

Analysis and Examination of the Role of Cultural Intelligence and Strategic Thinking in Organizations (A Review Study)

Mahid. Keykhanejad^{1*}, Khalilollah. Kord², Samaneh. Saeedi³, Mehran. Javan⁴, Nadiya. Arjmandi⁵

¹ Assistant Professor, Department of Educational Sciences, Farhangian University, Tehran, Iran

² Department of Psychology, Payam Noor University, Khash, Iran

³ Master's Degree, Department of Sociology, University of Sistan and Baluchistan, Zahedan, Iran

⁴ Master's Degree, Department of Educational Sciences, Birjand University, Birjand, Iran

⁵ Master's degree, Department of Psychology, University of Sistan and Baluchistan, Zahedan, Iran

* Corresponding author email address: mkeyka@yahoo.com

Article Info

Article type:

Review Article

How to cite this article:

Keykhanejad, M., Kord, K., Saeedi, S., Javan, M., & Arjmandi, N. (2023). Analysis and Examination of the Role of Cultural Intelligence and Strategic Thinking in Organizations (A Review Study). *International Journal of Innovation Management and Organizational Behavior*, 3(1), 129-139.
<https://doi.org/10.61838/kman.ijimob.3.1.16>



© 2023 the authors. Published by KMAN Publication Inc. (KMANPUB), Ontario, Canada. This is an open access article under the terms of the Creative Commons Attribution-NonCommercial 4.0 International (CC BY-NC 4.0) License.

ABSTRACT

Objective: The present study analyzes and examines the role of cultural intelligence and strategic thinking in organizations.

Methods: This research was conducted descriptively using library resources and written information and data.

Findings: In recent decades, due to the expansion and creation of various formal and informal organizations and institutions, as well as the increasing growth of relationships and information among these organizations through various means such as virtual spaces, media, etc., competition among them has intensified. Among these, organizations succeed whose leaders possess high cultural intelligence and strategic thinking in specific situations. The fast-paced world of today has confronted organizations, as the fundamental foundations of society, with extensive changes. The findings of the research showed that having cultural intelligence is a vital need for all managers and employees. Successful managers learn well the key to dealing with different national, transnational, and organizational cultures and make the most of their teachings. This type of intelligence improves the understanding and comprehension of intercultural interactions.

Conclusion: For an individual to be recognized as culturally intelligent, they must be able to make correct judgments in situations with various perceptions and cues and gain an accurate understanding of that situation. Individuals with higher levels of cultural intelligence have greater control over expressing emotions and physical states, leading to the growth and development of the organization.

Keywords: *Cultural Intelligence, Strategic Thinking, Organizational Development*

1 Introduction

Culture is not merely an accumulated collection of customs and different ways of living but an organized system of behaviors. Culture is the general way of life for a group or groups of people, with cultural elements such as habits, traditions, beliefs, values, and viewpoints linking people together and creating a specific social unity. Culture can play its different roles through various mechanisms. The inclination or disinclination to socialize and interact with relatives or strangers depends on social culture. Organizational culture consists of the shared beliefs, values, and norms among employees that determine their attitudes, norms, feelings, habits, and behaviors (Mosadeghrad et al., 2023).

Culture is the set of values through which organizational tasks and operations are conducted, or the fundamental assumptions and beliefs shared among organizational members. A closer look at cultural definitions reveals that the main aspect of organizational (or societal) culture is the existence of a system of shared meanings and concepts among members. Every organization has patterns of beliefs, symbols, rituals, stories, and customs that have developed over time. These patterns create a shared understanding and consensus about what the organization is and how its members should express their behaviors (Austin, 2006; Earley & Mosakowski, 2004; Mosadeghrad et al., 2023).

The complexities of organizational problems are increasing daily, necessitating better thinking and innovative solutions. The fast-paced world of today has confronted organizations, as fundamental foundations of society, with extensive changes. The rate and depth of changes affecting organizations are significant. In today's world, where competitive advantage factors are in flux, only a sustainable competitive advantage can provide the necessary insight to continually identify these factors, making strategic thinking essential for modern organizations. One of the problems organizations face is the lack of strategic thinking among top managers (Aryana et al., 2020; Faghiharam et al., 2018). The absence of strategic thinking in senior management deprives organizations of new opportunities. Managers should focus on improving and developing the four dimensions of cultural intelligence, as a deficiency in any of these dimensions leads to a lack of coordination and inconsistency with different cultures (Mosadeghrad et al., 2023; Poorsadegh & Yazdani, 2011). Studies found that similarities in characteristics of strategic organizations emerged through value-based and process-oriented research. Based on these similarities, six

essential components for creating and developing a strategic organizational culture were identified. This framework creates a proactive model that can reshape the fundamental values governing decision-making processes and influence individuals. Faghih Aram et al. (2018) found that cultural and spiritual intelligence has a direct and significant relationship with social identity. Therefore, by enhancing cultural and spiritual intelligence through formal and informal education programs at the university level, significant strides can be made in the cultural development and strengthening of society (Faghiharam et al., 2018). Given the above, this study aims to analyze and examine the role of cultural intelligence and strategic thinking in organizations. Specifically, this research seeks to answer the question: What is the role of cultural intelligence and strategic thinking in organizations?

2 Methods and Materials

The present research aims to analyze and examine the role of cultural intelligence and strategic thinking in organizational development. This study employs a review method, using data and information from previous research to analyze and examine the role of cultural intelligence and strategic thinking in organizations. Therefore, this research is descriptive-analytical and utilizes documents and library resources to achieve its objectives.

3 Findings and Results

3.1 Definition of Concepts

Cultural Intelligence: Cultural intelligence is a novel type of intelligence highly relevant to diverse work environments. It is defined as the ability to apply skills and abilities in different environments. Statistics show that many business failures occur when individuals do not have a proper understanding of different cultures (Peterson, 2004). In various cultures and even subcultures within a national culture, there is a wide range of emotions and feelings. Differences in language, ethnicity, policies, and many other characteristics can serve as potential sources of conflict, and without proper understanding, developing suitable working relationships becomes challenging (Triandis, 2006). Thus, the effects of cultural differences and managing such diversity are complex issues. Research indicates that differences between national cultures are significant determinants of behavior. Cultural intelligence, as a new domain of intelligence, is closely related to diverse work

environments. It allows individuals to recognize how others think and respond to behavioral patterns, thereby reducing intercultural communication barriers and helping individuals acquire skills to manage cultural diversity. Cultural intelligence is essential for competing in the hyper-complex world of the third millennium. Individuals with low cultural intelligence cannot effectively communicate with colleagues from the same or different cultures, leading to failures in their communication and management tasks. The framework for cultural intelligence was first introduced in an interdisciplinary manner by a group of scholars. According to this framework, individual cultural intelligence is defined as "the ability of an individual to adapt effectively to new cultural contexts" (Earley, 2002). Scholars have positively responded to whether intelligence can be enhanced through training, although it is also acknowledged that intelligence has hereditary aspects. Cultural intelligence is a construct related to general intelligence but is considered independent. The independence of these two phenomena is evident as individuals with high (logical and mathematical) intelligence can have low cultural intelligence. Conversely, finding individuals with both high general intelligence and high cultural intelligence is not difficult. This independence suggests that cultural intelligence is less influenced by general intelligence and is more significantly shaped by learning and training (Hosseinzadeh, 2019).

Strategic Thinking: Strategic thinking is a creative and divergent process related to the vision and long-term goals designed by organizational leaders. It requires managers to think beyond daily operations and focus on the long-term strategic intent of the business. Abraham defines strategic thinking as identifying reliable strategies or business models that lead to value creation for customers. He believes that the search for suitable strategic options, typically part of the strategic management process, is the practical outcome of strategic thinking. Strategic thinking is a continuous process aimed at clarifying and making sense of a complex environment. This process involves analyzing the situation and creatively synthesizing the results into a successful strategic plan (Moshbeki & Khazaei, 2008). Strategic thinking creates a valuable mindset framework and introduces effective concepts, although the goal is to reshape managers' perspectives rather than expand their knowledge.

Viewing strategy as a dynamic, creative, responsive, and often intuitive process within an unpredictable environment aligns well with the concept of strategic thinking. Mintzberg argues that strategic thinking is enhanced by integration and synthesis, fostering creative and innovative thinking at all

organizational levels (Nazemi & Jafariyani, 2010). Understanding customer preferences requires insight into the business, which is not achieved through conventional analysis methods but through new insights and intuitions. This insight helps individuals accurately identify value-creating factors in business and understand what works in practice. In strategic thinking, this insight shapes managers' mental models and drives the organization towards its vision. Strategic thinking is one of the two critical capabilities of effective leaders, but its absence in senior leadership is a primary issue affecting company performance (Binesh, 2011). Abraham views strategic thinking as finding alternative ways to compete and create value for customers (Yadollahi & Shivaie, 2010). To be effective and efficient, a manager or leader must develop strategic thinking skills (Binesh, 2011). Strategic thinking is essentially a problem-solving method for organizational strategic issues, combining a logical and convergent approach with a creative and divergent thinking process (Yadollahi & Shivaie, 2010). In strategic thinking, complex issues are simplified without oversimplification, with the key to success being hope for the future, positive thinking, optimism without naivety, and relentless, continuous effort.

3.2 Cultural Intelligence

Work environments worldwide have become highly diverse, particularly in developed countries. Alongside changes in science and technology and knowledge transfer, design, production, and distribution processes have reached maximum diversity in the current century (Friedman, 2002). Diversity involves attracting individuals from various backgrounds with different expectations and utilizing their abilities and talents to increase company profitability and competitiveness. Diversity encompasses multiple areas: race, ethnicity, gender, skin color, religion, and culture. The characteristics of culture are defined based on its components as follows:

Culture is pervasive. Every person, organization, territory, and country has a culture.

Understanding the beliefs, values, and perceptions of others' cultures is essential for success.

Learning about diverse cultural heritages is inspiring and empowering.

Global teamwork is impossible without considering the culture of team members.

Cultural planning is easier through mutual understanding of beliefs.

Understanding and adapting to different cultures begins with recognizing one's culture and accepting others' perspectives and styles.

Utilizing cultural diversity is essential for growth and innovation.

Cultural diversity is one of the major issues current managers face. Unfortunately, many managers do not consider cultural differences as a source of competitive advantage, dismissing cultural differences by claiming that cultural differences are not important since we are all human, and language differences are the only source of misunderstanding. By focusing on differences, we miss the goal. This avoidance of thinking about cultural differences and the necessary skills to manage them overlooks the significant advantages of cultural diversity, including:

From a marketing perspective: It enhances the company's and individuals' ability to meet and respond to the cultural preferences of local markets.

From a resource acquisition perspective: It increases the company's ability to attract employees from diverse backgrounds.

From a cost perspective: It reduces costs associated with turnover among non-native managers.

From a problem-solving perspective: It leads to better and more comprehensive decision-making by utilizing diverse viewpoints.

From a creativity perspective: It fosters creativity through diverse viewpoints and less emphasis on the need for coordination and homogenization of ideas.

From a system flexibility perspective: It increases system flexibility and responsiveness to multiple demands in the current dynamic environment.

Due to the broad diversity of work environments, effective management of organizations and human resources faces many challenges. Organizations aim to compete in the global market through downsizing and reengineering, while the information explosion and technological development pose additional challenges. Meanwhile, improving commercial relations, increasing market share, and being recognized as a successful manager are among today's managers' concerns.

3.2.1 Cultural Intelligence in Organizations

Goleman believes that IQ determines scientific advancements and professional success, but its contribution to success is only about 20%. The quest to identify other factors contributing to professional success led to the

introduction of emotional intelligence and cultural intelligence into management literature, although the exact contribution of emotional and cultural intelligence to individual success is still undetermined. Emotional intelligence encompasses a broad set of individual skills and talents, typically referring to intrapersonal and interpersonal skills, and generally involves the ability to understand and manage the expression or control of emotions and feelings. Emotional intelligence enables creative thinking and the use of emotions and feelings to solve problems. An individual with high emotional intelligence is skilled in recognizing, utilizing, understanding, and controlling emotions.

Cultural intelligence refers to an individual's ability to grow personally through continuous learning and understanding of different cultural heritages, customs, and values, and to interact effectively with people from different cultural backgrounds and perceptions. Early and Ang define cultural intelligence as the individual's capability to adapt effectively to new cultural contexts, relating it to other types of intelligence, including emotional and social intelligence. Cultural intelligence, as a new domain of intelligence, is highly relevant to diverse work environments. Some aspects of culture, such as art, music, and behavioral styles, are visible, while more challenging parts of culture, such as beliefs, values, expectations, attitudes, and assumptions, are hidden yet influence behavior. Cultural intelligence allows individuals to recognize how others think and respond to behavioral patterns, thereby reducing intercultural communication barriers and empowering individuals to manage cultural diversity (Earley & Mosakowski, 2004). In the diverse work environments of the current century, effectively managing cultural shocks, conflicts, and their consequences is essential, requiring effective adaptation and adjustment of cultures.

3.2.2 Application of Cultural Intelligence

Today, most organizations and individuals regard cultural intelligence as a competitive advantage and strategic capability. In the global environment and market, cultural intelligence is considered a leverage tool for leaders and managers. Organizations and managers who understand the strategic value of cultural intelligence can utilize cultural differences and diversity to create competitive advantages and excel in the global market. Cultural intelligence acts as a glue that fosters cohesion and harmony in a diverse environment. Individuals with high cultural intelligence can significantly impact marketing strategies and product

development for customer groups in different countries. These individuals are valuable organizational assets, particularly during crises when their worth becomes more apparent.

3.2.3 *Cultural Intelligence and Managerial Performance*

The performance of any organization depends on the performance of its employees and managers, opportunities, resources, facilities, and is influenced by environmental systems and other organizations. Employee performance is also dependent on individual variables (abilities, mental and psychological skills, and life background), psychological variables (perception, attitude, personality, learning, motivation), and organizational variables (resources, leadership, compensation, structure, and job design) (Dolan & Schuler, 2002). Moreover, one of humanity's greatest difficulties is the inability to achieve cooperation and understanding with others. In the new management approach, organizational culture, teamwork, and the way a manager collaborates with others are of particular importance. Management in various situations and positions requires specific behaviors for managers to perform effectively. Therefore, one of the factors affecting a manager's performance is their ability and skill in diverse, especially culturally diverse, situations (Pisapia et al., 2009; Poorsadegh & Yazdani, 2011).

3.2.4 *Cultural Intelligence and Organizational Performance*

Perhaps the first concept that has been considered since the inception of organizations is organizational performance. Organizational performance justifies the existence, survival, and even dissolution of organizations, as the very philosophy of organizations is their performance, with all elements and subsystems comprising an organizational system. Bernardin believes that "performance should be defined as the outcomes of work" since these outcomes have the strongest relationship with the organization's strategic goals, customer satisfaction, and economic contributions. Recent models of job performance consider performance as a multi-faceted function emphasizing distinct aspects of performance (Borman et al., 1997; Borman & Motowidlo, 1997). Campbell et al. (1999) proposed a multi-factor model of job performance based on job-specific task skills, non-job-specific task skills, written and oral communication skills, demonstrating effort, maintaining personal discipline, facilitating peer and team performance,

supervision/leadership, and management/administration. Campbell asserts that performance involves behavior and should be distinguished from outcomes, as some system factors can eliminate outcomes. Organizational scholars divide performance into two dimensions: contextual performance and task or technical performance. Technical performance is related to what Borman and Motowidlo refer to as the core technical aspects of the job or organization, involving activities that directly or indirectly convert resources into products in economic exchanges. This type of performance varies significantly from job to job, depending on knowledge, skills, and abilities, and includes specific and defined roles. Studies have shown that cultural intelligence can be recognized as a factor influencing task performance. This claim is supported by the expanding international business activities, highlighting the need for capabilities that assist managers in addressing cultural complexities (Campbell et al., 1996).

3.2.5 *Cultural Intelligence and Entrepreneurial Behavior*

Entrepreneurship is identified as one of the most effective solutions for creating employment opportunities for university graduates in the country. Beyond entrepreneurial traits, a set of factors exists that enhances or strengthens these traits. Many entrepreneurs avoid expanding entrepreneurial activities due to a lack of inclination or inability to work with different cultures and societies (Saghafi & Pour Yosef, 2015). Consequently, entrepreneurs need high cultural intelligence to align with various cultures. Entrepreneurship is a creative process that utilizes and organizes resources to meet individuals' needs. Additionally, entrepreneurial intention is influenced by attitude toward the behavior, subjective norms, and self-efficacy beliefs, playing a significant role in forming final behavior.

Due to the necessities and challenges of entrepreneurship in diverse cultural environments, entrepreneurs must possess abilities that help them understand others' cognitive, behavioral, and value complexities. This is especially important in non-profit organizations, which rely on employee and supporter capabilities for survival without government support and must develop creative mechanisms for maintaining and sustaining themselves in dynamic environments (Faghiharam et al., 2018; Ferdman, 2013). Previously, capabilities such as emotional intelligence, social intelligence, and emotional intelligence were identified as necessary capabilities for entrepreneurs to understand perceptual factors. However, possessing this

intelligence alone suffices only in static cultural environments, and as cultural diversity increases, emotional intelligence alone cannot address the dynamics of the cultural domain. Therefore, entrepreneurs need cultural intelligence alongside emotional intelligence.

3.3 Strategic Thinking

3.3.1 Models of Cultural Strategic Thinking

The ability to interpret unrelated and unplanned events and occurrences is the greatest indicator of success for the managers of today's organizations. This capability is, in fact, strategic thinking within an organization, which itself indicates a fundamental requirement for bringing an organization to excellence and empowerment. This strategic capability can help managers understand, identify, predict, and control future events. Rather than being influenced by changes, they can influence upcoming changes. On the other hand, applying strategic thinking in an organization, regardless of the type of actions and managerial styles of today's managers, will not lead to success. Organizational development does not solely depend on the manager, their thoughts, and decisions alone; it also hinges on factors such as the organization's conditions and circumstances, as well as the characteristics, conditions, needs, and priorities of the organization's employees. Organizational problems are becoming increasingly complex, necessitating better thinking and innovative solutions. The fast-paced world today has positioned organizations, as fundamental structures of society, to face extensive changes. The rate and depth of changes affecting organizations are very high. In today's world, where competitive advantage factors are in flux, only a sustainable competitive advantage can provide the necessary insight for continually identifying these factors, making strategic thinking vital for modern organizations. One of the issues organizations face is the lack of strategic thinking among top managers. The absence of strategic thinking among senior managers of firms and organizations deprives them of utilizing new opportunities (Poorsadegh & Yazdani, 2011).

3.3.2 Skills of Cultural Strategic Thinking

For cultural development and transformation, it is necessary to consider cultural development strategically rather than through scattered actions. In cultural development, strategic thinking skills are more critical than strategic management skills because cultural development is

a complex and multifaceted issue, and strategic thinking is a multidimensional phenomenon. Through the interaction of its constituent factors, appropriate thinking and strategic cultural development entrepreneurship emerge. Strategic thinking is not about predicting the future but rather timely recognizing the characteristics of the competitive (cultural) field and identifying opportunities that cultural competitors overlook. Strategic thinking appears as simple and profound rules, creating a specific mental model that serves as the basis for daily decision-making and the overall direction of the organization. Henry Mintzberg views strategic thinking as a comprehensive mental representation of the business, while Gary Hamel describes it as strategic architecture based on creativity and the art of business (Austin, 2006; Faghiharam et al., 2018). In cultural development, it is advisable to equip oneself with hedgehog skills. Berlin concludes from the tale of the cunning fox and the wisdom of the hedgehog that people fall into two categories: foxes and hedgehogs. The fox pursues many methods simultaneously, wandering through the complex world in a dispersed and scattered manner, never focusing its thoughts on a single concept or unified view. Conversely, the hedgehog simplifies a complex world into an organized view: a basic rule or concept that integrates and guides everything. Regardless of how complex the world is, a hedgehog simplifies all challenges and constraints into simple ideas. Hedgehog thinking understands that the essence of deep insight is simplicity. Cultural development requires simplifying intertwined and complex cultural components (Collins, 2009; Crowne, 2008).

3.3.3 Strategic Thinking at the Individual Level

Strategic thinking at the individual level consists of three main elements:

- A comprehensive understanding of the organization and its environment
- Creativity
- A vision for the future of the organization

Each of these elements is examined below.

3.3.4 A Comprehensive Understanding of the Organization and Its Environment

A key feature of strategic thinking is the ability to gain a holistic perspective of the organization and its environment. This requires understanding how different issues and topics interrelate, affect one another, and how a solution in one area impacts another. As Kaufman (1991) noted, strategic

thinking involves shifting from viewing the organization as a fragmented collection of separate parts (and employees) competing for resources to viewing and dealing with the organization as a holistic system that integrates each part with the entire organization. Acquiring a holistic perspective requires the ability to distance oneself from daily operational issues and to see how issues and topics connect into a broader pattern with specific events and details. Senge (1990) called this approach systemic thinking, arguing that we must look beyond personalities and events to understand the basic structures shaping individual actions and creating conditions that generate various events. This attention to the structures of complex situations requires thinking based on processes rather than events, to adapt created conditions and develop innovative solutions. Managing high complexity in organizations requires managers familiar with the dynamics of organizational life (Salimi et al., 2019).

Stay (1996) argued that managers need a thorough understanding of how managerial and organizational actions change over time, requiring feedback processes that lead to such changes. This feature includes sensitivity to the precise interactions between different parts of the organization and understanding the structural causes of behaviors and their effects on other parts of the organization. Ultimately, a holistic perspective requires recognizing that organizations are components within larger and more complex systems like markets, industries, and nations. Those who think strategically need to understand how organizations fit within this broader context and how they are affected by the dynamics, relationships, and interdependencies of these systems (Bayazi Tahraband et al., 2019; Mosadeghrad et al., 2023).

3.3.5 Creativity

Strategy involves ideas and developing new solutions to create a competitive advantage. Those who think strategically must seek new approaches and discover better ways to do things. This requires creativity, particularly the ability to question common concepts and perceptions and to recombine or relate seemingly unrelated topics. According to Amabile (1998), creative thinking involves how individuals approach problems and solutions, their capacity to combine existing ideas into new combinations. This involves challenging the dominance of long-standing assumptions by questioning prevalent beliefs or mental models in the organization. Senge (1990) described mental models as deeply ingrained assumptions, generalizations, or

even images and pictures that influence how we understand the world and how we act. He argued that these models are usually tacit and limit our awareness, immediately impacting organizational behavior: "... new insights in practice fail because they conflict with the deep-rooted mental images within the organization regarding the world. These images restrict us to habitual ways of thinking and acting" (Bayazi Tahraband et al., 2019).

Therefore, the ability to respond to mental models and challenge prevailing assumptions and core beliefs to develop unique strategies and action plans is vital. This requires those who think strategically to understand their own behavioral patterns and the existing concepts and perceptions within the organization. Strategists must enjoy unconventional thinking and using imagination and creativity to discover alternative ways of doing things. De Bono (1996) expressed this by saying: without creativity, we cannot make proper use of the information and experiences available to us, transmitted by old structures, patterns, concepts, and perceptions (Bayazi Tahraband et al., 2019).

Creativity is a process that begins with generating ideas. As De Bono pointed out: "... strategy is usually seen as a reductive process where various alternatives are reduced to a single reasonable course of action. Creative thinking is needed to imagine multiple alternatives and to seek substitutes for traditional approaches. Creative thinking also involves selecting and developing ideas. Good strategists can recognize the potential of a new idea in its very early stages. Imagining the value of an idea presented by individuals from different organizational levels may be even more important than generating original ideas by strategists themselves" (Bayazi Tahraband et al., 2019).

3.3.6 Strategic Thinking at the Organizational Level

Evidence suggests that the dominance of strategic thinking in organizations leads to "the development of organizational capacities," "achieving sustainable financial results," and "improving the organization's position in the environment" (Bayazi Tahraband et al., 2019). The organizational level provides a context where individual strategic thinking can be leveraged. Organizations need to create structures, processes, and systems that:

- Foster continuous strategic dialogue among the senior management team.
- Exploit the ingenuity and creativity of all employees.

3.3.7 Strategic Dialogue

Strategic thinking requires time for reflection and exploration. As Hanford (1995) pointed out: at the strategic level, it can be said that high speed is inherently not strategic. For example, very short timelines for thinking about key issues and opportunities, learning something new, or changing and clarifying organizational roles are examples of hurried actions that detract from being strategic and engaging in strategic thinking. It should be noted that all these strategic challenges take time. Temporal urgency in these cases is unproductive. Eliminating the chronic complaint of not having enough time is an important prerequisite for strategic thinking. Organizations must regularly provide sufficient time and space for senior managers to engage in discussions about strategic issues, insights, and ideas. Strategic thinking requires senior management teams to learn how to explore complex and contradictory issues through dialogue with each other. Constructive strategic dialogue harnesses the synergistic potential of multiple brains instead of just one brain. This type of dialogue extends beyond individual comprehension and allows team members to gain a deeper understanding of organizational complexity and guides them to new insights and clarity that are not accessible individually (Faghiharam et al., 2018).

Given the increasing pace of business, strategic thinking plays a crucial role in the sustainability and advancement of organizations in this dynamic and evolving environment, underscoring the importance of research related to this topic. The primary basis of the new business arena is competition, which conceptually contrasts with monopoly (Pisapia et al., 2009). As Eisenhardt (1997) argued: such interaction (dialogue) forces managers to present more effective and clear reasoning and communicate it easily to others. Through this process, managers not only learn and shape their own perspectives but also become aware of others' viewpoints. This interaction among managers creates a social discovery process in which continuous communication fosters a deep and realistic understanding of key information and preferences. Individual team members must genuinely desire to benefit from the advantages of strategic dialogue and be seriously prepared to listen to others. They must be willing to openly express their mental models and tacit assumptions and discuss them. Open expression of mental patterns influenced by prevalent perspectives and decisions requires an open, honest, and positive environment. Currently, strategic thinking is a fundamental need for departments and

organizations to grow and develop. With strategic thinking, the valuable and key resource of organizational thinking can be effectively used to manage environmental challenges and achieve organizational goals. The lack of strategic thinking among senior managers is a fundamental shortfall in organizations (Faghiharam et al., 2018; Saghafi & Pour Yosef, 2015).

3.4 The Role of Cultural Intelligence and Strategic Thinking in Organizations

Given that internal and external conditions of society are constantly changing, to steer changes in the right direction and transform them into lifestyles for people or organizational employees, changes must be supported by a cultural foundation. This is possible when culture can also be developed simultaneously. Cultural development is a gradual process that depends on various factors, but scientific models can facilitate the path to cultural development and achieve results sooner. In this regard, cultural managers and policymakers play a central and fundamental role in cultural transformation and development. Therefore, they must use specific cultural development models. Cultural development means increasing the scope of culture over various societal issues and strengthening the degree of belief and adherence to cultural components. Thus, practical models will be helpful for achieving these two important aspects (Mosadeghrad et al., 2023).

For cultural development, leaders, policymakers, and cultural managers play a fundamental and central role. Therefore, they must be equipped with the necessary skills and competencies. The following are some of the skills required for cultural development. For cultural development, the common cultural elements of society or the organization must be identified, and an appropriate model designed based on them. Today, managing diverse cultures and creating positive synergy among them requires appropriate skills in this area. One of the necessary capabilities for cultural managers in organizations and society is managing cultural diversity. Cultural diversity is not only natural but can also be considered a potential asset, as it fosters interaction and growth among cultures. Ignoring cultural differences has been the reason for many business failures. However, when cultural differences are well understood and successfully managed, they can be enduring. Working with people whose values and beliefs differ from yours due to language and traditions can lead to misunderstandings and failures

(Mosadeghrad et al., 2023). Four strategies can be employed for cultural management:

- Acceptance: Explicitly acknowledging cultural gaps and working on them.
- Structural intervention: Changing the shape and structure of cultural teams.
- Managerial intervention: Establishing norms early by introducing a high-level decision and strategy.
- Exit: Removing a member from the cultural team when other options fail (Mosadeghrad et al., 2023).

Cultural intelligence focuses on specific capabilities necessary for quality and effective personal relationships in different cultural contexts, emphasizing another aspect of cognitive intelligence. Cultural intelligence encompasses individual insights useful for adapting to intercultural situations and interactions and succeeding in multicultural work groups. For cultural development, cultural managers need to work on the three mentioned dimensions and strengthen the components of cultural intelligence within themselves:

- Cognitive Dimension: Acquiring information about cultural components.
- Physical Dimension: Many cultural differences manifest in observable physical actions.
- Emotional-Motivational Dimension: Adapting to a new culture requires overcoming obstacles and challenges. Individuals can only achieve this if they are highly motivated and believe in their abilities. Effective cultural leaders, by building their character, gain the ability to influence others' cultures and provide the groundwork for applying others' cultural teachings (Earley & Mosakowski, 2004; Faghiharam et al., 2018; Ferdman, 2013).

Since culture underpins every task and people's lifestyles depend on it, organizational and societal cultural managers must be capable of creating a cultural space. In cultural space creation, many cultural teachings can be institutionalized and applied. One factor that helps create and promote culture is the existence of a cultural space. When people are placed in a cultural space, it has encouraging effects, cultural learning becomes habitual, and it becomes part of their overall structure and personality (Thomas, 2008; Triandis, 2006).

The ability to interpret unrelated and unplanned events and occurrences is the greatest indicator of success for the managers of today's organizations. This capability is, in fact, strategic thinking within an organization, which itself indicates a fundamental requirement for bringing an

organization to excellence and empowerment. This strategic capability can help managers understand, identify, predict, and control future events. Rather than being influenced by changes, they can influence upcoming changes. On the other hand, applying strategic thinking in an organization, regardless of the type of actions and managerial styles of today's managers, will not lead to success. Organizational development does not solely depend on the manager, their thoughts, and decisions alone; it also hinges on factors such as the organization's conditions and circumstances, as well as the characteristics, conditions, needs, and priorities of the organization's employees (Pisapia et al., 2009). Organizational problems are becoming increasingly complex, necessitating better thinking and innovative solutions. The fast-paced world today has positioned organizations, as fundamental structures of society, to face extensive changes. The rate and depth of changes affecting organizations are very high. In today's world, where competitive advantage factors are in flux, only a sustainable competitive advantage can provide the necessary insight for continually identifying these factors, making strategic thinking vital for modern organizations. One of the issues organizations face is the lack of strategic thinking among top managers. The absence of strategic thinking among senior managers of firms and organizations deprives them of utilizing new opportunities (Poorsadegh & Yazdani, 2011).

Today's world is witnessing an unprecedented move towards a form of convergence and the portrayal of human roles in contributing to shared global management. Influential leaders in the globalization process are essential, accelerating this process and guiding it to its desired destination. Leadership in turbulent, complex, chaotic environments filled with characteristics such as change, diversity, and differences (Ferdman, 2013) and the increasing development of communication technologies and the emergence of social networks make today's leadership far more complex and challenging than in the past. Globalization, regarded as a natural and intrinsic movement of humanity towards the inherent perfection of creation, is a favorable and desirable process for all humans. Globalization is a global reality (Thomas, 2008). Clearly, achieving and sustaining such a movement requires effective and efficient leadership. The difference between globalization and globalism lies in the fact that globalism is a project designed by major powers, requiring management to complete projects and channel the resulting benefits to global employers. Naturally, in this management style, individuals or "followers" have no place, and power

structures determine the desired project outcomes. In contrast, globalization is seen as a natural process that brings all humans together, irrespective of race, gender, color, religion, etc., guiding them towards the inherent perfection of creation. Global leaders can accelerate and facilitate this process by influencing the hearts and minds of followers and managing the emerging global situations. Global leaders need characteristics that enable them to create the threefold interaction of leader, followers, and situations.

4 Discussion and Conclusion

In a world where crossing borders has become commonplace and straightforward, having cultural intelligence is a vital need for all managers and employees. Successful managers learn well the key to dealing with different national, transnational, and organizational cultures and make the most of their teachings. This type of intelligence improves the understanding and comprehension of intercultural interactions. To be recognized as culturally intelligent, one must be able to make correct judgments in situations with various perceptions and cues and gain an accurate understanding of that situation. Individuals with higher levels of cultural intelligence have greater control over expressing emotions and physical states. The ability to understand, interpret, and adapt behavior to cultural contexts is a crucial skill, especially for those working in international companies.

Various researchers have examined cultural intelligence. Results from a study among 47 workgroups at the Mobarakeh Steel Company in Isfahan showed a significant relationship between cultural intelligence and its components (strategy, knowledge, motivation, and behavior) and group effectiveness. Among these components, motivation and behavior could predict group effectiveness (Abzari et al., 2010). Rahimnia et al. (2009) found a positive and significant relationship between cultural intelligence and task performance among branch managers of the Novin Bank in Tehran province, primarily influenced by the knowledge and behavior dimensions of cultural intelligence. In studying the relationship between cultural intelligence and managerial productivity in Martyr schools in West Azerbaijan province, results showed a positive and significant relationship between cultural intelligence and its components and managerial productivity.

There is significant pressure on local judicial competencies to demonstrate increased effectiveness and

efficiency while adapting to evolving service demands. Moreover, dynamic environments characterized by technological, economic, and political changes increasingly require organizational agility. Perhaps a key indicator of these needs is the growing inventory and increasing use of management tools in provinces, along with a long history of efforts to improve organizational functionality in both the private and public sectors (Collins, 2009; Ferdman, 2013; Mosadeghrad et al., 2023). Although planned change strategies like reengineering, total quality management, strategic planning, and workforce adjustment are appropriate for effective management, these strategies have alarmingly high failure rates and often cannot sustain beyond the tenure of a motivated leader who initiated the process. In a global survey conducted by Bain & Company on management tools, 91% of 1,200 senior executives agreed that cultural change is a crucial strategy for achieving successful outcomes. Furthermore, 91% of respondents agreed that a company without a winning culture is doomed to fail. Ultimately, culture provides members of an organization with a shared context for interpreting events, understanding issues, and knowing what is expected of them. Cultural forces, representing a related set of goals, values, attitudes, and practical assumptions, can combine to prevent transformation efforts (Collins, 2009). According to Collins (2001), dysfunctional organizations exhibit lower effectiveness, efficiency, and performance compared to their peers. Culture can profoundly impact an organization. On one hand, strategies, leadership styles, and skills can foster inter-organizational feedback and strategic learning, creating a more constructive culture that leads to sustainable improvement. On the other hand, an organizational culture can support passive, aggressive, and defensive behaviors that are detrimental to an organization (Collins, 2009).

Acknowledgments

The cooperation of all participants in the research is thanked and appreciated.

Declaration of Interest

The authors of this article declared no conflict of interest.

Authors Contributions

All authors have contributed significantly to the research process and the development of the manuscript.

Ethics principles

In this research, ethical standards including obtaining informed consent, ensuring privacy and confidentiality were observed.

References

- Aryana, A., Dastyar, Z., & Tavasoli, A. (2020). Entrepreneur women's role in the development and evolution of the country (Case Study: Hormozgan province). *Karafan Quarterly Scientific Journal*, 16(2), 101-120. https://karafan.tvu.ac.ir/article_105315.html?lang=en
- Austin, A. (2006). Cultural intelligence: A guide to working with people from other cultures. *Leadership & Organization Development Journal*, 27(1), 83-84. <https://www.emerald.com/insight/content/doi/10.1108/01437730610641395/full/html>
- Bayazi Tahraband, A., Kordnaeij, A., Khodadad Hosseini, S. H., & Danaeifard, H. (2019). Identification and explanation of the elements of strategic thinking. *Strategic Management Thought*, 13(2), 171-204. <https://doi.org/10.30497/smt.2019.2738>
- Borman, W. C., Hanson, M. A., & Hedge, J. W. (1997). PERSONNEL SELECTION. *Annual review of psychology*, 48(Volume 48, 1997), 299-337. <https://doi.org/10.1146/annurev.psych.48.1.299>
- Borman, W. C., & Motowidlo, S. J. (1997). Task Performance and Contextual Performance: The Meaning for Personnel Selection Research. *Human Performance*, 10(2), 99-109. https://doi.org/10.1207/s15327043hup1002_3
- Campbell, J. P., Gasser, M. B., & Oswald, F. L. (1996). The substantive nature of job performance variability. *Individual differences and behavior in organizations*, 258, 299. https://www.academia.edu/15280265/THE_SUBSTANTIVE_NATURE_OF_PERFORMANCE_VARIABILITY_PREDICTING_IN_TERINDIVIDUAL_DIFFERENCES_IN_INTRAINDIVIDUAL_PERFORMANCE
- Collins, J. (2009). Good to Great-(Why some companies make the leap and others don't). In: SAGE Publications Sage India: New Delhi, India.
- Crowne, K. A. (2008). What leads to cultural intelligence? *Business Horizons*, 51(5), 391-399. <https://doi.org/10.1016/j.bushor.2008.03.010>
- Earley, P. C., & Mosakowski, E. (2004). Cultural intelligence. *Harvard business review*, 82(10), 139-146. https://www.academia.edu/download/39839288/cultural_intelligence.pdf
- Faghiharam, B., Moradi, S., & Kazemi, M. (2018). The Relationship between Cultural Intelligence and Spiritual Intelligence with Students' Social Identity. *Islamic Perspective on Educational Science*, 6(11), 129-150. <https://doi.org/10.30497/edus.2018.71395>
- Ferdman, B. M. (2013). The practice of inclusion in diverse organizations. *Diversity at work: The practice of inclusion*, 3-54. <https://onlinelibrary.wiley.com/doi/abs/10.1002/9781118764282.ch1>
- Mosadeghrad, A. M., Parsaeian, M., & Hedayati, P. (2023). Organizational culture of hospitals affiliated to Tehran University of Medical Sciences. *payeshj*, 22(4), 375-385. <https://doi.org/10.61186/payesh.22.4.375>
- Pisapia, J., Pang, N. S.-K., Hee, T. F., Lin, Y., & Morris, J. D. (2009). A Comparison of the Use of Strategic Thinking Skills of Aspiring School Leaders in Hong Kong, Malaysia, Shanghai, and the United States: An Exploratory Study. *International Education Studies*, 2(2), 46-58. <https://eric.ed.gov/?id=EJ1065663>
- Poorsadegh, N., & Yazdani, B. (2011). The Effect of Strategic Thinking Capability of Senior Managers on the Success of Small and Medium sized Enterprises. *Journal of Strategic Management Studies*, 2(7), 143-159. https://www.smsjournal.ir/article_88886.html
- Saghafi, M., & Pour Yosef, A. (2015). The probability of installing the balanced evaluation card method for assessing the operation of stationed companies in Brijand's industrial town. *Scientific Quarterly of Social-Cultural Studies of Khorasan*, 9(1), 27-47. https://www.farhangekhorasan.ir/article_14577.html?lang=en
- Salimi, S., Parsa, A., Mehalizade, Y., & Shahi, S. (2019). University educational planning: Designing a model of conceptual roadmap for university development. *Journal of Educational Planning Studies*, 8(15), 176-201. https://eps.journals.umz.ac.ir/article_2498_en.html
- Thomas, D. C. (2008). *Cultural intelligence: People skills for global business*. ReadHowYouWant. com. [https://books.google.com/books?hl=en&lr=&id=ag6Ciuz9fpUC&oi=fnd&pg=PR1&dq=10.+Thomas,+David+C.+and+Inkson,+Kerr.+\(2004\).+Cultural+Intelligence+People+Skills+for+Global-Business.Berrett-Koehler.+New+York&ots=KZ1vCKIY5N&sig=_hhOSOpTOWw0UnDipXe9k-mnc44](https://books.google.com/books?hl=en&lr=&id=ag6Ciuz9fpUC&oi=fnd&pg=PR1&dq=10.+Thomas,+David+C.+and+Inkson,+Kerr.+(2004).+Cultural+Intelligence+People+Skills+for+Global-Business.Berrett-Koehler.+New+York&ots=KZ1vCKIY5N&sig=_hhOSOpTOWw0UnDipXe9k-mnc44)
- Triandis, H. C. (2006). Cultural Intelligence in Organizations. *Group & Organization Management*, 31(1), 20-26. <https://doi.org/10.1177/1059601105275253>