

Effect of Cultural Intelligence on Leadership Effectiveness through Personality Traits

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ABSTRACT

This study aimed at knowing the mediating role played by personality traits in the relationship between cultural intelligence and leadership effectiveness. 260 leaders (heads and managers) of different organizations in Multan with age range 22 to 60 years participated in this study. Data were obtained on three questionnaires; Ten-item Personality Inventory TIPI, Four Factor Cultural Intelligence Scale (CQS), and Leadership Effectiveness Scale along with a demographic variable sheet. Results showed the significant relationship between cultural intelligence and leadership effectiveness. Findings revealed the mediating effects of personality traits of conscientiousness and openness to experience in the relationship of cultural intelligence and leadership effectiveness among heads and managers.

General Terms

Leaders, Workplace environment, Diverse culture, Personal attributes,

Keywords

Cultural intelligence, Globalization, Leadership, Personality traits, Organizations

1. INTRODUCTION

Managers working in contemporary, differing situations and organizational environments must establish the mentality for heading the multicultural groups of the future [1]. Rhinesmith proceeded with that the system for worldwide outlook holds the information for continually striving to comprehend different societies. Rhinesmith included that a worldwide outlook is an incorporated system that affirms competitiveness, equals inconsistencies, empowers adaptability, and keeps up openness to experience and consistent learning.

In worldwide organizations, leaders confront the stark reality that workers and clients are progressively culturally differing. Like never before, now global leaders need cultural capabilities to work viably in cross-outskirt, multi-ethnic situations [2]. Global leaders embrace and receive metacognitive CQ standards in leadership processes [3]. Deng and Gibson [4] also found in-depth interviews with Chinese managers demonstrated that motivational CQ is a sine qua non for culturally diverse leadership effectiveness.

The industrialized European, Japanese, and the Anglo-American cultures are converging now [5]. As leaders and managers are progressively exposed to worldwide work assignments and to a socially assorted working environment both globally and locally, organizations that proactively address the inquiry of national and worldwide culture will receive significant benefits [6]. If culture is viewed as the collective mental process that recognizes members of one human group from an alternate [7], then cultural intelligence is the capability to effectively work in situations where people have experienced distinctive programming [8].

When the globalized system of corporate organizations gets to be more available, we connect more with individuals from distinctive cultures. This requires cultural intelligence (CI) which is comprehensively characterized as the ability to arrangement viably with individuals from diverse societies [9; 10] which permit leaders and subordinates to transcend their social programming and capacity adequately in multifaceted settings. CI is dealt with here as an imperative skill of 21st century leaders. CI measured as CQ, is another area of intelligence which is important to the undeniably worldwide work environment of multinational (MNC) organizations and in addition the assorted qualities that portrays domestic organizations.

Rather than different sorts of intelligences, for example, emotional and social intelligence which need consideration regarding culturally diverse settings and are generally void of multicultural

affluence, CQ reflects an individual's ability of creating totally novel behavior needed in an alternate culture [11]. Adaptability of thought toward oneself and simplicity of incorporating new features into it are connected with high CQ. Having high CQ likewise implies that an individual is equipped for reformulating originations of self and others as new information is obtained. Ng and Earley [12] contended that CQ is both emic and etic. An emic point of view of intelligence analyzes what constitutes discernment in a specific culture, and its associations with different builds in that society. The etic viewpoint then again takes the thought of intelligence to a more general level – it considers intelligence as a capability that exchanges across cultures. In this way CQ is the capacity to be successful across, and not just inside societies.

Earley [9] presented a conceptual model that incorporates (1) a metacognitive, (2) motivational and (3) behavioral elements of cultural intelligence. The cognitive feature includes cognitive and metacognitive procedures that allude to information processing features of intelligence. It might be seen as the aggregate learning and experience concerning cultural adjustment of an individual laid in memory. Motivational CQ alludes to a person's degree of interest and drive to adjust to new cultural surroundings [13]. Behavioral aspect alludes to the practices an individual participates in when interfacing with people of other society. The behavioral part of CQ proposes that social adjustment is not just knowing (cognitive) and being able to persist (motivational) additionally having the reactions required in one's behavioral repertoire. Regardless of the fact that leaders have the key speculation and knowledge (head) and vitality (heart), they will be unable to act properly. The behavioral aspect is the "assortment of CQ". It is the action element of CI through which aims and demands are transformed into activities [14].

Studies utilizing the enormous Five Factor Model of personality (openness, extraversion, conscientiousness, agreeableness and neuroticism; Mccrae & Costa [15; 16] have discovered that conscientiousness positively predicted all job performance in all occupational groups, and extraversion (identifying with social abilities) supported effective performance in leaders [17].

Empirical studies demonstrated discriminant validity of the four aspects of CQ contrasted with the Big Five personality traits [18] and exhibited that openness to experience, the propensity to be inventive, innovative, and adventures [19], was related with all four aspects of CQ. This bodes fact that CQ is a set of abilities focused at novel cultural circumstances. Moody [20] additionally found that openness to experience contributed in

CQ, and the six sub facets of openness to experience - intellectual proficiency, resourcefulness, interest, tolerance, and profundity were fundamentally identified with the four aspects of CQ [21].

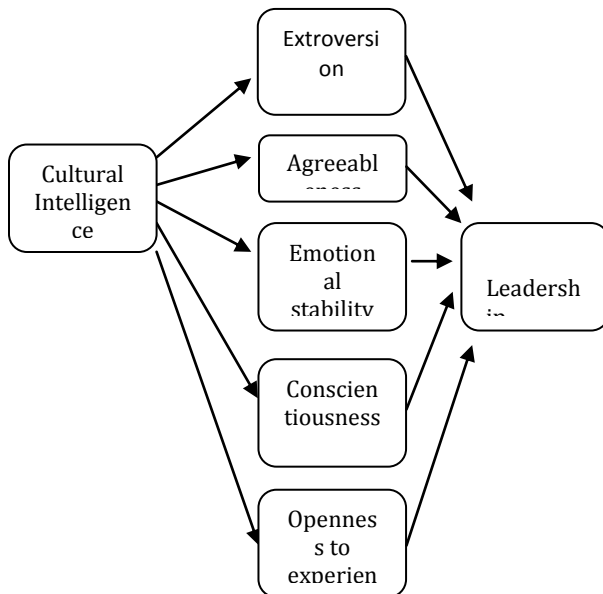
Studies on the relationship between openness to experience and CQ have additionally prompted studies on CQ as a mediator between personality and adjustment related outcomes [21]. These studies render new force to personality research on openness to experience. The general perspective of openness has been that it is a moderately futile attribute in light of the fact that it did not exhibit consistent associations with employment related outcomes, unlike the other components of the Big Five [22].

To date, investigations speculates that as CQ is a state-like individual difference [23; 24], it is anticipated by some personality attributes. Particularly, study reliably demonstrates that openness to experience is a key indicator of general CQ and the dimensions of CQ. However, findings related to other Big Five personality attributes are ambiguous - with significant connections in a few studies but not others [18; 20]

One of the quantitative studies demonstrated that impact of visionary-transformational leadership on organizational innovation is magnified by senior leader's CQ [25]. CQ empowered these leaders to set socially suit-able objectives, attain clarity in leadership, and execute more organizational innovations. Rockstuhl et al. [26] inspected general intelligence, EQ, and CQ of Swiss military leaders. General intelligence anticipated leadership viability in both local and across. Interestingly, well beyond general intelligence, EQ was a stronger indicator of leadership effectiveness in local settings while CQ was a stronger indicator of leadership effectiveness in across the cultures. This demonstrates that compelling domestic leaders are not necessarily successful worldwide leaders, with CQ a key separating variable [27].

Reviewing the literature on leadership effectiveness and cultural intelligence, the present study extents the literature by examining the role of cultural intelligence as predictor of leadership effectiveness mediating through personality traits. It was assumed that (1) cultural intelligence will affect the leadership effectiveness, (2) cultural intelligence will be correlated with personality traits, (3) personality traits will predict leadership effectiveness, and (4) cultural intelligence will affect the leadership effectiveness through personality traits.

Hypothesized Model



2. METHOD

2.1 Participants

Utilizing convenience sampling technique, 260 managers aged between 22-60 years were approached at different organizations in Multan. They were of different educational level and job tenure.

2.2 Instruments

Following scales were administered to collect the information from managers of different organizations.

2.2.1 Cultural Intelligence Scale (CQS)

Cultural Intelligence Scale [28] measures cultural intellectuality in four facets; logical ability (cognition), high order of understanding (metacognition), enthusiasm (motivation) and manners according to culture (behavior). It is a 20-item scale with 7-point Likert scale wherein 1 shows strongly disagree and 7 shows strongly agree. High scores on each subscale indicate higher intellectuality level. Scores are added up on all four features to obtain a total score of cultural intelligence. High score depicts higher level of cultural intelligence. The reliability coefficient of this scale was found 0.93.

2.2.2 Ten-Item Personality Inventory-(TIPI)

Ten-item Personality Inventory [29] measures five personality traits; extraversion, agreeableness, conscientiousness, emotional stability, and openness to experiences. Responses are obtained on 7-point Likert scale ranging from strongly disagree (1) to strongly agree (7). All even items are recoded first and then scores on each trait are obtained by adding the responses as following; for extraversion 1 and 6, agreeableness 2 and 7, conscientiousness 3 and 8, emotional stability 4 and 9, and openness to experiences 5 and 10. Reliability coefficient of this scale was found 0.62.

2.2.3 Leadership Effectiveness Scale

Leadership Effectiveness Scale [30] is a 30-item scale describing 30 practices that are commonly demonstrated by acknowledged leaders. Responses are collected on 4-points ranging from 1-4 wherein 4 "Usually if not always, 3 "Fairly often", 2 "Occasionally", 1 "Rarely if ever". Total score is obtained by summing up the responses on all items. 105 to 120 scores are interpreted as "Strong Leader", 90 to 104 as "Good Leader", and 75 to 89 "mean needs to improvement". The reliability coefficient of this scale was found .90.

2.3 Process

Initially 300 managers working in organizations were approached by sending letters to them. After obtaining consent from 260 managers for their voluntarily participation in the study, a booklet comprising three scales; ten-item personality traits, cultural intelligence scale, and leadership effectiveness scale were administered to them. They were provided all the instructions about how to response on questionnaires, and were also assured for the confidentiality of their responses. Whole the data were then analyzed using SPSS-17.

3. RESULTS

To see the inter-relationship among cultural intelligence, personality traits, and leadership effectiveness, correlation matrix was computed (Table 1). To analyze the effects of cultural intelligence on personality traits and then the effects of personality traits on leadership effectiveness, path coefficients were obtained through the analysis of bootstrapping on smartPLS (Table 2).

Openness to Exp -> Leadership Effectiveness	0.2102*	2.5358*
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Table 1. Mean, SD, & Correlations Matrix

		M	SD	1	2	3	4	5	6	7
1	Cultural Intelligence	108.3	32.92	1						
2	Extroversion	9.776	3.096	.234**	1					
3	Agreeableness	8.961	2.742	-.097	.086	1				
4	Emotional Stability	9.507	2.487	.063	.339**	.360**	1			
5	Conscientiousness	8.496	.2487	-.142**	-.072	-.045	-.030	1		
6	Openness to experience	7.742	3.373	-.300**	-.317**	.221**	-.123*	.232**	1	
7	Leadership Effectiveness	77.25	15.68	.427**	-.015	.043	.085	.152**	.199**	1

*p>.05, **p>.001

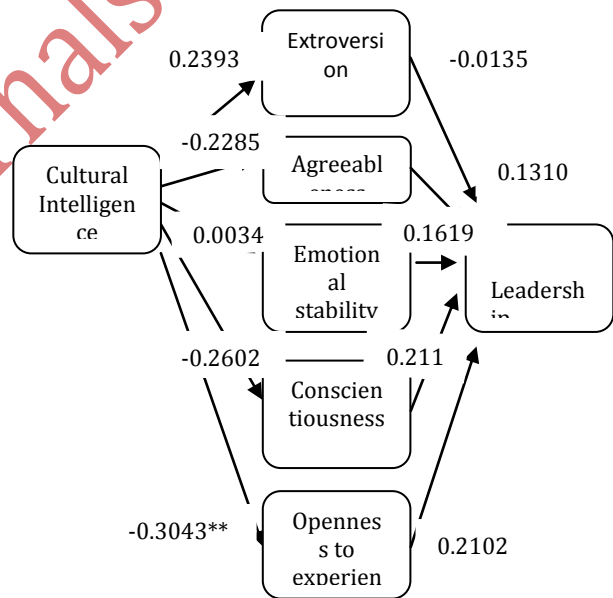
Table 1 shows that mean scores on cultural intelligence and leadership effectiveness are higher among managers. Cultural intelligence and leadership effectiveness were found significantly related with conscientiousness, and openness to experience.

Table 2

Standardized Coefficients and t-values from Path analysis of the trans-contextual Model

Relationship	Path Coefficients	T Statistics
Cultural intelligence -> Extroversion	0.2393**	2.1163**
Cultural intelligence -> Agreeableness	-0.2285	1.1881
Cultural intelligence -> Emo-stability	0.0034	0.0254
Cultural intelligence -> Conscientiousness	-0.2602	1.7268
Cultural intelligence -> Openness to Exp	-0.3043**	2.7814**
Extroversion -> Leadership Effectiveness	-0.0135	0.0906
Agreeableness -> Leadership	0.1310	0.6560
Emo-stability -> Leadership Effectiveness	0.1619	0.7691
Conscientiousness -> Leadership Effectiveness	0.2111*	2.6974*

Path Analysis



4. DISCUSSION

As a look into the review literature had provided the notions that managers and their employees working in organizations may differ in experiencing their intelligences in terms of cultural intelligence. Supervisors and their subordinates may have different personality traits as well. In domain of organizational behavior, big five personality traits are important to understand the behaviors of employees at work place. Employees at working place also utilize their capacity for leading the environment. Thus leadership effectiveness is entirely the matter of how employees

have understanding or intelligence for their working places. Personality types are also the functions of leadership effectiveness.

On the basis of this review, the present study was designed to see the relationship between cultural intelligence and leadership effectiveness mediated by personality types. It was the objective of the present study that when cultural intelligence is combined with types of personality traits then how much the leading power of managers is effective for organizations. Findings revealed that cultural intelligence is closely related to leadership effectiveness and is a significant positive predictor of leadership effectiveness. These findings are in line with the work of [31] who elaborated that cultural intelligence and big five personality traits affect leadership effectiveness. Another research of [32] further depicted that culture intelligence is important contributor for leadership effectiveness.

The current study further examined the role of big five personality traits in the relationship of cultural intelligence and leadership effectiveness. It was assumed that managers of different personality traits and cultural intelligence will have differing effective leadership. Results indicated that there are significant effects of cultural intelligence combined with extroversion on leadership effectiveness. Findings are in consistent with the study of [33]. They found that any change could be seen in cultural intelligence due to extroversion, agreeableness, conscientiousness personality traits but openness to experience and emotional stability do not relate to cultural intelligence.

Path coefficients through path analysis showed the significant paths between cultural intelligence and conscientiousness and openness to experience. It implied that the paths from cultural intelligence to conscientiousness and openness to experience, and the paths from conscientiousness and openness to experience to leadership effectiveness are significant and proved that the relationship between cultural intelligence and leadership effectiveness is mediated by personality traits of conscientiousness and openness to experience. These findings are in tune with the work of [18] and [19] that compared the big five personality traits and cultural intelligence and found openness to experience has high tendency to be related with cultural intelligence because of ingenuity, vision and exciting activity. Some cultures have high tendency and allow to openness to experience but in some cultures it's not allowed.

4.1 Conclusion

The present study has offered important findings related to the leaders' effective performance in organizations. Findings evidenced that leaders who

transform their enterprises, open to new possibilities, re-imagine the business purpose, have clear vision for succeeding countries for the job market, and recognize that large-scale advances are essential. Leadership effective performance now involves a cultural element, as actions must now include understanding and judgments of foreign behaviors. Contemporary cultural values of modern leaders must incorporate diverse, multicultural understanding, and practices. Multicultural leaders encourage diverse people to engage and contribute to their knowledge while solving daily issues.

4.2 Limitations & Suggestions

Though the study has made significant contributions in understanding the factors of leaders' effective performance, the study also acknowledge some limitations. As the study has been completed with a mix sample from public and private organizations, thus the results cannot be generalized to all leaders because of different cultural environment of public and private organizations. Another factor to lacking the external validity is small sample size selecting through convenience sampling technique. Therefore, it is suggested that study may well be replicated with a larger sample through random sampling. Further researchers are invited to explore the same issue separately for public and private sectors.

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