

Effect of Cultural Intelligence on Transactional and Transformational Leadership Styles: A Research in Charity Organizations in Erbil

Melis ATTAR*
Mohammed Saber JAMI**
Serap KALFAOĞLU***

ABSTRACT

Globalization and its counterpart – international/multinational organizations enable different cultures coincide with one another in both social and organizational settings. Interaction of diversified cultures necessitates behaving accordingly to different settled cultural values and conditions. At this point, Cultural Intelligence (CI) comes into scene as a crucial asset while being in relation with society or any community from different cultural backgrounds. In organizations, leading heterogeneous individuals coherently is of critical importance for the continuity of the organization itself. Thus, it is anticipated that cultural intelligence shall have a part in leadership styles in terms of its implementation process. The aim of this study is to examine whether cultural intelligence has an impact on leadership styles – transactional and transformational leadership styles. Four charity organizations located in Erbil, Iraq are chosen as the population and the sample of the investigation consists of 116 employees out of 200 employees working for them. To measure cultural intelligence, a scale developed by Ang and Dyne (1996) is used. The items of the scale are taken from Ang et al (2007). To measure leadership styles, a scale developed by Bernard M. Bass and Bruce J. Avolio, has been used (Multifactor Leadership Questionnaire Leader Form (MLQ 5x-Short) published by Mind Garden, Inc. This scale is composed of 45 items but 32 questions are used (12 questions Transactional Leadership and 20 questions Transformational Leadership) for this research. The data collected by survey method is analysed by SPSS 23 program using frequency analysis, correlation analysis, regression analysis and mean comparison analyses. The results indicate that there is a positive significant relationship between cultural intelligence and both leadership styles – transactional and transformational leadership. Also there is a positive significant relationship between each dimension of cultural intelligence with both transactional leadership and transformational leadership. As a result of this, in other words, when cultural intelligence levels rise at work, the leaders are also performing very well. According to the results of the regression analysis, the cultural intelligence has an impact on the transactional leadership (R=24.8%, Adjusted R=24.2%). Also the results showed that cultural intelligence has an impact on the transformational leadership (R=25.7, Adjusted R 25.0%). As discussed in other research examples including transactional leadership and transformational leadership, which is related to the cultural intelligence, our research has confirmed the relationships between each other, too. Even if there are some differences, this is due to handling of different culture, geography and time.

Keywords: Cultural intelligence, Transactional leadership, Transformational leadership.

Kültürel Zekânın Etkileşimci ve Dönüşümcü Liderlik Stilleri Üzerine Etkisi: Erbil'de Yardım Kuruluşları Üzerine Bir Araştırma

ÖZ

Küreselleşme ve onun bir diğer yüzü olan uluslararası / çok uluslu örgütler, farklı kültürlerin hem sosyal hem de örgütsel ortamlarda birbiriyle kesişmesine olanak tanır. Farklaştırılmış kültürlerin etkileşimi, farklı yerleşik kültürel değer ve koşullara göre davranmayı gerektirir. Bu noktada, Kültürel Zekâ (KZ), toplumla ya da farklı kültürel kökenden gelen herhangi bir toplulukla bağlantılı ve önemli bir kavram olarak ortaya çıkmaktadır. Örgütlerde, birbirinden farklı kültürlerden gelen bireylerin yönetilmesi işletmenin devamlılığı için kritik bir öneme sahiptir. Dolayısıyla, kültürel zekânın farklı liderlik stillerinin uygulama sürecinde bir rolü olması beklenmektedir. Bu çalışmanın amacı, kültürel zekânın, etkileşimci ve dönüşümcü liderlik stilleri üzerinde bir etkisinin olup olmadığını incelemektir. Irak'ın Erbil şehrinde bulunan dört yardım kuruluşu evren olarak seçilmiş olup bu kuruluşlardaki toplam 200 çalışanın 116'sı çalışmanın örneklemini oluşturmuştur. Kültürel zekâyı ölçmek için, Ang ve Dyne (1996) tarafından geliştirilen bir ölçek kullanılmıştır. Ölçeğin maddeleri Ang ve diğerlerinden (2007) alınmıştır. Liderlik stillerini ölçmek için ise, Bernard M. Bass ve Bruce J. Avolio tarafından geliştirilen, Mind Garden, Inc. tarafından yayınlanan (Çok Yönlü Liderlik Anketi

* Corresponding Author, Econ. and Adm. Science Faculty, Department Of International Trade, International Management Division, Selcuk University, orcid no: 0000-0002-1299-7552, melisattar@yahoo.com

** Finance Assistant Specialist, TearFund, orcid no: 0000-0002-7234-0325, hamasjami@gmail.com

*** Research Assistant, Econ. and Adm. Science Faculty, Department of Business Administration, Business Management & Organization Division, Selcuk University, orcid no: 0000-0002-7248-8370, serapkalfoaglu@selcuk.edu.tr
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Lider Formu (MLQ 5x-Short) bir ölçek kullanılmıştır. Bu ölçek 45 maddeden oluşmaktadır fakat bu araştırma için 32 ölçek ifadesi kullanılmıştır (12 soru Etkileşimci Liderlik ve 20 soru Dönüşümcü Liderlik olmak üzere). Anket yöntemi ile toplanan veriler, frekans analizi, korelasyon analizi, regresyon analizi ve ortalama karşılaştırma analizi kullanılarak SPSS 23 programı ile analiz edilmiştir. Sonuçlar, kültürel zekâ ile her iki liderlik stili – etkileşimci ve dönüşümcü liderlik stili - arasında pozitif bir ilişki olduğunu göstermektedir. Ayrıca, kültürel zekânın her bir boyutu ile hem etkileşimci liderlik hem de dönüşümcü liderlik arasında pozitif bir ilişki vardır. Bu sonuç itibarıyla, bir başka deyişle, kültürel zeka seviyeleri arttığında, liderler de çok iyi performans göstermektedir. Regresyon analizi sonuçlarına göre ise, kültürel zekânın etkileşimci liderlik üzerinde etkisi vardır ($R = \%24.8$, Düzeltilmiş $R = \%24.2$). Ayrıca, sonuçlar kültürel zekânın dönüşümcü liderlik üzerinde de etkili olduğunu göstermiştir ($R = \%25.7$, Düzeltilmiş $R = \%25.0$). Kültürel zeka ile ilgili olan etkileşimci liderlik ve dönüşümcü liderlik de dahil olmak üzere diğer araştırma örneklerinde tartışıldığı gibi, araştırmamız da söz konusu değişkenler arasındaki ilişkileri doğrulamıştır. Bazı farklılıklar olsa bile, bunun nedeni farklı kültürlerin, coğrafyanın ve zamanın işlenmesidir.

Anahtar Kelimeler: Kültürel Zekâ, Etkileşimci Liderlik, Dönüşümcü Liderlik.

Introduction

Leadership styles play a critical role in the ability of managers to deal with diversified individuals and different knowledge throughout the organizations. Leadership is accepted as the most powerful facilitator of competitive advantage and successful business performance as well as long run sustainability. Globalized world expose leaders to new challenges in terms of not only leading in a multicultural environment but also with a more heterogeneous workforce. It is argued that a ‘tsunami of cultures’ requires cross-cultural competencies and thus capable leaders having a multifaceted skills repertoire that allows them to lead global (Solomon and Steyn, 2017: 2). Since diverse cultural backgrounds may make sense of and reason the organizational experiences differently, leaders face with diverse behavioural patterns. In leading culturally diverse workforce, Cultural Intelligence (CI) may assist leaders in overcoming cultural dissimilarities by adopting appropriate leadership styles that is compatible with different cultural settings. CI can be defined as the ability to recognize and reason diversity and accordingly perform in an effective way in different types of cultural contexts and it can be developed and enhanced (Livermore, 2011; Amanchukwu et al, 2015; Ramsey, et al, 2017).

In other words, CI is an ability to adapt to different cultural settings and to manage effectively the cross-cultural network of interdependent relations. Therefore, it is reasonable to anticipate that CI is central to the leadership process in today’s dynamic, globalized business world. Livermore (2010: 5) states that CI is the ability of functioning effectively across a various number of cultural contexts, such as generational, ethnic and organizational cultures. Furthermore, according to Livermore (2010: 6), CI is increasing the number of leaders in business, nonprofit and governmental organizations and provides discovering the good sides that are obtained from this intelligence-based approach to working and adapting cross culturally. CI is discussed—by Ang and Van Dyne 2008 and Earley and Ang 2003—as the ability of functioning effectively in contexts are characterized by cultural diversity (Dyne et al, 2017: 1).

There are different theory types about the composition of the construct. Thomas and Inkson (2005: 5) has dealt with CI as a construct which consists of three different components that provide a platform for competence and intercultural flexibility, in addition to that the amount of knowledge of understanding cross-cultural phenomena, mindfulness to interpret and observe particular situations and adapting an individual’s behavior to act appropriately in various situations (Ersoy, 2014: 6100). Transformational leadership seems to be the style that has been focused on the most in the domain of CI. Perhaps, this is due to the fact that in today’s fierce competition, enterprises move into the transformational leadership style rather than the transactional leadership in reaching the goals and strategies that are important factors in their survival. CI is one of the new capabilities that business executives rely on when transforming (Ismail et al., 2011: 93; Ismail et al., 2012: 253). Leaders’ CI, as an important construct, behavioral CI and cognitive CI have all been confirmed as coinciding with transformational leadership. In addition to that, Ismail et al. (2012) discovered that transformational leadership agreed with both motivational and leader metacognitive CI. Leaders’ CI also acts as a moderator for the transformational leadership (Solomon and Steyn, 2017: 2). Based on Keung and Szapkiw’s study (2012: 844), between transformational leadership and cultural intelligence in international school leaders there was an important good relationship. Leaders that possess a higher level of cultural intelligence also have a higher and better level of transformational leadership style, that suggest high-CI which is related to the capability of leading and managing effectively in multicultural environments (Keung and Szapkiw, 2012: 844). Based on that study of Elenkov and

Manev (2009: 366), researcher has found that CI also played an important role in the relationship of the rate of organizational innovation and visionary–transformational leadership.

In the literature, though the relationship between transformational leadership and CI has been examined leastwise (eg., Keung and Rockinson-Szapkiw, 2013), the relationship of CI with transactional leadership has been ignored. In fact, CI is trying to complete cognitive intelligence, social intelligence and emotional intelligence, especially in different cultural environments to be effective and to establish good relationships, focusing on the specific capabilities (Mercan, 2016: 36). So, while the importance of transactional leadership which comes forward especially in emotional intelligence research is striking in many studies (eg., Harms and Crede, 2010; Mi and Ramsay, 2015), it should be considered that cultural intelligence which is complementary to emotional intelligence, may be related to conditional reward behaviors.

This study aims to fill this gap by analysing the relationship between CI and transactional/transformational leadership styles in charity organizations in Erbil, Iraq. First, the conceptual framework about CI, transactional leadership and transformational leadership is presented. Next, the methodology to test the hypothesis is explained and the results of statistical tests are reported to analyse data concluding results. Finally, the implications for academic research and managerial practice will be discussed.

1. Conceptual Framework

1.1. Cultural Intelligence

Today's workplace needs from people know about different cultures and work with people of different cultures and establish communication (Dolatshah and Hosseini, 2016: 595). Cultural intelligence helps with accurate and quick understanding of variant cultural components of behaviour appropriate to each of them. CI is necessary for the individuals and organizations because the world is contemporary and variant, organizations realize the rate of bridging cultures for both organizational and personal success (Dyne et al, 2017: 123).

CI refers to having the ability to behave effectively across national, ethnic and organizational cultures. It helps leaders to have a group of competencies and perspectives that can be applied to myriad cultural situations (Peterson, 2004: 89). The capability of functioning effectively refers to the cultural diversity. CI research's goal is to provide insight into the age-old sojourner problem of why people thrive in settings that have culture varieties, and some others do not. (Ang and Dyne, 2008: 3). CI is workable and through some strategies CI can be improved. When an individual start with assessing his\her intercultural skills, the strategies will work in the best way. To gain best results the assessments should be taken several times through the developmental process so that the expected improvements are monitored (Livermore and Dyne, 2015: 10).

Christopher Early and Soon Ang defined cultural intelligence as someone's capability of adapting successfully to a new founded cultural setting. Cultural intelligence (as well as cultural quotient, or CI) tries helping communicators understand why some people have the ability of functioning effectively in situations that are culturally diverse, while others face problems. (Heath, 2013: 235). CI is a person's capability of using observation and reasoning skills to interpret all the unfamiliar gestures, states and devise appropriate behavioral responses (Daft, 2008: 126). CI deals with how people thrive and adapt when they are in an environment that is different from the one they were socialized (Bucker et al, 2015: 261).

Leadership's focus is on the role of CI as a stimulus for an action (Ang et al, 2008: 95). Cultural intelligence: An outsider's own capability of interpreting an individual's unfamiliar and ambiguous gestures as the way that a person's compatriots would (Earley and Mosakowski, 2004: 140). Thomas (2006) donates that CI show the ability of not simply adjusting to actually affecting the cross-cultural exchange. In addition to that, CI helps explaining why some of the leaders are able of easily adjusting their behaviors and perspectives across cultures whilst others do not (Solomon and Steyn, 2017: 2). Successful leaders learn to manage different national, vocational and corporate, cultures (Earley and Mosakowski, 2004: 139).

Ng, Van Dyne and Ang (2009) note that CI, as it is conceptualized by Earley and Ang (2003), were identified to different dimensions, that are cognitive, metacognitive, motivational and behavioral CI:

- Metacognitive CI: It refers to a person's awareness and cultural consciousness while communicating with people of different cultural backgrounds (Ang and Dyne, 2008: 5). It is related with individual cognitive procedures.
- Cognitive CI: It refers to comprehension and gaining of knowledge that are about new culture, and are based on various cues provided (Khrokakiwala, 2009: 6). It is related with the extent to which a leader understands the customs, standards and values cross-culturally. Individual knowledge and knowledge structures are important in assessing cognitive CI (Ang and Dyne, 2008: 5).
- Motivational CI: Motivational CI relates with the individual desire to have social awareness when contacting and maintaining relationships with other people from various cultures. It is associated with enjoyment in challenges of knowing about different cultures, and abilities to adapt one's behaviour to different business conditions within a cross-cultural context (Baker and Delpechitre, 2016: 81).
- Behavioural CI: This type deals with a person's ability of adopting non-verbal and verbal culture-appropriate actions (Solomon and Steyn, 2017). Cultural intelligence behaviours contain a series of logical behavioural responses that are used in various conditions and are adjusted and improved easily that fits special interactions (Ismael et al, 2012: 254).

1.2. Leadership

Leaders are people that have intelligence, energy and determination. The mark that determines the success of a leader is compulsive, sometimes obsessive ambition and personal desire of leading, in addition to having luck of being in the right place at the exact time and the decisiveness to take the risk and seek for the best opportunity (Gustafson, 2008: 106). Leaders that own such cross-cultural skills and capabilities—whether it is cultural intelligence or a global mind-set (Robbins and Coulter 2012: 86).

Livermore (2010: 6), increasing numbers of leaders in business, nonprofit organizations and governments are realizing the benefits that come from this intelligence-based approach to working and adapting cross culturally. Leadership is the process that influences the individuals to work hopefully toward an organizational goal with having confidence. Leadership is generally defined as the process that influence people to direct their abilities towards achievement of some particular goal (Go and Je, 2015: 1). Leadership has been described as “a complex process by which an individual sets direction and affects others to perform a mission, objective or task, and directs the organization in such a way that makes it cohesive and coherent (Clack, 2017: 2). Stogdill (1950) defined leadership as “a process (act) of affecting the activities of an organized group in its trials toward goal achievement and goal setting”. This signifies that leadership is not only an individual trait but a process of effecting and motivating others (Koçel, 2014; Silva, 2016: 2).

1.2.1. Transactional Leadership

Transactional leadership style accepts the order and routine that is agreed upon by the leaders and followers by giving highest priority to the norms and rules that are found to be efficient in the past (Schermerhorn, et al, 2011: 324). This type of leadership is also called managerial leadership and the leader takes it authority from the hierarchical level. The focus of this leadership process is on the organization, supervision and group performance. The followers are given rewards or punishments based on the extent of achieving organizational goals (Bass and Steidlmeier, 1999: 183). Transactional leaders tend to keep things the same as is in the past and not in the favour of changing them. They usually let things continue as usual and ordinary. They only act when there are mistakes or irregularities (Herminingsih and Supardi, 2017: 252). Furthermore, transactional leaders handle the relationship with followers as a nonreactive and passive process by minimizing their interactions with them. They mostly pay attention to the performance of the followers to detect the deviations and faults. This leadership style focuses on transactions and the traditional way of doing things (Bach and Ellis 2011). Transactional leadership is often explained as being

a cost-benefit exchange between leaders and the followers. Transactional includes leaders defining objectives and goals, communicating to organize activities and tasks with the co-operation of the employees to ensure that wider goals of organizations are met (Tavanti, 2008: 1). Transactional leadership also involves leader-follower that exchanges necessary for achieving the routine performance that leaders and followers agree upon. Transactional is like the other leadership approaches as mentioned earlier (Schermerhorn, et al, 2011: 324). Transactional leadership may work efficiently in emergency and crisis situations when projects must be carried out in a specified fashion (James and Ogbonna, 2013: 358).

The three dimensions of transactional leadership are contingent reward, management by exception – active and management by exception – passive (Bass, 1990: 22; Robbins, 2001):

- Contingent reward: Leaders emphasize the exchange of rewards for effort and promise rewards for good performance by realizing accomplishment. Everything is settled and organized so that followers know what they will encounter with in case of a success or failure.
- Management by exception (active): Leader watches and searches for deviations from standards and rules. S/he takes precautions to prevent or fix problems.
- Management by exception (passive): Leader intervenes only if standards are not met. Only after the goals are not reached, leaders give negative feedback to followers (Attar, 2015).

1.2.2. Transformational Leadership

Burns (1978) defines transformational leadership as a ‘process in which followers and leaders help each other to get advanced to a higher level of achievement, motivation and moral’. Transformational leadership is based on motivating and inspiring the individuals by enabling them to put extra effort in order to achieve group mission. Transformational leaders are passionate about change. They not only create change but also effectively manage it. Transformational leaders usually have followers who respect them, feel energised and share their vision and enthusiasm (Hill, 2017: 3). This type of leadership focuses not on the tasks like basic management “transactions” – assigning work, making decisions, evaluating performance, but on the improvement of those transactions by managing and leading a major change, such as managing a merger, defining or redefining the organization culture or creating a new work team (Griffin and Ebert, 2013: 225). The leaders also focus on the developmental needs of each individual follower and their concerns by changing their awareness of looking at problems in many other ways; and they’re capable to excite and inspire followers in using more energy for achieving goals in groups (Robbins, 2013: 225).

The four dimensions of transformational leadership are as follows: Charisma or idealized influence, inspiration, intellectual stimulation, individualized consideration (Bass and Avolio, 1993; Dubinsky et al, 1995).

- Idealized influence: Provides sense and vision of mission, gains respect, instils pride, and trust.
- Inspiration: Communicate high expectations using symbols in focusing efforts expresses the important purposes in ways which are simple.
- Intellectual stimulation: increases intelligence, careful problem solving and rationality (Bass, 1990: 22).
- Individualized consideration refers to the capability of a leader in objectively evaluating the skills of his followers and differences of each individual and acknowledging the specifics by building the one-to-one approach (Demeško, 2017: 23).

1.3. Relationship Between Cultural Intelligence and Leadership

Cultural intelligence can also lead to improving global leadership success (Alon and Higgins, 2005: 502). Leaders with CI support have more ability to understand the dynamics of culturally different settings, for example the capability to go through the misunderstandings and miscommunications among suppliers, partners, and customers which characterize failed international joining ventures randomly (Groves and Feyerherm, 2011: 539). Cultural intelligence has been announced as an important factor that contributes to an influential leadership in the multicultural business contexts (Keung and Szapkiw, 2013: 840). Strong CI abilities help leaders to have a more positive understanding of the needed requirements

and attitudes of their employees and establish better relationships with culturally different work group members. However, leaders whose CI is higher are more sensitive to the verbal and nonverbal cues of their crew members, while also gaining a better information of their own assumptions in decoding the cues and ideas (Groves and Feyerherm, 2011: 541). Leaders who use or bring their metacognitive mental operations are capable of having a conscious realization and awareness of their every cultural situation. Leaders that are on the high metacognitive CI are more active thinkers about cultural settings and people. Understanding culture, controlling thought processes and cultural situations, and people may help their leader to be more transformational, and then more effective. While examining the relationship between cultural intelligence and leadership, it is necessary to know that cultural intelligence is one of the most important mechanisms that contribute to leadership effectively and have the ability to serve as a moderator increasing effects of the other factors. CI has played an important role in effective leadership throughout researches. Although many of the studies about the relationship between leadership and cultural intelligence are in an international setting, they offer evidences for helping to improve the relationship between cultural intelligence and transformational leadership. Research in cultural intelligence tries to understand leaders' abilities in working with a diverse numbered population, even in a domestic context (Punj, 2016: 55).

In multicultural organizations, the ability to communicate with internal customers (employees) and external customers, to understand these differences and to adapt to them has been one of the basic doctrines (Şimşek and Öztürk, 2018: 1097). On the one hand, thanks to this genius, many difficulties such as not being able to cooperate with and not to reach a compromise can be overcome. The process of communication with people from different cultures also adds new excitement, relationships and opportunities to the lives of individuals (Thomas and Inkson, 2005: 16).

On the other hand, in multicultural environments, effective communication between individuals and understanding of cultural differences are more likely to be with transformational leaders who are at the forefront of dealing with today's challenging conditions. Research conducted, eg. Ismail et al., 2012; Şimşek and Öztürk, 2018; Keung and Rockinson-Szapkiw, 2013, pointed out that cultural intelligence is an important factor in transformational leadership; there are positive and significant relationships among them and having cultural intelligence can be effective in adopting a transformational leadership style in managers. In this context, relationship between cultural intelligence and transformational leadership will be analysed in this study to deepen the literature considered to be insufficient.

As a complement to cognitive intelligence, social intelligence and emotional intelligence, cultural intelligence is thought to be related to both transactional leadership and transformational leadership. In spite of the fact that according to Bums (1978) and Waldman et al. (1987), "*transactional leaders were posited as a contrast to the transformational leaders, and they exchange valent rewards contingent upon a display of desired behaviours*" (as cited in Acar, 2012), when it comes to competing in the so-called multi-cultural environments, each leader needs to establish effective intercultural communications and solving oppositions (Ismail et al., 2012: 254).

In the light of all these explanations, to investigate the effects of cultural intelligence on leadership style, the following hypotheses has been proposed and for this purpose, the following theoretical model has been established.

H1: There is a positive significant relationship between CI and Transactional leadership.

H1a: There is a positive significant relationship between Cognitive CI and Transactional leadership.

H1b: There is a positive significant relationship between Metacognitive CI and Transactional leadership.

H1c: There is a positive significant relationship between Behavioural CI and Transactional leadership.

H1d: There is a positive significant relationship between Motivational CI and Transactional leadership.

H2: There is a positive significant relationship between CI and Transformational leadership.

H2a: There is a positive significant relationship between Cognitive CI and Transformational leadership.

H2b: There is a positive significant relationship between Metacognitive CI and Transformational leadership.

H2c: There is a positive significant relationship between Behavioural CI and Transformational leadership.

H2d: There is a positive significant relationship between Motivational CI and Transformational leadership.

H3: Cultural Intelligence has an effect on Transactional Leadership.

H3a: The factors of Cultural Intelligence have an effect on Transactional Leadership.

H4: Cultural Intelligence has an effect on Transformational Leadership.

H4a: The factors of Cultural Intelligence have an effect on Transformational Leadership.

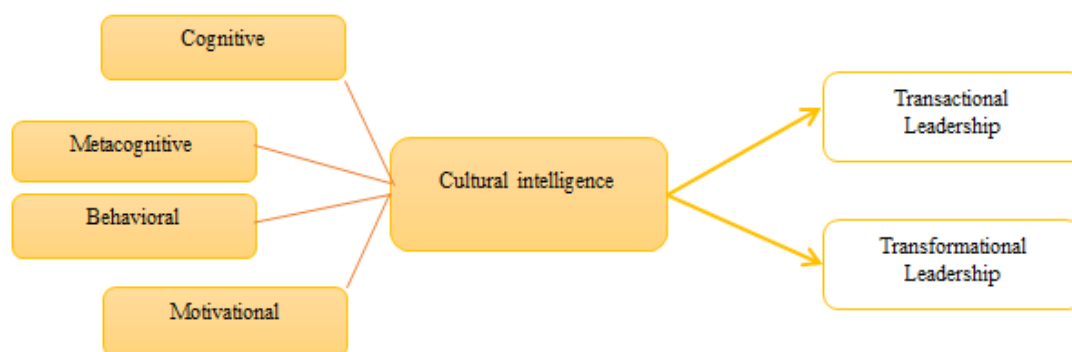


Figure 1: Theoretical Model

2. Research Methodology

The aim of this study is to determine whether cultural intelligence has an effect on transactional leadership and transformational leadership styles.

2.1. Scope of the Research

Iraq have more than 50 charity organizations, and in Erbil they are nearly 25. Because of security problems in the region, only Erbil city is taken as the basis of investigation. In Erbil, the charity organizations are International Organization for Migration (IOM), Danish Refugee Council (DRC), Norwegian Refugee Council (NRC), Swedish Humanitarian Aid Organization (QANDIL), Doctors Aid Medical Activities (DAMA), Norwegian People Aid (NPA), International Medical Corps (IMC), Médecins Sans Frontières (MSF), United Nations (UN), Malteser International (MI), Premiere Urgence - Internationale (PUI), International Rescue Committee (IRC), Handicap International (HI), Critical Needs Support Foundation (CNSF), Women for Women International (US), Medecins du Monde (MDM), Bihar Relief Organisation (BRO), Terre des Hommes (TDH) – Switzerland, Solidarites international (SI), Save the Children International (SCI), World Health Organization (WHO), Women Rehabilitation Organization (WRO), world food programme (WFP), Food and Agriculture Organization (FAO), Barzani charity foundation (BCF). Out of these, four of them are chosen as the population of research since permissions can only be taken by those four and they are the ones that are only accessible by the researchers. Others refuse to participate to the study by different excuses. The sample of the investigation consists of 116 employees out of 200 employees working for International Organization for Migration (IOM), the Danish Refugee Council (DRC), the Norwegian Refugee council (NRC) and the Swedish Humanitarian Aid Organization (QANDIL) in Erbil. Among 116 employees, 39 are from IOM, 23 from DRC, 33 from NRC and 21 from Qandil. Since the survey return rate is 58%, it can be said that the sample represents the universe of the research. The table of possible sample figures representing a certain main population, prepared by Yazıcıoğlu and Erdoğan (2004: 50) has taken as a reference. The researchers are conscious of the fact that the results cannot be generalized to all charity organization in Erbil but only are valid for the population of this research. In the evaluation of the data and findings, SPSS 23.0 statistical Software package is used and Pearson Correlation Analysis together with Linear Regression Analysis are done.

2.2. Data Collection Tool and Scales

In this research, survey method is used to collect data. The survey is distributed through internet and the researchers keep track of them by mail or telephone. The survey consists of two parts. The first section of the questionnaire includes demographic questions. The second section contains questions aimed to determine and measure cultural intelligence and leadership style. To measure cultural intelligence, a scale developed by Ang, and Dyne (1996) is used. The items of the scale are taken from Ang et al (2007). 5-point Likert method (1: Strongly Disagree to 5: Strongly Agree) is used to assess data. The validity and reliability analysis of the scale are conducted by many researches in the literature in different cultural settings (Engle and Delohery, 2016).

To measure leadership styles, a scale developed by Bernard M. Bass and Bruce J. Avolio, has been used (Multifactor Leadership Questionnaire Leader Form (MLQ 5x-Short) published by Mind Garden, Inc. This scale is composed of 45 items but 32 questions are used (12 questions Transactional Leadership and 20 questions Transformational Leadership) for this research. Questions for laissez-faire leadership style are excluded for study purposes. Adhering to the originals of the survey; 5-point Likert method (From 1: Not at all option until option 5: Frequently, if) is used. The validity and reliability analysis of the scale are conducted by many researches in the literature in different cultural settings and also by the study that is Multifactor Leadership Questionnaire Psychometric properties of the German translation, published by Mind Garden, Inc. Cronbach alphas for the total items of the MLQ (transformational, transactional, laissez-faire and outcomes) and for each subscale range from $\alpha = 0.74$ to 0.94. According to Van Rensburg and Crous (2000: 41), the questionnaire complies with the research requisites for reliability with Spearman-Brown formula alpha coefficients, for the MLQ scales, of between 0.81 and 0.96.

2.3. Results about Demographic Characteristics:

- The average gender of volunteer participants in the research has replied, male are 50 female are 66.
- The average marital of volunteer participants in the research has replied, single are 39, married are 77.
- The average age of the volunteer participants in the research has replied, highest is 45 person in 25-29 years, lowest 2 person above 19 year and above 40 year.
- The average education of volunteer participants in the research has replied, highest is 75 person at university, lowest 1 person at primary.
- The average seniority of volunteer participants in the research has replied, highest is 56 person between 6-10, lowest 2 person 16-20 years.

3. Research Findings

The reliability of the scales used in this study is evaluated using the Cronbach Alpha model. The Alpha reliability analysis performed for the Cultural Intelligence scale value is 0.930, for Transactional Leadership scale value is 0.862 and Transformational Leadership scale value is 0.918 as seen in the Table-1. These scores imply that the scale of this study is reliable.

Table-1. Reliability Statistics Related to the Scale Used in The Study

Scales	Number of Questions	Cronbach Alpha	Mean	Standard Deviation
Cultural Intelligence	20	0.930	4.58	0.72
Metacognitive CI	4	0.785	4.55	0.77
Cognitive CI	6	0.755	4.57	0.74
Motivational CI	5	0.776	4.55	0.73
Behavioural CI	5	0.810	4.65	0.66
Transactional Leadership	12	0.862	4.43	0.89
Transformational Leadership	20	0.918	4.41	0.84

Table-2. Correlation Analysis between Cultural Intelligence and Leadership styles

	Cultural Intelligence	Metacognitive CI	Cognitive CI	Motivational CI	Behavioral CI	Transactional Leadership	Transformational Leadership
Cultural Intelligence	1						
Metacognitive CI	0.886**	1					
Cognitive CI	0.939**	0.797**	1				
Motivational CI	0.865**	0.646**	0.740**	1			
Behavioral CI	0.907**	0.749**	0.823**	0.701**	1		
Transactional Leadership	0.498**	0.399**	0.457**	0.494**	0.440**	1	
Transformational Leadership	0.507**	0.421**	0.451**	0.478**	0.474**	0.924**	1

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

According to the results of the performed correlation analysis, as it can be seen from Table-2, there is a moderate positive and statistically significant correlation between Cultural Intelligence and Transactional Leadership ($r=0,498$; $p=0,01$). Hypothesis 1a is confirmed. There is a moderate positive and statistically significant correlation between Cultural Intelligence and Transformational Leadership ($r=0,507$; $p=0,01$). Hypothesis 2 is confirmed. As also there is a moderate positive and statistically significant correlation between the dimensional of cultural intelligence and transactional leadership, at the same time dimensional of cultural intelligence and transformational leadership of the entire hypothesis (H1a, H1b, H1c, H1d, H2a, H2b, H2c, H2d) are accepted.

Table-3. Regression Analysis between Cultural Intelligence and Transactional Leadership

Dependent variable	R	Adjusted R	Independent variable	B	Std. Error	t	p	F
Transactional Leadership	0.248	0.242	Constant	1.948	0.409	4.769	0.000	37.669
			CI	0.544	0.089	6.137	0.000	

Regression is significant at the 0.05 level.

The Table-3 shows that the disclosed model is significant ($p < 0.05$). According to the table, Cultural Intelligence has an effect on Transactional Leadership ($R=24.8\%$ and Adjusted $R=24.2\%$). The percentage of the variance explained is indicated by R and the significance level of regression is explained by F. The results of the regression analysis indicate that Transactional Leadership may well be explained by the participants' perceptions of Cultural Intelligence by 24% . Hypothesis 3 is confirmed.

Table-4. Regression Analysis between Cultural Intelligence's factors and Transactional Leadership

Dependent variable	R	Adjusted R	Independent variables	B	Std. Error	t	p	F
Transactional leadership	0.201	0.193	Constant	1.876	0.420	4.470	0.000	10.045
			Metacognitive	0.344	0.074	4.641	0.000	
			Cognitive	0.477	0.087	5.485	0.000	
			Motivational	0.480	0.079	6.064	0.000	
			Behavioural	0.454	0.087	5.229	0.000	

Regression is significant at the 0.05 level.

The Table-4 shows that the disclosed model is significant ($p < 0.05$). According to the table, the factors of Cultural Intelligence have an effect on Transactional Leadership ($R=20.1\%$ and Adjusted $R=19.3\%$). The percentage of the variance explained is indicated by R and the significance level of regression is explained by F . The results of the regression analysis indicated that the level of Transactional Leadership may be explained by the participants' perceptions of the Cultural Intelligence's factors. Hypothesis 3a is confirmed.

Table-5. Regression Analysis between Cultural Intelligence and Transformational leadership

Dependent variable	R	Adjusted R	Independent variable	B	Std. Error	t	p	F
Transformational leadership	0.257	0.250	Constant	1.849	0.412	4.487	0.000	39.353
			CI	0.560	0.089	6.273	0.000	

Regression is significant at the 0.05 level.

The table-5, shows that the disclosed model is significant ($p < 0.05$). According to the table, Cultural Intelligence has an effect on Transformational Leadership ($R=25.7\%$ and Adjusted $R=25.0\%$). The percentage of the variance explained is indicated by R and the significance level of regression is explained by F . The results of the regression analysis indicated that the level of Transformational leadership may be explained by the participants' perceptions of Cultural Intelligence. Hypothesis 4 is confirmed.

Table-6. Regression Analysis between Cultural Intelligence's factors and Transformational leadership

Dependent variable	R	Adjusted R	Independent variables	B	Std. Error	t	p	F
Transformational leadership	0.208	0.201	Constant	1.784	0.425	4.201	0.000	10.174
			Metacognitive	0.369	0.074	4.952	0.000	
			Cognitive	0.477	0.089	5.390	0.000	
			Motivational	0.472	0.081	5.811	0.000	
			Behavioural	0.497	0.086	5.748	0.000	

Regression is significant at the 0.01 level (2-tailed).

The Table-6, shows that the disclosed model is significant ($p < 0.05$). According to the table, the factors of Cultural Intelligence have an effect on Transformational Leadership ($R=20.8\%$ and Adjusted $R=20.1\%$). The percentage of the variance explained is indicated by R and the significance level of regression is explained by F . The results of the regression analysis indicate that the level of Transformational Leadership may be explained by the participants' perceptions of Cultural Intelligence's factors. Hypothesis 4a is confirmed.

4. Discussion and Conclusion

The purpose of the research is to examine the relationship between cultural intelligence with its factors and leadership styles like transactional and transformational leadership. The results show a moderate positive and significant correlation between the participants' cultural intelligence and their transactional leadership behaviour ($r=0.498$; $p=0.01$). Hypothesis 1 is confirmed. Since no other study with this result has found, no comparison can be made with the previous researches. In addition, the results show a positive significant relationship between cultural intelligence and transformational leadership behaviour of participants ($r=0.507$; $p=0.01$). Hypothesis 2 is confirmed. This result of the study is consistent with the findings of Ismail et al. (2012) and Simsek and Ozturk, (2018). Moreover, Mullinax (2013)'s study on leaders in global firms shows that there is a positive relationship between transformational leadership and cultural intelligence. The factors of cultural intelligence also have a positive significant relationship with transactional leadership and transformational leadership. In other words, when cultural intelligence levels rise at work, the leaders are also performing very well. According to the results of the regression analysis, the cultural intelligence has an impact on the transactional leadership ($R=24.8\%$, Adjusted $R=24.2\%$).

Hypothesis 3 is confirmed. Also the results showed that cultural intelligence has an impact on the transformational leadership ($R=25.7$, Adjusted $R 25.0\%$). Hypothesis 4 is confirmed. Elenkov and Manev (2009) found that the relationship between transformational leadership and creativity is stronger among the leaders with high cultural intelligence in a study conducted by senior executives living in foreign countries. Whereat, the capability to enhance benefits, to manage effectively or fulfilling tasks, intelligence can solve problems based on the workplace, at the same time leaders must be intelligent at work for arranging all the problems, certainly cultural intelligence is an important reason for improving leadership styles, and helps a leader to achieve imagination, analysing and consulting.

As discussed in other research examples (eg., Solomon & Steyn, 2017; Elenkov & Manev, 2009; Simsek & Ozturk 2018) including transactional leadership and transformational leadership, which is related to the cultural intelligence, our research has confirmed the relationships between each other, too. Even if there are some differences, this is due to handling of different culture, geography and time.

Limitations: As with all researches have some limitations and shortcomings that might be enumerated. The most important limitation of this project is that the research study is conducted in four sectors in difference country, their duties same and on many number of employees and leaders. Another limitation of this research is that the data has been collected with self-report technique this may be subject to self-serving bias. To control this, in-depth interview method may be used to complete and deepen the results of this project in the future. Time constraints do not give or allow researchers to do interviews in this present project. A confrontation of the discovered relationships with a dialogue of the employees should be of great significance to deepen the results. It would therefore be interesting to do at the same time a qualitative study, even exploratory, for better understanding the influence of employees' perceptions of cultural intelligence on leadership styles. Apart from all these, all charity organizations in Erbil or all cities in Iraq and other countries may be examined comparatively. So, both a variety of applications would be applied and also inferences about the country would be more appropriate.

Suggestions: Results also show that cultural intelligence is important to improve the workforce and control leadership styles. Because CI is a dynamic of settings. It provides working easement for understanding better as well as accepting differences idea. Taking all of deter in any cultures before starting work and become more aware, globalizing process helps to learn different languages and making new project for achieving information which helps us to be metacognitive, cognitive, motivational, behavioural and taking all of the ways which are necessary for success. Sometimes being open minded can adapt in some situation. Also arranging settings for our workplace, it is an international place that also helps us be smarter, because at that time we can use international programs. Show and tell it's so important for team or group for learning to be fit and developed in our career. Changing program calls for new methods, like electronic and system of smart phones using for developing intellection while other programs were failed by leaders. Our suggestions for the future studies is choosing best styles of leadership according to the culture that they have, because in this case we can achieve the best results.

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