Abstract: In the contemporary business environment, the performance of business organizations around the world requires a high degree of cultural awareness, acceptance and adaptability in their employees, whether they are establishing a global presence or have a growing diversity of workplace demographics. Understanding the dynamism, complexities and subtle nuances between cultures is imperative today. This conceptual paper describes the concept of Cultural Intelligence, its relevance and its role in shaping the organisations' and individuals’ capabilities for successful adaptation to new and unfamiliar cultural settings and hence, contributing to heightening their ability to function effectively and efficiently across cultural boundaries, engaging in cross-cultural interactions appropriately and performing efficiently in Multi Cultural Teams.

1. Statement of the Problem:

Cultural boundaries are an aspect of business that is often overlooked. Culture is often compared to an iceberg. Like the tip of an iceberg, visible aspects of culture such as behavior, eating habits, or clothing are easy to see. Under the surface, however, hides a huge and potentially fatal portion made up of beliefs, values, customs, experiences and assumptions.

Our everyday interactions in the global, contemporary workplaces involve seemingly innocuous interactions like the ones given below:

“I am not comfortable being singled out for praise from my manager. What does this say about my coworkers and teammates? It implies that they are not doing the job as well as I am. In the joint family that I grew up in, this kind of behavior is frowned upon.”

In a meeting where I’m the only woman, I quietly suggest an idea but nobody acts like they are interested. A few minutes later, a male colleague assertively says something very similar and all of a sudden, people are acknowledging his input as being very valid and right.”

“As an unmarried employee, I find that I am expected to put in more hours than my colleagues with spouses, in-laws and kids. They are the ones who are permitted to leave early or come in late, implying that I have no other responsibilities or an active social life.”

However, such thoughts and musings have far reaching consequences, if not immediately checked and clarified upon.

2. Objectives of the Paper:

- To understand cultural diversity in contemporary workplaces and its’ being a challenge to the managing of the human capital.
- To introduce the concept of cultural intelligence, its’ relevance and application in the business / corporate world
- To explore Cultural Intelligence as being an effective means of managing cross cultural dynamics in contemporary businesses.

3. Culture and Cultural Diversity

Culture refers to the people's way of life that is socially learned, shared, and transmitted from generation to generation. Hofstede (1980, pp. 21-23) defines culture as "the collective programming of the mind which distinguishes the members of one group from another", which is passed from generation to generation, it is changing all the time because each generation adds something of its own before passing it on.

Given the inclusiveness of the term culture, it becomes apparent that differences and similarities among cultures could refer to any number of things. People might share a common ancestry, history, family background, political viewpoint or religion and yet, might differ in terms of where they grew up, their age, social class, education, or exposure to cultures other than their own.

4. Cultural Intelligence

Cultural intelligence is the ability to make oneself understood and promote a fruitful collaboration in situations where cultural differences play a role. It involves the ability to act in an
appropriate way in multicultural situations coupled with an open mind which admits new information and is curious about accepting, understanding and bridging the cultural differences.

Cultural intelligence opens up avenues to new experiences. In addition to being more informed about what we might encounter in cross-cultural relationships, we are better prepared to deal with culture shock, or the disorientation we experience when encountering new, radically different situations. Because we can appreciate multiple perspectives and make appropriate adjustments in our behavior, we are much better able to quickly adjust and relate effectively to others whose cultural backgrounds are different.

Ang and Van Dyne (2008) define Cultural Intelligence (CQ) as the “capability of an individual to function effectively in situations characterized by cultural diversity”.

Earley and Mosakowski (2004) relate it to an observation of 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.”

Thomas and Inkson (2004) define cultural intelligence as being skilled and flexible about understanding culture, learning more about a culture from an individual’s interactions with it, gradually reshaping how an individual thinks about culture to be more sympathetic, and changing how an individual behaves more appropriately during cross-cultural interactions.

The Four-Factor Model: Earley & Ang (2003), Ang & Van Dyne (2008), the Best Practice Model, Earley & Mosakowski, (2004) and Global Management Model, Thomas & Inkson (2004) are the conceptual models that seek to explain what attributes enable people to thrive in culturally diverse settings and subsequently how one can cultivate those attributes.

5. Application of Cultural Intelligence

One of the major applications of CI has been the Dimensional Application. The three dimensional application being intercultural engagement, cultural understanding, intercultural communication

The emotional dimension is the motivation we have to achieve a fruitful inter-cultural encounter. Our motivation comes from both external drivers, goals and objectives such as the need to develop a strategy for innovation and internal drivers such as curiosity or an attraction to things or people who are different, perhaps even to the exotic. These drivers determine how much of an investment we are prepared to put into a given situation. This dimension when applied, maybe termed as intercultural engagement.

The cognitive elements requires for an individual to have knowledge about the concept of culture and awareness of cultural diversities as well as knowledge about the characteristics of own and others' cultures. It also consists of cognitive flexibility, openness and the ability to transfer experience from one kind of cultural encounter to another. This dimension is termed cultural understanding.

The behavioral / action component is about what happens during an encounter, how and what we decide to say, do and behave. It is the outcome of our judgments about the situation, based on the emotional and rational data we have collected. It is the activity and communication during the cultural encounter. It consists of various types of interpersonal communication, for instance, listening, questioning, discussing, summarizing, agreeing or disagreeing etc. as well as skills that assist in managing interpersonal relationships, be it body language, etiquette, rituals, rules and / or customs.

The action dimension brings the other two dimensions of cultural intelligence into play, thereby creating the content of the communication. The content of the encounter could be described as the problem to be solved or the decisions to be made. This application dimension can hence be termed as intercultural communication.

Cultural intelligence involves a combination of the three dimensions; none of them can stand alone. The three dimensions of application maybe observed to be equally important and mutually interdependent. For instance, knowledge about the differences between one’s culture and the others’ culture can allow for the planning of an event in a manner that enables effective communication.

6. Augmenting Cultural Intelligence

Having understood the relevance of Cultural Intelligence, how can it be imbibed better, both at an organisational and individual level is to be explored upon.

6.1 Suggestions for Employees (Individuals) to Enhance Receptivity to Cultural Intelligence:

- Being aware of the differences that exist across cultures, bridging the gap by being open minded in exploring the differences, appreciating and imbibing the flavors of new cultures introduced to.

- Toning one’s observational skills whenever in a cross cultural setting, in being mindful always to
behavioral cues, their possible interpretations, and effects on behavior.

- Proactively engaging in intense cross-cultural experiences on a personal level. A few instances being:
  - Attending or being exposed to a social or religious event / celebration / service of a different culture and seeking to know from a member of that culture the significance of the rituals / traditions / celebrations observed.
  - Finding an ethnic organization in the community, participating in a cultural celebration of theirs and having members of the organization explain the significance of the celebration and the symbolism behind the activities.
  - Making use of the abundant data available online to learn of the similarities and differences between any two or more cultures and also the various sub cultures.
  - Being active on online social media and networking sites - connecting with people of diverse backgrounds and becoming a member of online communities that propagate views, opinions and ideas different from one’s own.

6.2 Suggested Organizational Measures to Augment Cultural Intelligence:

- Lay greater emphasis on formal education and training prior to offering employees expatriate assignments, overseas experiences and forming of Multi Cultural Teams (MCT’s). Inclusive of
  - factual training - involving learning from books, lectures, e-resources and area briefings,
  - analytical training in terms of films, culture assimilators, sensitivity training
  - experience based training such as simulations, field trips and role-playing.

- Encourage cross-cultural interactions at work by hosting social and cultural events / get-togethers that highlight the diversity and cultural flavors.

- Form Multi Cultural Teams wherever, whenever possible and facilitate employee participation in those cross-cultural / multicultural groups and teams

- Incentivize, where possible, the proactive learning and enhancement of Cultural Intelligence by employees and teams.

7. Conclusion: Relevance of Cultural Intelligence in the Current Business Context

The documented substantiation provided in the paper in addition to the previous literature leads us to the conclusion that, Cultural Intelligence, if rightly understood and imbibed, will serve to greatly enhance the organizations’ and individuals’ capabilities for successful adaptation to new and unfamiliar cultural settings.

Cultural Intelligence gives business houses a framework and language to understand, appreciate and capitalize on the cultural differences encountered in cross cultural scenarios, rather than tolerate or ignore the (potentially creative) friction caused by the cultural differences. It enables businesses to make more informed evaluations of global counterparts and associates, helping to avoid scenarios that waste precious time, resources and irreversibly damage relationships, consequently positioning their organizations to effectively achieve long and short term business goals.

8. References

3. Elisabeth Plum, (Translated and commented by Dympna Cunnane), Cultural Intelligence- A concept for bridging and benefiting from cultural differences (based on the Danish book Kulturel Intelligens, by Elisabeth Plum in collaboration with Benedikte Achen, Inger Dræby and Iben Jensen. Borsens Forlag, Copenhagen 2007)