

## **A Study of Cultural Intelligence of Employees and Its Relationship with Organizational Citizenship Behavior in a Multinational Company**

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**Abstract:** *Cultural Intelligence (CQ) plays a crucial role in the workplace, especially in Multinational organizations. The importance of cultural intelligence is strongly felt by the organizations as globalization has become an integral part of the global business model. Personal factors such as job satisfaction, motivation, tenure of employment, workplace values combined with two way covenantal relationships between the employer and the employee sets the organizational citizenship behavior of the employees. Organizational citizenship behavior (OCB) is another critical factor for organizations to nurture and develop a team that is engaged and committed in delivering the business results. The current study aimed at finding the relationship of cultural intelligence of employees working in a multinational company in Singapore and their OCB. Earley and Ang's Cultural Intelligence scale, 2005 and Organizational Citizenship Behavior Checklist (OCB-C), 2011 developed by Suzy Fox and Paul E Spector, were used for the study. The findings suggest that there is a significant relationship between cultural intelligence and OCB. It also further reveals that there are meaningful relationships of behavioral and cognitive CQ with the OCB.*

**Keywords:** *Cultural Intelligence (CQ), Organizational Citizenship Behavior (OCB), Cultural understanding, Employee effectiveness*

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### **I. Introduction**

The ongoing globalization of economies across the world have paved way for unlimited growth opportunities combined with fierce business competitions to organizations. The advanced technologies in the civil aviation, land and sea transportations have made organizations to establish their presence across the world in a much easier way. As the technology evolves to simplify and provide solutions to the modern day business challenges, the risk of managing a diverse global workforce is becoming a constant challenges to the multinational organizations.

Successful organizations appreciate the complexities of different cultures and at the same time, encourage its workforce to recognize the positive differences amongst the team. Singapore, having the geographical advantage in the middle of Asia Pacific region with its advanced infrastructure facilities, hosts a number multinational companies with the regional headquarters set up. A good OCB of the employees lead to cohesiveness within the team that works well both for the employees as well as the organizations. In the current business environment, the aggressive growth ambitions of organizations require its workforce not only to understand the technological advancements in the business arena, but also to understand and appreciate the different cultures within the organizations and the business environment.

OCB, exhibited by individuals are not formally recognized or rewarded, but it collectively improves the effective function of the organization. Culture, in its broader context is defined by Marsella and Yamada (2000) as: shared learned meanings and behaviors that are transmitted from within a social activity context for purposes of promoting individual / societal adjustment, growth, and development. Culture has both external (i.e., artefacts, roles, activity contexts, institutions) and internal (i.e. values, beliefs, attitudes, activity contexts, patterns of consciousness, personality styles, epistemology) representations. Changes in internal and externs responses lead to continuous changes and modifications in the shared meanings and behaviors. Researches prove that the people with high cultural intelligence have the capability to function effectively in culturally diverse settings.

Findings from many a studies, reveals that both OCB and cultural intelligence are important aspects of the people management in an organization. These two factors help organizations in driving the business strategy more effectively. The current study aim at finding the level of cultural intelligence and OCB of employees and the relationship between these two factors.

## **II. Review of Literature**

### **Organizational Citizenship Behavior (OCB)**

Morgan defines OCB as "individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate prompts the effective function of the organization." Podsakoff et al (1990, 107–142), suggest that OCB has five key elements that measure conscientiousness, sportsmanship, civic virtue, courtesy and altruism. The general perception of an organization that it supports its employees and value their contributions has a direct influence on the behavior of the employees. This is emphasized in a study by Eisenberger, Huntington, Hutchison and Sowa (1986) that the importance of reciprocal relationships between the employee-organization and the perceptions of organizational support were visibly linked to the attendance of the employees.

A vast majority of the OCB studies have been conducted at individual level. However, there has been recent focus by the researchers from individual to group level OCB, that is referred as collective citizenship behavior, unit level OCB or team OCB. Martin C. Euwema, Hein Wendt and Hetty van Emmerik (2007). According to Podsakoff et al., 2000, though there has been increasing recognition on the cultural context of OCB and group OCB, little attention has been paid on the empirical studies so far.

According to Bateman and Organ, 1983; Puffer, 1987, several studies produced results that suggest a significant, positive relationship between job satisfaction and OCB. Gibson, Ivancevich, and Donnelly, 2000, suggest that behavior of the members of an organization influences the organizational effectiveness. In their study, Ackfeldt and Coote (2005) finds that behavior at work and the job attitude has a positive relationship with Organizational Citizenship Behavior (OCB). Organizational competitiveness and performance is positively influenced by citizenship behavior, with the tangible benefits to the organizations, Mark C. Bolino, William H. Turnley and Todd Averett (2003).

### **III. Cultural Intelligence (CQ)**

Thomas and Inkson 2004, suggest that it is hard to express culture in words written on a page, as the essence of it is more subtle. Thomas and Inkson 2004. Cultural intelligence of employees helps organizations to operate in a cross cultural business environment. Cultural intelligence (CQ) is defined as the individual's capability to function effectively in culturally diverse settings (Ang & Van Dyne, 2008; Earley & Ang, 2003).

Earley and Mosakowski (2004) relate cultural intelligence to someone from outside the culture who has a "seemingly natural ability to interpret someone's unfamiliar and ambiguous gestures in just the way that person's compatriots and colleagues would, or even to mirror them." The cultural compositions of work team in organizations have been constantly changing with employees of multiple culture due to the globalization effect and the trend is expected to continue in the future, Kevin S. Groves and Ann E. Feyerherm (2011).

Organizations require global leaders to have leadership competencies that include cross-cultural skills or leader cultural intelligence, Ang et al., 2007. Metacognitive CQ, Cognitive CQ, Behavioral CQ and motivational CQ are the four components of the four dimensional CQ model that is developed and validated by Ang and colleagues (Ang et al., 2007; Ang & Van Dyne, 2008; Van Dyne, Ang, & Koh, 2008). The capability to exhibit appropriate verbal and non-verbal behaviors in a culturally diverse settings is defined as behavioral CQ by Earley and Ang, 2003.

In a study conducted by Wendi L. Adair, Ivona Hideg, and Jeffrey R. Spence (2013), the findings show a positive effect of behavioral and metacognitive CQ on shared values in culturally heterogeneous teams, while motivational and metacognitive CQ had a negative effect on shared values in culturally homogeneous teams. Cultural intelligence is distinct from other cultural competencies, as its framework of multiple intelligences is theoretically grounded (Ang et al., 2007; Earley & Ang, 2003; Sternberg, 1985). Cultural adaptation of expatriates at workplace is influenced by behavioral CQ that refers to intercultural communication sensitivity and flexibility in interacting with others (Ang et al., 2007; Earley & Ang, 2003).

### **Importance of the Study**

The practical realities of globalization are acknowledged by CQ, with a specific focus on intercultural settings (Earley & Ang, 2003). On the other hand, the focus on OCB has been shifted from individual to group level, further to the globalization effect and the practical challenges in the people management within the business context. In the recent past, organizations have started investing in developing the cultural intelligence competencies of its team. It suggest the importance to understand the relationship of cultural intelligence and OCB of employees.

#### IV. Research Methodology

##### Objectives of the study:

The objective of the study is to find the relationship of cultural intelligence with the OCB of the employees. The study attempts to understand the socio-demographic characteristics of the respondents. Descriptive research design is used in this study.

##### Hypotheses

1. Respondents' age group, gender, years of experience and the level of OCB of the employees will be significantly associated.
2. The level of personal economic status of respondents will have significant differences with the cultural intelligence
3. The overall cultural intelligence and the 4 dimensions of it will have significant positive correlations with the OCB of the employees.

##### Universe & Sample

The study was done in a multinational company that has its regional headquarter based in Singapore. 32 employees out of total 60 employees consented to take part in the study.

##### Research Design

The researcher used the random sampling method in this study.

The above hypotheses were tested using statistical tests such as chi-square test, correlations test and ANOVA.

##### Tools of Data Collection

Organizational Citizenship Behavior Checklist (OCB-C), 20 item version and Cultural Intelligence (CQ) 20 item measures were used to measure the relationship of cultural intelligence and OCB of the employees. A common socio-demographic questionnaire was administered along with both the scales. The researched used surveymonkey.com, an online survey portal to gather the data from the respondents.

##### Organizational Citizenship Behavior Checklist (OCB-C)

20 item self-rated Organizational Citizenship Behavior Checklist (OCB-C) instrument (Suzy Fox and Paul E Spector, 2011) was used to measure the OCB of the employees. This scale is designed with five-point multiple-choice responses. Reliability of OCB-C scale for the current study is Cronbach's Alpha 0.938.

##### Cultural Intelligence (CQ)

Soon Anget.al's (2007) 20 item CQ scale was used to measure the cultural intelligence of the respondents. The cronbach's alpha reliability of the CQ is 0.932 for the current study.

##### Limitations of the study

The study included participants of all levels in the sample organization. Though it is the regional headquarter of the organization, some of the employees did not have the job responsibility to work with their colleagues across the Asia Pacific region. This could slightly vary the level of cultural intelligence of those that work with different countries within the region. It is the self-rated measure of cultural intelligence and OCB. It does not include the peers or managers' response.

#### V. Results and Discussions

**Table 1:** Distribution of Educational Qualification, Personal Economic Conditions and number of countries worked for

| Sl.No                                  | Variables             | Frequency | Percent |
|--|-----------------------|-----------|---------|
| <b>1. Educational Qualification</b>    |                       |           |         |
|  | Diploma               | 3         | 9.4     |
|  | Graduation            | 13        | 40.6    |
|  | Post-graduation       | 16        | 50.0    |
|  | Total                 | 32        | 100.0   |
| <b>2. Personal Economic Conditions</b> |                       |           |         |
|  | Highly Satisfying     | 1         | 3.1     |
|  | Satisfying            | 20        | 62.5    |
|  | Moderately Satisfying | 10        | 31.3    |
|  | Not Satisfying        | 1         | 3.1     |
|  | Total                 | 32        | 100.0   |
| <b>3. No of Countries worked for</b>   |                       |           |         |
|  | only one country      | 11        | 34.4    |

|  |                       |    |       |
|--|-----------------------|----|-------|
|  | 2 - 4 countries       | 17 | 53.1  |
|  | 5 - 7 countries       | 3  | 9.4   |
|  | more than 7 countries | 1  | 3.1   |
|  | Total                 | 32 | 100.0 |

**Table 2:** Distribution of Age Group, Gender and Marital Status of the respondents

| Sl.No     | Variables             | Frequency | Percent |
|-----------|-----------------------|-----------|---------|
| <b>1.</b> | <b>Age Group</b>      |           |         |
|           | 20 - 27 years         | 3         | 9.4     |
|           | 28 - 35 years         | 7         | 21.9    |
|           | 36 - 43 years         | 15        | 46.9    |
|           | 44 - 51 years         | 5         | 15.6    |
|           | 52 years and above    | 2         | 6.3     |
|           | Total                 | 32        | 100.0   |
| <b>2.</b> | <b>Gender</b>         |           |         |
|           | Male                  | 20        | 62.5    |
|           | Female                | 12        | 37.5    |
|           | Total                 | 32        | 100     |
| <b>3.</b> | <b>Marital Status</b> |           |         |
|           | Single                | 14        | 43.8    |
|           | Married               | 18        | 56.3    |
|           | Total                 | 32        | 100     |

**Table 3:** Distribution of respondents by their level of OCB

| Sl. No. | Level of quality of LMX | Frequency | Percent |
|---------|-------------------------|-----------|---------|
| 1       | Very Low                | 3         | 9.4     |
| 2       | Low                     | 16        | 50.0    |
| 3       | Moderate                | 10        | 31.3    |
| 4       | High                    | 2         | 6.3     |
| 5       | Very High               | 1         | 3.1     |
|         | Total                   | 32        | 100.0   |

More than half of the (59.4%) of the respondents have low to very low level of OCB. About one third (31.3%) of the respondents have a moderate level of OCB. Meager values (3.1%) of respondents have very high level of OCB.

**Table 4:** Distribution of respondents by their level of Cultural Intelligence

| Sl. No. | Level of Cultural Intelligence | Frequency | Percent |
|---------|--------------------------------|-----------|---------|
| 1       | Low                            | 1         | 3.1     |
| 2       | Moderate                       | 5         | 15.6    |
| 3       | High                           | 19        | 59.4    |
| 4       | Very High                      | 7         | 21.9    |
| 5       | Total                          | 32        | 100.0   |

A majority of the (81.3%) of the respondents have high to very high level of cultural intelligence. Less than one fifth (15.6%) of the respondents have a moderate level of cultural intelligence. Meager values (3.1%) of respondents have low level of cultural intelligence.

**Table 5:** Distribution of respondents by association between the level of OCB and age group, gender, educational qualification and experience

| Sl. No    | Variables             | Level of OCB    |            |                 |            |                | Statistical Inference                    |
|-----------|-----------------------|-----------------|------------|-----------------|------------|----------------|--|
|           |                       | Very High (n=1) | High (n=4) | Moderate (n=10) | Low (n=16) | Very Low (n=3) |  |
| <b>1.</b> | <b>Age group</b>      |                 |            |                 |            |                | $\chi^2 = 22.961$<br>df = 16<br>P > 0.05 |
|           | a) 20 - 27 years      | 0               | 0          | 2               | 0          | 1              |  |
|           | b) 28 - 35 years      | 0               | 1          | 0               | 4          | 2              |  |
|           | c) 36 - 43 years      | 1               | 0          | 8               | 6          | 0              |  |
|           | d) 44 - 51 years      | 0               | 1          | 0               | 4          | 0              |  |
|           | e) 52 years and above | 0               | 0          | 0               | 2          | 0              |  |
| <b>2.</b> | <b>Gender</b>         |                 |            |                 |            |                |  |

|                       |                            |   |   |   |   |   |  |
|-----------------------|----------------------------|---|---|---|---|---|--|
|                       | a) Male                    | 0 | 1 | 8 | 8 | 3 | $\chi^2 = 5.973$<br>df = 4<br>P > 0.05   |
|                       | b) Female                  | 1 | 1 | 2 | 8 | 0 |  |
| 3                     | <b>Years of Experience</b> |   |   |   |   |   |  |
|                       | a) Less than 4 years       | 0 | 0 | 2 | 1 | 1 | $\chi^2 = 20.972$<br>df = 16<br>P > 0.05 |
|                       | b) 5 to 8 years            | 0 | 0 | 0 | 0 | 1 |  |
|                       | c) 9 to 12 years           | 0 | 1 | 2 | 4 | 1 |  |
|                       | d) 13 to 16 years          | 0 | 0 | 4 | 2 | 0 |  |
| e) More than 16 years | 1                          | 1 | 2 | 9 | 0 |   |  |

Chi-square test was applied to find the association between the level of the OCB and age group, gender and years of experience of the respondents. It is observed that the calculated values (22.961, 5.973 and 20.972) are less than the table value at 5% significance level. Since  $p > 0.05$ , it is concluded that there are no significant associations between the level of OCB and age group, gender and years of experience of the respondents.

**Table 6:** One way analysis of variance between the level of personal economic status and the cultural intelligence of the respondents

| Economic Status       | N  | Mean   | Std. Deviation | Sum of Squares | df | Mean Square | Statistical inference |
|-----------------------|----|--------|----------------|----------------|----|-------------|-----------------------|
| Between Groups        |    |        |                | 271.519        | 3  | 90.506      | F = .331              |
| Highly satisfying     | 1  | 93     |                |                |    |             | df = 3/28             |
| Satisfying            | 20 | 100.95 | 15.77631       |                |    |             |                       |
| Moderately satisfying | 10 | 105    | 18.06777       |                |    |             | .803 > .05            |
| Not Satisfying        | 1  | 93     |                |                |    |             | Not Significant       |
| Within Groups         |    |        |                | 7666.95        | 28 | 273.82      |                       |

There are no significant differences at 5% level of the table value between the level of personal economic status and the cultural intelligence of the respondents. Since the calculated value is less than the table value, it is inferred that there are no significant differences between the level of personal economic status and the cultural intelligence of the respondents.

**Table 7:** Correlations between the cultural intelligence and the quality of leader-member exchange

| Means, Standard Deviations and Correlations |        |       |        |        |        |        |        |   |
|---|--------|-------|--------|--------|--------|--------|--------|---|
| Variable                                    | Mean   | SD    | 1      | 2      | 3      | 4      | 5      | 6 |
| 1. Organizational Citizenship Behavior      | 53.84  | 13.31 | 1      |        |        |        |        |   |
| 2. Motivational CQ                          | 27.41  | 4.53  | .323   | 1      |        |        |        |   |
| 3. Cognitive CQ                             | 25.20  | 5.84  | .440*  | .503** | 1      |        |        |   |
| 4. Metacognitive CQ                         | 22.13  | 4.08  | .316   | .661** | .528** | 1      |        |   |
| 5. Behavioral CQ                            | 26.94  | 5.46  | .371*  | .558** | .472** | .474** | 1      |   |
| 6. Overall CQ                               | 101.72 | 16.00 | .459** | .826** | .803** | .796** | .792** | 1 |

\*\* . Correlation is significant at the 0.01 level (2-tailed).  
\* . Correlation is significant at the 0.05 level (2-tailed).

Pearson product-moment correlation coefficient test was applied to identify the correlations between the cultural intelligence, its four dimensions and the OCB as rated by the employees. There was a positive correlation of overall cultural intelligence and the OCB of the employees at 0.01 level (2-tailed). Cognitive CQ, Behavioral CQ and the OCB are positively correlated at the 0.05 level (2-tailed). No significant differences between the cultural intelligence and the quality of leader-member exchanges is inferred, as  $p$  is greater than 0.05 ( $p > 0.05$ ).

**Major Findings related to the hypotheses**

1. There are no significant association between respondents' age group, gender, years of experience and the level of OCB.
2. The level of personal economic status and the cultural intelligence of the respondents have no significant differences.
3. Overall CQ and two of its dimensions cognitive CQ, behavioral CQ are positively correlated with the OCB of the employees.

### **Social Work Intervention and Suggestions**

The ongoing globalization of economies has its own advantages and disadvantages. When the organizations are not prepared to deal with the challenges, achieving the organizational strategy becomes a difficult task. This further leads to challenges both on business and people management. Multinational organizations invest a lot of money in developing a highly engaged and motivated workforce that can support the organization in driving the business objectives. OCB and CQ are closely related to people within the organizational contexts which could help the HR function to improve the effectiveness and engagement of the employees. Focused learning opportunities and on-the-job training in cultural intelligence through management / leadership development programs, could help employees to enhance their CQ skills.

### **VI. Conclusion**

The findings of the study suggest the positive relationship of CQ and OCB, which is an important aspect of people management in the overall business context. Several researches have proved that OCB and CQ could positively contribute to the productivity and effectiveness of the employees. Future studies may be pursued to explore further on the effect of CQ dimensions on OCB.

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