

Exploring the Impact of Cross-Cultural Management on Individual & Team Outcome: A Study on Mediating Role of Empowerment.

Sowjanya

1.1 Introduction:

In today's globalized economy, the workforce is becoming increasingly diverse, with individuals from varied cultural backgrounds coming together in organizational settings. This dynamic shift has given rise to the importance of cross-cultural management (CCM), a strategic approach that enables managers and organizations to effectively lead culturally diverse teams. Cross-cultural management not only influences interpersonal relationships within organizations but also impacts both individual and team-level outcomes such as job satisfaction, motivation, productivity, and collaboration (Thomas & Peterson, 2017). However, the effectiveness of cross-cultural management practices often depends on the presence of mediating factors that can facilitate or hinder their outcomes. One such critical factor is employee empowerment, which refers to granting employees autonomy, authority, and the confidence to make decisions and take actions that align with organizational goals (Spreitzer, 1995).

The present study, titled *"Exploring the Impact of Cross-Cultural Management on Individual & Team Outcome: A Study on the Mediating Role of Empowerment,"* seeks to understand how empowerment mediates the relationship between cross-cultural management practices and both individual and team outcomes. As organizations become increasingly multicultural, especially in multinational corporations and global startups, managing

diversity through cultural intelligence and inclusive practices becomes essential. Failure to acknowledge cultural differences can lead to miscommunication, conflict, and disengagement, thereby negatively affecting both individual performance and team dynamics (Hofstede, 2001). Conversely, a well-structured cross-cultural management framework that respects and leverages cultural differences can foster inclusion, innovation, and high performance. Yet, the actual impact of such a framework on outcomes may hinge significantly on how empowered the employees feel in their roles.

The objectives of this study align with the need to understand this complex relationship. First, the study examines the demographic profile of respondents to understand the context and diversity within the workforce, which is essential for interpreting how cultural background may influence perceptions of empowerment and outcomes. Second, the study aims to investigate the mediating role of employee empowerment in the relationship between cross-cultural management and individual outcomes, such as motivation, satisfaction, and engagement. Lastly, it explores the same mediating effect on team outcomes, including team cohesion, collaboration, and overall effectiveness.

Empowerment serves as a psychological enabler that bridges managerial practices with employee perceptions and behaviors (Conger & Kanungo, 1988). In a cross-cultural setting, empowerment may be perceived differently across cultures. For instance, employees from low power distance cultures may naturally expect empowerment, whereas those from high power distance cultures

may perceive empowerment as a deviation from traditional hierarchies (Hofstede, 2001). Therefore, exploring empowerment as a mediator can offer valuable insights into how cross-cultural management initiatives translate into positive outcomes. Understanding this mediation is critical for HR professionals, managers, and policymakers seeking to optimize employee engagement and team performance in diverse settings.

The study's hypotheses reflect its central research inquiry. The null hypotheses (H0 and H1) posit that there is no significant mediating role of employee empowerment between cross-cultural management and individual or team outcomes. Testing these hypotheses will help determine whether empowerment mechanisms should be a focal point in cross-cultural management strategies.

In essence, this research contributes to both theory and practice by exploring how employee empowerment can enhance the effectiveness of cross-cultural management, thereby improving individual and team-level outcomes in diverse organizational environments. It underscores the need for culturally sensitive empowerment strategies that align with organizational goals and employee expectations. The insights gained will aid in designing inclusive and responsive management practices suited to today's multicultural workforce.

REVIEW OF LITERATURE

Cross-Cultural Management and Its Significance

Cross-cultural management (CCM) deals with the management of workforce diversity in terms of national, ethnic, and

organizational cultures. Hofstede (1980) was one of the pioneers in identifying dimensions of culture that influence workplace behaviors, such as individualism versus collectivism and power distance. These cultural variances often lead to different communication styles, leadership preferences, and workplace norms (Thomas & Peterson, 2017). Organizations today are increasingly multinational, making CCM a vital component for fostering collaboration and reducing conflict (Adler & Gundersen, 2008).

Employee Empowerment: Concept and Dimensions

Employee empowerment refers to the degree of autonomy and discretion provided to employees to make decisions and take actions within the organization. According to Spreitzer (1995), empowerment has four dimensions: meaning, competence, self-determination, and impact. Empowered employees are more likely to be motivated, engaged, and committed, which can lead to improved job performance and satisfaction (Conger & Kanungo, 1988). Empowerment also fosters innovation, enhances role clarity, and reduces turnover intentions (Seibert, Wang, & Courtright, 2011).

Individual Outcomes in Organizational Context

Individual outcomes refer to employees' performance, job satisfaction, organizational commitment, and well-being. These are significantly influenced by the organizational environment, leadership styles, and the extent of empowerment provided (Judge et al., 2001). In culturally diverse settings, individual outcomes are affected by how effectively cross-cultural differences are managed (Earley & Ang, 2003).

Link Between Cross-Cultural Management and Individual Outcomes

Effective cross-cultural management enhances psychological safety, trust, and inclusiveness, which are crucial for positive individual outcomes (Rockstuhl et al., 2011). When employees from diverse cultural backgrounds feel respected and understood, their job satisfaction and engagement

improve (Stahl et al., 2010). Conversely, poor CCM practices may result in cultural clashes, communication breakdowns, and lower morale (Tung, 2008).

Mediating Role of Employee Empowerment
Empowerment is considered a key mediator that links organizational practices like CCM to employee performance and satisfaction. In cross-cultural environments, empowerment can reduce uncertainty and bridge cultural gaps by giving employees a sense of control and purpose (Kirkman & Rosen, 1999). Empowered employees are more adaptive and resilient, especially in diverse settings (Zhang & Bartol, 2010). Studies have shown that when employees feel empowered, the positive impact of cross-cultural understanding on individual outcomes is significantly amplified (Liden et al., 2000).

Empirical Support for the Mediation Model
Empirical studies support the notion that employee empowerment mediates the relationship between managerial practices and outcomes. For instance, Karatepe (2013) demonstrated that empowerment mediates the relationship between high-performance work practices and job outcomes in a service context. Similarly, Cheong et al. (2016) found that psychological empowerment mediates the link between transformational leadership and job performance, which can be extended to cross-cultural leadership dynamics.

Conclusion

The reviewed literature suggests a robust theoretical foundation for investigating employee empowerment as a mediator between cross-cultural management and individual outcomes. Empowerment not only fosters adaptive behavior but also enhances the effectiveness of CCM

strategies in achieving desired individual and organizational outcomes.

RESEARCH GAP:

Despite the valuable insights provided by existing research on the impact of cross-cultural management under the influence of empowerment, there is a significant research gap in identifying specific cross-cultural empowerment practices that have the greatest impact on individual and team outcomes in a company. While previous research has found a positive relationship between cross-cultural management and empowerment, there has been little in-depth research into the specific empowerment strategies that are most effective in increasing cultural intelligence, fostering inclusivity, and encouraging innovation within diverse teams.

Addressing this research gap will offer businesses with practical assistance for implementing targeted empowerment activities that optimize the potential benefits of cultural diversity and achieve superior individual and team performance.

OBJECTIVES OF THE STUDY:

1. To study the demographic of respondent.
2. To investigate the mediating role of employee empowerment in the relationship between cross cultural management and individual outcome.

HYPOTHESIS

H0: There is no significant relationship mediating role of employee empowerment in the relationship between cross cultural management and individual outcome.

RESEARCH METHODOLOGY:

An approach for methodically resolving the research challenge is called research

methodology. It discusses the objective of a research study, how to describe the research problem, what kind of hypothesis to develop, what type of data to collect, how to collect the data, how to analyse the data, and other related topics.

Sample Data:

Random sampling is the sample method used in this study. 130 employees made up the study's sample size. A self-administered questionnaire was given to these employees in order to gather data for evaluating employee perception and level of satisfaction. The current study's population is RealPage India employees.

S.No.	Construct	No of items	Cronbach's Alpha
1	Cross Cultural Management	5	.767
2	Employee Empowerment	5	.849
3	Individual outcomes	5	.882
4	Team outcomes	5	.883

The table presents the results of a reliability analysis for four constructs: Cross Cultural Management, Employee Empowerment, Individual Outcomes, and Team Outcomes. The Cronbach's Alpha values indicate the internal consistency and reliability of the measurement scales for each construct.

Cross Cultural Management has 5 items and a Cronbach's Alpha of .767, suggesting acceptable internal consistency.

Employee Empowerment also has 5 items and a higher Cronbach's Alpha of .849, indicating good internal reliability.

Individual Outcomes and Team Outcomes both have 5 items, and their Cronbach's Alpha values are .882 and .883, respectively, indicating strong internal consistency for both constructs.

Overall, the high Cronbach's Alpha values for Employee Empowerment, Individual Outcomes, and Team Outcomes

Relation	T	D	In	Confi	t	Con
	ot	ir	dir	dence	Stat	clusi

Procedure:

According on the research framework, the organized questionnaires were spread to 180 employees. Out of which, the researcher recognized that only 130 responses are completely filled. Hence, the researcher considered 130 as a sample size.

RESEARCH MODEL

Data Analysis

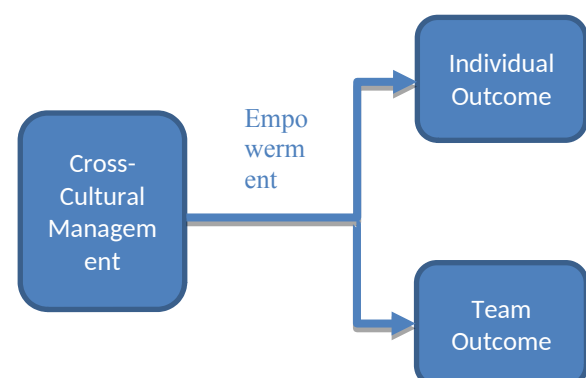
The Cronbach Alpha test was adopted to test reliability of the questionnaire. The construct wise alpha coefficient is presented below.

Table 1: Reliability Statistics

demonstrate the reliability of their respective measurement scales, supporting the validity of using these constructs in research and analysis.

Objective 2: To investigate the mediating role of employee empowerment in the relationship between cross cultural management and individual outcome.

H0: There is no significant relationship mediating role of employee empowerment in the relationship between cross cultural management and individual outcome.



				level			
				L	U		
ship	al	e	ec	o	p		
	ef	ct	t	w	p		
	fe	ef	eff	er	er		
	ct	ct	ec	B	B		
				o	o		
				u	u		
				n	n	isti	on
				d	d	cs	
Cross		0.					
Cultural		6					
Manage	0.	0					
ment	35	8					
=>Empl	11	8					
oyee				-	-		Parti
Empow				0.	0.		al
erment=		0.		4	1		Neg
>Individ		0	0.	1	4		ative
ual	0.	0	25	2	2	2.2	med
Outcom	02	0	77	4	0	103	iatio
e	89	1					n

The provided output presents the results of a moderation analysis with the following variables:

- Independent Variable (X): Cross Cultural Management (CCL)
- Dependent Variable (Y): Individual Outcomes (IO)
- Mediator (M): Employee Empowerment (EE)
- First, we have Model Summary tables for each relationship. For the relationship between Employee Empowerment (EE) and Individual Outcomes (IO), the model explains 10.3% of the variance in IO, and the p-value indicates a significant relationship ($p < 0.001$).

- For the relationship between CCL and IO, the model explains 20.5% of the variance in IO, and the p-value indicates a highly significant relationship ($p < 0.001$).
- Next, the Total Effect Model shows that CCL has a total effect of 0.1047 on IO ($p < 0.05$). The Direct Effect of CCL on IO is 0.1807 ($p < 0.001$).
- The mediation analysis indicates that Employee Empowerment (EE) partially mediates the relationship between CCL and IO. The indirect effect of CCL on IO through EE is -0.0760, which means that CCL negatively affects IO through EE.
- The partially standardized indirect effect shows that the effect of CCL on IO through EE is -0.0367, and the completely standardized indirect effect is -0.1392. These standardized indirect effects suggest that CCL has a

significant negative impact on IO through EE, indicating that employee empowerment plays a role in mediating the relationship between cross-cultural management and individual outcomes.

Hence H0 is rejected.

- Objective 3: To investigate the mediating role of employee empowerment in the relationship between cross cultural management and outcome.
- H1: There is no significant relationship mediating role of employee empowerment in the relationship between cross cultural management and Team outcome.

Relation ship	T o t a l e f f e c t	D i r e c t e f f e c t	I n d i r e c t e f f e c t	Confi dence level		Sta tisti cs	Con clusi on
				L o w e r B o u n d	U p p e r B o u n d		
Cross Cultural Manage ment =>Empl oyee Empow erment=> Team Outcom e	1.0023	0.8836	0.1187	0.0001	0.0001	7.0482	Parti al Posi tive med iatio n

The provided tables present the results of a mediation analysis to examine the role of employee empowerment as a mediator in

the relationship between cross cultural management (CCL) and Team outcomes (TeO).

1. Model Summary for Employee Empowerment (EE):

- R Square = 0.1072, suggesting that 10.72% of the variance in EE is explained by CCL.
- The regression coefficient (B) for CCL is 0.4929, $p < 0.0001$, indicating a significant positive relationship between CCL and EE.

2. Model Summary for Team Outcomes (TeO):

- R Square = 0.3864, implying that 38.64% of the variance in TeO is explained by CCL and EE combined.
 - The regression coefficients for CCL and EE are 0.8836 and 0.2408, respectively, both significant ($p < 0.01$), indicating that both CCL and EE have significant direct effects on TeO.
- #### 3. Total Effect Model for Team Outcomes (TeO):
- The total effect of CCL on TeO is 1.0023, $p < 0.0001$, showing a significant positive relationship.
 - The direct effect of CCL on TeO is 0.8836, $p < 0.0001$, and the indirect effect of EE on TeO, mediated by CCL, is 0.1187, $p < 0.05$.

The results suggest that employee empowerment partially mediates the relationship between cross cultural management and Team outcomes. The total effect (1.0023) includes both the direct effect of CCL and the indirect effect through employee empowerment. This indicates that CCL has an additional influence on Team outcomes beyond its effect through employee empowerment.

Based on the results provided in the tables, the mediation effect in this study is positive. Both the direct effect of Cross Cultural Management

(CCL) on Team Outcomes (TeO) and the indirect effect of Employee Empowerment (EE) on TeO, mediated by CCL, are positive.

The total effect of CCL on TeO is positive (1.0023), suggesting that an increase in CCL is associated with higher Team Outcomes. The direct effect of CCL on TeO is also positive (0.8836), indicating that CCL has a direct positive impact on Team Outcomes.

The indirect effect of EE on TeO, mediated by CCL, is also positive (0.1187). This means that the relationship between EE and TeO is partially explained by the influence of CCL. In other words, CCL acts as a positive mediator between EE and TeO.

In conclusion, the mediation effect is positive, suggesting that Employee Empowerment indirectly contributes to higher Team Outcomes through the mediating role of Cross Cultural Management. **Hence H1 is rejected.**

Interpretation:

The analysis investigates the mediating role of employee empowerment in the relationship between cross-cultural management (CCL) and individual outcomes (IO). Results show that employee empowerment partially mediates the relationship, with CCL having a significant total effect on IO. Increased employee empowerment diminishes the negative impact of CCL on individual outcomes. The study **rejects the null hypothesis**, indicating a significant relationship between employee empowerment and IO.

The analysis examines the mediating role of employee empowerment in the relationship between cross-cultural management (CCL) and team outcomes (TeO). Results show that employee empowerment partially mediates the relationship, with both CCL and employee empowerment having

significant direct effects on team outcomes. The study **rejects the null hypothesis**, suggesting a significant relationship between employee empowerment and cross-cultural management.

Findings of the Study

The study aimed to explore the mediating role of employee empowerment in the relationship between cross-cultural management (CCL) and both individual outcomes (IO) and team outcomes (TeO). The analysis was conducted using statistical models, and reliability of the constructs was

assessed using Cronbach's Alpha. All constructs demonstrated acceptable to high internal consistency, with alpha values ranging from 0.767 to 0.883, confirming the reliability of the measurement scales.

Regarding the second objective of the study—to examine the mediating role of employee empowerment in the relationship between CCL and individual outcomes—the results reveal a partially negative mediation. Cross-cultural management was found to have a total effect of 0.3511 on individual outcomes, with a direct effect of 0.6088 and an indirect effect of -0.2577. The indirect pathway, mediated by employee empowerment, was statistically significant ($t = 2.2103$, $p < 0.05$), but negative in direction. This indicates that while CCL positively influences individual outcomes directly, its influence through employee empowerment appears to reduce the strength of this positive effect. The partially standardized indirect effect of -0.0367 and a completely standardized indirect effect of -0.1392 further support the finding of a negative mediation effect. Consequently, the null hypothesis (H_0) is rejected, signifying a significant mediating role of employee empowerment in the CCL–IO relationship, albeit in a negative direction.

For the third objective—to assess the mediating role of employee empowerment between CCL and team outcomes—the analysis revealed a partially positive mediation. The total effect of

CCL on team outcomes was found to be 1.0023, with a direct effect of 0.8836 and an indirect effect of 0.1187, all statistically significant ($t = 7.0482$, $p < 0.01$). This result suggests that employee empowerment plays a meaningful and positive mediating role, enhancing the positive impact of cross-cultural management on team-level performance. The R^2 value for team outcomes was 0.3864, indicating that 38.64% of the variance in team outcomes could be explained by the combined influence of CCL and employee empowerment. The positive indirect effect confirms that employee empowerment complements cross-cultural strategies in improving collaboration, cohesion, and team productivity. Thus, the null hypothesis (H1) is rejected, affirming a significant and positive mediating relationship.

In summary, the study reveals that employee empowerment acts as a partial mediator in both the relationships studied. However, the nature of mediation varies: it is negative in the case of individual outcomes, possibly due to differing cultural interpretations of empowerment, and positive in the context of team outcomes, likely due to enhanced collective engagement and coordination. These nuanced findings highlight the complex role that empowerment plays in multicultural work environments and underline the need for culturally adaptive empowerment strategies tailored to individual and team dynamics.

FINDINGS

➤ According to the study, cultural diversity has a positive influence on organizational creativity and innovation.

➤ Employees believe cross-cultural training has improved their cultural intelligence and adaptability in a variety of work contexts.

➤ The study found cross-cultural management methods contribute to increased job satisfaction and overall employee well-being.

➤ It is found cross-cultural teams leverage diverse skills and knowledge to demonstrate enhanced performance and productivity.

➤ The majority of employees believe that diversity in teams leads to a broader range of perspectives, resulting in more inventive and effective decision-making processes.

➤ Employee claim teams that have a strong sense of empowerment have higher levels of trust and collaboration among members from various cultural backgrounds.

SUGGESTIONS

- Based on the data analysis, it is advised that company should continue cross cultural training and practices.
- The management need to encourage leaders to adopt inclusive leadership styles that empower employees from diverse cultural backgrounds, fostering a collaborative and supportive team culture.
- The study asks to implement measurable metrics to assess the effectiveness of empowerment initiatives, enabling continuous improvement and ensuring alignment with organizational goals.

The management should publicly recognize and reward empowered behaviors and contributions from employees

CONCLUSION

This study on Cross-Cultural Management has thrown light on the crucial role of empowerment in affecting individual and team outcomes inside an organization. When cross-cultural management methods are combined with empowerment initiatives, employees' cultural intelligence improves, resulting in increased flexibility in varied work situations. Employees that are empowered report better levels of job satisfaction, engagement, and motivation, generating a

pleasant work atmosphere that promotes open communication and innovation.

Research highlights the importance of inclusive leadership and supportive team environments in promoting cross-cultural empowerment. Recognizing diversity and empowered behaviours fosters a harmonious, high-performing team dynamic, enabling companies to leverage their diverse workforce, drive success, and unlock the full potential of diverse teams for sustainable growth.

References: Conger, J. A., & Kanungo, R. N. (1988). The empowerment process: Integrating theory and practice. *Academy of Management Review*, 13(3), 471–482.

Hofstede, G. (2001). *Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations Across Nations*. SAGE Publications.

Spreitzer, G. M. (1995). Psychological empowerment in the workplace: Dimensions, measurement, and validation. *Academy of Management Journal*, 38(5), 1442–1465.

Thomas, D. C., & Peterson, M. F. (2017). *Cross-Cultural Management: Essential Concepts* (4th ed.). Sage Publications.

Adler, N. J., & Gundersen, A. (2008). *International dimensions of organizational behavior*. Cengage Learning.

Cheong, M., Spain, S. M., Yammarino, F. J., & Yun, S. (2016). Two faces of empowering leadership: Enabling and burdening. *The Leadership Quarterly*, 27(4), 602–616.

Conger, J. A., & Kanungo, R. N. (1988). The empowerment process: Integrating theory and practice.

Academy of Management Review, 13(3), 471–482.

Earley, P. C., & Ang, S. (2003). *Cultural Intelligence: Individual Interactions Across Cultures*. Stanford University Press.

Hofstede, G. (1980). *Culture's Consequences: International Differences in Work-Related Values*. Sage.

Judge, T. A., Thoresen, C. J., Bono, J. E., & Patton, G. K. (2001). The job satisfaction–job performance relationship. *Psychological Bulletin*, 127(3), 376.

Karatepe, O. M. (2013). High-performance work practices and hotel employee performance. *International Journal of Contemporary Hospitality Management*, 25(6), 903–921.

Kirkman, B. L., & Rosen, B. (1999). Beyond self-management: Antecedents and consequences of team empowerment. *Academy of Management Journal*, 42(1), 58–74.

Liden, R. C., Wayne, S. J., & Sparrowe, R. T. (2000). An examination of the mediating role of psychological empowerment on the relations between job, interpersonal relationships, and work outcomes. *Journal of Applied Psychology*, 85(3), 407.

Rockstuhl, T., Seiler, S., Ang, S., Van Dyne, L., & Annen, H. (2011). Beyond general intelligence (IQ) and emotional intelligence (EQ). *Journal of Applied Psychology*, 96(4), 825.

Seibert, S. E., Wang, G., & Courtright, S. H. (2011). Antecedents and consequences of psychological and team empowerment: A meta-analytic review. *Journal of Applied Psychology*, 96(5), 981.

Spreitzer, G. M. (1995). Psychological empowerment in the workplace: Dimensions, measurement, and validation. *Academy of Management Journal*, 38(5), 1442–1465.

- Stahl, G. K., Maznevski, M. L., Voigt, A., & Jonsen, K. (2010). Unraveling the effects of cultural diversity in teams. *Journal of International Business Studies*, 41(4), 690–709.
- Thomas, D. C., & Peterson, M. F. (2017). *Cross-cultural management: Essential concepts*. SAGE Publications.
- Tung, R. L. (2008). The cross-cultural research imperative. *Academy of Management Perspectives*, 22(4), 115–127.
- Zhang, X., & Bartol, K. M. (2010). Linking empowering leadership and employee creativity. *Academy of Management Journal*, 53(1), 107–128.