The Relationship Between Cultural Intelligence And Its Dimensions With Organizational Entrepreneurship

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ABSTRACT

This study was conducted with the purpose of investigating the relationship between cultural intelligence and its dimensions with organizational entrepreneurship. For this purpose, 273 managers and experts of sport and youth department were selected as sample. Subjects filled two questionnaires: cultural intelligence and organizational entrepreneurship. Results showed: There is a significant relationship between cultural intelligence and its dimension with organizational entrepreneurship. Also among four dimensions of cultural intelligence i.e. motivation, behavior, strategy have the highest relationship with organizational entrepreneurship and cognitive aspect has no significant relationship with organizational entrepreneurship. Correlation matrix analysis between cultural intelligence dimensions showed that all dimensions have significant relationship with each other and motivational and meta-cognition have the highest correlation and cognitive dimension has the least correlation with each other. It becomes clear that cultural intelligence and entrepreneurship have reverse and significant relationship with demographic features (age, education).

Key words: cultural intelligence, organizational entrepreneurship

Introduction

Societies are facing wide international revolutions. Increasing transformations in human life increased discussions related to changing paradigms and events in various aspects of life and necessity for creating new and creative ideas. Sport is one of the categories which have undergone natural and process changes along with economic, social and technological changes in recent years; the environment of sport must be dynamic and is always changing. On the other hand, in a dynamic environment, ideas and services are changing and these changes necessitate entrepreneurship in sport [38]. Because sport is a diverse position for creating job and producing new economic opportunities, entrepreneurship is an indispensable part of sport [37]. But many entrepreneurship researches in recent decade have focused less on sport. Therefore, researcher tries to investigate the gap between researches through sport management and entrepreneurship because entrepreneurship is an indispensable part of sport management which involves individuals and organizations [38]. In entrepreneurship in sport, based on studies, we observe many barriers [30]. We have numerous potential areas for entrepreneurship which must become potential [15]. Sport department which has responsibility of sport needs entrepreneurs for adapting rapid and complex changes and discovering potential opportunities in order to fulfill its duties that creativity, innovation and discovering new opportunities is the most significant features of it. They should work in transformed economic conditions with least investment and providing contribution space. Thus, recognizing suitable features for development and growth of entrepreneurs is one of the most important issues of sport department. The most important factor in entrepreneurship is the personality of entrepreneur [23]. In other words, entrepreneurship is a function of personality [27] and personality of each individual is influenced by numerous variables. One of these variables is intelligence and most researches about entrepreneurship are criticized because the lack of attention to intelligent human agent, because intelligence can be the best predictor of job performance [10] and the sign of intelligence is that
individual can adapt himself with various environment conditions [16].

This is important when entrepreneurship is done in complex cultural environment, since even in the case of correct and timely identification of opportunities, entrepreneurship without resolving cultural barriers will not succeed [31] and because cultural diversity is present everywhere, entrepreneurs must have capabilities which help them in correct cognitive, behavioral and value understanding. This is important in organizations like sport department which must have creative mechanisms for preserving and continuing survival in dynamic environments. Cultural intelligence is a new field of intelligence which has relations with various work environments and helps individuals to know how others think and how they react to behavioral patterns; therefore, it decreases inter-cultural communication barriers and gives power of cultural diversity management [22].

Therefore, cultural intelligence is the success key in modern world because the main core forming cultural intelligence is the power of individuals with social groups in interaction with social groups and individuals [17]. Therefore, regarding dynamic environment of sport and necessity of entrepreneurship in it and cultural intelligence importance for adapting in complex cultural conditions researcher has selected this subject for study and tries to answer this questions that is there any relationship between cultural intelligence and organizational entrepreneurship? In the case of relationship, what is the share of each component in organizational entrepreneurship? Can cultural intelligence predict organizational entrepreneurship? Is there any relationship between demographic features and cultural intelligence and organizational entrepreneurship? In the case of relation, authorities of sport department must present mechanisms in order to consider competences in using opportunities and management in addition to certain regulations and because this intelligence is developable, its improvement increases organizational entrepreneurship.

Theoretical framework and background:

Organizational entrepreneurship: in 1985, Pincot has coined organizational entrepreneurship and this term has entered in organizations which seek opportunities, new tasks and emphasize on services and new products [28].

Entrepreneurship is an essential element for creating job and economic growth. Therefore; understanding condition which flourishes entrepreneurship is important [4]. Entrepreneurship researches has recognized entrepreneur as an organizer of new investment because entrepreneurs conceive change as an usual phenomenon and they are always seeking change, react to it and exploits it as an opportunity [36].

In global space creative, innovative and inventor individuals as entrepreneurs are source of industrial, production and service revolutions. Economic growth moves with entrepreneurship [34]. According to most researchers key factor in entrepreneurship is entrepreneur [18].

Cultural intelligence:

Cultural intelligence was first presented by Irlee and Ang from London business school. They defined cultural intelligence as capacity for learning new patterns in cultural interactions and presenting behavioral answers to patterns. They believed that in encountering new cultural opportunities we hardly can find familiar sings which are suitable in communication. Ang et al in their paper about cultural intelligence emphasize that this concept reflects power of individual for action and efficient management [3] Their definition from cultural intelligence was in response to questions that in system in which organizational space and work is influenced by globalization it is necessary to understand why some people act differently in various cultural fields and in response to these questions they raise cultural intelligence discussion and define cultural intelligence as an ability for understanding and creating suitable set of opportunities in which cultural distinctions are vital. Later groups of academia from US, England and Asia have defined cultural intelligence as a systematic evaluation of an individual for encountering individuals from different cultures [6]. Many researchers introduce cultural intelligence an individual's ability for efficient fulfilling of duties in different cultural condition [3, 29] and understanding people theoretically and practically gives a framework and language for identifying differences and invest them not tolerating or ignoring them [35]. It is measuring one's ability for interacting with new social environment [11].

Center of cultural intelligence has introduced a four-factor model for measuring cultural intelligence which tries to measure abilities with four factors: meta-cognition, cognitive, motivation and behavior which are used in this study and include:

Cognitive cultural intelligence: this dimension shows understanding from cultural similarities and differences and indicates general knowledge and intellectual and cognitive maps of an individual from other cultures. Cognitive aspect of cultural intelligence includes identifying economic and legal systems, social interaction norms, religious ideas, aesthetic evaluations and language of other cultures.

Meta-cognition cultural intelligence means that how a person understands inter-cultural differences and processes that people use for achieving cultural knowledge. This happens when people judge their
thought processes. Cultural intelligence strategy includes establishing as strategy before inter-cultural conflicts, studying assumptions during conflict and balancing mind maps in the case of difference in real experiences.

Motivational cultural intelligence indicates tendency toward testing other cultures and interaction with people from different cultures. This motivation includes internal values for multi-cultural interactions and self-confidence which allows one to behave effectively in different cultural situations.

Behavioral cultural intelligence: this behavior includes verbal and non-verbal behaviors which are suitable for dealing with different cultures. Cultural intelligence behavior is a set of flexible responses that are used in different conditions and have capacity for reforming and balancing in a certain interaction or condition [5].

Cultural intelligence and organizational entrepreneurship: cultural complexities in social and business levels are one of threatening factors in entrepreneurship. It must be noted that because of frequent threats in early steps of creating an organization there is need for sympathy and common understanding between beneficiaries while increasing cultural, ethnic and race diversity increases integrity of group [8] and many entrepreneurs avoid development of entrepreneurship because of inability for working with other cultures and societies [19]. Because if these difficulties in entrepreneurship in various cultural settings, especially in organizations which must find creative mechanisms for survival in dynamic environment, entrepreneurs should have abilities which help them in correct understanding of cognitive, behavioral and value dimensions of others and this understanding is a significant feature of cultural intelligence. Although there is not a study which directly investigates relationship between cultural intelligence and organizational entrepreneurship in managers and employees of sport ministry, but some related researches support this relationship which are briefly mention:

Jiang and park conducted a study for studying self-efficacy of decision-making as mediator for professional relations of entrepreneurship with emotional intelligence and cultural intelligence on a sample of students in China and Korea. Results showed that in all dimensions of emotional and cultural intelligence self-efficacy in decision-making has considerable relation with professional goals and regression analysis indicated that self-efficacy in decision-making has a balancing role in relation between emotional and cultural intelligence and entrepreneurship goals. [42]

Heranz and Dilara studies effects of demographic factors on creating economic firms in different cultures. They studied 156575 entrepreneurs in 42 countries which has recently initiated their business. Their results showed that age, education and professional experiences have considerable effect in these activities [24]. Results of other study about relationship between demographic features(age, Education Level) and entrepreneurship showed that by increasing age entrepreneurship decreases [7] and people with higher education and experience have higher performance [2].

Chan Lin et.al in a study for investigating effect of cultural and emotional intelligence for adaptation in different cultural setting on 259 students of an international college showed that cultural intelligence has positive effect on inter-cultural adaptation after control for gender, age, experience and language ability. [41]

Naeiji and Abbasalizade in a study with the purpose of investigating relationship between cultural intelligence and entreprenuership of managers in 244 members of non-profit organization id Tehran showed that there is a deep relationship between four-factor model of cultural intelligence and characteristics of entrepreneurs. Also behavioral and cognitive aspects showed causative relationship with entreprenuership. Therefore; enhancing behavioral and cognitive cultural intelligence has direct effect on increasing organizational entrepreneurship. [32]

Khairi et.al in a research on 228 managers of non-profit organizations showed that there is a relationship between cultural intelligence and its dimensions with entrepreneurship. Degree of this relationship is at the highest level. Only risk-taking has not showed any correlation with cultural intelligence factors. [26]

Research show that cultural intelligence and its dimensions have positive and significant relationship with success, organizational efficiency and performance and it is a vital skill for leaders of global business leaders [39] has presented these hypotheses:

**Hypotheses:**

H1: there is a relationship between cultural intelligence and organizational entrepreneurship.

H2: there is relationship between four dimensions of cultural intelligence and organizational entrepreneurship.

H3: there is a relationship between demographic features with cultural intelligence and organizational entreprenuership.

H4: there is a relationship among cultural intelligence dimensions.

**Methodology:**

This research is an applied research and correlation analysis is used for data analysis. Statistical sample of this study is managers and experts of sport department that their total number is 920 based on statistics of sport and youth department. Using Morgan table 273 subjects were
randomly selected as sample. Two questionnaires organizational entrepreneurship with 60 questions Margaret Hill (2003) with validity 0.82 and cultural intelligence questioner with 20 questions Ang (2004) with validity 0.78 were used for data gathering.

Descriptive and inferential statistics were used for data analysis. In descriptive statistics frequency tables and percents, mean and standard deviation and in inferential statistics Kolmogorov-Smirnov and Spearman and Pearson correlation were used. Spss was used for calculations.

Fig. 1: research conceptual model with emphasizing on cultural intelligence and its dimensions with organizational entrepreneurship

Data analysis:

In sum, demographic analysis related to age showed that 63.7 percent of sample are under 40 years old and this shows that majority of personnel are young and their education is B.A (45.1), M.A (21.6) and PhD (2.9) and upper diploma (12.5) and this showed that majority of personnel are educated.

Based on service years most respondents (65.1) have more than 10 years service, then 5-10 years (23.1) and less than 5 years (10.3). In table 1 mean, standard deviations, results of Kolmogrov-Smirnov test, reliability for entrepreneurship and cultural intelligence are presented.

For normality test Kolmogrov-Smirnov test was used that according to table 1 significance level of all factors is higher than 0.5 and this shows that factors' distribution is normal; therefore, we can use parametric tests to study relationships between variables. Reliability was measured by Cronbach alpha. In most research references 0.7 was accepted for Cronbach alpha. As table 1 shows Cronbach alpha coefficients are higher than 0.7 for all scales in this study.

Table 1: means, standard deviations, results of Kolmogrov-Smirnov test and reliability for entrepreneurship and cultural intelligence.

<table>
<thead>
<tr>
<th>Alpha coefficient</th>
<th>Result</th>
<th>Significant level</th>
<th>Z statistic, Kolmogorov - Smirnov</th>
<th>SD</th>
<th>Mean</th>
<th>R</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0/8209</td>
<td>Normal</td>
<td>0/35</td>
<td>0/932</td>
<td>27/005</td>
<td>162/35</td>
<td>organizational entrepreneurship</td>
<td>1</td>
</tr>
<tr>
<td>0/7874</td>
<td>Normal</td>
<td>0/84</td>
<td>0/618</td>
<td>19/644</td>
<td>68/97</td>
<td>cultural intelligence</td>
<td>2</td>
</tr>
<tr>
<td>0/9073</td>
<td>Normal</td>
<td>0/051</td>
<td>1/345</td>
<td>7/644</td>
<td>24/24</td>
<td>Cognitive</td>
<td>2-1</td>
</tr>
<tr>
<td>0/8630</td>
<td>Normal</td>
<td>0/075</td>
<td>1/28</td>
<td>6/359</td>
<td>16/61</td>
<td>Behavioral</td>
<td>2-2</td>
</tr>
<tr>
<td>0/8581</td>
<td>Normal</td>
<td>0/097</td>
<td>1/267</td>
<td>5/023</td>
<td>13/14</td>
<td>Met cognitive</td>
<td>2-3</td>
</tr>
<tr>
<td>0/8456</td>
<td>Normal</td>
<td>0/071</td>
<td>1/288</td>
<td>6/337</td>
<td>15/26</td>
<td>Motivational</td>
<td>2-4</td>
</tr>
</tbody>
</table>

Regarding nature of hypotheses and normal distribution of variables Pearson correlation was used for measuring relationship between cultural intelligence and its dimension and organizational entrepreneurship which its results are presented in table 2.

H1: main hypothesis indicates relationship between cultural intelligence and organizational entrepreneurship and as table 2 shows this relationship is confirmed in 0.001 level (r=0.298).

H2: this relationship is observable between dimensions of cultural intelligence except cognitive cultural intelligence and organizational entrepreneurship.

Degree of these relationships between motivational cultural intelligence with organizational entrepreneurship is highest (r=0.326), followed by behavioral cultural intelligence (r=0.298), meta-cognitive cultural intelligence (r=0.27) and as predicted there is a relationship between cultural intelligence and organizational entrepreneurship and only cognitive cultural intelligence has no relationship with it.
Table 2: Pearson correlation analysis, relationship between cultural intelligence and organizational entrepreneurship in managers and experts of sport department

<table>
<thead>
<tr>
<th>Variable</th>
<th>Correlation coefficient</th>
<th>Number</th>
<th>Significant level</th>
<th>Organizational entrepreneurship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural intelligence</td>
<td>0.298</td>
<td>273</td>
<td>0.0001</td>
<td></td>
</tr>
<tr>
<td>Motivational</td>
<td>0.326</td>
<td>273</td>
<td>0.0001</td>
<td></td>
</tr>
<tr>
<td>Behavioral</td>
<td>0.298</td>
<td>273</td>
<td>0.0001</td>
<td></td>
</tr>
<tr>
<td>Met cognitive</td>
<td>0.27</td>
<td>273</td>
<td>0.0001</td>
<td></td>
</tr>
<tr>
<td>Cognitive</td>
<td>0.005</td>
<td>273</td>
<td>0.958</td>
<td></td>
</tr>
</tbody>
</table>

**H3:** in order to study the relationship between demographic features and cultural intelligence and organizational entrepreneurship Spearman correlation analysis was used which its results are presented in table 3. According to results there is no significant relationship between service years and organizational entrepreneurship while age ($r=-0.188$) and education ($r=-0.165$) have the highest and lowest correlation in $p<0.5$, respectively. Degree of relationship between demographic features and cultural intelligence in highest level is related to education and cultural intelligence ($r=-0.275$), followed by age ($r=-0.236$) and there is no significant relationship between service years and cultural intelligence.

Table 3: Spearman correlation analysis, demographic features and organizational entrepreneurship and cultural intelligence in subjects

<table>
<thead>
<tr>
<th>Significant level</th>
<th>Correlation coefficient</th>
<th>Number</th>
<th>Demographic Characteristics</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.021</td>
<td>-0.188</td>
<td>273</td>
<td>Age</td>
<td>Organizational entrepreneurship</td>
</tr>
<tr>
<td>0.042</td>
<td>-0.042</td>
<td>273</td>
<td>work experience</td>
<td></td>
</tr>
<tr>
<td>0.001</td>
<td>-0.236</td>
<td>273</td>
<td>education level</td>
<td></td>
</tr>
<tr>
<td>0.065</td>
<td>-0.03</td>
<td>273</td>
<td>Age</td>
<td>Cultural intelligence</td>
</tr>
<tr>
<td>0.0001</td>
<td>-0.275</td>
<td>273</td>
<td>education level</td>
<td></td>
</tr>
</tbody>
</table>

**H4:** table 4 shows that all dimensions of cultural intelligence have significant results with each other and motivational cultural intelligence and metacognitive intelligence have the highest correlation ($r=0.647$) and motivational intelligence and cognitive intelligence has the lowest correlation with each other ($r=0.329$).

Table 4: correlation matrix between different dimensions of cultural intelligence

<table>
<thead>
<tr>
<th>Behavioral</th>
<th>Motivational</th>
<th>Cognitive</th>
<th>Met cognitive</th>
<th>Dimensions of Intelligence</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.499*</td>
<td>0.647*</td>
<td>0.380*</td>
<td>0.380*</td>
<td>Met cognitive</td>
</tr>
<tr>
<td>0.413*</td>
<td>0.329*</td>
<td>0.329*</td>
<td>0.329*</td>
<td>Cognitive</td>
</tr>
<tr>
<td>0.594*</td>
<td>0.380*</td>
<td>0.413*</td>
<td>0.413*</td>
<td>Motivational</td>
</tr>
</tbody>
</table>

* Relations between the 1./p is significant.

Analyzing conceptual model: results are shown in figure 2. Dashed lines show results of hypotheses in which there was no relationship between independent and dependent variables. Straight lines show confirmed hypothesis. Therefore, as can be seen in model, cultural intelligence and its dimensions except cognitive aspect have positive and significant relationship with organizational entrepreneurship. It is necessary to mention that numbers in model show amount of regression analysis coefficients.

Fig. 2: conceptual model regarding obtained results
Discussion and conclusion:

Researcher considers cultural intelligence and four dimensions of intelligence in his research: motivational, cognitive, meta-cognitive and behavioral. Findings of the study showed that there is strong correlation between cultural intelligence and organizational entrepreneurship so as relationship between all dimensions of cultural intelligence with organizational entrepreneurship was confirmed except cognitive aspect. Results of Naegeji and Abbassalizade showed that there is a deep relationship between four-factor model and characteristics of entrepreneurs Naegeji and Abbassalizade [32]. Khairi et al [25] research showed that there is a relationship between cultural intelligence and its dimensions with entrepreneurship Khairi et al, [26] this consistency shows high validity of relationship between cultural intelligence and organizational entrepreneurship.

Because entrepreneurs experience high level of inter-cultural interactions in dynamic environment of sport and because of difficulties and interaction with different cultures which needs attempt and certain skills, clever entrepreneur could identify conflicts and use them as opportunity in market. This causes that instead of judging different cultural behaviors they were prepared to accept these differences and show suitable behavior in market.

Correlation analysis results show that degree of relationship between cultural intelligence and organizational entrepreneurship in at the highest level in motivational cultural intelligence followed by behavioral and meta-cognitive aspects but there is no significant relationship between cognitive cultural intelligence and organizational entrepreneurship.

Combination of findings showed that understanding cultural similarities and differences and identifying other cultures is necessary for organizational entrepreneurship but it is not sufficient and individual must go beyond cognitive cultural intelligence and interact with other cultures with active thinking and creating strategies, balancing behavioral responses and according to results of this study those with more ability in these three aspects will have higher organizational entrepreneurship.

There was no relationship between service years with organizational entrepreneurship and cultural intelligence. Most employees have higher than 10 service years (65.1) and this lack of relationship is because of unique service years between subjects. Age and education are other demographic variables which show reverse and significant relationship with organizational entrepreneurship and cultural intelligence. These findings contradict with Sternberg and Bergmann [7] and Aidis and Van [2] results. This means that because of internalizing culture between educated people, in the case of contradiction, it is less likely to return them to natural condition and their behavioral responses in various situations have little flexibility and reforming capacity.

Those with higher education have better jobs and factors like job dissatisfaction, conflicts with superiors and inappropriate compensation which can stimulate entrepreneurship are less in them. About age it should be said that tolerance is higher in younger people and they are more inclined to interact with other cultures and by increasing age this trend decreases and older people has no motivation for interacting with other cultures and their entrepreneurship decreases.

Regarding the role of cultural intelligence and the importance of having entrepreneurship features in managers and experts of sport department, using cultural intelligence in human resource policies as an effective factor in hiring, performance evaluation and improving employees is considered. Sport department can appoint personnel with high cultural intelligences by using tests for measuring cultural intelligence of personnel.

Cultural intelligence is an acquired trait; therefore, organizations can prepare plans for developing this intelligence in organizations. There are some plans that Irli and Mosakowski (2004) plan is the most important one.

Identification of differences in cultural intelligences of entrepreneurs in sub-cultures, measuring validity of questionnaires with certain requirements of society and mechanisms for enhancing different aspects of cultural intelligence should be considered in future researches and regarding international trade which has accelerated globalization and multi-cultural workplaces these researches could be suitable for improving performance of our country in globalization.

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