A STUDY ON THE RELATIONSHIP BETWEEN THE ORGANIZATIONAL PERFORMANCE OF MULTI-NATIONAL COMPANIES IN THE CHENNAI DISTRICT AND CROSS-CULTURAL COMPETENCE

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ABSTRACT

This study aims to investigate the connection between organizational performance and cross-cultural proficiency among multinational corporations (MNCs) operating in Chennai. The dynamic city of Chennai, which serves as the capital of the Indian state of Tamil Nadu, is well-known for its abundance of multinational corporations. The goal of the study is to determine how cross-cultural competency affects MNCs' overall performance and to offer recommendations for boosting organizational effectiveness in a multicultural setting. At the moment, Chennai's business community is rapidly growing and acting as the city's economic growth's base. Each employee contributes differently to organizational performance depending on a range of factors. Since cross-cultural contacts have an impact on organizational performance in multinational companies, this study's main focus In Chennai. The purpose of the study is to investigate how cross-cultural difficulties affect organizational management as measured by performance. Moving on to the research methodology, the study's research approach was to conduct a survey using a structured questionnaire. The study also obtained the necessary information from 250 workers of Multi-National companies in Chennai.

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To conduct a statistical analysis and interpretation of the impact of cross-cultural competence on the organizational performance of a multinational corporation (MNC) in Chennai using SPSS, the collected data on cross-cultural competence and organizational performance from employees or relevant sources within the MNC. The findings of this study will contribute to the existing literature on cross-cultural competence and organizational performance, specifically in the context of MNCs in Chennai city. The suggestions provided can serve as a roadmap for MNCs to enhance their cross-cultural competence and, consequently, improve their organizational performance in a multicultural environment. The study came to the conclusion that skill, attitude, culture, and communication play a vital role in the impact of cross-cultural competencies on organizational performance.

Keywords: Cross-Culture Competence, Organizational performance, Attitudes, Skill, Communication, Culture

INTRODUCTION

At the moment, Chennai's business community is rapidly growing and acting as the city's economic growth's base. Each employee's contribution is determined by a number of factors. At the moment, Chennai's business community is rapidly growing and acting as the city's economic growth's base. Each employee contributes differently to organizational performance depending on a range of factors. Cross-cultural competence has traditionally been seen as a quality at the individual level that can be tested, developed, or included in models of international adjustment and performance using techniques and metrics similar to those used to evaluate other individual difference constructs like emotional intelligence or leadership. n

addition to an employee's cultural competency, an enterprise developing an internationalization strategy should consider other aspects, such as their ability to comprehend the Multi-National society and their immediate financial condition. (Gupta and V. Govindarajan, 2002).

LITERATURE REVIEW

A collection of personal qualities known as a "Multi-National mindset" enables Multi-National CEOs to successfully persuade others from around the world to collaborate in order to meet organizational goals. (N. Nummela, S. Saarenketo, and K. Puumalainen, 2004). The ability to manage and compete successfully in international marketplaces

requires managers to have a Multi-National mentality. In reality, a recent study has demonstrated that successful internationalization requires possessing a Multi-National perspective. (P.C. Earley, and E. Mosakowski, 2004). While Cross-Cultural Competence concentrates on and incorporates behavioral manifestations, Multi-National Mindset is primarily focused on what is in the mind and does not actually manifest in behaviour. (PT Wijaya Karya, Annual Report 2018). Performance is the level and quantity of work done by an employee in accordance with the obligations assigned to them. It's critical to assess organizational management to see how well they can do the tasks that have been given to them. Additionally, despite the potential expansion of construction services exports, relatively little research has been done on cross-cultural proficiency, a Multi-National mentality, and staff performance. (A.A.A.P. Mangkunegara, 2006). In the workplace, cultural diversity is practiced through the coexistence of employees from various backgrounds. Therefore, managing cultural diversity demands an organizational culture where every employee may advance their careers without being constrained by their gender, race, nationality, religion, or other non-performance-related characteristics

(Bryan, 1999). The idea of "managing diversity in the workforce" has only lately come into existence, mostly as a result of the realization of the principle of "equal opportunities" for all. The proactive approach usually gradually displaces the reactive methods. In today's competitive environment, it is becoming more widely acknowledged that the variability that cultural diversity offers can be a growth engine for the effectiveness of the organization (Nkomo & Cox, 1996; Jackson & Ruderman, 1995).

GAPS IN THE LITERATURE REVIEW

It may be necessary to establish more reliable and standardized methods for evaluating cross-cultural competence inside multinational corporations. This could entail examining the precise effects of various cross-cultural competency factors, such as cultural intelligence, intercultural communication abilities, and adaptability, on organizational performance. A more thorough investigation of the impact of contextual factors on the link between cross-cultural competence and organizational success would be beneficial to the research. Industry type, characteristics of the host country, and organizational culture may all have a substantial

impact on this relationship and call for additional research.

OBJECTIVES OF THE STUDY

- To analyse the relationship between cross-cultural competence and organizational performance in MNCs in Chennai.
- For evaluating the effectiveness of cross-cultural training programs provided by MNCs in Chennai
- To identify best practices for developing and promoting cross-cultural competence within MNCs in Chennai.

LIMITATION OF THE RESEARCH

- The study has a limited sample size of 250 respondents.
- The respondent's suggestion may vary from year to year.
- The measurement tools or scales used to assess cross-cultural competence or organizational performance might not capture all the relevant dimensions or adequately measure the constructs of interest.

HYPOTHESIS

- Cross-cultural competence has a positive impact on the organizational performance of

multinational corporations (MNCs).

- There is no significant influence of cross-cultural competence on communication.
- There is no significant difference between cross-cultural competence on decision-making.
- There is no significant influence of cross-cultural competence on innovation and creativity.

RESEARCH METHODOLOGY

Using SPSS, data on cross-cultural competence and organizational performance were gathered from employees or other pertinent sources within the MNC in order to conduct a statistical analysis and interpretation of the impact of cross-cultural competence on the organizational performance of a multinational corporation (MNC) in Chennai. The variables of interest (cross-cultural proficiency and organizational performance) are summarized by the descriptive statistics. Measures like means, standard deviations, minimum and maximum values, and frequencies are included in it. The correlation analysis is used to look at the connection between organizational success and cross-

cultural proficiency. The significant association between various forms of cross-cultural competency and organizational performance is determined using one-way ANOVA.

Table: 1

Gender	Number of respondents	Percentage
Male	115	46
Female	135	54
Total	250	100

Source: Primary Data

According to the aforementioned statistics, 54% of the responders were female.

Table: 2

Age	Number of respondents	Percentage
Less than 25	30	12
25 years - 35 years	101	40
35 years - 45 years	50	20
Above 45 years	69	28
Total	250	100

Source: Primary Data

It is known that the sample units consist of a maximum of 40% and a minimum of 12% of the respondent's age is less than 25 years.

Table: 3

Educational Level	Number of respondents	Percentage
Diploma	42	17
UG Level	76	30
PG Level	67	27
Others	65	26
Total	250	100

Source: Primary Data

According to the table, the sample units include a maximum of 30% respondents with UG-level educations, and a minimum of 17% of respondents have diplomas as their highest degree of education.

Table: 4

Year of Experience	Number of respondents	Percentage
Less than 5 years	66	26
5 years - 10 Years	74	30
10 Years - 15 Years	41	16
Above 15 Years	69	28
Total	250	100

Source: Primary Data

The above table revealed that the maximum number of respondent year of experience is 5 years to 10 years and the minimum number of respondents experienced is 10 years to 15 years respectively.

Descriptive Statistics **Table - 5**

Variables	N	S.D	Mean	T	Sig
Self-assessment of cross-cultural competence	250	1.30050	3.6160	43.963	.000
Previous cross-cultural training or experience	250	1.35990	3.4920	40.601	.000
Language proficiency in different cultures	250	1.16233	3.5200	47.883	.000
Key performance indicators (KPIs) relevant to the organization's goals	250	1.18795	3.8040	50.630	.000
Managerial Assessments of employee performance	250	.94797	3.7880	63.181	.000
Teamwork effectiveness	250	1.03918	3.6960	56.235	.000

Source: Computed Data

The mean value ranges from 3.50 to 3.80, according to the preceding table. Additionally, the t-value ranges from 40.60 to 63.18 and the standard deviation is between 0.95 and 1.36.

CORRELATION Table - 6

		Age	SACC	PCC	LP	KPI	MAEP	TE
Age	Pearson	1	.066	.068	.235**	.180**	-.169**	.019

	Correlation						
	Sig. (2-tailed)		.299	.286	<.001	.004	.007	.763
	N	250	250	250	250	250	250	250
SACC	Pearson Correlation	.066	1	-.068	.032	-.218**	.168**	-.229**
	Sig. (2-tailed)	.299		.287	.618	<.001	.008	<.001
	N	250	250	250	250	250	250	250
PCC	Pearson Correlation	.068	-.068	1	.254**	.070	.038	-.007
	Sig. (2-tailed)	.286	.287		<.001	.271	.554	.907
	N	250	250	250	250	250	250	250
LP	Pearson Correlation	.235**	.032	.254**	1	.074	-.169**	-.145*
	Sig. (2-tailed)	<.001	.618	<.001		.243	.007	.022
	N	250	250	250	250	250	250	250
KPI	Pearson Correlation	.180**	-.218**	.070	.074	1	-.198**	.231**
	Sig. (2-tailed)	.004	<.001	.271	.243		.002	<.001
	N	250	250	250	250	250	250	250
MAEP	Pearson Correlation	-.169**	.168**	.038	-.169**	-.198**	1	.265**
	Sig. (2-tailed)	.007	.008	.554	.007	.002		<.001
	N	250	250	250	250	250	250	250
TE	Pearson Correlation	.019	-.229**	-.007	-.145*	.231**	.265**	1
	Sig. (2-tailed)	.763	<.001	.907	.022	<.001	<.001	
	N	250	250	250	250	250	250	250

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

*Correlation is significant at the 0.05 level (2-tailed)

The table above demonstrates the significance of each component related to organizational success and cross-cultural competency.

CORRELATION   Table - 7

		Educational Level	SACC	PCC	LP	KPI	MAEP	TE
Educational Level	Pearson Correlation	1	-.068	.032	-.218**	.168**	-.229**	-.329**
	Sig. (2-tailed)		.287	.618	<.001	.008	<.001	<.001
	N	250	250	250	250	250	250	250
SACC	Pearson Correlation	-.068	1	.254**	.070	.038	-.007	.343**
	Sig. (2-tailed)	.287		<.001	.271	.554	.907	<.001
	N	250	250	250	250	250	250	250
PCC	Pearson Correlation	.032	.254**	1	.074	-.169**	-.145*	.011
	Sig. (2-tailed)	.618	<.001		.243	.007	.022	.860
	N	250	250	250	250	250	250	250
LP	Pearson Correlation	-.218**	.070	.074	1	-.198**	.231**	.253**
	Sig. (2-tailed)	<.001	.271	.243		.002	<.001	<.001
	N	250	250	250	250	250	250	250
KPI	Pearson Correlation	.168**	.038	-.169**	-.198**	1	.265**	-.175**
	Sig. (2-tailed)	.008	.554	.007	.002		<.001	.006
	N	250	250	250	250	250	250	250
MAEP	Pearson Correlation	-.229**	-.007	-.145*	.231**	.265**	1	-.144*
	Sig. (2-tailed)	<.001	.907	.022	<.001	<.001		.023
	N	250	250	250	250	250	250	250
TE	Pearson Correlation	-.329**	.343**	.011	.253**	-.175**	-.144*	1
	Sig. (2-tailed)	<.001	<.001	.860	<.001	.006	.023	
	N	250	250	250	250	250	250	250

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

*Correlation is significant at the 0.05 level (2-tailed)

The aforementioned table reveals the significance of each factor affecting organizational performance and cross-cultural competency.

CORRELATION   Table - 8

		Gender	SACC	PCC	LP	KPI	MAEP	TE
Gender	Pearson Correlation	1	-.068	.032	-.218**	.168**	-.229**	.185**
	Sig. (2-tailed)		.287	.618	<.001	.008	<.001	.003
	N	250	250	250	250	250	250	250
SACC	Pearson Correlation	-.068	1	.254**	.070	.038	-.007	.110
	Sig. (2-tailed)	.287		<.001	.271	.554	.907	.083
	N	250	250	250	250	250	250	250
PCC	Pearson Correlation	.032	.254**	1	.074	-.169**	-.145*	-.216**
	Sig. (2-tailed)	.618	<.001		.243	.007	.022	<.001
	N	250	250	250	250	250	250	250
LP	Pearson Correlation	-.218**	.070	.074	1	-.198**	.231**	-.058
	Sig. (2-tailed)	<.001	.271	.243		.002	<.001	.363
	N	250	250	250	250	250	250	250
KPI	Pearson Correlation	.168**	.038	-.169**	-.198**	1	.265**	.353**
	Sig. (2-tailed)	.008	.554	.007	.002		<.001	<.001
	N	250	250	250	250	250	250	250
MAEP	Pearson Correlation	-.229**	-.007	-.145*	.231**	.265**	1	.171**
	Sig. (2-tailed)	<.001	.907	.022	<.001	<.001		.007
	N	250	250	250	250	250	250	250
TE	Pearson Correlation	.185**	.110	-.216**	-.058	.353**	.171**	1
	Sig. (2-tailed)	.003	.083	<.001	.363	<.001	.007	
	N	250	250	250	250	250	250	250

Source: Computed Data

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

*Correlation is significant at 0.05 level (2-tailed)

It can be seen from the above table that all of the variables relating to organizational performance and cross-cultural competency are significant.

Influence of Perception of Communication Towards cross-culture Competence and organizational performance

ANOVA   Table - 9

		Sum of Squares	df	Mean Square	F	Sig.
Self-assessment of cross-cultural competence	Between Groups	31.450	2	15.725	9.967	<.001
	Within Groups	389.686	247	1.578		
	Total	421.136	249			
Previous cross-cultural training or experience	Between Groups	23.879	2	11.940	6.755	.001
	Within Groups	436.605	247	1.768		
	Total	460.484	249			
Language proficiency in different cultures	Between Groups	18.380	2	9.190	7.138	<.001
	Within Groups	318.020	247	1.288		
	Total	336.400	249			
Key performance indicators (KPIs) relevant to the organization's goals	Between Groups	11.186	2	5.593	4.061	.018
	Within Groups	340.210	247	1.377		
	Total	351.396	249			
Managerial Assessments of employee performance	Between Groups	11.348	2	5.674	6.598	.002
	Within Groups	212.416	247	.860		

	Total	223.764	249			
Teamwork effectiveness	Between Groups	13.739	2	6.870		
	Within Groups	255.157	247	1.033	6.650	.002
	Total	268.896	249			

Source: Computed Data

From the above table, it is noticed that the variables of cross-cultural competence and organizational performance are statistically significant @5% level. This leads to communication being strongly agreed upon by the employees.

Influence of Perception of Decision-making Towards cross-culture Competence and organizational performance

ANOVA   Table - 10

		Sum of Squares	df	Mean Square	F	Sig.
Self-assessment of cross-cultural competence	Between Groups	59.370	4	14.843		
					10.052	<.001
	Within Groups	361.766	245	1.477		
	Total	421.136	249			
Previous cross-cultural training or experience	Between Groups	209.369	4	52.342		
	Within Groups	251.115	245	1.025	51.068	<.001
	Total	460.484	249			
Language proficiency in different cultures	Between Groups	33.938	4	8.484		
	Within Groups	302.462	245	1.235	6.873	<.001
	Total	336.400	249			
Key performance	Between	64.907	4	16.227		

indicators (KPIs) relevant to the organization's goals	Groups				13.877	<.001
	Within Groups	286.489	245	1.169		
	Total	351.396	249			
Managerial assessments of employee performance	Between Groups	22.664	4	5.666	6.903	<.001
	Within Groups	201.100	245	.821		
	Total	223.764	249			
Teamwork effectiveness	Between Groups	9.363	4	2.341	2.210	.069
	Within Groups	259.533	245	1.059		
	Total	268.896	249			

Source: Computed Data

From the above table, it is noticed that the variables of cross-cultural competence and organizational performance are statistically significant @5% level. This leads to decision-making being strongly agreed upon by the employees.

Influence of Perception of Innovation and Creativity Towards cross-culture Competence and organizational performance

ANOVA   Table - 10

		Sum of Squares	df	Mean Square	F	Sig.
Self-assessment of cross-cultural competence	Between Groups	69.741	4	17.435	12.156	<.001
	Within Groups	351.395	245	1.434		
	Total	421.136	249			
Previous cross-cultural	Between	104.162	4	26.040		

					17.905	<.001
training or experience	Groups					
	Within Groups	356.322	245	1.454		
	Total	460.484	249			
Language proficiency in different cultures	Between Groups	65.812	4	16.453	14.897	<.001
	Within Groups	270.588	245	1.104		
	Total	336.400	249			
Key performance indicators (KPIs) relevant to the organization's goals	Between Groups	103.319	4	25.830	25.510	<.001
	Within Groups	248.077	245	1.013		
	Total	351.396	249			
Managerial Assessments of employee performance	Between Groups	4.004	4	1.001	1.116	.349
	Within Groups	219.760	245	.897		
	Total	223.764	249			
Teamwork effectiveness	Between Groups	15.396	4	3.849	3.720	.006
	Within Groups	253.500	245	1.035		
	Total	268.896	249			

Source: Computed Data

From the above table, it is noticed that the variables of cross-cultural competence and organizational performance are statistically significant @5% level. This leads to creativity and innovation being strongly agreed upon by the employees.

FINDINGS

Accordingto the study, there is a link between cross-cultural proficiency and organizational success. MNCs are anticipated to perform better when their staff have higher degrees of cross-cultural competency. Employees from various cultural backgrounds can communicate and work together more effectively with

effective cross-cultural competency, which improves teamwork, information sharing, and problem-solving. Employees that are cross-culturally competent are more likely to be able to adjust to new work situations, comprehend regional conventions and norms, and spot chances for innovation, all of which can improve an organization's success. Employee Engagement and Retention: Multinational corporations (MNCs) that support cross-cultural competence frequently generate inclusive work cultures that enhance employee engagement, job satisfaction, and retention.

➢ The maximum sample is female respondents with 54%.

➢ All the variables of cross-culture competence and organizational performance namely self-assessment of cross-cultural competence, Previous cross-cultural training or experience, Language proficiency in different cultures, Key performance indicators (KPIs) relevant to the organization's goals, Managerial Assessments of employee performance, and Teamwork effectiveness are statistically significant.

➢ The variables of cross-cultural competence and organizational

performance are statistically significant @5% level. This leads to creativity and innovation being strongly agreed upon by the employees.

➢ The variables of cross-cultural competence and organizational performance are statistically significant @5% level. This leads to Decision-making being strongly agreed upon by the employees.

➢ The variables of cross-cultural competence and organizational performance are statistically significant @5% level. This leads to communication being strongly agreed upon by the employees.

SUGGESTIONS

➢ MNCs should offer thorough cross-cultural training courses to staff members at all levels. These training can improve cultural sensitivity, understanding, and knowledge, empowering staff to successfully traverse cultural differences.

➢ To create explicit rules and procedures that encourage inclusion and diversity inside the organization. Promote an inclusive workplace environment where all staff members, regardless of their

cultural backgrounds, feel valued and respected.

➢ To promote the creation of multicultural teams, which bring together workers from various cultural backgrounds to complete projects. This encourages innovation, cross-cultural collaboration, and learning.

➢ Create effective avenues for communication amongst workers from various backgrounds, such as language instruction, translation services, and technological platforms.

➢ Incorporate cross-cultural competence as a criterion in performance evaluations, recognizing and rewarding employees who demonstrate strong cross-cultural skills.

CONCLUSION

Cross-cultural competencies have many advantages, including improved hiring procedures, simpler access to a variety of talent, a more diverse and creative workplace, better interactions and communication with coworkers, partners, and clients, attracting and retaining the best talent, and successfully managing a variety of work teams. The benefits of cross-cultural knowledge, cultural competency, and training Teams that are

culturally competent as a whole work better. establishing new commercial relationships with foreign partners; enhancing your competitiveness through cross-cultural training. Therefore, learning about many cultures can help someone advance in their career. Organizational success in MNCs is significantly impacted by cross-cultural competence. It improves connection development, innovation, dispute resolution, the ability to attract top personnel, adaptability, and flexibility. MNCs may maximize the potential of their varied staff and succeed in a global market by embracing and enhancing cross-cultural competency. Encourage staff members to take advantage of possibilities for ongoing cross-cultural learning and growth, such as language classes, exchange programs, and intercultural training sessions.

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