

DEVELOPMENT OF CULTURAL INTELLIGENCE IN IMPROVING WORK BEHAVIOR INNOVATIVE

Dina Novita¹, Daulat Marpaung²

¹ Doctoral Program in Economics, University of 17 August 1945, Surabaya,
Indonesia

² Doctoral Program in Economics, University of 17 August 1945, Surabaya,
Indonesia

E-mail: ¹ 1272000016@surel.untag-sby.ac.id

² 1272000029@surel.untag-sby.ac.id

Abstract

Innovative work behavior is critical to organizational success. An individual's competence to understand the cultural preferences, values, norms, beliefs, language, and differences of other members of the organization is important in a culturally diverse workplace. This study aims to determine the effect of cultural intelligence on innovative work behavior through the mediation of work engagement. This study involved 100 employees of the multinational company PT. Unilever Tbk operating in Surabaya. Data collection in this study was carried out using a questionnaire, while the analytical tool used was structural equation modeling (SEM). Based on the results of the study, it is known that cultural intelligence influences innovative work behavior, work involvement has a role as a partial mediation of the relationship between cultural intelligence and innovative work behavior. Employees with high cultural intelligence have a relatively higher level of work involved and tend to display innovative work behavior, so that companies are expected to develop a tolerance for cultural diversity to be able to accept differences, as well as employees must have a broad acceptance of cultural differences, so that with knowledge culture of being able to collaborate with other employees to be active and innovative at work.

Keywords: *innovative, culture, engagement.*

INTRODUCTION

Innovation is an integral part of the organization as an effort to maintain excellence in a highly competitive industrial environment. Innovation helps organizations to achieve competitive advantage and organizational success. Innovation in an organization can occur if there is an effort to motivate employees to be actively involved in innovative work behavior (Afsar *et al.*, 2015). Innovative work behavior refers to the initiation, development, realization, and implementation of new ideas that can improve products, services, processes, and work methods (Yuan & Woodman, 2010). Innovative work behavior is complex

because it is not easy to generate practical, new, proactive, realistic, and feasible ideas. Uncertainty, risk, and resistance from organizational members also add to the complexity of the innovative process (Al Wali *et al.*, 2021). Organizations today have a diverse workforce and teams usually consist of people with different national, cultural, ethnic, background, and religious backgrounds.

A diverse workforce can create flexibility in ideas and stimulate idea development due to different thinking and diverse and unique input. The workforce has culturally diverse backgrounds, especially in multinational companies. To reduce the problems caused by cultural diversity in the workplace, employees must be open to interacting with colleagues from different cultures and must have the ability to build interconnections with different people. Individual competencies are important for employees to successfully engage in innovative activities (McPhillips & Licznarska, 2021). One of the most important individual competencies is understanding cultural differences and having cultural intelligence. Differences often make employees aware of a difference, resulting in misunderstandings and problems in interactions. Lack of cultural intelligence can result in low knowledge and conflict (Bogilović *et al.*, 2017) and reduce the power of innovation. Therefore, employees need cultural intelligence to cope with diverse organizational cultures and to interact effectively with other organizational members. Cultural intelligence refers to an individual's ability to function and manage effectively in culturally diverse situations and settings (Van Dyne *et al.*, 2012). Cultural intelligence helps individuals to adapt effectively to foreign environments and work with members of other countries and cultures through a repertoire of cognitive, behavioral, and motivational abilities. People accustomed to their own culture find it difficult to change norms or beliefs quickly to accommodate other cultures. Culture is a very strong bond. People tend to feel more comfortable in cultures that are like their own because unfamiliar signs or symbols can cause anxiety. Just as other intelligences (eg cognitive, emotional or social) are related to the ability to complete tasks, cultural intelligence is the key to work attitudes or behavior. However, as cultural intelligence has become a global necessity, there are many studies on situations where people have moved to a foreign cultural environment to work (Huff *et al.*, 2014).

PT. Unilever Indonesia Tbk is a multinational company based in Surabaya with employees from different cultural backgrounds. Multinational companies need a better understanding of the possible role of cultural intelligence in employees in achieving organizational success. The amount of cultural diversity in multinational companies is more than that of local or national companies. However, individual innovation in multinational work settings has been largely ignored in various studies. In addition, little research has been done on the relationship between cultural intelligence and work attitudes or behavior (Ott & Michailova, 2018). To fill this gap, the researcher explores the influence of employee cultural intelligence on work-related behavior, namely innovative work behavior. Innovative work behavior is complex because of the uncertainty and risks associated with it (De Jong & Den Hartog, 2010), therefore, the relationship between cultural intelligence and innovative work behavior does not occur directly, it is moderated by the existence of employee work engagement. Job

engagement refers to a work situation in which employees find work that is meaningful and of positive value characterized by passion, dedication, and absorption. Employees who are involved in the organization are more likely to have a strong intention to share work-related knowledge and strive to have innovative work behaviors for the organization (Kim & Park, 2017).

Work engagement refers to a work-related state of mind that is characterized by passion, dedication and. Enthusiasm is defined as having a high level of energy and mental resilience, i.e., the willingness to invest effort in one's work and to persist in work-related tasks. Dedication is a strong involvement in one's work and the enthusiasm, challenge, pride, and inspiration associated with the work, while absorption involves having fun in one's work and focusing on the task at hand, to the point that time passes quickly, and one has difficulty detaching oneself from one's work. profession. Job engagement is inversely proportional to burnout because it is an affective-motivation situation that exists within employees internally from job well-being that is focused on certain objects, events, individuals or behaviors. Employees who have high cultural intelligence have successful interactions with others, so they can gather more culturally diverse resources from interaction. Thus motivating to put more effort and energy into the workplace, making cultural intelligence a personal resource that facilitates work engagement (Ramalu & Subramaniam, 2019).

Various studies have recognized the need to explore the potential role of work engagement, as it can lead employees to take initiative, manage high geographic dispersion, and cope more effectively with the complexities of cross-border activities, (Lauring & Selmer, 2015). Job demand-resources theory (JD-R) argues that job resources and personal resources are the main factors in the formation of job involvement. Cultural intelligence is one of the personal resources that can increase employee work involvement. The results of work engagement include positive employee behaviors such as free behavior in developing ideas, creativity, and innovation. Therefore, cultural intelligence can increase innovative work behavior through work involvement. The company desperately needs employees who are energetic, dedicated, and absorbed in their work. Job involvement is related to improving individual performance in the company (Selmer & Lauring, 2016).

METHOD

Data were collected from 100 employees who work for the multinational company PT. Unilever Tbk operating in Surabaya. The diversity of cultural characteristics of the employees of multinational companies is necessary to test the research hypotheses that are considered applicable across different cultural contexts. In addition, the approach to multinational companies that have diverse cultures increases the generalizability of the research model. This study selected employees who had experienced diverse cultural interactions and worked in cross-cultural teams for more than one year as respondents. Researchers collect data using questionnaires both individually, in groups and through teamwork units that are part of the employees. Respondents' participation was voluntary, and the researcher distributed and collected questionnaires by visiting each employee's

work unit. Respondents were asked to collect research questionnaires that had been filled out in their respective work units and the researchers then collected the questionnaire files.

The data were analyzed using a structural model prepared according to the theoretical hypothesis and tested using a structural equation modeling (SEM) technique. SEM was used to assess the direct and indirect effects according to the structural model. The suitability of the model and the effect of the relationship between cultural intelligence, job involvement, innovative work behavior was explored using the SPSS AMOS version 23.0 computer program.

RESULTS AND DISCUSSION

This study uses a structural model arranged according to the hypothetical model, this is done to prove the influence of cultural intelligence on innovative work behavior and the mediating effect of work engagement on the relationship between cultural intelligence and innovative work behavior. As for based on the calculation obtained the following results:

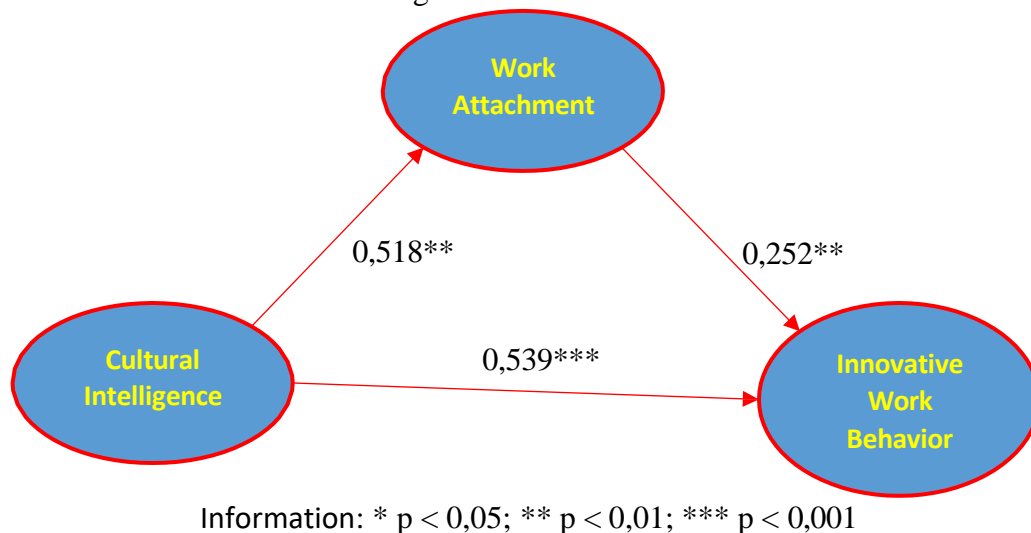


Table 1. Hypothesis Testing Results

Hypothesis	Variable Relationships	β	SE	t_{count}	Information
H ₁	Intelligence → Behaviour	0,472	0,076	5,964***	Supported
H ₂	Intelligence → Attachment	0,518	0,048	5,249**	Supported
H ₃	Attachment → Behaviour	0,252	0,035	4,672***	Supported

Table 2. Mediation Test Results

Hypothesis	Variable Relationships	Coefficient	
		Indirect	Direct

H ₄	Intelligence → Attachment → Behaviour	0,144	0,539
----------------	---------------------------------------	-------	-------

The Influence of Cultural Intelligence on Innovative Work Behavior

The results showed that for the influence of cultural intelligence on innovative work behavior, the coefficient value (β) was 0.472 with positive parameters, this indicates that every increase in cultural intelligence has a positive impact on increasing innovative work behavior. The influence of cultural intelligence on innovative work behavior obtained t value of 5.964 with $p < 0.001$; so H1 is accepted, meaning that cultural intelligence has a significant effect on innovative work behavior. Employees with high cultural intelligence are more aware of cultural differences and have good mastery of knowledge of other cultures, which provides new approaches to new ideas, solutions, concepts and scripts, (Fischer, 2011). Individuals who have cultural intelligence are in a better position to analyze possibilities and perspectives more thoroughly, in detail, and creatively. In addition, it is easy for individuals with cultural intelligence to convince others of the implementation of ideas due to a better understanding of concerns, doubts, and uncertainties through the effective interpersonal relationships developed with others, (Singh, 2019).

Knowledge and cultural awareness make individuals confident because of strong interpersonal relationships, and able to interact openly and collaboratively with experts from other cultures. Feelings of self-efficacy and belief in trying new things will not create conflict as high-quality relationships and better understanding of other people's cultures lead to innovative efforts among employees, (Fischer, 2011). Employees from other cultures are important members of the organization and their input and involvement can generate ideas, thereby convincing and motivating others about the value of these ideas. Diverse cultures create the impression that innovative ideas will serve both collective and individual goals. Cultural intelligence builds high-quality relationships and facilitates better interactions with co-workers. One way to create new ideas is to have different views and perspectives. High cultural intelligence ensures that individuals learn unique ideas, approaches, and perspectives from colleagues.

A better understanding of cultural differences can complement each other's values, beliefs, ideas, cultures, and perspectives, resulting in more holistic information and creating new ideas. Innovative work behavior involves an implementation phase, individuals with cultural intelligence better understand ideas or perspectives that will be supported by colleagues from different cultures and specific approaches that will encounter resistance during implementation. Cultural knowledge helps maintain ideas that are compatible with the ideas of others so that resistance, fear, and uncertainty can be minimized. Cultural intelligence reflects mental awareness and awareness during intercultural interactions. Cultural intelligence helps individuals to plan behavior before interacting in a culturally diverse organization. Innovation usually takes time to implement and unlike creativity, innovation undergoes different phases before

being commercialized, due to the time-consuming process of innovation, external threats (economic, political, technological, social and competitors) as well as internal threats (anxiety, resistance, uncertainty, risk). and resource allocation) make innovation more complex and dependent on unforeseen circumstances (Afsar *et al.*, 2015).

The idea creator must be flexible and adaptive to the situation and therefore constantly change the course of action through alternative routes to achieve the goal of implementing the innovation. Cultural intelligence is the ability of individuals to make mental adjustments quickly and change expectations according to circumstances, (Fischer, 2011). Individuals who have high cultural intelligence can perform cross-cultural interactions and adjust their assumptions and expectations. Cross-cultural interaction and communication with people from other cultures helps to assimilate and disseminate knowledge, thereby increasing knowledge sharing, so that the creation of better ideas will often emerge, (Şahin *et al.*, 2014).

The Influence of Cultural Intelligence on Work Engagement

The influence of cultural intelligence on work engagement is obtained by the coefficient value (β) of 0.518 with positive parameters, this shows that every increase in cultural intelligence has a positive impact on increasing work engagement. The influence of cultural intelligence on work engagement is obtained by the value of t_{count} 5,249 with $p < 0.01$; so H_2 is accepted, meaning that cultural intelligence has a significant effect on work engagement. Work engagement refers to a work-related state of mind that is characterized by passion, dedication and. Enthusiasm is defined as having a high level of energy and mental resilience, i.e., the willingness to invest effort in one's work and to persist in work-related tasks. Dedication is a strong involvement in one's work and the enthusiasm, challenge, pride, and inspiration associated with the work, while absorption involves having fun in one's work and focusing on the task at hand, to the point that time passes quickly, and one has difficulty detaching oneself from one's work. profession. Job engagement is inversely proportional to burnout because it is an affective-motivation situation that exists within employees internally from job well-being that is focused on certain objects, events, individuals, or behaviors. Employees who have high cultural intelligence have successful interactions with others, so they can gather more culturally diverse resources from interaction. Thus motivating to put more effort and energy into the workplace, making cultural intelligence a personal resource that facilitates work engagement (Ramalu & Subramaniam, 2019).

Various studies have recognized the need to explore the potential role of work engagement, as it can lead employees to take initiative, manage high geographic dispersion, and cope more effectively with the complexities of cross-border activities, (Lauring & Selmer, 2015). Job demand-resources theory (JD-R) argues that job resources and personal resources are the main factors in the formation of job involvement. Cultural intelligence is one of the personal resources that can increase employee work involvement. The results of work

engagement include positive employee behaviors such as free behavior in developing ideas, creativity, and innovation. Therefore, cultural intelligence can increase innovative work behavior through work involvement. The company desperately needs employees who are energetic, dedicated, and absorbed in their work. Job involvement is related to improving individual performance in the company (Selmer & Luring, 2016).

The Effect of Job Engagement on Innovative Work Behavior

The effect of work engagement on innovative work behavior is obtained by the coefficient value (β) of 0.252 with positive parameters, this shows that every increase in work engagement has a positive impact on increasing innovative work behavior. The effect of work engagement on innovative work behavior obtained t_{count} 4.672 with $p < 0.001$; so H_3 is accepted, meaning that work engagement has a significant effect on innovative work behavior. Organizations need employees who are energetic, dedicated, and professional in their work. When job involvement is high among employees, then start to take the initiative and try to take advantage of the untapped opportunities to make the organization successful (Crawford & Lepine, 2017). Employees also strive to optimize their energy, enthusiasm, dedication and high involvement in work, going beyond tasks by engaging in discretionary, non-obligatory and voluntary behavior (Şahin *et al.*, 2014).

Job involvement provides motivation for individuals to accept challenging situations without losing focus and dedication, because innovative work behavior seeks to do everything necessary to truly implement innovative ideas, energy levels, mental resilience, focus, fun, engagement, and drive. internal to create impact, will help individuals to engage in innovative endeavors. Job involvement increases the willingness of employees to share work-related knowledge with other organizational members and actively suggest new ideas for the organization, and turn new ideas into successful applications i.e. innovative work behavior, (Kim & Park, 2017). Thus, employees who exhibit job involvement are more likely to display innovative work behaviors by suggesting and implementing ideas that can bring about improvements in work processes and create new untapped opportunities.

The Influence of Cultural Intelligence on Innovative Work Behavior through Work Engagement Mediation

The results of hypothesis testing for the influence of cultural intelligence on innovative work behavior through work engagement mediation obtained an indirect effect value of 0.144, while the direct effect value of 0.539. Because the calculation results show $DE > IE$, then H_4 is accepted, meaning that work engagement acts as a partial mediation for the relationship between cultural intelligence and innovative work behavior. Cultural intelligence is considered a form of personal resource and has some relevance when it comes to work engagement. Cultural intelligence works simultaneously and takes advantage of

the advantages of metacognitive, cognitive, motivational, and behavioral dimensions in describing the domain of intercultural abilities (Ott & Michailova, 2018). Cultural intelligence prevents the loss of other resources relevant to cultural interaction through repeated display of a wide repertoire of verbal and nonverbal behaviors (Ng *et al.*, 2012). Cultural intelligence as a job resource, becomes a personal resource that can initiate a motivational process that leads to employee job involvement by meeting the basic psychological needs of autonomy, relatedness and competence, (Christian *et al.*, 2011). Individuals who possess a greater level of personal resources in the form of cross-cultural awareness and intercultural capabilities, tend to experience resilience, self-esteem, passion and dedication, which then extends to a positive work attitude. The challenges of cultural barriers, uncertainty and misunderstandings require individuals to have high intercultural skills and cultural intelligence to be able to overcome these challenges (Şahin *et al.*, 2014). Therefore, it is possible that dealing with stress and challenges effectively will enable individuals to develop a positive, satisfying, work-related state of mind.

Cultural intelligence stimulates a high level of intrinsic motivation and energy to engage in cross-cultural interactions and resolve issues and problems due to different cultures. Cultural intelligence also helps individuals to have greater involvement in one's work and experience a sense of significance, enthusiasm, and challenge and to be fully focused and happy to devote to one's work in cross-cultural settings. Cultural intelligence is the ability to be effective in intercultural contexts; thus, may be an important personal resource in a multicultural work environment. Given the significant influence of personal resources on job engagement, cultural intelligence is likely to exert a significant influence on job engagement. Individuals living in a foreign cultural environment (expatriates) may have to rely on cultural intelligence to identify cultural differences and develop strategies to produce positive work outcomes. Without such personal abilities, one may have trouble in struggling to engage in work and achieve organizational goals, thereby feeling stressed, hindering the ability to generate and implement new innovations.

Employees with high cultural intelligence have a relatively higher level of work involvement and have a tendency to display innovative work behavior, Ramalu & Subramaniam, (2019) found a positive relationship between cultural intelligence and job engagement and suggested that job engagement may be an important intervention mechanism in which employees display higher contextual performance and positive behavior, while several studies suggest an influence of cultural intelligence on psychological and performance aspects such as decision making, employee behavior (Afsar *et al.*, 2019) and task performance (Jyoti & Kour, 2015). The results of the study support the findings of previous studies that cultural intelligence can increase employee motivation, increase engagement and overall well-being (Ramalu & Subramaniam, 2019). The results of this study provide evidence that cultural intelligence can facilitate work engagement for employees of multinational organizations, so that work engagement leads to higher innovative activities by employees. This can be articulated in line with social exchange theory which states the norm of reciprocity.

ACKNOWLEDGEMENT

Based on the results of research on the development of cultural intelligence in improving innovative work behavior, it can be concluded that cultural intelligence influences innovative work behavior. Research also shows that job involvement has a partially mediating role for the relationship between cultural intelligence and innovative work behavior. Employees with high cultural intelligence have a relatively higher level of work involvement and tend to display innovative work behavior.

Innovative work behavior is critical to organizational success. Individual competence to understand cultural preferences, values, norms, beliefs, languages, and other organizational members' differences is important in a culturally diverse workplace, so companies are expected to develop tolerance for cultural diversity to be able to accept differences, as well as employees must have an acceptance of cultural differences. broad scope, so that with cultural knowledge they are able to collaborate with other employees to be active and innovative in their work.

REFERENCES

- Afsar, B., Badir, Y. & Khan, M.M. (2015), "Person-job fit, person-organization fit and innovative work behavior: The mediating role of innovation trust", *Journal of High Technology Management Research*, Vol. 26 No. 2, pp. 105–116.
- Afsar, B., Shahjehan, A., Shah, S.I. & Wajid, A. (2019), "The mediating role of transformational leadership in the relationship between cultural intelligence and employee voice behavior: A case of hotel employees", *International Journal of Intercultural Relations*, Vol. 69, pp. 66–75.
- Bogilović, S., Černe, M. & Škerlavaj, M. (2017), "Hiding behind a mask? Cultural intelligence, knowledge hiding, and individual and team creativity", *European Journal of Work and Organizational Psychology*, Vol. 26 No. 5, pp. 710–723.
- Christian, M.S., Garza, A.S. & Slaughter, J.E. (2011), "Work engagement: A quantitative review and test of its relations with task and contextual performance", *Personnel Psychology*, Vol. 64 No. 1, pp. 89–136.
- Crawford, E. & Lepine, J.A. (2017), "Linking Job Demands and Resources to Employee Engagement and Burnout: A Theoretical Extension and Meta-Analytic Test", *Journal of Occupational Health Psychology*, Vol. 22 No. 3, pp. 273–285.
- Van Dyne, L., Ang, S., Ng, K.Y., Rockstuhl, T., Tan, M.L. & Koh, C. (2012), "Sub-Dimensions of the Four Factor Model of Cultural Intelligence: Expanding the Conceptualization and Measurement of Cultural Intelligence", *Social and Personality Psychology Compass*.
- Fischer, R. (2011), "Cross-cultural training effects on cultural essentialism beliefs and cultural intelligence", *International Journal of Intercultural Relations*,

Vol. 35 No. 6, pp. 767–775.

- Huff, K.C., Song, P. & Gresch, E.B. (2014), “Cultural intelligence, personality, and cross-cultural adjustment: A study of expatriates in Japan”, *International Journal of Intercultural Relations*, Vol. 38 No. 1, pp. 151–157.
- De Jong, J. & Den Hartog, D. (2010), “Measuring innovative work behaviour”, *Creativity and Innovation Management*, Vol. 19 No. 1, pp. 23–36.
- Jyoti, J. & Kour, S. (2015), “Assessing the cultural intelligence and task performance equation Mediating role of cultural adjustment”, *Cross Cultural Management*, Vol. 22 No. 2, pp. 236–258.
- Kim, W. & Park, J. (2017), “Examining structural relationships between work engagement, organizational procedural justice, knowledge sharing, and innovative work behavior for sustainable organizations”, *Sustainability (Switzerland)*, Vol. 9 No. 2, available at: <https://doi.org/10.3390/su9020205>.
- Lauring, J. & Selmer, J. (2015), “Job engagement and work outcomes in a cognitively demanding context the case of expatriate academics”, *Personnel Review*, Vol. 44 No. 4, pp. 629–647.
- McPhillips, M. & Licznarska, M. (2021), “Open innovation competence for a future-proof workforce: a comparative study from four European universities”, *Journal of Theoretical and Applied Electronic Commerce Research*, Vol. 16 No. 6, pp. 2442–2457.
- Ng, K.-Y., Van Dyne, L. & Ang, S. (2012), “Cultural intelligence: A review, reflections, and recommendations for future research.”, *Conducting Multinational Research: Applying Organizational Psychology in the Workplace.*, pp. 29–58.
- Ott, D.L. & Michailova, S. (2018), “Cultural Intelligence: A Review and New Research Avenues”, *International Journal of Management Reviews*, Vol. 20 No. 1, pp. 99–119.
- Ramalu, S.S. & Subramaniam, C. (2019), “Cultural intelligence and work engagement of expatriate academics: The role of psychological needs satisfaction”, *International Journal of Cross Cultural Management*, Vol. 19 No. 1, pp. 7–26.
- Şahin, F., Gurbuz, S. & Köksal, O. (2014), “Cultural intelligence (CQ) in action: The effects of personality and international assignment on the development of CQ”, *International Journal of Intercultural Relations*, Vol. 39 No. 1, pp. 152–163.
- Selmer, J. & Lauring, J. (2016), “Work engagement and intercultural adjustment”, *International Journal of Cross Cultural Management*, Vol. 16 No. 1, pp. 33–51.
- Singh, J. (2019), “Cultural Adjustment Of Expatriates In Malaysia: The Relationship Between Emotional Intelligence, Social Competencies And Self-Motivation”, *Asia Proceedings of Social Sciences*, Vol. 4 No. 1, pp. 81–

DOI :

ISSN :

83.

Al Wali, J., Muthuveloo, R., Ping, T.A. & Bataineh, M. (2021), “The Impact of HR Practices and Innovative Work Behavior on Job Performance in Physicians”, *International Journal of Human Resource Studies*, Vol. 11 No. 3, p. 42.

Yuan, F. & Woodman, R.W. (2010), “Innovative behavior in the workplace: The role of performance and image outcome expectations”, *Academy of Management Journal*, Vol. 53 No. 2, pp. 323–342.