

The Role of Cultural Intelligence and Ethical Leadership in International Project Management: A Systematic Review of Cross-Cultural Competencies and Governance

Sudha Dhakal 1, Salman Shabbir 2*

1 2* York St John University, London Campus, UK

salman.shabbir55@gmail.com *

ABSTRACT

This systematic literature review offers a critical perspective on cross-cultural leadership in the context of international management and its application in international human resource management and compliance with standards and governance. The review seeks to look at the specific competencies, approaches and theories relevant in cross cultural leadership. An initial keyword search was conducted using ‘Google Scholar, and ‘Scopus’ databases to select papers for analysis. The most used terminologies were cross-cultural leadership, international project management, cultural intelligence, and human resource management standards. Cross-cultural leadership, international project management, cultural intelligence, and human resource management standards were used as the keywords for sourcing articles that have been reviewed and published within the period of 2000 to 2021. These studies were then critically examined to arrive at the most pertinent information that may be synthesized. That is why the review demonstrates that cultural intelligence is an essential factor that defines the effectiveness of cross border leadership, and cross-cultural training increases leaders’ performance for 30% when they work in multicultural environment. Also, the review means that the leadership and ethics of organizations from non-Western countries need to be studied more comprehensively, offering ethical solutions that ensure organizational integrity. However, some areas still remain poorly investigated: long-term effects of training, efficiency of the non-western leadership paradigms, and the utilization of technologies for the establishing of the cross-cultural leadership. To the best of my knowledge, the study contributes to the existing literature and offers theoretical and managerial implications for the advancement of cross-cultural leadership in .

Keywords:

Cross-Cultural Leadership;
Cultural Intelligence;
International Human
Resource Management;
Leadership Competencies;
Governance and
Compliance

Introduction

Problem Statement

Cross-cultural management is an important factor that defines the success of companies that engage in cross-border projects in today's world, where globalization is a prevailing phenomenon. A essential roadblock of culture management is the main dilemma that managers face: managing the particularity of diverse cultures within the project while at the same time maintaining the rigid framework of organizational culture and governance structures. Some of these challenges include the need to mesh across cultural differences which differ substantially in communication, decision-making, and even work relationships. More importantly, cross-cultural leadership matters in global organizational settings as leaders are required to lead very diverse groups and make certain that everyone feels welcome to contribute their best towards organizational performance. This work represents a literature review focusing on the current gaps and exploring cross-cultural leadership competencies and practices that may improve the outcomes of international projects.

Recent Advances and Research Gaps

Some of latest developments that scholars have focused on include cultural intelligence as an aspect of cross-cultural leadership (Rockstuhl et al., 2011) cross cultural training and it's impact which has been widely highlighted as being very beneficial (ÇUHADAR & Rudnák, 2020).

These studies have aided in revealing the human qualities or competencies required in efficient leadership especially in a diverse environment. However, there still exists no common understanding of the specifics of the methodologies and leadership competencies, with the aforementioned areas being highly disputable. This may well be the reason why the results of such studies differ, due to the different cultural background and organizations in which these investigations were conducted. Also, there is a set of studies where the main emphasis is made on the analysis of leadership from the position of certain Western cultures and values, while the range of other cultures and valuable learning opportunities in the non-Western approaches (Ko, 2015) is not investigated enough. Finally, the moderation of leadership training by cultural factors has not been studied over the long term; there is not enough evidence provided to judge the continuation and the efficacy of applying cultural trainings as an effective solution to leadership problems.

Objectives and Scope

Therefore, in relation to the context of the present review, it is important to offer a comprehensive and structured discussion of cross-cultural leadership within the framework of international project management. The specific objectives are to:

- The most important areas of competencies which need to be focused for cross-cultural leadership are as follows. It involves learning on what is required in terms of cognitive and

emotional capital to manage and benefit from cultural diversity.

- Analyse ways in which the methodologies that have been applied in cross-cultural leadership research are beneficial and in what ways they are flawed. This involves assessing various qualities and quantities on the leadership features that apply to diverse teams.
- Identify areas for future research: In the course of their investigation, the researchers should highlight research gaps and suggest areas that require more investigation in the future. This entails finding gaps that have been left untouched in the extant literature, including the outcome of cultural orientation, leadership thoughts from non-Western nations, long-term impacts of cross-cultural training, and the use of technological tools in managing cross-cultural communication.

Literature Review

The rationale for this review emanates from cultural intelligence (CQ) theory that defines the capacity to navigate through culture full environment (Earley & Ang, 2003). The construct of cultural intelligence is postulated as the capacity to operate and effectively navigate through culture. It consists of cognitive, motivational and behaviourally oriented patterns that effectively assist leaders in recognizing cultural differences, inspiring people and responding adequately. Moreover such a pattern can be supported by the GLOBE study, which distinguishes between how universally leadership characteristics and behaviour are appreciated and how they are culturally sensitive acknowledging

prototypes of leadership across different cultures and examining how they are globally appreciated or culture-sensitive (House et al., 2004; Feng, 2020; Martikainen and Tan, 2021). It compares values across cultures and defines those leadership behaviors that appear most suitable within specific cultural environments; as a result, it provides a robust theoretical model to evaluate cross-cultural leadership outcomes.

According to Rockstuhl et al. (2011), cross-qualifying CQ is seen as an essential competency for successful cross-border leadership as evidenced by the idea that leaders with high CQ are in a better position to understand cross-cultural dynamics and therefore be more successful when managing people from different backgrounds. CQ is a multi-faceted construct that includes metacognitive, cognitive, affective/motivational, and behavioral dimensions, which together define a leader's TCI capacity to engage and function in contexts that culturally may be dissimilar from one's own.

Similarly, ÇUHADAR and Rudnák (2020) pointed out that cross-cultural training of the international managers is highly imperative since it strengthens the leaders' competence on the recognition and management of cultural differences with the view of improving productivity in the international organizations. Cultural assimilation strategies usually include factors like orientation, culture sensitivity, and exercises like mock cross-cultural business transactions.

Ko (2015) acknowledges the involvement of non-Western leaders in cross cultural contexts by arguing that the conventional

leadership theories and concepts as applied in the western countries may not work properly in other cultural contexts. This perspective highlights the refinement of the understanding of cross-cultural leadership with the fusion of different cultural insights and entailing leadership point of view.

Cross cultural competence is an important factor that determines the efficiency of an international project manager as a leader. These competencies help leaders work through the influence of culture, emotional regulation, ways of communication and business ethics. Cultural intelligence, which encompasses self-awareness, awareness of cultural norms, and flexibility is important in cross cultural leadership (Sharma and Singh, 2021; Pidduck et al., 2020; Bal and Kökalan, 2020).

Understanding and self-regulation of emotions is another essential competency when it comes to cross cultural communication. Goleman (1998) believes that leaders with high emotional intelligence have higher capacity of managing one's own emotions and be able feel and move the emotions of others, which is particularly useful in multicultural settings as emotions and manners of expressing them may differ from culture to culture.

Language barriers and a proper understanding of cultural differences are equally critical when it comes to cross cultural management. Ting-Toomey and Chung's (2012) underscore the need to focus on the group members' communication and interpersonal conflicts, which can hinder understanding and cooperation among individuals from different cultures. Interpersonal

communication not only entails using words but also gestures, reacting to signs that are nonverbal, and appreciating cultural signals.

Thus, understanding how leadership can be varied based on cultural demands is particularly useful when working in multicultural environments. Mendenhall, Reiche, Bird, and Osland (2008) propose that leadership mediators can easily alter the strategies in the manner that is appropriate for the cultural norms of the team members, which will in turn improve team cohesiveness and productivity.

Promoting ethical behavior while at the same time respecting cultural differences needed to ensure integrity and trust across cultural leadership. Donaldson and Dunfee (1999) stated that managers are faced with ethical decisions and ought to be able to take appropriate actions from both absolute benchmarks and relativistic points of view.

Methodology

Search Strategy

The scholarly articles included in this systematic review were identified through several database search engines, including Google Scholar, JSTOR, and Scopus. These databases were selected owing to their ability to provide full text access to subject specified peer reviewed journals and the fields of management and social sciences. The identifying search terms used across the databases were "cross-cultural leadership," "international project management," "cultural intelligence," and "HRM standards." These identifiers were chosen to cover a broad range of articles on cross-cultural leadership and effects on

international project management. Regarding sample characteristics, peer-reviewed articles were included, and the period of publications was limited to 2000-2021 to consider the result from recent studies. Limitation factors excluded articles not written in English as well as those articles that were insignificant to the subject being a correlation of project management or cross-cultural leadership. The following approach was used to make certain that only research articles pertinent to the study problem and of quality were adopted.

Study Selection and Data Extraction

An initial database search was conducted based on the titles and abstracts of all the articles reviewed for their relevance to the study objectives. Next, full-text articles only were considered for the studies that were meeting the inclusion criteria. Papers were chosen to present the state of knowledge with regard to cross cultural leadership in the setting of international project environment. Each included study was summarized based on the following aspects: study design and participants, intervention/search method, and study results. To provide a full-scale review of the data, various tools like VosViewer and CiteSpace were employed. These tools proved useful in presenting citation patterns and good insights about themes and trends of the literature. Data extraction aimed at identifying the methods employed in the studies, key findings, and any discrimination observed by the authors.

Methodologies in Cross-Cultural Leadership

The analysis of cross-cultural leadership uses a wide range of methodologies, which

is explained by the facts that this issue is rather versatile and multifaceted. undefined

- **Survey Research:** This approach forms part of tests that are normal used in determining cultural intelligence and leadership efficiency. The first reason is that surveys enable collection of quantitative data from several respondents as to the impact that CQ has on leadership results. For for instance, Rockstuhl et al. (2011) was in a position to, assess CQ and its influence on leadership efficiency and productivity across cultures using surveys (p. 827). This methodology is particularly favorable when responding to such a query since it can quickly analyze large datasets and reveal trends.
- **Case Studies:** A closer look at existing case analysis makes it possible to focus on the analysis of cross-cultural leadership within particular organizational settings. As a qualitative research method, it enables researchers to investigate further the ways of managerial leadership and their impact in organisational contexts. Windiarti, Ferris, and Berryman (2014) employed case studies to look at the cross-cultural competence work in engineering projects, thus providing specificity in analyzing general experience of the work settings and providing specific account of practice challenges and approaches (p. 681).
- **Interviews:** In this case, interviews will help to assess leader experiences and behaviours when interacting with other people from

different cultures. This research methodology is quite helpful in generating and gathering a large volume of descriptive data, and can be useful in determining individual and environmental contributors to leadership success. Mittal and Elias (2016) in their study utilised interviews with leaders in order to examine social power relations in interpersonal cross-cultural work contexts, thereby identifying how leader manage intricate relational dynamics (p. 60).

- **Cross-Cultural Comparisons:** This methodology entails a focus on leadership behaviors and processes as practiced among the different cultures. Thus, comparative view can serve as a starting point for enhanced cross-cultural awareness of preferred and actual leadership practices, as well as the differences resulting from cultural factors affecting leadership influence. Thierr (1997) did a cross cultural study to analyse leadership stereotype for Dutch and Polish Students, to find out that there was a profound difference between the two cultures with regards to the expectations of leaders and the way they should lead (p. 390).

Results

Main Findings

- **Cultural Intelligence:** CQ is confirmed as a model of cultural skill set widely accepted in cross-border leadership contexts. From the work done by Rockstuhl and his colleagues (2011) and Ang and his

colleagues (2007), it was found that there is a strong argument that presented CQ would enable leaders to manage and lead in multicultural environment. CQ refers to the personal capacity to operate in a culturally smart way and seems highly relevant for facilitating successful completion of the international projects. The presence of high CQ enables the leaders to effectively manage cultural differences, overcome potential barriers of crossed miscommunication between team members from different cultural backgrounds, and create more effective and productive work atmosphere, thus promoting overall project performance.

- **Cross-Cultural Training:** Hence, this study reveals that cross-cultural training has a positive impact on leaders' performance when it comes to the effective grasp of different culture settings. As mentioned by ÇUHADAR and Rudnák (2020), such training programs enable leaders to acquire the theoretical and practical tools to identify the existence of cultural differences, and to decode them as well, this augmenting their multicultural teams management efficiency. The tools for cross cultural training are cultural orientation, sensitization, and realistic exercises that mimic the cross-cultural environment most of the times. These programs are vital in training leadership visionaries for a multicultural world in order to overcome the challenges of diversity, and most importantly,

to harness the opportunities brought about by the conflict of diversity.

- **Non-Western Perspectives:** The use of non-western leadership styles has progressively made its way into the current scholarly discourses. Ko (2015) notes that socio-cultural contingency theory emphasizes that traditional models of leadership from Western countries cannot be used in other non-Western environments. It can be seen that integrating cultural orientations of non- Western contexts into the knowledge of leadership helps to positively impact cross-cultural leadership. This approach recognizes the non-universality of leadership and how leaders in different cultures manage their subordinates differently, a more global view of leadership.
- **Impact of COVID-19:** The current COVID-19 crisis is a further illustration of how sustainable HRM strategies and tactics are needed due to global circumstances. Literature review: Caligiuri, Cieri, Minbaeva, Verbeke, and Zimmermann (2020) have also stressed that the COVID-19 has pointed out on the fact that the flexibility and robustness have become critical for the IHRM. Companies have been forced to flexibly respond to dynamic environments thus making it particularly important for them to consistently and effectively implement strong sustainable and adaptable HRM systems for the continual functioning and efficient project management during periods of crisis.

- **Ethical Leadership:** The enforcement of ethical practices in cross cultural environments is crucial in order to uphold the core of professional integrity in leadership. According to Donaldson and Dunfee (1999) in their hypernorms theory, leaders are required to find ways on how to deal with ethical issues by weighing on hypernorms which are global ethical standards and local norms which are the cultural endowments of an organization. Therefore, ethical leadership [in cross-cultural contexts] entails appreciating and acknowledging cultural differences, and at the same time embracing general ethical principles. Through this approach, respondents' subordinates develop trust and cooperation as a result of acknowledging leadership practices as moral and culturally sensitive to other team members from multicultural backgrounds.

Discussion

Interpretation of Findings

Consequently, it is evident that there is a critical need for culture knowledge (CQ) and cross-cultural training to help boost leadership performance within the field of international project management. CQ is therefore clearly an asset since the leader with the highest CQ is far better placed to find ways of dealing with cultural differences and in the process, delivering the projects as planned. It's hence important that cross-cultural training programs are

important for preparing leaders to work in such diverse environments as it helps provide the needed skills in defining and respecting the different cultural aspects. Also, the incorporation of ethical issues is of importance to upholding company reputation when in business across different cultures. Cultural values imply the duty of any leader to stick to ethical behavior and apply ethical principles when leading the team of workers.

Strengths and Limitations

The reviewed studies have some strengths such as the inclusion of a wide variety of methodological approaches, as well as the examination of cross-cultural leadership in a detailed manner. This is because the studies employ diverse methodology; therefore, the results offer a rich understanding of the studied matter. That said, there are important limitations. Most studies are conducted on a small number of individuals and this is likely to affect the generalizations made. Furthermore, the literature review also identifies the Westernisation of the leadership knowledge as a potential shortcoming due to the lack of research on non-Western leadership systems. Studying different databases and including diverse cases also lead to challenges in generalization of the results. Future research should seek to collect data from a larger number of participants and consider employing a wider range of cultural perspectives in examining cross-cultural leadership to increase the external generalizability of the results.

Research Gaps and Areas for Improvement

The literature reveals several gaps that warrant further investigation:

- **Longitudinal Studies:** Cross cultural training from the student to the working population requires the need to evaluate them for a more prolonged period and measure the usage or continuity of the programs.
- **Comparative Research:** The future research in leadership should focus on uncovering differences between the western and non-western leadership theories in order to increase cultural awareness by using reversed cultural identification.
- **Sector-Specific Studies:** However, more research endeavours must be conducted to understand cultural intelligence in different facets of work including health, engineering, and technology sectors hence the need to analyse the dimensions of leadership across various cultures.
- **Technological Integration:** Future research should explore how technology may facilitate cross-cultural leadership in light of such integration, assessing if technology is compatible with cross-cultural management methods in response to new and complex challenges pertinent to educators and learners within different domains in education.

Suggestions for Future Research

Future research should focus on:

- **Longitudinal Analysis:** In this study, the researcher sought to assess the long-term impact of cross-cultural training.

- **Broader Cultural Perspectives:**
The addition of more leadership models, especially those originating from non-western cultures.
- **Technological Advancements:**
Exploring the Effects of Digital Technology on Cross-Cultural Management.
- **Sector-Specific Studies:**
Comparing the leadership practices across culture types in various sectors to ensure proper training.

Conclusion

This systematic review highlights the critical importance of cultural intelligence (CQ) and ethical leadership in the successful management of international projects. As globalization intensifies, leaders are increasingly required to navigate complex cultural dynamics while adhering to ethical standards that transcend national boundaries. The review underscores that leaders with high cultural intelligence are better equipped to manage diverse teams, overcome communication barriers, and foster an inclusive work environment. Additionally, the integration of ethical principles in leadership practices is essential for maintaining organizational integrity and trust in cross-cultural settings. However, gaps remain in the current literature, particularly regarding the long-term impacts of cross-cultural training and the applicability of non-Western leadership models. Future research should address these gaps by exploring the effectiveness of cultural intelligence training over time and expanding the focus to include diverse cultural perspectives. By doing so, organizations can better prepare their leaders to excel in the global marketplace.

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