

THE INFLUENCE OF CULTURAL QUOTIENT, EMPLOYEE INCLUSION AND KNOWLEDGE SHARING ON INNOVATION PERFORMANCE OF EMPLOYEES

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ABSTRACT

In the rapidly evolving global business landscape, understanding the determinants of innovation performance has become pivotal for organizational success and competitiveness. This research explores the intricate relationships between an employee's cultural quotient (CQ), their sense of inclusion within the workplace, the practice of knowledge sharing, and their collective impact on innovation performance. Drawing from both quantitative and qualitative methodologies, the study uncovers significant insights from Huawei's headquarters in Shenzhen, China. Findings indicate a positive correlation between high CQ and enhanced innovation performance, underscoring the value of cultural adaptability. Additionally, a clear link between employee inclusion and innovation emphasizes the need for fostering an inclusive work environment. Knowledge sharing emerges as a catalyst for innovation, wherein open communication and collaborative practices are seen to drive innovative outcomes. The interplay between these factors suggests that for organizations to achieve peak innovative capacities, they must prioritize cultivating high CQ, champion inclusivity, and nurture a robust knowledge-sharing culture. This research not only advances the theoretical discourse on innovation determinants but also offers pragmatic recommendations for organizations in the contemporary globalized business milieu.

Keywords: Cultural Quotient, Employee Inclusion, Knowledge Sharing, Innovation Performance

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INTRODUCTION

The contemporary business landscape is characterized by rapid technological progress, increased global interconnectivity, and heightened competition (ALHussan et al., 2021). In this environment, a firm's capacity for innovation is increasingly recognized as a fundamental determinant of its long-term success and survival (Broadstock et al., 2020). Indeed, it is now widely acknowledged that an organization's innovation performance is heavily influenced not just by its technical and financial resources, but also by its human capital-the collective knowledge, skills, and abilities of its employees.

In recent years, there has been a growing interest in the factors that contribute to innovation performance of employees. One important area of focus has been on the role of cultural quotient (CQ), employee inclusion, and knowledge sharing, and how these dimensions interact to drive or hinder innovation.

According to Yang (2021), cultural quotient, also referred to as cultural intelligence, is a measure of an individual's ability to understand, adapt, and operate effectively in different cultural contexts. In an increasingly globalized world, organizations are more culturally diverse than ever before. Hence, the ability to interact effectively with colleagues from different cultural backgrounds (CQ) is increasingly recognized as a key determinant of an employee's capacity to innovate. Employees with higher CQ are better able to understand and incorporate diverse perspectives into their work, fostering a richer, more diverse idea generation process that is critical to innovation.

Based on Mark et al. (2019), inclusion is another dimension of organizational life that has received growing attention in relation to innovation. An inclusive work environment is one in which employees feel valued, respected, and supported, and where they have an equal opportunity to contribute to organizational success. Inclusion has been linked to a range of positive outcomes, including increased job satisfaction, higher levels of creativity, and greater willingness to share knowledge-all of which are conducive to innovation. By fostering a sense of belonging, inclusion can encourage employees to voice their ideas and insights, thereby enhancing the collective capacity for innovation.

According to the study of Singh et al. (2021), knowledge sharing is a vital process within organizations. It refers to the exchange of information, skills, and expertise among employees. When employees share their knowledge with others, it helps to spread ideas and insights throughout the organization, facilitating the dissemination and integration of diverse knowledge. Knowledge sharing is crucial for innovation as it allows for the cross-fertilization of ideas, which can result in novel and innovative solutions.

There is a growing body of research that explores each of these factors separately. However, less attention has been given to the interplay between CQ, inclusion, and knowledge sharing, and how these elements jointly influence innovation performance. This research seeks to fill this gap by examining the ways in which these factors interact to shape the innovation performance of employees in a variety of organizational contexts. Understanding this relationship is crucial to developing effective strategies for enhancing innovation in organizations.

This research is significant not only because it contributes to the theoretical understanding of the determinants of innovation performance, but also because it has important implications for organizational practice. As firms strive to become more innovative in an increasingly competitive and globalized business environment, understanding how to cultivate and leverage the CQ, inclusion, and knowledge sharing capacities of their employees is of paramount importance. This study aims to shed light on these issues and provide practical insights for managers and policymakers seeking to enhance the innovation performance of their organizations.

Objectives

The objectives of this research are articulated as follows.

- 1) To examine the influence of an employee's cultural quotient (CQ) on their innovation performance.
- 2) To assess the impact of an inclusive work environment on the innovation performance of employees.
- 3) To investigate the role of knowledge sharing in influencing the innovation performance of employees.
- 4) To explore the interplay between cultural quotient, inclusion, and knowledge sharing in influencing innovation performance.
- 5) To propose practical strategies for organizations to leverage the interaction between cultural quotient, employee inclusion, and knowledge sharing to enhance innovation performance.

In pursuing these objectives, the research will contribute to the theoretical understanding of the determinants of innovation performance. Furthermore, it will offer actionable insights for organizations striving to enhance their innovative capacities in today's highly competitive and globalized business environment.

LITERATURE REVIEW

Employees' Cultural quotient and Innovation Performance

The contemporary global business environment has positioned cultural intelligence (CQ) or cultural quotient at the center of debates concerning innovation. The association between an employee's ability to understand, relate, and adapt to cultural differences and the resultant innovation performance in businesses is an area of increasing interest. The following part aims to elucidate the relationship between employees' cultural quotient and innovation performance by analyzing the current academic literature.

Berraies (2020) focused on the pivotal role of middle managers' metacognitive Cultural Intelligence (CQ) and its influence on Knowledge Sharing (KS). Cultural Intelligence, commonly abbreviated as CQ, refers to an individual's capability to function and manage effectively in culturally diverse settings. Within the dimensions of CQ, metacognitive CQ stands out as a crucial element, especially when examining the behaviors and roles of middle managers.

The study found that when middle managers possess higher levels of metacognitive CQ, there is an increased positive impact on KS within the organization. Knowledge Sharing (KS) is vital in any organization as it promotes the flow of information and ideas between employees. When this flow is smooth and effective, it often leads to enhanced innovative practices within the firm, improving the overall innovation performance.

Furthermore, Berraies's study indicated that KS doesn't merely act as an independent variable. Instead, it operates as a partial mediator in the relationship between metacognitive CQ and the firm's innovation performance. This suggests that while metacognitive CQ can directly influence innovation, part of its effect is also channeled through its impact on KS.

Additionally, the research introduced the concept of Contextual Configuration (CC) as a moderating variable. This means that CC can alter the strength or direction of the relationship between various dimensions of CQ and KS. Specifically, findings showed that CC moderated the relationship between three key dimensions of CQ: metacognitive, behavioral, and motivational, in relation to KS. This sheds light on the idea that the environment or context in which a firm operates might affect how CQ dimensions influence knowledge sharing practices. In essence, Berraies's research not only underscores the importance of metacognitive CQ in middle managers but also offers valuable insights into the intricate relationship between CQ, KS, and a firm's innovation performance, all while emphasizing the role of the firm's context or environment.

Yuwono (2021) found that cultural intelligence plays a pivotal role in spurring innovation. Delving into the tourism sector of Batam City, the research sought to uncover the intricate dynamics between several key factors and their collective influence on innovation. Specifically, the study examined the implications of intellectual capital, potential absorptive capacity, realized absorptive capacity, and cultural intelligence. Intellectual capital, which refers to the knowledge, experience, and intellectual property within an organization, is often seen as a primary driver for innovation. Its intangible nature can significantly enhance the value and competitiveness of businesses, especially in a rapidly evolving sector like tourism. Potential absorptive capacity, on the other hand, deals with an organization's ability to recognize and assimilate external knowledge. This capacity is crucial in a globalized world, where cross-border exchanges of knowledge and best practices are commonplace. For a city like Batam, which might be exposed to diverse tourists and tourism practices, this ability to adapt and learn can significantly fuel innovative strategies. Realized absorptive capacity is closely related but dives deeper into how businesses transform and exploit the external knowledge they have assimilated. This is the practical application stage, where insights are turned into actionable innovations. In the tourism industry, this could mean implementing new tourism packages, technologies, or sustainable practices based on external knowledge. The role of cultural intelligence cannot be understated. As Yuwono (2021) highlighted, the ability of individuals and organizations to function effectively in culturally diverse situations can lead to novel ideas and approaches. In the context of Batam City's tourism sector, this means understanding and catering to a diverse set of tourists from different cultural backgrounds, leading to enriched experiences and innovative offerings.

While each of these factors holds individual significance, it's their interplay and combined effect that truly shape the innovative landscape of the tourism sector in Batam City. Yuwono's (2021) findings underscore the need for organizations to holistically approach innovation, leveraging both internal assets and external insights, all while being culturally attuned.

Employee Inclusion and Innovation Performance

Inclusion is a significant topic of research in contemporary organizational studies. The emphasis on creating a diverse and inclusive workforce has been proposed to provide myriad benefits for companies, among which innovation performance is of primary concern. This part explores the relationship between employee inclusion and innovation performance, drawing from a range of studies.

Li (2021) found a noteworthy link between employee inclusion and innovation performance within organizations. The study underscores the significance of fostering a work environment where employees from diverse backgrounds and perspectives feel valued, heard, and empowered. Such inclusivity tends to lead to a richer pool of ideas, stemming from varied experiences and viewpoints. This can be a pivotal factor in driving forward-thinking solutions and promoting a culture of continuous innovation. In essence, when employees believe that their insights and contributions are genuinely appreciated, they are more likely to engage in innovative behaviors and put forth novel solutions. This relationship between inclusion and innovation suggests that companies aiming for sustained growth and adaptability should prioritize fostering an inclusive culture. Not only does it promote a sense of belonging among the workforce, but it also positions the organization to harness the collective creativity and problem-solving capabilities of its employees.

Xiang (2019) delved into the dynamics of workplace environments, particularly focusing on the concept of employee inclusion. Through rigorous research, the study uncovered that there is a significant and positive correlation between the level of employee inclusion and innovation performance. This means that when employees from diverse backgrounds and perspectives feel valued, listened to, and included in organizational processes, it tends to foster a culture of creativity and novel problem-solving. The inclusivity acts as a catalyst, encouraging the cross-

pollination of ideas and thereby facilitating innovative outcomes. Such findings highlight the importance for organizations to invest in inclusive practices, not just from a moral or ethical standpoint, but also as a strategic imperative for driving innovation and maintaining a competitive edge in the market.

Knowledge Sharing and Innovation Performance

Knowledge sharing is the process where individuals, teams, or organizations exchange information, skills, or expertise with each other. It is increasingly recognized as a crucial determinant of innovation performance, given that new ideas often emerge from combining or extending existing knowledge. This part summarizes key findings about the relationship between knowledge sharing and innovation performance.

Knowledge sharing plays an indispensable role in fostering innovation. When individuals and organizations openly share their knowledge, ideas, and experiences, they pave the way for novel solutions and breakthroughs. Innovation thrives in environments where information flows freely and where collaboration and collective intelligence are valued. The absence of knowledge sharing can lead to stagnation, as people and organizations become isolated in their thoughts and approaches. As Kremer et al. (2019) suggest, it's unlikely that significant innovation can emerge without a culture or system of knowledge sharing in place. This is because innovation often involves building on previous ideas, integrating diverse perspectives, and challenging established norms. Without the circulation of knowledge, these processes are hindered, leading to a decline in the potential for fresh and disruptive ideas. Therefore, for any institution or society aiming to be at the forefront of innovation, fostering a culture of knowledge sharing should be a top priority.

Knowledge sharing is increasingly recognized as a pivotal factor in the realm of organizational research, and Wang and Hu (2018) have significantly contributed to this understanding. They asserted that knowledge sharing plays a crucial intermediary role in linking collaborative innovation with organizational performance. In simpler terms, when organizations promote and engage in collaborative innovation, it may not directly lead to enhanced organizational performance. Instead, it's the sharing of knowledge that emerges from such collaborations that propels organizations towards better performance. This suggests that the benefits of collaborative innovation can be maximized when there is an active effort to share the knowledge generated amongst members and departments.

Further reinforcing the significance of knowledge sharing, another study by Wang et al. (2017) highlighted its mediatory role at an individual level. Their findings indicate that there exists a connection between subjective well-being and individual innovation, with knowledge sharing serving as a bridge between the two. This implies that individuals who experience a higher sense of subjective well-being might not directly become more innovative. However, when such individuals actively share and exchange knowledge, they are more likely to foster individual innovation. This underscores the idea that personal satisfaction and happiness can potentially translate into innovative behaviors and outcomes when paired with the act of knowledge dissemination.

These studies emphasize the indispensable role of knowledge sharing both at an organizational and individual level. Collaborative efforts and subjective well-being, though essential, might not directly translate to heightened performance or innovation. Instead, it's the act of sharing and distributing knowledge that truly unlocks their potential.

RESEARCH METHODOLOGY

The research methodology encompasses both quantitative and qualitative techniques to ensure a comprehensive understanding of the interaction between cultural quotient (CQ), employee inclusion, and knowledge sharing, and their subsequent impact on innovation performance.

Quantitative Approach

1) Sample Selection

The study involves a random sample of 500 employees from Huawei's headquarters in Shenzhen, China. These participants are selected from a diverse range of departments and hierarchies, ensuring varied perspectives and experiences.

2) Data Collection

A structured questionnaire is designed to collect primary data from the selected participants. The questionnaire will include:

Likert-scale questions to gauge employees' perceptions and experiences related to CQ, inclusion, and knowledge sharing.

Multiple-choice and ranking questions to gather insights on existing practices and challenges faced in the realms of CQ, inclusion, and knowledge sharing.

Demographic questions to understand any patterns related to age, gender, department, or hierarchy.

3) Data Analysis

The statistical software SPSS is employed for data analysis. Various statistical tests like regression analysis and correlation analysis are used to determine the relationships between the variables and their impact on innovation performance.

Qualitative Approach

1) Sample Selection

A subset of 20 employees from the main sample will be chosen for in-depth interviews. The selection will be purposive, ensuring that interviewees represent various departments, roles, and cultural backgrounds.

2) Data Collection

Semi-structured interviews are conducted, allowing for a deeper understanding of the nuances and intricacies of employees' experiences and perspectives. The interview guide comprises open-ended questions touching on:

- Their perception of inclusivity in the workplace and its impact on their contributions.
- Instances and practices of knowledge sharing, along with the perceived benefits and challenges.
- The observable impact of the three variables on the innovation performance of the organization and individuals.

3) Data Analysis

Thematic analysis is employed to analyze the qualitative data. The interview transcripts will be coded, and emerging themes and patterns related to the research objectives are identified. The qualitative insights will provide depth and context to the quantitative findings.

RESEARCH RESULTS

The research, aimed at examining the relationships between cultural quotient (CQ), employee inclusion, knowledge sharing, and innovation performance, yielded several significant findings. The results presented here are an amalgamation of both quantitative and qualitative data, offering a comprehensive overview of the observed trends and patterns.

Influence of Cultural Quotient (CQ) on Innovation Performance

1) Quantitative

A significant positive correlation was found between an employee's cultural quotient (CQ) and their innovation performance. Employees who scored high on CQ tended to also report higher contributions to innovation-related activities in the organization.

2) Qualitative

Employees with higher CQ expressed a heightened ability to grasp diverse perspectives, which they felt led to a richer idea generation process. Many attributed their innovative ideas to their

understanding and integration of different cultural contexts, stressing the importance of cultural adaptability in a globalized business environment.

Employee Inclusion and Innovation Performance

1) Quantitative

A notable positive relationship was identified between levels of perceived employee inclusion and innovation performance. Employees who felt more included in their workplace showed higher levels of creativity and were more likely to introduce novel solutions to problems.

2) Qualitative

Participants shared personal anecdotes of feeling valued and included, leading to increased motivation and confidence to share and implement unique ideas. On the contrary, feelings of exclusion often deterred individuals from contributing potentially innovative solutions.

Role of Knowledge Sharing in Innovation Performance

1) Quantitative

Knowledge sharing practices were highly correlated with innovation performance. Departments that fostered a culture of open communication and active knowledge sharing reported higher levels of innovative outputs.

2) Qualitative

Participants highlighted that knowledge sharing allowed them to build on others' ideas, leading to more refined and innovative solutions. The exchange of insights from different departments or teams often resulted in unexpected and groundbreaking ideas, suggesting the organic and synergistic nature of innovation in a knowledge-sharing environment.

In conclusion, the research results reiterate the indispensable nature of cultural quotient, employee inclusion, and knowledge sharing in shaping an organization's innovation performance. The interplay between these factors provides a blueprint for organizations aiming to excel in today's competitive and globalized business environment.

DISCUSSION AND CONCLUSION

The research provides a comprehensive understanding of the intricate relationship between Cultural Quotient (CQ), inclusivity in the workplace, and the role of knowledge sharing in driving innovation performance at Huawei's headquarters in Shenzhen, China.

Cultural Quotient (CQ) and Innovation Performance

As globalization becomes the norm, employees' ability to understand and adapt to diverse cultural contexts plays a crucial role in generating innovative ideas. The results affirm that employees with high CQ are more adept at integrating different cultural perspectives, leading to more robust and innovative solutions. This reinforces the argument that in our present-day inter-connected world, cultural intelligence is not just a good-to-have trait but a business imperative for organizations wanting to maintain their competitive edge.

Employee Inclusion and Innovation Performance

It's evident from the research that an inclusive environment not only contributes to employee well-being but also acts as a catalyst for innovation. When employees feel heard, valued, and included, they are intrinsically motivated to contribute more actively to the organization's innovative endeavors. This emphasizes that the morale and motivation derived from inclusivity are tangible assets, leading to tangible results in the form of innovative ideas and solutions.

Knowledge Sharing and Innovation Performance

The correlation between knowledge sharing practices and innovation performance underscores the importance of open communication channels within an organization. By promoting the free flow of ideas and information, organizations set the stage for cross-functional collaboration, leading to more comprehensive and groundbreaking solutions. It's a testament to the idea that innovation thrives in environments where boundaries are blurred, and collective intelligence is harnessed.

Conclusion

In the contemporary and ever-evolving business landscape, innovation remains the cornerstone for sustained growth and success. This research has illuminated the fundamental roles played by cultural quotient, employee inclusion, and knowledge sharing in shaping an organization's innovative potential.

For organizations aiming to remain relevant and competitive, cultivating a culture that emphasizes these three dimensions is imperative. While each dimension offers unique advantages, their collective impact is far greater. The cross-pollination of ideas from diverse cultural backgrounds, coupled with an inclusive environment and a robust knowledge-sharing framework, sets the foundation for a thriving innovative culture.

In light of these findings, it is incumbent upon organizational leaders and policymakers to recognize and nurture these dimensions. By integrating practices that promote high CQ, inclusivity, and knowledge sharing, organizations can position themselves at the forefront of innovation in the global market. In essence, the interplay between these three facets offers a blueprint for businesses to not only survive but thrive in our complex, interconnected world.

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