The Effects of Cultural Intelligence on the Promotion of Managers' Performance

Mohammad Alavi

Department of Accounting & Managment, Qazvin branch, Islamic Azad University, Qazvin, Iran
banadkoki@yahoo.com

Abstract: Cultural intelligence and conflict resolution ability are essential for 21st-century leaders when considering the increased interaction with individuals from different cultural backgrounds that is now prevalent due to the technological advances of the internet and improved modes of mobility (Templer, Tay, & Chandrasekar, 2006). One of the most essential capabilities which make the managers' performance more suitable is the cultural intelligence. This research is going to investigate the field studies which have approached the relations between the cultural intelligence of the managers and their managerial performance. Finally, the results show that there are a systemic relation between managers' cultural intelligence and their managerial performance. At the end of the research, the authors will present some practical suggestions for reinforcing the cultural intelligence of the managers.

Keywords: cultural Intelligence, culture, Intelligens, Organizational culture.

1. Introduction

Over the last decade, globalization has overwhelmed an increasing number of researchers, challenging them to rethink basic paradigms on what characteristics can be needed to succeed mangers. As the world is shrinking through globalization, more and more people live and work in foreign countries and thus they continually come into contact with the people coming from much diversified cultural origins, involving language, norms, lifestyle, etc. (Zakaria, 2000; Montagliani and Giacalone, 1998). Since interacting with the others is the most important part of any manager's job. Employees and customers always bring their different cultural backgrounds to the organization. In such a situation, the manager cannot govern his own or his organizational culture and progress the organizational goals and improve his performance without paying enough attention to these cultures because the inconsistency between the employees and organizational goals on one hand, and ignoring or neglecting the cultural differences of the customers on the other hand not only fails the services but makes the organization conflicted internally and these conflicts will decrease the managers' performance for sure. Hence, the cultural intelligence is a very important issue in being conformed to the cultural diversities.

Cultural intelligence is defined as the ability of effective performance in situations where the cultural diversities exist. The researches show that there are direct relations between the several dimensions of cultural intelligence (cultural knowledge, cultural intelligence motivation, cultural intelligence behavior, and cultural intelligence strategy) with the managers' performance in decision-making processes. In yet another research which had dealt with the relation between the dimensions of cultural intelligence with the functional, ethical, and behavioral performance of the managers, the results showed that there is a significant direct relation between the dimensions of cultural intelligence and managers' performance. Another research which had studied the relation between the cultural intelligence and successfulness motivation showed that there is a direct relation between cultural intelligence knowledge and cultural intelligence motivation with the managers' performance but there is not such a relation between cultural intelligence behavior and successfulness motivation. The most recent study in this regard which has investigated the performance of public and private bank managers showed that there is a positive and significant relation between cultural intelligence and its dimensions with the managers' performance. Relying on the results of the previous studies and survey method (field study and questionnaire), the author of the present research is going to investigate the cultural intelligence and its dimensions and their effects on the performance of the managers.

2. Theoretical framework
2.1 Cultural definitions

Taylor believes that the culture is a complicated set of sciences, knowledge, arts, beliefs, rules and regulations, rituals and traditions, and all the habits which are obtained by any individual as a member of the society (Ashuri, 2002:48). Halfsteed defines the culture as the mental collective programming. Benedict believes that the culture is a pattern of thought and behavior. Among the whole definitions, one can find a common line in all of them that is the

existence of a set of beliefs which are internalized in human and direct his unconscious ego. According to Edgarshine, these beliefs have occupied the human existence at three levels of artifacts and innovations, values, and essential presuppositions (Vadadi, 2007: 18).

2.2 Organizational Culture

The culture of the organization mainly encompasses the similarities of beliefs, values, norms, and habits which govern the organization in which the satisfaction or dissatisfaction of the employees and the values and norms of the employees and customers are secondary issues not the main axis of the organizational culture.

In dynamic and ever-changing environments, the suitable culture for the organization is the existence of common beliefs in the importance of creativity and individual innovation, risk taking, tolerating the conflicts, and wide horizontal relationships. Conversely, in static and fixed environments, a controllable culture with the least risk taking and limited conflicts will have the better effects. So the organizations which use the complicated and unsteady technology require a flexible culture with the minimum of the control and maximum of the risk-taking. These organizations have to emphasize on creativity and individual innovations; while the organizations which use a steady technology and their organizational culture relies on intensive decision making, have to provide the opportunities for individual freedom in personal innovations to reach their goals in a more rapid pace (Davis, 1997:48). The organizations have different cultures; if the strategic goals of the organization do not conform to the culture and beliefs of the employees, the managers cannot easily direct the organization toward those strategic goals (Davis 1994:96). The administrative system forces the managers to be aware that they cannot ignore the micro-cultures within the organization because these micro-cultures are the beliefs of each person who brings his own culture to the organization and extends the cultural diversity of the organization.

2.3 Acculturation of individuals by the Society in Comparison to the Organization

The conformity of the individuals to the cultural norms and regulation is called acculturation. If the sociability occurs and maintains deeply, the individuals of the society will have lots of similarities. In other words, during the sociability, the new members of the society will be gradually shared with the common life of the society, learn its lifestyles, conforms themselves to its norms, and finally will be assimilated with other members of that society; and consequently, the social similarity will come with this acculturation. Acculturation is a process which assimilates the individual deeply with the culture of the society (Amiri, 2008:66). Re-acculturating the employees is an extremely difficult task, especially when the values of the organization conflicts with the values of each employee. The organization has to conform its values and norms (which are necessary to reach the organizational goals) to the internalized values and norms of its employees so that the employees find more motivation to cooperate with the organization to reach the given goals. Any manager has to pay attention to different cultures within the organization and receive the needed knowledge and trainings about multiculturalism.

2.4 Cultural diversity

Cultural diversity includes cultural differences like language, dressing, traditions, the way of self-organization, different understandings of ethics and religion, and the way of facing the natural environment (Alizade, 2007:11). Since there are several cultures in the society and since the individuals enter the organizations with their different cultural background, we have to note how a manager can exploit these cultural diversities and provide the opportunities for innovations and creativities and establish the desired conformity among his employees. The managers of multicultural organizations have to recognize the cultural diversities and respect all cultures. They have to realize different cultural heritages. In our ever-changing world, the programs of reinforcing the managers have to be designed in a way that the presented training materials conform to the needs of multicultural employees. These programs have to mainly focus on developing the creativity and creating critical points of view in the employees so that they can easily adjust themselves with the changing organizational issues and problems.

Table 1. Characteristics of multicultural managers

Thinking beyond the regional thoughts and changing their prototype viewpoint to a positive viewpoint toward the people.
Preparing the needed grounds for new thoughts and removing the old thoughts
Recreating the cultural images and criteria and exercises based on new experiences and thoughts
Reprogramming the plans and mental structures of their own
Creating the interests in new environments of sport and life

Multicultural managers are flexible against the individual differences and feel comfortable against the different systems, backgrounds, and races. To gain these characteristics, the managers have to review and reinforce their capabilities. One of the important factors in this regard is the managers' intelligence. To improve his performance in the organization, each manager has to master different sorts of the intelligence including cognitive, social, and emotional intelligence. Moreover, he has to strengthen his cultural intelligence to be able to coordinate the organization and control the cultural diversities. The managers have to build some skills in themselves to encourage the positive interactions of the employees. They have to increase and show their knowledge of cultural and ethnic background of the employees (Osmani 2005:16).

2.5 Intelligence

Gage and Berliner (1992) classify the elements of the intelligence in three levels: (a) The ability of dealing with abstract subjects. This means that the intelligent people deal with abstract issues (thoughts, symbols, relations, concepts, principles) more than the concrete issues (mechanical tolls, sensational activities). (b) The ability of problem solving, i.e. the ability of dealing with the new situations, not only presenting pre-taught responses for the familiar situations. (c) The ability of learning, especially the ability of learning the abstract things, including the abstract ideas of the words and other symbols and the ability of using them (Seif 2005: 578).

2.6 Cultural Intelligence and its dimensions

Early and Ang defined the cultural intelligence as the capability of learning the new patterns in cultural interactions and providing correct behavioral response to these patterns.

They believed that in facing the new cultural situations, finding similar signs and symbols to be used for communication is extremely hard (Early and Ang 2003:3). In fact, cultural intelligence is the ability of effective mutual reactions to culturally different individuals. Cultural intelligence enables us to distinguish the cultural differences and to behave correctly in different cultures via the awareness and knowledge.

Any intelligent manager is able to display a behavior which is culturally correct behavior according to any situation (Triandis 2006: 14). Of course we have to understand the parallel concept of "cultural literacy" proposed by Rozen. Cultural literacy (i.e. the ability of evaluating and using the cultural differences) is the key of global literacy while the cultural intelligence capability is a systematic way and a set of skills which help to managers to behave effectively in facing any culture (Affermann & Phan 2002:23). By definition, the readiness to accept

cultural differences is called the process of cultural consistency. In cultural consistency, the manager approaches to new culture with optimism, companion, tolerance, and interest because the successful managers are those well-trained managers who have experienced cross-cultural contacts. This group of managers usually experiences lesser cultural shock than the other groups of managers. Finally, "flight reaction" means that the global managers reject and recoil the new cultures (Vadadi 2007:54). Anyway, having the cultural intelligence is a vital need in a world in which everyone can easily cross the borders. The successful persons have to learn how to encounter different national, cross-national and organizational cultures (Taven Seng 2004:??). By and large, cultural intelligence is a new domain of the intelligence which strongly relates to varied work environments. Some dimensions of the culture are easily visible. Some evident factors like the arts, music, behavioral styles are among these dimensions. But the manager who have high cultural intelligent can realize the hidden dimensions of the culture and use the differences in order to be successful. These managers are able to easily resolve the discrepancies and create a sort of cultural synergy (Ang & Reo 2005:45).

2.6.1 Cultural intelligence knowledge

Cultural Intelligence knowledge is a knowledge implying the individuals' understanding of cultural similarities and differences, and showing the individuals' general knowledge and mental and cognitive plans of other cultures.

2.6.2 Cultural intelligence motivation

Cultural intelligence motivation shows the individuals' interest in experiencing other cultures and communicating different people of other cultures. This motivation contains the internal value of the individuals to have multicultural communications and a confidence which lets the people to behave effectively in different cultural situations.

2.6.3   Cultural intelligence behavior

Cultural intelligence behavior refers to the capability of being conformed to the linguistic and non-linguistic behaviors needed for encountering other cultures. Cultural intelligence behavior contains the logical behavioral responses in different situations. These responses are the subject of adjustment and regulation per each specific interaction of situation.

2.6.4   Cultural intelligence strategy

Cultural intelligence strategy shows how the individuals understand cross-cultural experiences. This strategy indicates the processes which are used to obtain and understand cultural knowledge. Cultural intelligence strategy contains the formulation of the strategy before any cross-cultural conflicts, investigating the assumptions during the encounters, and adjusting the mental plans if the plans are

different from expected facts (Early & Mosakwtski 2004:12).

2.7 Performance management

Performance-based management emphasizes on the responsibility of each separate component of the processes. This advanced form of reporting and responsibility is rarely seen in other management methods. Among the significant points of performance-based management we can refer to respecting the customers' viewpoints in all programs and goals of the organization. This strategy engages all the related individuals and leads to the improvement of organization's quality.

What distinguish this modern management method from other traditional ones lies in its attention to the results of programs and roles in reaching the organization's goals, spreading the aptitude spirit upon the organization, and many other exclusive characteristics (Khalili Araqi, Yaqinlou, & Javaher Dashti 2004:2). Performance-based management is a good tool for catching better results from the whole organization and the groups and individuals within the organization by understanding and managing the performance in an agreed framework of goals,

standards, and needs (Khalili Araqi, Yaqinlou, & Javaher Dashti 2004:1).

2.8 Definitions of performance evaluation

In organizational terms, "performance evaluation" means the effectiveness of the activities; and the effectiveness refers to the extent of accessing the goals and program of efficient activities and operations (Rahimi 2006: 41). In yet another definition, "performance evaluation" describes the critical assessment of different activities of the organization. In this definition, the performance evaluation is both predictive and distinguishing (Soltani 2004:27).

3. Data analysis
3.1 Analysis of the relation between cultural intelligence and managers' performance

In a research on the relations between the cultural intelligence and the performance of the training managers of Universal Center for Islamic Sciences (UCIS), Somayye Vadadi found that there is a relation between the cultural intelligence of mentioned managers and their performance (tables 2 to 6).

Table 2. The relations between cultural intelligence and the performance of the UCIS training managers

		Cultural Intelligence
Performance	Pierson Correlation Coefficient	0.589
	Significance level	0.000
	Sample size	47

The analysis of the table shows that there is a statistical significant relation between the cultural intelligence and the performance of UCIS training managers; so, since the value of Pierson correlation coefficient equals 0.589, this relation is a direct one, i.e. the more the cultural intelligence of the managers increases, their performance will improve better.

Table 3. The relations between cultural intelligence motivation and the performance of the UCIS training managers

		Motivation
Performance	Pierson Correlation Coefficient	0.484
	Significance level	0.000
	Sample size	47

The analysis of the table shows that there is a statistical significant relation between the cultural intelligence motivation and the performance of UCIS training managers; so, since the value of Pierson correlation coefficient equals 0.484, this relation is a direct one, i.e. the more the cultural intelligence motivation of the managers increases, their performance will improve better.

Table 4. The relations between cultural intelligence strategy and the performance of the UCIS training managers

		Strategy
Performance	Pierson Correlation Coefficient	0.442
	Significance level	0.002
	Sample size	47

The analysis of the table shows that there is a statistical significant relation between the cultural

intelligence strategy and the performance of UCIS training managers; so, since the value of Pierson

correlation coefficient equals 0.442, this relation is a direct one, i.e. the more the cultural intelligence

strategy of the managers increases, their performance will improve better.

Table 5. The relations between cultural intelligence behavior and the performance of the UCIS training managers

		Behavior
Performance	Pierson Correlation Coefficient	0.431
	Significance level	0.003
	Sample size	47

The analysis of the table shows that there is a statistical significant relation between the cultural intelligence behavior and the performance of UCIS training managers; so, since the value of Pierson

correlation coefficient equals 0.431, this relation is a direct one, i.e. the more the cultural intelligence behavior of the managers increases, their performance will improve better.

Table 6. The results of Pierson correlation coefficient and significance level per the questions of research assumption

Questions of Research Assumption		Variables	Correlation Coefficient	Significance Level
Questions of of General Assumption		Training Managers' Cultural Intelligence and Performance	0.589	0.000
Questions of Special Assumption	First Question	Operational Managers' Cultural Intelligence and Performance	0.579	0.000
	Second Question	Middle Managers' Cultural Intelligence and Performance	0.836	0.000
	Third Question	Cultural Intelligence and Performance	0.410	0.004
	Fourth Question	Cultural Intelligence Motivation and Performance	0.484	0.001
	Fifth Question	Cultural Intelligence Strategy and Performance	0.442	0.002
	Sixth Question	Cultural Intelligence Behavior and Performance	0.431	0.003

According to the results of the analysis we can conclude that there is a direct and significant relation between the cultural intelligence and its dimensions with the performance of training managers, so that the more cultural intelligence of the managers, their performance will improve better (Vadadi 2005).

In a study on the relation between cultural intelligence and its effects on the cultural judgment and decision-making, Ani (2003) found the direct relation between cultural intelligence and cultural knowledge, cultural intelligence motivation, cultural intelligence behavior and cultural intelligence strategy with the decision-making performance of the managers (Ani 2003).

In a study on the relation between the cultural intelligence and successfulness motivation of the managers, Mansur Abbasalizade (2007) investigated the relation between cultural intelligence and successfulness motivation of active managers in Iranian gas and oil industry as one of the most important factors of these managers' successfulness with regard to the complicated cross-cultural context of this industry. His findings are as follow:

There is a direct relation between cultural intelligence and managers' successfulness motivation.

There is a direct relation between cultural intelligence strategy and managers' successfulness motivation.

There is a positive relation between cultural intelligence knowledge and managers' successfulness motivation.

There is a direct relation between cultural intelligence motivation and managers' successfulness motivation.

But the relation between cultural intelligence behavior and managers' successfulness motivation has not been proved (Abbasalizade 2007:61).

In yet another research which has been done in Isfahan, Zahra Allahverdi has comparatively studied the value of cultural intelligence of the managers of public and private banks and its effects on their performance. She has found that there is a relation between cultural intelligence motivation of managers of public and private banks and their performance (Table 7).

Table 7. The relations between cultural intelligence motivation of public and private bank managers and their performance

	Indices	Performance
cultural intelligence motivation	Pierson Correlation Coefficient	0.187
	Significance level	0.005
	Sample size	221

Table 7 shows that there is a positive significant relation ($p<0.05$) between the cultural intelligence motivation of public and private bank managers and their performance, so that the more their cultural intelligence motivation of bank managers, their performance improves better.

On the relation between the management, performance, and cultural intelligence we can claim that the performance management has to pay attention to both inputs (behavior) and outputs (results). Referring to the definition of cultural intelligence, one can conclude that if the managers have a higher cultural intelligence, they will be able to determine the inputs and outputs better. In other words, the essential goal of the performance management is to create a culture in which the individuals and groups take the responsibility of improving business process on their own on the base of their skills and cooperation. This task will be fulfilled with the cultural and cross-cultural intelligence. This relation can be illustrated as the Fig. 1.
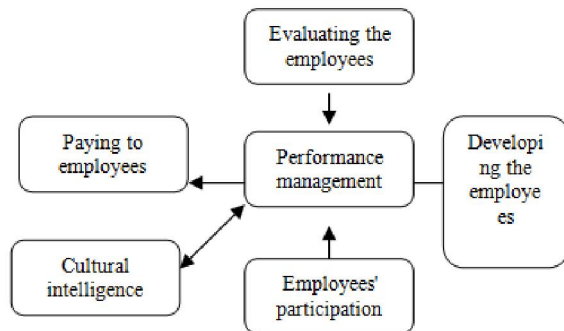

Fig 1.
Resource: Author.

4. Conclusion

To improve their performance, managers have to pay special attention to cultural intelligence and its dimensions. They have to master several capabilities including cultural intelligence. If they have the higher cultural intelligence, their performance will be better correspondingly. In more exact words, based on his experiences, a culturally intelligent manager can display an appropriate behavior in any given cultural situation. This can help the managers to understand the cultural differences apart from cultural judgments, and subsequently they can succeed in cultural conformity by understanding and accepting such differences. The cultural intelligent knowledge of the managers directly relates to their performance. This dimension of cultural intelligent signifies the understanding of cultural similarities and difference and mental and cognitive plans of culturally different individuals by the manager. The managers who are familiar with other languages and nonlinguistic behaviors of other cultures have a better performance than the other managers. The managers who enjoy interaction with other cultures and who tolerate the pressures of cultural differences have a higher performance. The managers who use their cultural knowledge and who review and revise their cultural knowledge perform better than the other managers. Those who are able to change the linguistic and nonlinguistic behaviors, whose who are able to display appropriate behaviors in different cultural situations, and those who can change their speed of speaking or manipulate the humors according to the cultural situations will have a remarkably better performance than the others.

Corresponding Author:
Mohammad Alavi
Department of Accounting & Managment, Qazvin branch, Islamic Azad University, Qazvin, Iran
E-mail: banadkoki@yahoo.com

References
1. Thomas Armstrong (2005), Seven kinds of Intelligence. Peyk avin press. tehran.
2. Micheal Armstrong (2006) Management: Keys Strategies and Practical Guidelines, publish by jahade daneshgahi.
3. Davis Stanley (1984) Managing Corporate Culture, Tehran, morvarid press.
4. Rahimi, ghafor, 2006, Performance Evaluation and continuous improvement of the organization, tadbir, 17 year,173th.
5. Amiri, romina, 2008, The relation between cultural intelligence, social conformity, and social growth of adolescent girls (15 – 18 years old) of Isfahan.

6. Ashore, daryoush,2002, Concept of Culture, Definitions, asia culture center, tehran.
7. Alizadeh, abbas, (2007), Studying the relations between cultural intelligence and successfulness motivation of the managers, azad Islamic university, tehran.
8. Farid Elashmawi & Philip R. Harris (2005), Multicultural Management, nashr ahang press, mashhad, p1.
9. Vedadi, ahmad,2007, The position of all kinds of the intelligent in the managers' successfulness on global arena, Fifth International Conference Management, tehran.
10. Reo. ang (2005); "cultural intelligence on the major asian economics the word: fidings from globe", 45(3).
11. Triandis, h. c. (2006); "cultural ntelligence in organizations" group and organization management, vol.31. s.
12. Offermann, l. r. & phan, l. u. (2002). "culyurally intelligent leadership for a diverse world". Inr. e. r. ggio, s. e.
13. Earley p. c & ang (2003); cultural intelligence: indivisual interactions across cultures. Stanford, CA. stanfors business book.
14. Earley p. c & mosakwtski (2004); cultural intellience; harrard business reviw October .
15. Earley, p. c., & ang, s. (2003). Cultural intelligence: individual interactions across cultures. Stanford unive sity press. ot. r.
16. Beer, M and Ruh, RA (1976). Employoe growth through Performance management, Havvard Business Review. July, August, pp.59-66.
17. Templer, tay & Chandrasekar (2006). Impactof cultural Intelligence level on Conflict Resolution ability, Emerging Leadership Journeys, Vol.3 Iss. pp.42-56.
18. Zakaria, N. (2000), "The effects of cross-cultural training on the acculturation process of the global workforce", International Journal of Manpower, Vol. 21 No. 6, pp. 492-51.

8/25/2018