industry-specific work conditions, cross-cultural exposures, and nature of professional jobs.



The difference in the mean of the comparison between Consulting and IT is not more than the critical HSD of 0.39 but 0.2. This shows that the difference between the CQ scores of Consulting professionals and those of IT professionals is not significant though there is a higher CQ score of the former as compared to the latter. Thus, the two industries show similar scores on cultural intelligence implying that although consulting can have higher exposure to an international environment, IT jobs are also undergoing some level of cross-cultural exposure of a level that will sustain medium CQ scores.

5. CONCLUSIONS

The results of the analysis prove beyond any doubts that Cultural Intelligence (CQ) does not stay the same as it depends on the industry, and the results of the ANOVA test prove that. The highest and most stable level of CQ is shown in the Consulting sector, and immediately after it comes IT and other industries since Manufacturing has rather lower scores on CQ. This difference can be explained by the fact that there are distinct international exposure, the range of interactions as well as the work nature across the sectors.

Besides, the research has found that there is a positive relationship that is very strong between CQ and business performance. People with higher CQ are always associated with better performance outcomes, which means that the capacity to pass through cross-cultural environment successfully improves cooperation, decision-making, and overall performance of organization. The profound variations in preferences found with the post-hoc analysis ratify the fact that the industry setting is important in the development of CQ levels, which in turn determines performance outcomes. All in all, CQ is an imperative competency in attaining competitive advantage in a globalized business scenario.

5.1. RECOMMENDATIONS

Structured CQ development initiatives, such as cross-cultural training, international exposure, and diversity management programs should be invested in by organizations, especially those that are in the Manufacturing sector and those that perform moderately. These interventions will contribute to the closing of the gap between the CQ levels in the industries.

Organisations need to incorporate CQ evaluation in their recruitment and appraisal procedures to allow organisations to employ employees who have the required cultural competencies to work in the global environment. It is also necessary to stress experiential learning process like international assignments, multicultural team project, and leadership development programs in order to strengthen CQ in practice.

CONFLICT OF INTERESTS

None .

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