Navigating Cultural Diversity through Cultural Intelligence: A Case of Hospitality Industry in India

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Abstract

 The global cultural experience has become terribly complex due to the growing need for organizations to handle the pervasiveness of cultural diversity in multinational organizations. Consequently, it becomes important to navigate through this challenge of cultural diversity and comprehend the role that Culturally Intelligent managers can play to get a 'break through' against the odds of cultural diversity. With this perspective in mind, the present paper initially verifies the Cultural Intelligence Scale (CQS) in the hospitality industry in India, thereby discussing the impact of Culturally Intelligent managers on Customer Satisfaction. Results indicate a positive correlation between Cultural Intelligence and Customer Satisfaction.

Keywords: Cultural Intelligence (CQ), customer satisfaction, cultural diversity.

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Multinational corporations are complex entities that comprise of roles, responsibilities and people who are diverse and require highly sophisticated configuration of human resources that can efficiently handle diverse situations as well as people. Without the presence of suitable mechanisms for integration and unification of various activities that correspond to handling cross cultural situations prevailing in such multicultural organizations, it will become too unwieldy to manage them. But what is indeed needed to make such an organization work to its full potential is the dedicated commitment of individual managers, who are capable of taking a sufficiently broad perspective while handling diversity issues. In a nutshell, the prime challenge for such organizations is to develop a cadre of managers, who can understand, respond and effectively manage the needs of the global business environment. Such managers, therefore, need to take a wider perspective, which is multidimensional in nature and goes beyond a narrow national perspective considering the requirements of the global business system.

The growth in the service sector internationally has lead to a substantial need to deal and interact effectively with people from varying cultural backgrounds. People belonging to different nationalities possess varying cultural backgrounds and therefore contrasting beliefs, values, attitudes, perceptions, expectations and varying underlying assumptions. Hotels and other sectors of hospitality are faced with the challenges of cross cultural service encounters and continuously need to assess their performance against the expectation of their customers, employees and suppliers from a diverse background (Mohsin, 2006). The acknowledgement of such variations that exist in the outcomes resulting from cultural differences is eminent as it helps to closely understand the needs of your customers and others and meet their cultural

expectations too. Thus, culture can be the source of cooperation, cohesion and progress, instead of conflict, disintegration and failure (Harris, 2004).

In the service management literature, the term 'service encounter' is widely established and indicates the contact between customers and service providers (Stauss and Mang, 1999). Service encounters in the hospitality industry are significant as they enable the promotion of hotel services, creating a positive impression on the customer and also enhancing the overall image of the property. Other factors also play a role in creating an impression on the customer, but it is essentially the interaction between the service staff and the customers that decide the outcome of the service encounter, especially where the role of culture in such interactions intermediates. Thus, the customer's perception of what constitutes good service quality inevitably is culture bound (Zeithaml and Bitner, 1996). If service managers are unaware of the core cultural expectations of customers, it will result in gap of performance of service (Mohsin, 2006). Thus, when considering the case of the international hospitality industry, it becomes important to understand that in order to benefit from the cross cultural interactions between the service provider and the customers, an "intermediary factor" or element is needed that can help to develop a link between the understanding of cultural issues by the service provider, on one hand, and the customer's cultural expectations on the other. Therefore, cultural differences need to be respected and accommodated for, while transacting in the business of tourism or hospitality.

A key managerial competency that is needed for dealing effectively with people from different cultural backgrounds is "Cultural Intelligence" which is a person's capability to function effectively in situations characterized by cultural diversity. It aims at providing a new insight into the social skills and development of mental frameworks that enable bridging cultural

differences. Cultural Intelligence consists of specific knowledge about different cultures as well as general knowledge about how cultures work. It explains how some individuals are more capable of navigating in the culturally diverse environment than others. When the managers develop the capability of acknowledging diversity, they become capable of lowering the cultural barriers that may be created and predict what the customers are thinking and how they shall react to their behavioral patterns. Thus, Cultural Intelligence is the ability to understand the alliance between cultural issues on one hand and business issues on the other. The intricate task lies in understanding both the issues and putting them together without losing out whom you are dealing with in the process. As far as dealing with global customers is concerned, it is best to create a map of the cultures one is dealing with and then identifying how they are different or similar from each other and how this knowledge must be tapped in order to bring customer satisfaction.

According to Earley and Ang (2003), CQ is "a person's capability for successful adaptation to new cultural settings, that for unfamiliar settings attributable to cultural context". It recognizes the skills and characteristics required to work effectively with international clients, and partners. As an individual difference capability, CQ reflects what a person can do in culturally diverse settings. Thus, it is distinct from stable personality traits which can describe what a person typically does across time and across situations (Costa and McCrae, 1992). Still some personality traits may relate to CQ.

Earley and Ang (2003) conceptualized CQ as comprising of four facets, namely meta cognitive, cognitive, motivational and behavioral dimensions which have relevance to functioning in culturally diverse situations. Meta-cognitive CQ reflects mental processes that

individuals use to acquire and understand cultural knowledge including knowledge and control over individual thought processes (Flavell,1979) relating to culture. Those with high meta-cognitive CQ are consciously aware of other's cultural preferences before and after interactions (Ang *et al.*, 2007).

Cognitive CQ focuses on the knowledge of the norms, practices and conventions in different cultures acquired from education and professional experiences (Ang *et al.*, 2007). This includes the knowledge of the economic, legal and social systems of different cultures and subcultures (Triandis, 1994) and knowledge of the basic frameworks of cultural values (e.g., Hofstede, 2001). Those with high cognitive CQ understand similarities and differences across cultures (Brislin *et al.*, 2006).

Motivational CQ reflects the capability to direct attention and energy toward learning about and functioning in situations characterized by cultural differences (Ang *et al.*, 2007). Those with high motivational CQ direct attention and energy toward cross cultural situations based on intrinsic interest (Deci and Ryan, 1985) and confidence in their cross cultural effectiveness (Bandura, 2002).

Behavioral CQ reflects the capability to exhibit appropriate verbal and non-verbal actions while interacting with people from different cultures (Ang *et al.*, 2007). Those with high behavioral CQ exhibit situationally appropriate behaviors based on broad range of verbal and non-verbal capabilities such as exhibiting culturally appropriate words, tones, gestures and facial expressions (Gudykunst *et al.*, 1988).

The four dimensions of CQ are qualitatively different facets of the overall capability to function and manage effectively in culturally diverse settings (Earley and Ang, 2003). The amalgamation of all these four elements produces a powerful and systematic framework for understanding why individuals vary in their effectiveness in coping with novel cultural settings. However, research on individual capabilities for individual effectiveness is sparse and unsystematic, leaving an important gap in our understanding of why some individuals are more effective than others in culturally diverse situations (Ang *et al.*, 2007).

Ang *et al.* (2006) demonstrated that the four dimensions of CQ were distinct from, and yet related to, more distal Big Five personality traits in conceptually meaningful ways. In another study, Sternberg and Grigorenko (2006) points out, "Someone could be relatively successful across cultures but not highly successful within any one of those cultures".

According to Thomas and Inkson (2004), a manager who is high on CQ will first be knowledgeable about the cultures and fundamental issues in cross cultural interactions; second, be mindful of what is going on in intercultural situations, having a sensitivity to cues and an ability to interpret them to respond appropriately to different inter cultural situations. Thus, higher CQ can strengthen workplace communication and build solid business relationships.

Ng and Earley (2006) discussed conceptual distinctions between CQ, a culture-free etic construct, and the traditional view of intelligence that is culture-bound and emic; Triandis (2006) discussed theoretical relationships between CQ capabilities and forming accurate judgments; Brislin *et al.* (2006) discussed Cultural Intelligence (CQ) as critical for expecting the unexpected during intercultural encounters. Earley and Peterson (2004) developed a systematic approach to intercultural training that links trainee CQ strengths and weaknesses to training interventions.

Janssens and Brett (2006) advanced a fusion model of team collaboration for making culturally intelligent, creatively realistic team decisions. Thus, being cognisant of the importance of CQ will be critical factor in providing the service.

Ang *et al.* (2007) conducted three substantive studies in Singapore and US across different cultural, educational and work settings which demonstrate a systematic pattern of relationships between dimensions of CQ and specific intercultural effectiveness outcomes. It has also helped to describe the development and cross validation of the 20-item cultural intelligence scale (CQS) and test substantive predictions based on integration of the intelligence and inter cultural competencies literatures. The multidimensional conceptualization of CQ and the differential relationships of the dimensions of CQ with specific intercultural effectiveness outcomes suggest the importance of continuing to theorize about and examine CQ as a multidimensional construct, where specific dimensions of CQ have special relevance to different outcomes.

Ang and Inkpen (2008) developed a conceptual framework of firm- level cultural intelligence and also discussed its relevance in the context of global business ventures like offshoring which consisted of three dimensions of intercultural capabilities of the firm: managerial, competitive and structural.

Menon and Narayanan (2008) discussed the applicability of Cultural Intelligence (CQ) to understand its relation to outcomes in culture-specific contexts. The authors have theoretically examined the relationship between Cultural Intelligence and cultural differences to identify the organizational outcomes that could be interpreted for future research.

Ng *et al.* (2009) provided an expanded conceptualization of cosmopolitan human capital to include international experiences and cultural intelligence capabilities as today's globalized world not just needs to be acquainted with the technological knowledge and skills alone but also the skills needed to work in culturally diverse situations. Also, Ng *et al.* (in press) proposed a model of cultural intelligence as a moderator that increases the likelihood on the grounds that international assignments engage in four stages of experiential learning (experience, reflect, conceptualize, experiment), which will lead to global leadership, efficacy, ethno-relative attitudes toward other cultures, accurate mental models of leadership across cultures, and flexibility of leadership styles.

Despite the newness of the construct, empirical research on CQ is promising. Ang *et al.* (2007) found CQ to be significant in explaining the variance in performance. Thus, researchers in this area have consistently suggested for more research to address both the measurement issues as well as the substantive issues to pursuit of CQ construct validity (see Ang *et al.*, 2004). With this perspective in mind, it was necessary to analyze how individuals and organizations acquire and practice cross-cultural sensitivity and skills in dealing with customers from diverse backgrounds (Harris, 2004). Consequently, it is of great significance to identify the impact of culture on the international hospitality industry where individuals come across customers, employees and others belonging to varying cultural backgrounds to realize how Cultural Intelligence can be accommodated in the service industry.

Hospitality services are "high contact" services with a high degree of human involvement and face to face contact (Lovelock, Patterson, and Walker, 2001). If the service provider and the customer come from different cultural backgrounds, there can be serious

implications with regard to the most important of hospitality issues- the perception of service delivery (Strauss and Mang, 1999). When customer expectations are not met this often leads to disappointments, fear, loneliness which can result in cultural conflicts (Weiermair, 2000).

In the hospitality industry the true measure of any company's success lies in an organization's ability to continuously satisfy customers to gain a competitive edge by acknowledging and managing customers of different cultural backgrounds (Kandampully *et al.*, 2001). Global customers have different expectations and different ways of evaluating performance (Vavra, 1997). When designing global customer satisfaction measurements, regional and cultural aspects must be taken into account. And indeed, studies conducted by Chadee and Mattson (1995) and Scott and Shieff (1993) found significant cross-cultural differences when measuring customer satisfaction. Culture holds an impact upon the perception and problem solving of global customers leading to a difference in the satisfaction level for the same service. In this context, Heo *et al.* (2004) points out that tourism providers must be able to accommodate culturally based needs in order to tap into the increasingly lucrative market of international travelers. Thus the employees need to be culturally intelligent in order to deal with such customers. Since, cultures differ in their norms for appropriate behaviors (Hall, 1959; Triandis, 1994), the ability to display a flexible range of behaviors is creating positive impressions and developing inter-cultural relationships (Gudykunst *et al.*, 1988).

Strauss and Mang (1999) in discussing service quality, stated two mutually dependent variables presenting perspective of two interactions in service encounters, which may become a cause of two main problem areas:

- Problems appear because the performance of the domestic service provider does not meet the expectations of the foreign customer (inter-cultural provider performance gap)

- It is possible that the service cannot be fulfilled at usual performance level because the foreign customers do not maintain the role behavior expected by domestic supplier (inter-cultural customer performance gap).

Mattila (1999) studied the influence of culture on consumer perceptions of service encounters. In his study he pointed out with relation to hotel industry that because first class hotel services are delivered by people, cultural factors are likely to mediate the hotel customers' attitude toward the service component of their service experience.

Mattila (2000) states that today's hospitality managers need to be aware of the parts of consumer experience that are open to cultural influences in contrast to those that remain stable across cultures.

Barker and Hartel (2004) in reporting the service experiences of culturally diverse consumers in multicultural society of Australia stated that on the basis of the service provider behavior (both verbal and non-verbal), culturally diverse customers perceive they are the recipients of inequitable service and consequently experience low levels of satisfaction.

Harris (2004) states that a world class hotel or any hospitality organization may assess its own status of cultural sensitivity by asking the following questions:

- Does the way of doing business in your hotel suffer severely from cultural lag?

- Do the hotel managers seek to understand the culture of customers, employees and suppliers?

- Do the hotel managers utilize cultural analysis and insights in terms of their own management styles and public relations?

- Do the hotel managers realize the value of cultural differences and promote cultural synergy?

Research indicates that cross culturally sensitive employees provide to customers better service. They are able to adjust to their serving styles to meet the needs of their foreign customers. Such an act in extremely beneficial for any hotel as such employees are able to generate more revenue for the hotel through their impression on hotel guests and suggestion selling (Mohsin, 2006).

But, despite the importance and relevance of this topic, however, very little research has examined the influence of culture on service perceptions (Malhotra, Ugaldo, Agarwal, and Baalbaki, 1994) and our understanding of how customers from different countries evaluate service encounters is very limited (Winsted, 1997). Keeping this view in mind, the present study aims at understanding the essence of Cultural Intelligence (CQ) as a behavioral requisite as well as evaluating its relationship with Customer Satisfaction in three international hospitality players in India namely The Oberoi, ITC Maurya and The Taj Palace, New Delhi. The paper also seeks to evaluate the status of Cultural Intelligence across the hotels under study and thereby conduct a comparison amongst the three. In the light of these objectives, the hypotheses may be stated as:

H_1: Cultural Intelligence and Customer Satisfaction are positively correlated

H_2: Variation exists along Cultural Intelligence indices across the hotels in the hospitality sector.

Research Method

Procedure

The present piece of research is exploratory in nature. Keeping in view the overall objectives as well as the hypotheses of the study, an extensive review of literature has been conducted in order to design the questionnaires to be adopted for the research process. It is eminent here to note that as data constitutes the most significant part of any research and it needs to be collected carefully in order to enhance the overall effectiveness of the research, it has been collected using simple random sampling. Both primary as well as secondary sources have been adopted. The scope of the study was confined to the employees as well as international customers in three international hospitality players in India namely, The Oberoi, ITC Maurya and The Taj Palace in New Delhi. The primary data has been collected using two self administered, structured questionnaires, one on Cultural Intelligence and the other on Customer Satisfaction, for collecting data from the target population, i.e., employees and international customers respectively in the five star hotels under study.

Participants

The employees who responded to the Cultural Intelligence questionnaire were 75.7% males and 24.3% females. 7.8% of the employees belonged to the age group of 18-24 years, 59.6% of them were of the age group of 25-34 years, 25.9% were of the age group of 35-45 years and only 6.8% were above the age of 45 years. A majority of employees (46.3%) had taken a graduate degree only, while 35.2% had taken a professional qualification in the field of hospitality management. 18.5% of the employees had taken a post graduate degree or above. The

total number of employees who responded to the questionnaire from each hotel were 35.5 %

from The Taj Palace hotel, 31.8 % from ITC Maurya and 32.8% from The Oberoi. Majority of

the employees (34.2%) in these hotels had been employed for almost 3-5 years. The percentage

of employees who worked for almost 1-3 years was 31% and above 5 years was 31.3% each. A

very few employees (3.4%) had been employed in their respective hotels for less than 1 year.

The various working departments from where the data had been collected are Front Desk

(17.2%), Housekeeping (21.5%), Food and Beverage (52.6%), Administrative and Support

(2.9%) and others (5.8%).

The demographic profile of the customers consisted of 59.5% males and 40.5% females.

A vast major (42.6%) fell in the age group of 25-34 years, 35.1% of them belonged to the age

group of 35-45 years, 13.8% of them were above 45 years while only a small segment of 8.5%

customers belonged to the age group of 18-24 years. 40% of them had attained a post graduate

degree or above, 29.5% had attained a graduation degree, 26.3% had a professional qualification

while just 4.2% were undergraduates. The international clientele belonged to North America

(37.9%), Central/South America (0.7%), Western Europe (26.1%), West Asia (8.7%) , South

Asia (11.1%), East Asia (8.2%) and Australia (7.4%) and came from the countries namely USA,

Canada, Brazil, Mexico, England, Northern Ireland, France, Germany, Italy, Spain, Switzerland,

Japan, Hong Kong, Macau, Kuwait, UAE, China, Pakistan, Sri Lanka, Nepal, Singapore,

Malaysia and Australia. The various languages spoken by the international customers were

English, Irish, French, German, Italian, Spanish, Japanese, Hong Kong English, Arabic, Chinese,

Urdu, Sinhalese, Nepali, Guarani, Sinhala and Malay. However, 57.6% had English as their first

language while the rest 42.4% had English as their second language.

Research Design

Cultural Intelligence (CQ) and Customer Satisfaction were the two prime variables that were adopted in the study. Cultural Intelligence was the independent variable whilst Customer Satisfaction was the dependent variable. The study seeks to administer the relationship between Cultural Intelligence and Customer Satisfaction as a whole and the relationship between Cultural Intelligence and different Customer Satisfaction variables like service, cross-cultural interaction, food and beverage and product.

Measures

Two questionnaires were used for the purpose of the present study one on Cultural Intelligence (i.e., the 20-item Cultural Intelligence Scale (CQS) developed by Ang *et al*. (2007)) and the other on Customer Satisfaction. Customer satisfaction in the cultural context was measured using a self-administered questionnaire consisting of 26 items, which was tested for its validity and reliability. All the items were measured on a seven-point Likert scale where 1 represents Strongly Disagree and 7 represents Strongly Agree.

After the preliminary examination 696 questionnaires, out of 900 (300 questionnaires in each hotel) were returned along with the usable, complete and valid responses that accounted for 77.3 % response rate of the employees for the study. As far as the international clientele was concerned, data was collected amongst the three respective hotels from 300 respondents from each hotel. The total usable responses constituted to 552 for the international customers and reflected a 61.3 % response rate.

This data was subjected to Reliability Analysis using the Cronbach's Alpha method. As the Alpha values of all the scales reflected to be above 0.7, the scales used for measurement of Cultural Intelligence and Customer Satisfaction are deemed to be reliable for use.

Results and Discussion

Factor Analysis was conducted on the data collected from employees on Cultural Intelligence (CQ) using the structured Cultural Intelligence Scale (CQS) to enable dimension reduction and identify relevant factors in order to verify the usage of the scale as suggested by Ang *et al.* (2007). The KMO value of 0.765 (> 0.5) represents a high degree of validity for the data. Further, Barlett's Test of Sphericity indicated a high Chi-square value of 5092.174 with 190 degrees of freedom at significance level of 0.000 which is highly significant (p< 0.001), and therefore the factor analysis is appropriate.

Factor Analysis was performed on the 20 statements adopted from the Cultural Intelligence Scale. The Varimax Rotation indicated the reduction of the 20 statements on Cultural Intelligence into four factors. The total cumulative variance explained by the combination of four factors is 53.646 %. Table 1 puts forward the results obtained from the Rotated Component Matrix. As the construct of Cultural Intelligence is previously suggested of having four dimensions (Ang *et al.*, 2007), the criteria was met in the hospitality industry in India. Significant observations were made by analyzing the table on Rotated Component Matrix (a) where the factor loadings were observed. It was seen that the statements that load highly on Factor 1 were all the ones on Motivational Cultural Intelligence (MoCQ), statements loading highly on Factor 2 were all the ones on Cognitive Cultural Intelligence (CCQ), statements loading highly on Factor 3 were all the ones on Meta-Cognitive Cultural Intelligence (MCQ) and

statements loading highly on Factor 4 were all the ones on Behavioral Cultural Intelligence (BCQ). The right statements loaded onto the right factors as given in the Cultural Intelligence Scale (CQS). This rightly suggests that Cultural Intelligence CQ is a function of Meta Cognitive (MCQ), Cognitive (CCQ), Motivational (MoCQ) and Behavioral Cultural Intelligence (BCQ) and justifies the acceptance of the Cultural Intelligence Scale in the Indian context in the Hospitality Industry.

Further, it was necessary to analyze the status of Cultural Intelligence across the three hotels under study. Therefore, an overall value of mean of Cultural Intelligence (CQ) for the data was computed independently for all the three hotels. Table 2 represents the value of means and standard deviations independently for the hotels.

Based upon the results drawn by computing the mean scores and SD to evaluate the overall value of Cultural Intelligence denotes the status of The Taj Palace as a highly Culturally Intelligent hotel with mean score $\overline{X}$ = 6.07 and SD= 0.31. A mean score of above 6 denotes organizations to be cultural chameleons that are capable of adapting to varying cultural situations and look at cross cultural situations as opportunities and gain a competitive edge over other organizations. Such organizations handle cross cultural situations better than other organizations. The mean score computed for Cultural Intelligence for both The Oberoi and ITC Maurya is nearly similar, i.e., $\overline{X}$ = 5.80 and 5.88 with SD= 0.37 and 0.32 respectively. This denotes that the status of Cultural Intelligence is nearly the same for both The Oberoi and ITC Maurya. Mean values of Cultural Intelligence above 4 but below 6 denote that the organization is averagely Culturally Intelligent and its employees can function in diverse cultural settings though there are fewer areas of improvement needed in order to augment the overall level of Cultural Intelligence.

Consequently, in order to undertake a comparative analysis of the status of Cultural Intelligence existing in the hotels, the mean scores for independent dimensions of Cultural Intelligence, i.e., Meta-Cognitive Cultural Intelligence (MCQ), Cognitive Cultural Intelligence (CCQ), Motivational Cultural Intelligence (MoCQ) and Behavioral Cultural Intelligence (BCQ) along with the standard deviation have been calculated to draw inferences. Table 3, 4, 5 and 6 represent the value for mean scores and standard deviation for the hotels under study for independent dimensions of Cultural Intelligence (CQ).

The value of means enable us to determine the overall status of Cultural Intelligence existing in the hotels under study inclusive of its dimensions. The results indicate that out of all the three hotels, The Taj Palace scores a mean score greater than 6 for all the dimensions except Meta-Cognitive CQ where its mean score ($\overline{X}$) is 5.63 less than 6 and SD=0.04. It clearly states that with an overall mean value of 6.07, it is more Culturally Intelligent than the other two organizations though Meta-Cognitive dimension of Cultural Intelligence is one area that needs improvement for The Taj Palace despite the fact that it still scores better on the Meta Cognitive dimension in comparison to The Oberoi and ITC Maurya with mean score ($\overline{X}$) 5.36 and 5.44 and SD= 0.07 and 0.20 respectively.

As far as the Cognitive dimension of Cultural Intelligence is concerned, the mean scores ($\overline{X}$) for The Oberoi, ITC Maurya and The Taj Palace are 5.87, 5.91 and 6.10 with SD= 0.15, 0.11 and 0.15 respectively. As again the mean scores for The Oberoi and ITC Maurya denote a value less than 6, it signifies that minute improvements are needed in the context of the Cognitive dimension of Cultural Intelligence. The mean scores for Motivational CQ in all the three hotels obtains a value greater than 6 representing that all the three hotels are high in their

level of Motivational Cultural Intelligence and possess the right kind of self confidence and drive

to be able to interact with international clients. Reflecting upon Behavioral Cultural Intelligence,

it is observed that The Oberoi and ITC Maurya hold a mean score of ($\overline{X}$) 5.59 and 5.79 and

SD= 0.18 and 0.14 respectively while The Taj Palace holds a comparatively higher mean score

($\overline{X}$) 6.03 and SD= 0.27 denoting that both The Oberoi and ITC Maurya need to work upon their

behavioral aspect of Cultural Intelligence.

Consequently, the variation that exists along the Cultural Intelligence indices in the hotels

under study needed to be analyzed for which ANOVA has been used. Table 7 enables to

comprehend that the p-value for all the four dimensions of CQ is less than 0.05. This indicates

that statistically significant difference exists between the indices of Cultural Intelligence across

the hotels under study.

Further, the Post hoc Tukey's Test was conducted (see Table 8) to analyze and compare

individual dimensions of Cultural Intelligence as existing in the three hotels under study. The

results are indicated in Table 8. Looking at the significance values for all the dimensions, the

results of the Multiple Comparisons denote that statistically significant differences do not exist in

The Oberoi and ITC Maurya as against The Taj Palace (p=0.000, p< 0.05) which identifies

significant differences in comparison to the other two hotels in terms of their Meta Cognitive

Cultural Intelligence (MCQ). When looking at the dimension of Cognitive Cultural Intelligence

(CCQ), significant differences are not observed between The Oberoi and ITC Maurya while

significant variation is being observed when both The Oberoi and ITC Maurya are compared to

The Taj Palace (p=0.000, p< 0.05). The value of p=0.894 (p>0.05) of the Motivational Cultural

Intelligence (M_OCQ) for The Oberoi and ITC Maurya denotes that variation does not exist

though the value of p, when comparing both The Oberoi (p=0.010) and ITC Maurya (0.002) , is

less than 0.05 when compared to The Taj Palace, signifying that differences do exist. Lastly, the

p-value for all the three hotels for the Behavioral Dimension of Cultural Intelligence (p=0.000,

p< 0.05) denotes that statistically significant differences exist between the hotels and variation

does exist. Thus, our prediction was correct that variation does exist amongst the cultural

intelligence indices amongst the three hotels under study.

The next part of the study was to analyze the association between Cultural Intelligence and

Customer Satisfaction. Initially, Factor Analysis was conducted on the data collected from the

international clientele through the Customer Satisfaction Questionnaire. The KMO value of

0.705 (> 0.5) represents a high degree of validity for the data. Further, Barlett's Test of

Sphericity indicated a high Chi-square value of 2808.514 with 136 degrees of freedom at

significance level of 0.000 which is highly significant (p< 0.001), and therefore the factor

analysis is appropriate.

 The correlation matrix (see Table 9) enables us to identify the relationship between

Customer Satisfaction and Cultural Intelligence. It is observed that for all the dimensions

measuring the correlation between Cultural Intelligence and Customer Satisfaction, the value for

Pearson's r attains a positive value signifying that a positive correlation exists between Cultural

Intelligence and Customer Satisfaction. The Sig. (2-tailed) value is less than 0.05 for the

respective dimensions representing that statistically significant correlations exist between the

Customer Satisfaction variables and Cultural Intelligence verifying our assumption that Cultural

Intelligence and Customer Satisfaction are positively correlated.

Therefore, in the context of handling the global or international customer with reference to the Indian hospitality industry, it is necessary to clearly comprehend the fact that managers/ organizations dealing with such clientele cannot ignore the issues and challenges of cultural diversity. The variables that have been determined in the present study, measure the level of customer satisfaction of the international clients in the cultural context with service, cross-cultural interaction, food and beverages, products as well as overall satisfaction. Managers in these hospitality organizations realize that the differing cultural norms and values of the international clients can create misunderstandings, disagreement, argument and further a conflict that can actually result in an unhappy or dissatisfied customer, a frustrated provider and to a large extent, even lost business (Cushner & Brislin, 1996; Master & Prideaux, 2000; Reisinger & Turner, 2002a, b; Sizoo *et al.*, 2005). Subsequently, the managers in the Indian hospitality industry, especially the international five star hotels like the hotels investigated in this study, who expect international guests in their respective hotels ensure well in time to prepare their employees and train them in line with the cultural needs and expectations of their international clients.

When large cultural differences exist between the hosts and the guests, these differences need to be accommodated to make sure that these differences do not turn out to become barriers in the way of success. Consequently, these cultural differences and behaviors, that at one instant may look seemingly trivial like the way in which services are provided, eye contact, personal space, etiquettes, communication skills, likes and dislikes, etc., may become a matter of pivotal significance (Hall, 1960; La France & Mayo, 1978). Thus, managers handling international clientele in such luxury five star hotels consider these cultural differences as opportunities for

differentiating themselves from the others in competing markets. Fierce competition is observed

between these international players to ensure that they provide their international customers

desirable services keeping in mind their cultural orientations too. The results obtained above

indicate that correlation exists between Cultural Intelligence and Customer Satisfaction in the

respective hotels under study.

It is eminent to understand that on one hand there are the luxury five star hotels wherein a

huge amount of investment is made on the cross cultural training of their employees while on the

other hand, there are the international customers who possess a varying set of cultural

orientations that are distinct from the Indian cultural system and orientations. In order to

effectively manage the diverse cultural needs and expectations of the international clientele,

managers need to become Culturally Intelligent. All the respective hotels under study provide

cross cultural training to their employees so that the overall experience of the international

clientele may become sophisticated in all respects be it the service, cross cultural interaction,

food and beverage, product or the overall satisfaction aspect. The main aim of the cross cultural

training programmes conducted in these hotels is that the smooth intercultural service encounters

may lead to enhancing customer satisfaction.

Thus, in the context of the Indian hospitality industry, it becomes necessary to understand

that as huge international clientele is expected by the international luxury five star hotels each

year, they need to look into this matter critically and from various perspectives. Merely

providing what is called as 'a good service' does not always serve the purpose. Managers need to

identify that customers belonging to different cultural backgrounds possess an altogether

different composition of their cultural frameworks that operates on them consciously or

unconsciously to produce varying behaviors. Effective and competent hospitality organizations are those that consider this is a key issue to be dealt with and train their managers appropriately to effectively handle cross cultural situations. They need to become Culturally Intelligent in order to satisfy their international clientele.

Thus, Cultural Intelligence (CQ) provides an opportunity to interact effectively with diverse cultures through sensitivity, adaptability and learning to embrace a diverse cultural heritage that is rewarding, stimulating and empowering. Leveraging differences in the workplace through Cultural Intelligence is a mechanism for change.

However, certain limitations have also been identified. Firstly, as the data was collected using survey technique, certain errors may have been included. Despite the fact that the present research establishes the relationship between Cultural Intelligence and Customer Satisfaction, this generalization is still limited in the context of the sample's demographics and the time period for data collection. It is also important to point out that Customer Satisfaction of the international clientele may be mediated by a number of other factors besides the fulfillment of their cultural needs and expectations in the respective hotels under study. Care has been taken to ensure that the respondents have presented their responses in the cultural context only, though errors at this point cannot also be ruled out.

Despite the limitations, the present research contributes towards the domain of Cultural Intelligence. Cultural Intelligence being a relatively new area of research seeks the contribution of researchers who view Cultural Intelligence from various perspectives and develop the understanding of fitting the Cultural Intelligence model to areas that involve cross cultural interactions. Prior research suggests the assessment of additional outcomes associated with it. As

a consequence, the present research provides an in-depth analysis of the impact of Cultural

Intelligence on Customer Satisfaction. The significance of the study can be emphasized by

highlighting the fact that it has contributed to the body of literature in the area of Cultural

Intelligence and that none of the previous works on Cultural Intelligence have been conducted in

the hospitality industry and also one that enables to draw on the relationship between Cultural

Intelligence and Customer Satisfaction.

The present study can serve as a foundation for future research in the same field. The

scope of further studies can, however, be extended in the hospitality and tourism industry.

Researchers may conduct similar studies within the boundaries of a nation using a larger sample

or moving across to other international hotel chains within the same nation or even choose to

move internationally. Comparative analysis of the data can be used to draw inferences upon the

status of Cultural Intelligence within the same nation or globally. The relationship between

Cultural Intelligence and Customer Satisfaction may also be studied in other industries wherein

the service organizations come across customers or suppliers from unfamiliar cultural

backgrounds like the aviation industry, entertainment industry, education industry, banking

industry, healthcare industry, business process outsourcing industry or any other multi-national

corporations that deals with international clientele.

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Table 1

Rotated Component Matrix (a): Dimensions of CQ

	Component			
	1	2	3	4
MoCQ1	.834			
MoCQ4	.783			
MoCQ3	.763			
MoCQ2	.744			
MoCQ5	.731			
CCQ3		.743		
CCQ2		.703		
CCQ4		.683		
CCQ1		.683		
CCQ6		.673		
CCQ5		.571		
MCQ2			.841	
MCQ1			.745	
MCQ3			.711	
MCQ4			.577	
BCQ2				.747
BCQ4				.658
BCQ5				.571
BCQ3				.607
BCQ1				.519

Extraction Method: Principal Component Analysis
Rotation Method: Varimax with Kaiser Normalization.

Table 2

CQ Value Among the Three Hotels: The Oberoi, ITC Maurya and The Taj Palace

Name of the Hotel	N	Mean $\overline{X}$	Standard Deviation SD
The Oberoi	228	5.80	0.37
ITC Maurya	221	5.88	0.32
The Taj Palace	247	6.07	0.31

Table 3

Comparative Analysis of Meta Cognitive CQ across The Oberoi, ITC Maurya and The Taj Palace

Name of the Hotel	Meta Cognitive CQ (MCQ) $\overline{X}$	Standard Deviation (SD)
The Oberoi	5.36	0.07
ITC Maurya	5.44	0.20
The Taj Palace	5.63	0.04

Table 4

Analysis of Cognitive CQ across The Oberoi, ITC Maurya and The Taj Palace

Name of the Hotel	Cognitive CQ (CCQ) $\overline{X}$	Standard Deviation (SD)
The Oberoi	5.87	0.15
ITC Maurya	5.91	0.11
The Taj Palace	6.10	0.15

Table 5

Comparative Analysis of Motivational CQ across The Oberoi, ITC Maurya and The Taj Palace

Name of the Hotel	Motivational CQ (MoCQ) $\overline{X}$	Standard Deviation (SD)
The Oberoi	6.31	0.06
ITC Maurya	6.30	0.11
The Taj Palace	6.42	0.11

Table 6

Comparative Analysis of Behavioral CQ across The Oberoi, ITC Maurya and The Taj Palace

Name of the Hotel	Behavioral CQ (BCQ) $\overline{X}$	Standard Deviation (SD)
The Oberoi	5.59	0.18
ITC Maurya	5.79	0.14
The Taj Palace	6.03	0.27

Table 7

Variation in the Independent Dimensions of CQ across the Hotels Under Study

		Sum of Squares	df	Mean Square	F	Sig.
MCQ	Between Groups	146.232	2	73.116	16.976	.000
	Within Groups	2984.732	693	4.307		
	Total	3130.964	695			
CCQ	Between Groups	253.191	2	126.596	32.331	.000
	Within Groups	2713.485	693	3.916		
	Total	2966.677	695			
MoCQ	Between Groups	55.616	2	27.808	6.794	.001
	Within Groups	2836.517	693	4.093		
	Total	2892.132	695			
BCQ	Between Groups	578.726	2	289.363	137.119	.000
	Within Groups	1462.446	693	2.110		
	Total	2041.172	695			

Table 8

Multiple Comparisons: Variation in the Independent Dimensions of CQ across the Hotels Under Study

Tukey HSD

Dependent Variable	(I) NAME OF THE HOTEL	(J) NAME OF THE HOTEL	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
MCQ	The Oberoi	ITC Maurya	-.31	.196	.248	-.77	.15
		TheTaj Palace	-1.08(*)	.191	.000	-1.52	-.63
	ITC Maurya	The Oberoi	.31	.196	.248	-.15	.77
		TheTaj Palace	-.76(*)	.192	.000	-1.21	-.31
	TheTaj Palace	The Oberoi	1.08(*)	.191	.000	.63	1.52
		ITC Maurya	.76(*)	.192	.000	.31	1.21
CCQ	The Oberoi	ITC Maurya	-.23	.187	.426	-.67	.21
		TheTaj Palace	-1.36(*)	.182	.000	-1.79	-.93
	ITC Maurya	The Oberoi	.23	.187	.426	-.21	.67
		TheTaj Palace	-1.13(*)	.183	.000	-1.56	-.70
	TheTaj Palace	The Oberoi	1.36(*)	.182	.000	.93	1.79
		ITC Maurya	1.13(*)	.183	.000	.70	1.56
MoCQ	The Oberoi	ITC Maurya	.09	.191	.894	-.36	.53
		TheTaj Palace	-.54(*)	.186	.010	-.98	-.11
	ITC Maurya	The Oberoi	-.09	.191	.894	-.53	.36
		TheTaj Palace	-.63(*)	.187	.002	-1.07	-.19
	TheTaj Palace	The Oberoi	.54(*)	.186	.010	.11	.98
		ITC Maurya	.63(*)	.187	.002	.19	1.07
BCQ	The Oberoi	ITC Maurya	-1.00(*)	.137	.000	-1.32	-.68
		TheTaj Palace	-2.20(*)	.133	.000	-2.52	-1.89
	ITC Maurya	The Oberoi	1.00(*)	.137	.000	.68	1.32
		TheTaj Palace	-1.20(*)	.135	.000	-1.52	-.89
	TheTaj Palace	The Oberoi	2.20(*)	.133	.000	1.89	2.52
		ITC Maurya	1.20(*)	.135	.000	.89	1.52

* The mean difference is significant at the .05 level.

Table 9

Correlation Matrix to identify the relationship between Cultural Intelligence and Customer Satisfaction

		SERVICE	CROSS CULTURAL INTERACTION	FOOD & BEVERAGE	PRODUCT	OVERALL SATISFACTION	CQ
SERVICE	Pearson Correlation	1	.882(**)	.878(**)	.860(**)	.845(**)	.840(**)
	Sig. (2-tailed)	.	.000	.000	.000	.000	.000
	N	552	552	552	552	552	552
CROSS CULTURAL INTERACTION	Pearson Correlation	.882(**)	1	.975(**)	.911.	.898(**)	.908(**)
	Sig. (2-tailed)	.000	.	.000	.000	.000	.000
	N	552	552	552	552	552	552
FOOD & BEVERAGE	Pearson Correlation	.878(**)	.975(**)	1	.911(**)	.913(**)	.908(**)
	Sig. (2-tailed)	.000	.000	.	.000	.000	.000
	N	552	552	552	552	552	552
PRODUCT	Pearson Correlation	.860(**)	.911(**)	.911(**)	1	.989(**)	.962(**)
	Sig. (2-tailed)	.000	.000	.000	.	.000	.000
	N	552	552	552	552	552	552
OVERALL SATISFACTION	Pearson Correlation	.845(**)	.898(**)	.913(**)	.989(**)	1	.967(**)
	Sig. (2-tailed)	.000	.000	.000	.000	.	.000
	N	552	552	552	552	552	552
CQ	Pearson Correlation	.840(**)	.908(**)	.908(**)	.962(**)	.967(**)	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.
	N	552	552	552	552	552	696

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