Role of Organizational Cultural Intelligence and its Influence on Employee Job Satisfaction among Process Associates in Financial TNCs in Bangalore

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Abstract

There are many studies on cultural intelligence at the individual but little is known about the cultural intelligence at the organizational level. The aim of this study was to empirically validate the influence of organizational cultural intelligence on employee job satisfaction among process associates in Financial TNCs in Bangalore. Questionnaires measuring organizational cultural intelligence and job satisfaction were administered to associates (N=106) across US Title Insurance Companies in Bangalore. The companies and associates were identified through random sampling and judgmental sampling with inclusion criteria was adopted. The associates working in title insurance companies with minimum one year of experience were considered for this study.

Statistical analysis showed that there is a strong association between organizational cultural intelligence dimensions and job satisfaction. The results showed that the organizational cultural intelligence dimensions predict job satisfaction. The findings of the study suggested that the organization should focus on managing the diversity which in turn will make the employees feel satisfied with their job. The study concludes that the organization should take certain measures to manage the diversity which will help the employees to feel satisfied with their work.

Key Words: Organizational cultural intelligence, job satisfaction, financial TNCs, process associates.
1. Introduction

In the past decade, many researchers studied on cross-cultural competencies, cross-cultural communication, cross-cultural leadership and cross-cultural competence but there were very few works on organizational cultural intelligence. The concept was introduced by Earley and Ang as a specific conceptualization of competence as a form of intelligence in 2003. The concept became popular and attracted many scholars around the globe. Driel & Gabrenya (2013) pointed out that cross cultural competence has been discussed as an individual-level construct so far but this has not been assessed as an organizational-level phenomenon. The theoretical basis for organizational cross-cultural competence was developed by analyzing literatures of cross-cultural competence, organizational intelligence, and multilevel analysis and the development of quantitative measures of the construct. Yitmen (2013) has defined the Cultural intelligence (CQ) on the organizational level as, ‘an organization's capacity to reconfigure its capability to function and manage effectively in culturally diverse environments and to gain and sustain its competitive advantages.

2. Need of the Study

In India, the IT-BPM sector is a largest sector contributing to the growth of the country. According to NASSCOM Quarterly Industry Review (2017), there are more than 16000 firms IT-BPM companies in India which provides the IT services to domestic and on-shore clients. When the firms move from the domestic strategy to the multi-national strategy, there will be an impact of the cultural diversity. By managing these cultural differences the firm can achieve the competitive advantage in the market. If the organization fails to manage the cultural differences will lose the talented employees. Also, the costs associated with turnover, absenteeism and low productivity will increase.

While many theorists and researchers have studied on cultural intelligence at the individual level, there are only limited works done on cultural intelligence at the organizational level. The scale developed by Lima, Bud West and Winston (2016) to measure the cultural intelligence at the organizational level has been used in this study. The sample collected to develop this tool was from the employees of non-profit organizations in the USA. This research will focus on to examine whether this tool can be used in the profit organization in the Indian context.

3. Review of Literature

Literature Review on Organizational Cultural Intelligence

The model was developed in this study to examine how organizational CQ through competitiveness framework might potentially affect the strategic alliancing ability of contracting firms operating abroad. This is a quantitative
research and a questionnaire was used as a tool to conduct a survey with the contracting firms. The finding of this study is that the contracting firms leveraging their cultural intelligence as their main cross-cultural competence for establishing and increasing the performance of international strategic alliances (Yitmen, 2013).

This study was designed to assess the viability of developing quantitative measures of cross-cultural competence as an emergent organizational-level construct using samples from military organizations. Cross-cultural competence has been discussed as an individual-level construct but not assessed as an organizational-level phenomenon. A synthesis of the cross-cultural competence, organizational intelligence and multi-level analysis literatures was used to develop a theoretical basis for cross-cultural competence and the development of quantitative measures of the construct. Based on the aforementioned synthesis, three strategies were identified to assess cross-cultural competence at the organizational level of analysis. Initially, three studies were conducted to test these three strategies, each of which was supported empirically through the successful generation of organization-level scales and subscales. In their fourth study, each of the organization-level measures constructed in Studies one, two and three were found to be linked to organization-level indices of organizational climate, perceived organization effectiveness, and cohesion (Van Driel & Gabrenya, 2013).

The authors have examined how motivational cultural intelligence influences individual cultural sales. The data was collected from 305 real estate agents working at 26 real estate firms in US. The result has revealed that an individual's motivational cultural intelligence is positive related to his or her cultural sales. This positive relationship is improved by the firm's motivational cultural intelligence and diversified climate. The authors have discussed the theoretical and practical implications of their findings in a workplace context that involves cross-cultural interpersonal interactions (Chen, Liu & Portnoy, 2012).

The author in this study has introduced the conceptual foundations of cultural intelligence (CQ) at the organizational level and has explained it in the three factors: process, position, and path capability. This study also develops a network for organizational CQ models that helped to understand the role of organizational CQ and relationship between organizational CQ and organizational performance as well as intermediate performance outcomes (Moon, 2010).

The study discusses the importance of firm-level cultural intelligence in the context of international business ventures such as offshoring. The authors have identified movement toward global delivery models in offshoring ventures as the strategic imperative for offshoring partners to acquire and develop firm-level cultural intelligence. The framework was developed and which comprises three dimensions of intercultural capabilities of the firm: managerial,
competitive, and structural (Ang & Inkpen, 2008).

**Literature Review on Job Satisfaction**

Sousa & Gonclaves (2017) have pointed out that passion for work and satisfaction with life are essential to promote individuals’ positive functioning, so the identification of their predictors is important, both at individual and organizational levels. Understanding the influence of intercultural contact, cultural intelligence and multicultural personality on the performance of individuals, teams and organizations in multicultural contexts is an asset to global organizations and societies. Belias et al. (2017) studied to explore the levels of job satisfaction of Greek employees and to examine the effects that specific personal characteristics have on these levels of job satisfaction. The results of the study suggest that in Greek bank employees are enough satisfied with their job. Moreover, MANOVA and post-ANOVA analysis have concluded that specific personal characteristics of the bank employees affect different aspects of their job satisfaction and their levels of job satisfaction in total such as gender, age, marital status, educational level, and the position that they hold in the bank. Also, the years of their general experience as bank employees, the years that they have been working in the specific institution and the years that they have been working in the same position affect their job satisfaction in a significant way.

The study by Karin, et.al., (2016) has revealed that there are significant relationships between job characteristics and job satisfaction across all regions of the world, with a sense of achievement universally the most important driver. In spite of the fact that the job characteristics impact job satisfaction across all regions, there are significant differences in the relative importance of job characteristics on job satisfaction, which is consistent with Hofstede's cultural dimensions. Change in the level of job satisfaction is responsible to the openness to experience personality trait and it is fully mediated through cultural intelligence. The findings of this study suggests that possessing cultural intelligence acts as a mechanism in which an open expatriate could feel satisfied with his or her job (Lie, Suyasa & Wijaya 2016). The study was conducted by Sozbilir & Yesil (2016) to check how CQ impacts on Cross Cultural Job Satisfaction and International Related Performance. The result of the study is that CQ is positively related to Cross Cultural Job Satisfaction. The result has also revealed that there is no relationship between Cross Cultural Job Satisfaction and International Related Performance.

The study was conducted by Saner & Eyupoglu (2015) to establish whether job satisfaction exists among bank employees in North Cyprus. The study instrument used was the short form Minnesota Satisfaction Questionnaire (MSQ) which measures job satisfaction using 20 facets of the job. The study results indicated that bank employees were moderately satisfied with their job.

The study has confirmed that CQ plays a vital role in reducing anxiety and impacting both communication effectiveness and job satisfaction positively.
The other outcome of the study is the unexpected influence of anxiety on job satisfaction but not on communication effectiveness (Bucker, et.al., 2014).

The study conducted to investigate if the intention of an employee to stay with an organization could moderate the relationship between job satisfaction and organizational citizenship behaviour (OCB). 215 employees were surveyed and a reliable and standardized instrument was adopted in this study. The findings indicated a significant relationship between job satisfaction and OCB. Hierarchical regression analysis indicated that the intention of employees to stay with the organization along with job satisfaction strengthened the relationship between organizational citizenship behaviour and job satisfaction (Patrick & Saradha, 2012).

4. Objective of the Study
   1. To examine the relationship among organizational cultural intelligence dimensions and job satisfaction.
   2. To identify the organizational cultural intelligence dimensions that influences job satisfaction.

5. Research Question

Does Organizational Cultural Intelligence influence Employee Job Satisfaction of process associates in Financial TNCs in Bangalore?

6. Hypothesis

Hypothesis-1: Organizational Cultural Intelligence dimensions and Job Satisfaction and do not relate with each other.

Hypothesis-2: Organizational Cultural Intelligence dimensions do not influence Job Satisfaction.

7. Sampling Technique

Random Sampling was adopted to administer the questionnaire to the associates working in US Title Insurance Process in Bangalore and the judgmental sampling with inclusion criteria was adopted to select the associates. The associates having minimum one year of experience Financial TNCs were considered.

8. Sample Size

The online survey link was sent to 60 employees and questionnaires were distributed to 78 employees. The online responses from 36 respondents and 70 valid questionnaires were received. The total sample used for this study is 106.
9. Tools Used to Collect the Data

1. The scale was developed by Lima, Bud West & Winston in 2016. It is a 5 factor scale containing 21 items scale to measure cultural intelligence at the organizational level. The scale demonstrated an internal consistency (alpha) reliability of .941 in this study.

2. Job Satisfaction Scale developed by Macdonald & Maclntyre (1997) and it includes 10 items. The scale demonstrated an internal consistency (alpha) reliability of .928 in this study.

10. Analysis

Descriptive Statistics

Organizational Cultural Intelligence dimensions and Job Satisfaction as perceived by the Process associates

Table 1: Minimum, Maximum, Mean and S. D of the Variables of the study

<table>
<thead>
<tr>
<th>Variables</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Satisfaction</td>
<td>0</td>
<td>4</td>
<td>2.5075</td>
<td>0.80341</td>
</tr>
<tr>
<td>Organizational Cultural Intelligence</td>
<td>0.14</td>
<td>3.9</td>
<td>2.5117</td>
<td>0.63126</td>
</tr>
</tbody>
</table>

The above table indicates that Organizational Cultural Intelligence (2.51) is the most perceived and least is Job Satisfaction (2.50).

Analysis Based on Pearson Correlation

Hypothesis-1: Organizational Cultural Intelligence dimensions and Job Satisfaction and do not relate with each other.

Table 2: Karl Pearson’s Correlation Coefficients among Organizational Cultural Intelligence Dimensions and Job Satisfaction

<table>
<thead>
<tr>
<th>Model</th>
<th>Leadership Behaviour</th>
<th>Adaptability</th>
<th>Training</th>
<th>Intentionality</th>
<th>Inclusion</th>
<th>Job Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership Behaviour</td>
<td>1</td>
<td>.711**</td>
<td>.665**</td>
<td>.612**</td>
<td>.640**</td>
<td>.468**</td>
</tr>
<tr>
<td>Adaptability</td>
<td>.711**</td>
<td>1</td>
<td>.716**</td>
<td>.721**</td>
<td>.662**</td>
<td>.471**</td>
</tr>
<tr>
<td>Training</td>
<td>.665**</td>
<td>.716**</td>
<td>1</td>
<td>.714**</td>
<td>.743**</td>
<td>.511**</td>
</tr>
<tr>
<td>Intentionality</td>
<td>.612**</td>
<td>.721**</td>
<td>.724**</td>
<td>1</td>
<td>.706**</td>
<td>.404**</td>
</tr>
<tr>
<td>Inclusion</td>
<td>.640**</td>
<td>.662**</td>
<td>.743**</td>
<td>.706**</td>
<td>1</td>
<td>.587**</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>.468**</td>
<td>.471**</td>
<td>.511**</td>
<td>.404**</td>
<td>.587**</td>
<td>1</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

From the analysis it can be noted that the overall strength of the relationship between Organizational Cultural Intelligence dimensions and Job Satisfaction dimensions were moderate to high though all relationships were positive and significant at the .01 level.

The null hypothesis is rejected and the alternate hypothesis is accepted: There is a relationship between Organizational Cultural Intelligence and Job Satisfaction.
Analysis Based on Regression Analysis

Hypothesis-2: Organizational Cultural Intelligence dimensions do not influence Job Satisfaction.

Table 3: Model summary of Organizational Cultural Intelligence-Job Satisfaction

<table>
<thead>
<tr>
<th>Model</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.379</td>
<td>0.348</td>
<td>0.64885</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Inclusion, Leadership Behaviour, Intentionality, Adaptability, Training
b. Dependent Variable: Job Satisfaction

Table 4: ANOVA of Organizational Cultural Intelligence-Job Satisfaction

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>25.674</td>
<td>5</td>
<td>5.135</td>
<td>12.196</td>
<td>.000*</td>
</tr>
<tr>
<td></td>
<td>67.774</td>
<td>100</td>
<td>0.421</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Job Satisfaction
b. Predictors: (Constant), Inclusion, Leadership Behaviour, Intentionality, Adaptability, Training

Table 5: Regression Coefficients of Organizational Cultural Intelligence Dimensions-Job Satisfaction

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>0.586</td>
<td>0.272</td>
<td></td>
<td>2.157</td>
</tr>
<tr>
<td>Leadership Behaviour</td>
<td>0.118</td>
<td>0.147</td>
<td>0.097</td>
<td>0.802</td>
</tr>
<tr>
<td>Adaptability</td>
<td>0.134</td>
<td>0.156</td>
<td>0.115</td>
<td>0.858</td>
</tr>
<tr>
<td>Adaptability</td>
<td>0.134</td>
<td>0.156</td>
<td>0.115</td>
<td>0.858</td>
</tr>
<tr>
<td>Intentionality</td>
<td>-0.208</td>
<td>0.144</td>
<td>-0.199</td>
<td>-1.442</td>
</tr>
<tr>
<td>Inclusion</td>
<td>0.485</td>
<td>0.136</td>
<td>0.457</td>
<td>3.563</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Job Satisfaction

The results of the Multiple regression analysis indicated that the five predictors of Organizational Cultural Intelligence explained 37.9% of the variance ($R^2=.379$, $F(5,100)= 12.196$, $p<.001$). Table 4.31, $p< 0.001$ indicates that, overall, the model applied is significantly good enough in predicting Job Satisfaction. Table 4.32, indicates Inclusion significantly predicts Job satisfaction at the 0.01 level of significance.

The regression equation

Job satisfaction = 0.586 + 0.485(inclusion)

The null hypothesis is rejected and the alternate hypothesis is accepted: Organizational Cultural Intelligence dimensions do influence Job Satisfaction.
11. Implications

Patrick & Kumar (2012) have suggested some important strategies which can be adopted to manage workplace diversity.

a. The organization needs to develop and introduce a culture which will reinforce and reward employees engaging in cultural diversity. Title Insurance companies should design a culture and manage it in a manner that difference sets of groups are treated and managed fairly.

b. Employees should be provided with many work options with interacting and working with different types of clients which will increase the strength of the relationships especially with onshore clients’ advancements.

c. The organization should treat their employees fairly in their advancement which should be established only on employees’ competencies and not on the colour, religion, nationality, age, gender, physical handicap or sexual orientation.

d. The organization should provide language training which will make the employees to deal with the cross cultural differences and increase inclusiveness.

e. Employees should be allowed to be candid and honest in debating and dialoguing their personal opinions with their peers and managers. The organization should educate their employees about cultural differences which will equip employees respond more positively to workplace differences.

12. Conclusion

The study will contribute to the existing literature and research being carried in the areas of organizational cultural intelligence. The aim of this study was to examine the relationship between organizational cultural intelligence and its influence on employee job satisfaction. The target group for this study was the process associates working in financial TNCs in Bangalore. The associates having minimum one year of experience was considered for this study. The findings of this study suggest that there is a strong relationship between organizational cultural dimensions and job satisfaction. The findings also suggest that the organizational cultural dimensions predict job satisfaction. This study can be used for future research to examine the organizational cultural intelligence dimensions with other variables like organizational commitment, organizational citizenship behaviour, and work motivation in different sectors.

Finally, the study clearly advises that the organization should take measures to handle the cross-cultural environment which could make the employee to feel satisfied with their work which in turn will make employees productive.
References


