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Master of Business Administration (MBA)

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Cultural Intelligence of Human Resources Professionals
as a Strategic Tool for Managing Global Diverse Talent
in Software Sector Enterprises

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Patras, Greece, May 2026

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in Software Sector Enterprises

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*This work is dedicated to my family,
for being my constant source of strength and inspiration throughout this journey*

Abstract

This dissertation studies the way Cultural Intelligence (CQ) functions as a key resource for Human Resources professionals of software sector enterprises, in managing global diverse talent. Globalization and digitalization render business environments increasingly multicultural and borderless, contributing to company's enhanced innovation and performance. This diversity, however, raises challenges in employee's communication, collaboration and engagement. In this context, CQ works as a means of understanding and connecting, by supporting Human Resource Management practices and reaching to overall organizational performance. The study adopts a secondary methodology, analyzing grey literature sources like corporate reports, diversity and inclusion documents, surveys on workforce and publications from consulting organizations. This method allows the examination of how companies apply CQ in practice, referred either explicitly or implicitly through notions that are incorporated in CQ - like inclusion, belonging and cross-cultural collaboration. The findings of the dissertation indicate that although the actual term is rarely used in corporate language, it is embedded in organizations' strategies and leadership practices, denoting that inclusive culture, adaptability and collaboration consist the main elements for successful management of diverse teams. On the other hand, the research identifies differences in companies' public commitments on diversity and inclusion, and their implementation, pointing out at the same time, variations in transparency of reporting. The dissertation concludes that Cultural Intelligence is not just an individual competence, but it can also appear as an essential tool for Human Resources professionals leading to increased effectiveness, international collaboration and improved business outcomes, while also demonstrating its emerging connection with digital transformation and strategic Human Resource Management in software sector enterprises.

Keywords

Cultural Intelligence, Human Resources, Global Talent, Software Sector, Diversity and Inclusion

Η Πολιτισμική Νοημοσύνη
των Στελεχών Ανθρώπινου Δυναμικού
ως Στρατηγικό Εργαλείο Διαχείρισης
Πολυπολιτισμικών Ομάδων στις Εταιρείες Λογισμικού

Μαρία Νικολοπούλου

Περίληψη

Η παρούσα διπλωματική εργασία μελετά τον τρόπο με τον οποίο η Πολιτισμική Νοημοσύνη μπορεί να λειτουργήσει ως στρατηγικό εργαλείο για τα στελέχη του Ανθρώπινου Δυναμικού στη διαχείριση των διαπολιτισμικών ομάδων στις παγκόσμιες εταιρείες λογισμικού. Η παγκοσμιοποίηση και ο ψηφιακός μετασχηματισμός των επιχειρήσεων εξαλείφουν τα σύνορα και δημιουργούν ομάδες που απαρτίζονται από προσωπικό με διαφορετική κουλτούρα και υπόβαθρο, γεγονός που συμβάλλει στην ενίσχυση της καινοτομίας και της απόδοσης των οργανισμών, αλλά ταυτόχρονα εγείρει δυσκολίες στην επικοινωνία, τη συνεργασία και τη συμμετοχή των εργαζομένων. Σε αυτό το πλαίσιο, η Πολιτισμική Νοημοσύνη λειτουργεί ως μηχανισμός κατανόησης και σύνδεσης, στηρίζοντας τις πρακτικές της Διοίκησης Ανθρώπινου Δυναμικού και συμβάλλοντας στη συνολική απόδοση της εταιρείας. Η μελέτη βασίζεται σε δευτερογενή ερευνητική μεθοδολογία, μέσω της ανάλυσης πηγών γκρίζας βιβλιογραφίας, όπως εταιρικές εκθέσεις, έγγραφα διαφορετικότητας και συμπερίληψης, έρευνες σε εργαζομένους και δημοσιεύσεις από συμβουλευτικούς οργανισμούς. Η συγκεκριμένη προσέγγιση βοηθά την ανάλυση του τρόπου με τον οποίον οι επιχειρήσεις εφαρμόζουν την Πολιτισμική Νοημοσύνη στην πράξη, είτε άμεσα είτε έμμεσα, μέσω εννοιών που σχετίζονται με αυτήν, όπως η συμπερίληψη, το αίσθημα του ανήκειν και η διαπολιτισμική συνεργασία. Τα ευρήματα της εργασίας δείχνουν ότι παρόλο που ο όρος καθαυτός δεν συναντάται συχνά στην γλώσσα των στελεχών, τα βασικά της στοιχεία ενσωματώνονται στις στρατηγικές αλλά και τις πρακτικές διοίκησης των οργανισμών. Παράλληλα, η έρευνα αναδεικνύει και αποκλίσεις των δημόσιων δεσμεύσεων των εταιρειών σχετικά με τη διαφορετικότητα και τη συμπερίληψη σε σχέση με την εφαρμογή τους στην πράξη, καθώς και διαφοροποιήσεις ως

προς το επίπεδο διαφάνειας των σχετικών αναφορών. Η διπλωματική καταλήγει στο συμπέρασμα ότι η Πολιτισμική Νοημοσύνη δεν αποτελεί μόνο μία ατομική δεξιότητα, αλλά μπορεί να λειτουργήσει και ως στρατηγικό εργαλείο για τα στελέχη του Τμήματος Προσωπικού, ενισχύοντας την παραγωγικότητα, τη συνεργασία και τα επιχειρησιακά αποτελέσματα των οργανισμών, ενώ παράλληλα αναδεικνύεται η σύνδεσή της με τον ψηφιακό μετασχηματισμό και τη στρατηγική Διοίκηση Ανθρώπινου Δυναμικού των παγκόσμιων εταιρειών λογισμικού.

Λέξεις – Κλειδιά

Πολιτισμική Νοημοσύνη, Ανθρώπινο Δυναμικό, Διεθνής Διαχείριση Ταλέντου, Εταιρείες Λογισμικού, Διαφορετικότητα και Συμπερίληψη

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List of Abbreviations & Acronyms

AI	Artificial Intelligence
CQ	Cultural Intelligence
DE&I	Diversity, Equity and Inclusion
D&I	Diversity and Inclusion
ESG	Environmental, Social and Governance
HR	Human Resources
HRM	Human Resource Management
KPI	Key Performance Indicator
SHRM	Society of Human Resource Management
Tech	Technology

Introduction

In today's world, global organizations are required to operate in a challenging, constantly dynamic and highly competitive business environment, managing multicultural teams and international diverse talent, at the same time. Software technology companies belong to the industry that is affected the most by continuous technological advances, like Artificial Intelligence (AI) and digital tools, with global software firms to build teams across geographical borders, consisting of individuals from diverse backgrounds, collaborating mainly remotely through digital platforms. The access to global diverse talent works as an asset for the companies, as it boosts innovation, but dealing with different ways of communication and collaboration styles, constitutes a significant concern for the organizations.

Managing culturally diverse teams and individuals is an existing issue for Human Resources (HR) professionals of global firms, since local management techniques cannot sufficiently cover the heterogeneity of such groups of employees. Thus, Cultural Intelligence (CQ), as a key solution, enables the capability of adapting to culturally diverse settings, through understanding and correct interpretation. CQ is not only recognized as an important individual skill, but it is rendered a strategic tool for the organizations and HR experts, and, in combination with AI systems and digital technology, can support effective inclusivity practices, increased employee engagement, efficient collaboration of multinational teams, innovation through knowledge sharing and improved organizational performance overall.

The dissertation, in the literature review section, analyzes the concept of Cultural Intelligence, its academic origins and its dimensions. Adopting the grey literature as secondary research methodology, it explores and compares how software sector enterprises explicitly or implicitly integrate CQ principles into their HR processes. By examining corporate reports, workforce surveys, trends and analyses on multicultural and inclusive working environment, presented by global software technology companies and consulting organizations, the study aims to bridge the gap between theory and practice.

Indicative findings demonstrate the rare explicit reference to Cultural Intelligence. Instead, the organizations use core CQ's elements in their business language, like inclusion, belonging and adaptability, to incorporate in their strategies and increase their efficiency. The results also show certain inconsistencies regarding companies' public commitments to

diversity and inclusion (D&I) and the actual implementation of them, along with changes in report transparency levels.

The limitations the dissertation encounters, concern the secondary sources which are restricted to the available published documents that usually reflect the companies' perspective and serve their goals. Also, organizations' reporting methods differ, rendering the comparison more challenging. However, the research provides actual insights of the way Cultural Intelligence is merged in Human Resource Management procedures in global software firms.hu

The dissertation follows the structure below:

Chapter 1 – Literature Review: Analyzes the academic sources of Cultural Intelligence and its connection to Human Resource Management (HRM) in organizational performance.

Chapter 2 – Secondary Research Methodology: Presents the methodology used for the research, along with the criteria for document and company selection.

Chapter 3 – Results: Examines how Cultural Intelligence is applied in global software organizations, along with the challenges and opportunities the companies face.

Chapter 4 – Managerial Implications: Discusses the practical implications of Cultural Intelligence for multicultural software workplaces.

The dissertation concludes on relevant key findings and suggestions for HR professionals and future research.

1. Literature Review

Over the last decades, there have been several attempts to study the way Cultural Intelligence (CQ) is employed by organizations for managing cultural diversity, which is eminent at various international firms, like software sector enterprises. The effect of globalization and digitalization, drive companies towards expanding over their borders and rely increasingly on multicultural teams that operate across different geographical and cultural boundaries. Thus, the competences that actually constitute the ideal combination

for effective collaboration and Human Resource Management in culturally diverse environments, become a field of interest for researchers.

1.1 Literature Review Methodology

The methodological approach followed for conducting the literature review should ensure academic integrity and relevance to the subject. The process and the criteria employed for synthesizing the literature review are described in this section.

To reach the selected sources used in this dissertation, the relevant search was initially based on Scopus and was complemented by search in ResearchGate.

With respect to the Scopus search, the following approach was employed:

```
(TITLE-ABS-KEY ( *cultural intelligence* ) AND TITLE-ABS-KEY  
( *human resources* ) ) AND PUBYEAR > 2009 AND PUBYEAR < 2027 AND ( LIMIT-  
TO ( LANGUAGE , "English" ) ) AND ( LIMIT-TO ( DOCTYPE , "re" ) )
```

```
(TITLE-ABS-KEY ( *cultural intelligence* ) AND AUTH ( ang ) ) AND PUBYEAR >  
2002 AND PUBYEAR < 2027 AND ( LIMIT-TO ( DOCTYPE , "re" ) )
```

```
(TITLE-ABS-KEY ( ict sector ) AND TITLE-ABS-KEY ( human resources ) ) AND  
(LIMIT-TO ( DOCTYPE , "re" ) )
```

```
(TITLE-ABS-KEY ( software companies ) AND TITLE-ABS-KEY ( multicultural ) )  
AND (LIMIT-TO ( DOCTYPE , "re" ) ) AND (LIMIT-TO (EXACTKEYWORD  
, "Information Technology" ) OR LIMIT-TO (EXACTKEYWORD , "Computer  
Software" ) )
```

```
(AUTH ( earley ) AND TITLE-ABS-KEY ( cultural intelligence ) )
```

```
TITLE-ABS-KEY ( *cultural intelligence* ) AND PUBYEAR > 2002 AND PUBYEAR  
< 2027 AND (LIMIT-TO ( DOCTYPE , "re" ) ) AND (LIMIT-TO (LANGUAGE  
, "English" ) )
```

```
TITLE-ABS-KEY ( *cultural intelligence* ) AND PUBYEAR > 2002 AND PUBYEAR  
< 2027 AND ( LIMIT-TO ( LANGUAGE , "English" ) ) AND ( LIMIT-TO ( DOCTYPE  
, "re" ) OR LIMIT-TO ( DOCTYPE , "ch" ) OR LIMIT-TO ( DOCTYPE , "bk" ) )
```

Inclusion criteria

Relevance: The selection of sources was based on their relevance to the topic of the dissertation, focusing on Cultural Intelligence, Human Resources, Multicultural Workplace, Software Companies, ICT Sector and Information Technology.

Document Type: The literature used is based on Reviews on Journal Articles and Books related to the dissertation subject.

Timeframe: The sources included in the dissertation, were published from 2002 and later, with the aim of examining the initial interpretation of the Cultural Intelligence as a concept and its analysis and application in more recent works.

Language: The language that selected on criteria was English.

Exclusion criteria

The exclusion criteria included the searches that were not relevant to the selected inclusion criteria above.

Furthermore, documents derived by ResearchGate were used in the dissertation as supportive material amplifying and enriching the information about Cultural Intelligence as a mechanism in global HRM of Software Sector companies.

The search was limited to the keywords Cultural Intelligence, Human Resources, Global Talent, Software Sector, and the selection applied exclusively to Journal Articles.

1.2 Foundations of Cultural Intelligence

The definition of Cultural Intelligence was introduced in the early 2000s and since then, it has been analysed by academic researchers who demonstrated increased interest about how corporate members of global organizations operate and manage efficiently culturally diverse teams, in a period that enterprises are expanding across national and cultural borders. Since general cognitive ability and emotional awareness were not capable to provide the necessary methodology for these situations, Cultural Intelligence succeeded to sufficiently describe an individual's capacity to understand, adapt and even act appropriately in environments of cultural differentiations that affect communication and behaviour. Thus, CQ has been discussed as a key competence for individuals, operating in international environments.

More precisely, Cultural Intelligence has been launched as a response to the increased need for understanding how people function efficiently in cultural diverse settings (D. C. Thomas,

2010), while various aspects on intelligence focused on cognitive and problem-solving skills, presuming that it operates in the same way in all circumstances (Sternberg & Preiss, 2022). However, during intense globalization, these approaches were not sufficient to define why some individuals can effortlessly adapt when they interact with people from other cultures (Ang et al., 2019).

In fact, precedent studies argued that intelligence is a universally fixed capability, not related to social and cultural features (Holm-Hadulla et al., 2022), despite that from cultural and historical perspective, intelligence develops in specific social and cultural environments, affected by the respective norms and values (Siebert, 2005). This assumption implies that observing the cultural conditions where people can think, learn and perform is critical for understanding human intelligence (Sternberg & Preiss, 2022), which is also the basis of Cultural Intelligence, focusing on the role of the culture in forming effective behaviours (D. C. Thomas, 2010).

Furthermore, the concept of Cultural Intelligence complements the limitations of emotional intelligence and social intelligence (Hughes, 2016), competences that may assist in interpreting interpersonal effectiveness, but they do not apply in cultural differences and their effect on communication, expectations and behaviour (Ang et al., 2019). It has been observed that individuals may perform well in cultural settings familiar to them, but they may struggle when they have to face new cultural ways of thinking and acting (Paraíso De Campos Serra et al., 2022). Thus, CQ has been developed as a distinct notion to address these cases (D. C. Thomas, 2010).

Gradually, Cultural Intelligence became more accurately defined and supported by various academic areas through empirical research (Ang et al., 2019). These studies on cross-cultural adjustment proved that individuals with higher levels of CQ are able to adapt more easily to different cultural settings, and they demonstrate more willingness in learning from these cultural differences (Templer et al., 2006). Another important finding derived from relative research, was the ability of CQ to be taught and developed through experience and learning, as an acquired, not a fixed trait (D. C. Thomas, 2010). In fact, recent literature describes CQ as a flexible ability which changes depending on the situation and context (Holm-Hadulla et al., 2022).

Cultural Intelligence does not replace the other forms of intelligence, instead, it complements an individual's cognitive and emotional abilities by assisting them in responding appropriately in complex cultural situations (Hughes, 2016). This is essential in modern societies and organizations where cultural diversity becomes a common feature (Paraíso De Campos Serra et al., 2022).

Thus, Cultural Intelligence allows researchers examine the way individuals manage cultural differences in a globalized world (Ang et al., 2019), by linking intelligence to cultural context and adaptability, providing a useful basis for analysing its application in organizational and professional environment (D. C. Thomas, 2010).

1.2.1 Emergence and Definition of Cultural Intelligence

The continuous increase of globalization in business is leading to the raise of cultural diversity of the teams inside organizations. The companies are facing the need to understand and promote the effectiveness of each individual at work to succeed the overall firm's goals. At the initial point of relative studies, their focus lies mainly on general cognitive ability, which was later redirected towards highlighting the importance of emotional intelligence to analyze performance and effectiveness, but they did not manage to cover situations of distinct differences in cultural and communication behavior (Rockstuhl et al., 2011).

The idea of Cultural Intelligence has been developed due to the inefficiency of other forms of intelligence to explain adequately the way individuals behave and perform in situations of cultural diversity. Although general cognitive ability and emotional intelligence are important characteristics for comprehending differences between various international work habits, they are not in position to extensively explain why some people have the ability to adapt well at cross-cultural environments, whereas others are facing difficulties (Rockstuhl et al., 2011). The differences in values, communication styles and behaviours that individuals from separate cultural backgrounds bring at the same workplace create a new challenge for the companies that have to adopt an additional ability other than technical and emotional skills (Rockstuhl et al., 2011). So, the need for analysing and defining features that make an individual effective in intercultural settings, was crucial (Rockstuhl et al., 2011).

Cultural Intelligence was introduced as a response to this demand, since as a concept itself refers to the ability of working efficiently in cases of cultural contradictions (Ang et al., 2006). This indicates that CQ works as an asset not only because of being aware about cultural differences across nations, but mainly because of being able to interpret unfamiliar situations correctly, adjust the behaviour accordingly and as a result to act and perform effectively (Ang et al., 2006). Researchers, and precisely Ang et al, highlight the distinction of CQ from personality and general intelligence, by supporting that CQ can be perceived as a capability that could be developed, enhanced and enriched through learning, reflecting and experiencing (Ang et al., 2006), which consists an important insight for organizations. Based on these findings, an individual can improve their cross-cultural understanding by frequent exposure and systematic training (Rockstuhl et al., 2011).

In addition, Cultural Intelligence is linked to the idea of intercultural competence which is encountered and analysed in psychology, education and business studies. Intercultural competence stands for someone's ability to interact in appropriate manner with people from diverse cultural backgrounds, considering the cultural patterns, values and their communication style (Genkova & Schreiber, 2025). Although several models have been used in order to describe intercultural intelligence, it is often difficult to be measured and compared in different settings (Genkova & Schreiber, 2025). On the contrary, Cultural Intelligence brings a structured framework that is both clear and measurable, incorporating knowledge, motivation and behaviour, for academic use and for actual practice in modern organizational environments (Genkova & Schreiber, 2025).

1.2.2 The Four Dimensions of Cultural Intelligence for HR Professionals in Software Enterprises

Cultural Intelligence is analyzed through four correlated dimensions: metacognitive, cognitive, motivational and behavioral (Ang et al., 2006; Van Dyne et al., 2012), which can be proven helpful for HR professionals in software-sector enterprises, for deriving meaningful people management practices.

The first dimension, metacognitive Cultural Intelligence refers to an individual's ability to evaluate and adjust their behavior accordingly when engaged in intercultural settings (Ang et al., 2006). For HRM, this particular dimension can be proved useful during designing specific procedures that should operate across multiple nations and cultures, like recruitment

process, performance evaluation systems and policies about diversity. In fact, HR professionals who are characterized by enhanced metacognitive CQ are more likely to challenge typical and standardized methods as they could accidentally favor specific cultural features due to bias (Van Dyne et al., 2012), especially in internationally allocated and remote software teams.

Cognitive Cultural Intelligence includes awareness of cultural norms, values, communication patterns and also the corporate differences across countries (Ang et al., 2006; Van Dyne et al., 2012). For the software sector HR departments, this level of CQ remains essential due to their international workforce and the required frequent collaboration between development teams which can be spread in various geographical positions. Basic attributes, like understanding differences in hierarchy, feedback expectations and decision-making methods, assist HR professionals in supporting managers and employees effectively in multicultural project settings, which are common in global software development environments (Krishna et al., 2004).

Motivational Cultural Intelligence includes the interest, the confidence and the willingness that someone brings while engaging with people from different cultural backgrounds (Ang et al., 2006). In HR positions, this particular aspect affects the way a professional would address cultural inclusivity issues, and suggest inclusion initiatives, employee engagement programs and most significantly, cross-cultural collaboration. In fact, in fast-paced technology companies where there is increased and intense competition for skilled and proficient talent, motivational CQ can act as an HR facilitator for building trust and commitment, leading to talent retention and operational unity (Van Dyne et al., 2012).

Behavioral Cultural Intelligence refers to an individual's ability to adapt accordingly their verbal and non-verbal behavior in intercultural situations (Ang et al., 2006). As in international software organizations, where HR departments work as the concentrating point of global teams, heads and managers, behavioral CQ brings the ability to adjust in every case the communications style, the onboarding process and conflict resolution, ensuring a smooth collaboration of multicultural and remote working situations (Krishna et al., 2004).

These four dimensions of Cultural Intelligence provide HR professionals of software sector enterprises, a structured method of comprehending and managing global diverse talent. When HR departments bring together reflective thinking, cultural knowledge, motivation

and adaptiveness, they can manage more effectively people in global software companies where cooperating with employees from different cultural backgrounds is a typical aspect of daily work and an important part for organizational success, as well (Ang et al., 2006; Van Dyne et al., 2012).

1.3 Cultural Intelligence and Global Human Resource Management

As software sector companies operate in an increasing way across national boundaries, the Human Resources department side faces the challenges of managing a culturally diverse workforce. Since software firms are characterized by international teams and allocation within the organization, as well as by remote collaboration, HR professionals are requested to operate effectively in multicultural environments and make it succeed. As a result, Cultural Intelligence is considered a key contributor, supporting HR people in recognizing cultural differences and using them to deploy appropriate practices (Ang et al., 2006; Van Dyne et al., 2012).

1.3.1 Cultural Intelligence as a competency for HR Professionals

According to studies, Cultural Intelligence can be analysed not only as an individual's personal attribute, but also as a professional capability that can lead the way HR experts operate in culturally diverse business circumstances (Sokolova, 2025). In the case of international software enterprises, their multicultural teams are usually virtually and remotely organized. As a result, HR people are expected to manage employees who vary in cultural ethics, communication styles, as well as in expectations at their workplace. Thus, CQ can be used as a tool for effective HR practices.

Researchers concentrating on Cultural Intelligence suggest that people with higher CQ can not only interpret more accurately behaviours derived from cultural standards, but also adjust their actions accordingly (Ang et al., 2006), meaning that personnel managers of software firms with international talents, owing this ability, perform more efficiently at processes requiring interpersonal communication and employee relations.

In fact, Sokolova highlights that specific findings demonstrate that Cultural Intelligence actually supports HR professionals to responding in a more flexible manner in situations of

cultural complexity instead of relying on fixed and stiff procedures (Sokolova, 2025). Flexibility and agile approaches are particularly important in big software organizations, since remote collaboration requires continuous engagement among culturally diverse teams that usually undertake project-based work. HR people with developed CQ, can be seen as facilitators between managers and teams for preventing misunderstandings and ensuring an inclusive collaboration among members.

Furthermore, Cultural Intelligence becomes particularly crucial in industries like software development, where business expands in many countries and relies to a great extent on shared knowledge among people (Krishna et al., 2004). Nowadays, HR departments should manage cross-cultural cooperation in such a way that will prevent upcoming trust issues and problems concerned to collaboration and engagement, by using culturally modified practices.

Consequently, Cultural Intelligence as an HR capability, emphasizes its strategic role in managing global diverse talent within software sector enterprises. When HR experts apply CQ in their daily practices, they become more suitable in managing employees in global software companies, and they provide a more inclusive workplace leading to improved overall performance of the organizations (Ang et al., 2006; Sokolova, 2025; Van Dyne et al., 2012).

1.3.2 Cultural Intelligence and Global Talent Management

Since teams in multinational software companies are expected to come from different national and cultural backgrounds, HR professionals are required to know how to operate in this context in order to achieve effective global talent management (Ang et al., 2006). This is achieved through Cultural Intelligence, which is regarded as a critical capability in global talent management, enabling adaptive recruitment, development and retention practices in culturally diverse work environments (Van Dyne et al., 2012).

Based on the existing literature, Cultural Intelligence is not considered a fixed personal trait, but a competence that can be acquired and developed through learning, experience and constant exposure to intercultural experiences (Lui, 2024). More precisely, the repeated interaction with diverse cultures enhances both the cognitive and the behavioural dimensions of Cultural Intelligence (Lui, 2024).

Also, the motivational dimension of CQ can be seen a key contributor for global talent management, since it actually influences an individual's eagerness to engage with cultural differences and adapt to new, unfamiliar work environments (Song et al., 2023). In fact, increased levels of motivational CQ are associated with advanced cross-cultural adjustment, resulting to higher retention and engagement of employees at international organizations (Song et al., 2023).

In the case of software industry which is characterized by international allocation and remote collaboration through cross-border teamwork, the CQ of Human Resources professionals holds a key position in handling international talents (Sokolova, 2025). It is interesting the fact that the integration of CQ into global talent management practices supports the creation of inclusive company culture which contributes to improved organizational performance (Sokolova, 2025).

1.4 Organizational Performance and the Strategic Role of HR

The successful increase of organizations' strategic involvement across national and cultural borders depends not only on technical expertise of the companies' workforce and their carefully built structures, but also on how their people can cooperate effectively in culturally diverse situations. In such cases, these differences can affect critical points, like communication, leadership, collaboration, and even decision-making processes. Thus, knowing how to behave and respond at international settings, is now considered as a crucial organizational issue. Cultural Intelligence has been introduced as a key solution, assisting global firms, such as software companies, turn cultural diversity into an asset for the company.

1.4.1 Cultural Intelligence and Effectiveness in Multicultural Work Environments

Cultural Intelligence has been an important aspect of an individual's social competences that allows them to work effectively in culturally diverse environments. In fact, early studies addressed CQ as a more advanced capability than general cognitive ability and emotional awareness, highlighting on how they interpret and respond to multicultural unfamiliar cases (Earley & Mosakowski, 2023; Ng & Earley, 2006). Thus, CQ can be considered as a significant tool for companies that operate internationally, and for employees' collaboration,

who should overcome their differences in communication, working style and professional routines.

Studies have concluded that higher levels of Cultural Intelligence are linked to improved international performance. More precisely, going beyond general and emotional intelligence, CQ defines the effective leadership across borders, by addressing to skills that are required in global roles (Rockstuhl et al., 2011). Also, international experience can lead to improved performance, but it should be accompanied by the individual's ability to adapt to culturally different situations (Ibanez et al., 2025).

Human Resources departments are focused on managing effectively all kinds of workplaces in an organization. Based on Sokolova's studies, HR professionals with higher levels of CQ are more suitable in handling procedures like recruitment, communication and performance evaluation in multicultural conditions (Sokolova, 2025). In the case of global software companies, this works as an important hind for HR people that are aiming to successful collaboration among international team members, to frequent engagement of all members, and most importantly, to inclusion.

Since Cultural Intelligence is regarded not only as a personal feature, but as an asset and a resource, the organizations have the opportunity to train their people in order to develop that characteristic and use it accordingly. Actually, when companies recognize the importance of CQ and support its application, they can improve trust, cooperation and at last teamwork among employees with culturally diverse background (Doh et al., 2025). Thus, since these attributes are essential for knowledge and ideas sharing in software enterprises, the firms can invest in seminars and trainings dedicated to enhancing Cultural Intelligence on their people in charge of global talent management, ultimately leading to organizational success.

1.4.2 Cultural Intelligence and Organizational Success

Cultural Intelligence is recognized as an important contributor not only for one's individual professional performance, but for the overall organizational effectiveness in culturally diverse work settings (Earley & Mosakowski, 2023). The challenges the enterprises that do business at international and multicultural level face, like communication, coordination and trust, in case they are not managed properly, can affect and or even productivity and

collaboration (Ng & Earley, 2006), which is the case in the software sector companies as well.

Studies actually manifest that the organizational success is supported by Cultural Intelligence through improving certain behavioural characteristics of employees, like the way they interact in diverse workplaces. Relevant research also shows that when organizations' workforce is capable of understanding and adapting to diversity, its benefit is increased (Ibanez et al., 2025). In other words, CQ bridges the gap between international awareness and job performance (Ibanez et al., 2025).

Cultural Intelligence is also analysed in leadership studies, as a medium of improving management outcomes. More precisely, they highlight the ability that an effective international leader requires in order to be able to operate across nations and cultures, to align and bring together members of diverse teams, and to create shared vision and goals, despite the versatile differences among participants (Avolio et al., 2009). These necessary leadership capabilities are found in CQ, which allows leaders and managers respond with flexibility and proceed with agility in complex cultural issues (Ng & Earley, 2006). By using the correct approach in these situations, organizational cohesion and performance are improved (Ng & Earley, 2006).

Since Cultural Intelligence can be considered a strategic tool rather than just a personal skill, the organizations that choose to develop CQ through leadership development and Human Resources practices, improve a variety of professional aspects, like coordination, engagement and long term effectiveness at international contexts (Doh et al., 2025). In the software sector, where innovation relies on efficient cooperation among international teams spread across the globe, CQ integration into HR function and into its strategic goals, can not only reinforce organizational productivity, but also bring competitive advantage to the companies (Earley & Mosakowski, 2023).

Since researchers conclude that Cultural Intelligence is an acquired ability that exceeds innate and personal competence, it is evident that CQ can be used as a strategic tool by international enterprises. In the case of global software companies, the efficiency of culturally diverse team management is critical, since working environment is characterized by remote yet interdependent collaboration, and employee's engagement highly promotes innovation and productivity. Table 1 presents how these literature findings can actually

contribute to the effectiveness of the teams as well as to the quality of the leadership, but also to the inclusive policy incorporated by the firm itself. The table below demonstrates CQ's impact on Human Resource Management and on organizational performance overall.

Capability derived by CQ	Impact on Teams & Organizations	Benefit for Software Companies	Sources
Cultural adaptability	Prevents misunderstandings & enhances collaboration of diverse teams	Supports cooperation in cross-national distributed software development teams	(Earley & Mosakowski, 2023; Krishna et al., 2004)
Cultural leadership	Increases mutual trust, alignment and goals	Reinforces leadership outcomes in cross-border, remote, software teams	(Doh et al., 2025; Ng & Earley, 2006)
Inclusive decision- making	Improves engagement and inclusion of international employees	Embraces equal and fair assessment, and prolongs the retention of global software talents	(Doh et al., 2025; Ng & Earley, 2006)
Cultural digitalization	Prevents wrong interpretations caused by remote communication	Enhances the efficiency of remote collaboration and AI tools of HR	(Doh et al., 2025; Earley & Mosakowski, 2023)

Table 1 – Cultural Intelligence in multinational and tech-related organizations

1.5 Cultural Intelligence in Global Software Sector Enterprises

Software sector companies operate in a digital world, accompanied with rapid technological changes, usually requiring multinational collaborative teams, comprising various nationalities. At first impression, digital tools and AI technology work as an asset for the companies rendering international business more feasible, but these solutions cannot handle the cultural differences that affect the way people in a mixed group communicate and collaborate. Thus, in global software organizations, Human Resources professionals are demanded to manage effectively this cultural diversity. Cultural Intelligence works as a solution for these cross-cultural challenges, leading to effective Human Resource Management.

1.5.1 Software Companies and Multicultural Challenges

Software companies that operate globally are facing cross-cultural difficulties deriving from the continuous and intense interaction among the geographically and culturally diverse team members (Krishna et al., 2004). In such a complex multinational situation, several aspects of collaboration are influenced, like communication styles, approaches to problem solving and authority expectations, which create misunderstandings in project coordination and general cooperation (Krishna et al., 2004). These challenges are even greater at global software companies, where virtual communication prevails, where there are several time-zone differences and limited or not at all in-person interaction, making whole team's alignment harder to achieve (Krishna et al., 2004).

Human Resources people interpret these cultural difficulties as a barrier for team performance, development of trust and sharing knowledge (Doh et al., 2025). Also, the untrained employees are not able to interpret culturally different behaviors accurately and this may result to important delays, conflicts and impediments in collaboration and innovation (Earley & Mosakowski, 2023). This is particularly critical in firms where the job of software development is mainly done independently, and there is the need for continuous coordination across departments and locations (Krishna et al., 2004).

Studies also argue that cultural challenges transcend national differences, and are affected by the company's organizational practices, like leadership styles, talent management systems or even performance evaluation (Ng & Earley, 2006). Insufficient cultural skills

can make it harder for organizations to manage global teams effectively and to maintain international talents to company's workforce (Doh et al., 2025). As a result, dealing with cross-cultural challenges becomes critical for various enterprises such as software companies, which have to strategically enhance Cultural Intelligence as a key skill for managing global diverse talents and for supporting Human Resource Management in a multinational and technology-driven sector (Earley & Mosakowski, 2023; Ng & Earley, 2006).

1.5.2 Cultural Intelligence in the Technology Era

The digital transformation of organizations is growing rapidly, especially in software sector companies, which increases the need for collaborating effectively across national and cultural boundaries (Doh et al., 2025). More precisely, international software companies are operating through virtual teams, using digital platforms and AI processes, reducing distance between organization's employees but they are not able to deal with cultural patterns of communication, diverse expectations and work behaviours (Doh et al., 2025).

Cultural Intelligence becomes a means of addressing these impediments, since technology-driven companies often require the leader to proceed with fast decision making, constant interaction with employees and refined coordination of culturally diverse teams (Earley & Mosakowski, 2023). However, digital tools are not always helpful, but can cause misunderstandings especially when team members work at different time zones and hold distinct cultural standards (Earley & Mosakowski, 2023).

Despite the privileges that the technology brings, it becomes harder to deal with managing global talent effectively while at the same time HR professionals are expected to adopt new technologies such as recruitment based on AI, performance management and collaboration systems (Ng & Earley, 2006). These techniques may save time and improve numbers, but they cannot replace the need for cultural awareness and understanding, especially in cases when HR experts evaluate employee's behaviour, motivation and engagement in diverse cultural contexts (Ng & Earley, 2006).

Researchers argue that individuals with higher Cultural Intelligence can adapt their behaviour equally efficiently at remote interactions through technology, which renders them more suitable for managing remote and globally distributed teams (Earley & Mosakowski,

2023). Adaptability is quite important in software sector organizations, since innovation depends on sharing of knowledge and on trust among employees from different countries (Doh et al., 2025).

Furthermore, nowadays, AI and digital tools influence HR procedures and judgement, but Cultural Intelligence actually assists HR professionals recognize cultural bias, environmental factors and candidate exclusions that may result from standardized and automated processes (Ng & Earley, 2006). In this way, CQ plays an important role in ensuring that technological tools are used in a way that supports inclusivity and effective management of international employees (Doh et al., 2025).

Thus, in this current rapid technological change, Cultural Intelligence is not considered only a soft skill, but it functions as a key capability that assists HR professionals in software firms handle digital innovation, considering at the same time the cultural and human diversity (Earley & Mosakowski, 2023; Ng & Earley, 2006).

1.6 Literature Review Findings

The sources used for the literature review bring valuable insights from different disciplines concerning Cultural Intelligence in global business. These observations are consolidated in the dissertation in order to analyse and comprehend the importance of an intangible and non-obvious tool in diverse talent management. The main findings are presented in this section.

1.6.1 Key findings

The literature used for exploring Cultural Intelligence, places CQ at the higher levels of capabilities in culturally diverse workplaces. Across various academic sources, CQ is characterized as a skill with multiple dimensions that facilitates the interaction and adaptability in different environments. In the case of global software companies, Human Resources professionals with high CQ achieve more successful management of culturally diverse teams and international talent.

In addition, literature associates Cultural Intelligence with improved organizational success, by reinforcing communication and collaboration and limiting misunderstandings among

cross-national personnel. This is essential for software sector environments, where the day-to-day work is rendered through remote collaboration across cultural boundaries on team projects. The role of HR contributes in interpreting distinct cultural patterns and converting them into assets for the organization.

The four dimensions of CQ, according to the sources used, address to specific issue arising in global software organizations. Table 2 below presents how each dimension can assist HR procedures, like recruitment, onboarding, employee engagement and performance management, highlighting the important role of Human Resources professionals at the organizational effectiveness in a culturally diverse business environment.

CQ		
Dimensions	Characteristics	Outcomes
Metacognitive CQ	Awareness and understanding of cultural assumptions of interactions	Assists culturally related recruitment decisions, reflective leadership, and bias-free assessment
Cognitive CQ	Awareness of cultural patterns, values and practices	Improves global onboarding, international trainings and tasks
Motivational CQ	Interest and confidence in cross-cultural environment	Supports international talent retention, engagement and willingness to be part of a multicultural team
Behavioural CQ	Ability to adapt verbal and non-verbal behaviour	Enhances performance management, conflict resolution and communication in culturally diverse team

Table 2 – Effects of Cultural Intelligence on HR processes

1.6.2 Challenges of Cultural Intelligence in practice

Although researchers highlight the importance of Cultural Intelligence in global organizations, they also observe that companies tend to think CQ as an individual skill

instead of a strategic mechanism for Human Resource Management. For this reason, CQ may not be applied as needed in formal HR processes, which results in demotivated cross-cultural teams.

Another challenge that arises, concerns the organizations' reliance on technology. Digital tools and remote communication may assist global collaboration but it does not presuppose that the participants are aware of cultural differences and this may lead in misinterpretation and unproductive cooperation. In global software companies where remote work is common, the lack of multicultural knowledge and understanding can affect negatively employees' trust, collaboration and engagement. However, integrating CQ into HR processes, these impediments are diminished.

1.6.3 Opportunities of Cultural Intelligence in practice

On the other hand, the studies also reveal the important benefits on companies of applying Cultural Intelligence in strategic planning. Human Resources professionals with high levels of CQ, can design successful policies and procedures regarding inclusion, which can improve global talent management and bring effective leadership. The software enterprises rely on teamwork and employee's engagement to achieve innovation, and this is achieved through CQ.

Furthermore, the employment of Cultural Intelligence also assists Human Resources professionals in exploiting technological advantages. By applying CQ competence into HR systems, the adaptability is reinforced, multinational teams perform better and international software companies can thrive. More precisely, Table 3 below shows the way Cultural Intelligence can improve HR processes in global software enterprises.

Human Resources Processes	Cultural Intelligence Effect	Results
Recruitment and talent selection	Consider candidate's cultural adaptability	Making better fit in global teams
Onboarding	Support adjustment in multicultural environment	Achieve assimilation and employee retention

Performance Management	Apply fair evaluation based on cultural differences	Increase motivation and trust
Training and Professional Development	Develop skills on CQ	Enhance cross-cultural collaboration
Employee's Engagement	Promote inclusion	Increase commitment

Table 3 – Cultural Intelligence's contribution to HR procedures

2. Secondary Research Methodology

The research approach used for the dissertation relies on secondary data by analysing grey literature sources, which consist the extension of academic literature sources on how Cultural Intelligence is adopted and applied in actual business settings of global software enterprises. The organizational values and practices included in grey literature uncover not only the ways companies deploy to manage culturally diverse talents and but also whether CQ is explicitly or implicitly used as strategic tool by Human Resources professionals. The precise methodology bridges the theory and real action in the examined field.

2.1 Research Objectives

The objective of the dissertation is to explore how Cultural Intelligence is perceived and applied by HR experts and managers in multinational software industries, aiming to:

- Examine whether CQ is explicitly or implicitly mentioned in corporate documents and integrated in organizations' strategies.
- Investigate how global software firms actually handle cultural diversity and cross-national collaboration.
- Analyze the way CQ can affect HR practices and company's effectiveness.
- Select organizations to be compared on their similarities and differences, challenges and opportunities regarding the way they manage cultural diversity.

2.2 Data Collection

The dissertation adopts a secondary data approach and employs information from companies' official public documents like corporate diversity and inclusion reports, HR documents on strategy and internal policy, surveys on workforce and publications from international consulting firms and global organizations, covering mainly sources from 2020 to 2026 to analyze the current trends, and a significant D&I brochure from 2013. The relevant information was extracted by official company websites, ESG, D&I and workforce reports available in public, as well as professional consulting and HR organizations.

2.3 Research Tools

The research deployed qualitative analysis of the information provided, along with selective comparative analysis with tables, indicating the respective documents.

2.4 Critical Review

The qualitative and comparative analysis are used to interpret similarities and differences of the methods used for diversity and inclusion practices that support Cultural Intelligence in business world. Also, it explores in what extend the companies actually apply the strategies they publicly communicate, supported by measurable data of workforce statistics and surveys regarding employees, since there are inconsistencies about how enterprises present themselves and how personnel feel about their workplace.

2.5 Inclusion and Exclusion Criteria for Company Selection

The selection of the companies used in the grey literature section, followed the inclusion and exclusion criteria below.

2.5.1 Inclusion Criteria

The selected organizations have global presence, operate in technology and more precisely in software technology sector, and offer publicly accessible D&I and ESG reports. Also,

consulting companies and companies providing information on HR practices and multicultural team management are chosen, including those that bring measurable data.

2.5.2 Exclusion Criteria

Local and non-international firms are excluded, as well as those that do not operate in software technology industry. Sources that do not refer to inclusion and HR practices are also omitted.

2.5.3 Selected Companies for Comparative Analysis

These criteria led to the selection of major software technology companies, such as Microsoft, Google, SAP and IBM, as well as HR consulting firms like Accenture, Deloitte, PwC and McKinsey. Additionally, World Economic Forum and SHRM are included for their reports on workforce and HR practices, and WIRED is used to support the critical analysis of grey literature.

Table 4 concentrates the documents, reports and surveys used by each organization to support the grey literature analysis of how Cultural Intelligence is integrated into organizational strategies.

Organization	Sector	Source Type	Relevant Subject
Microsoft	Software Technology	Global D&I Reports	CQ, Inclusion, Multicultural Collaboration
Google	Software Technology	Inclusion and Belonging Reports	Belonging, Workplace Culture
SAP	Software Technology	Inclusion Credo, Equality Reports	Leadership, Inclusivity
IBM	Software Technology	Diversity and Inclusion	Governance, Organizational systems

Accenture	Consulting	360° Value Report	D&I, ESG
Deloitte	Consulting	Human Capital Trends Report	Skills, Leadership, Business Trends
PwC	Consulting	DE&I Global and Technology Surveys	Employee Experience, HR Practices
McKinsey & Company	Consulting	D&I Reports and Analyses	Diversity and Performance
Society for Human Resource Management	Professional HRM Organization	D&I Playbook	Leadership, HR Practices, Inclusion
World Economic Forum	International Business Organization	Future of Jobs Report	Workforce Trends, Global Skills
WIRED	Media	Industry Article	Diversity and Transparency critique

Table 4 – Selected Organizations for Grey Literature

2.6 Methodological Limitations

The secondary literature methodology adopted for the dissertation includes official corporate documents and original relevant articles, but limitations also emerge. More precisely, the analysis is based on publicly available information, which include only what companies choose to share and communicate broadly to enhance their image, leading to selective reporting or reporting that does not accurately reflect the actual internal practices. Furthermore, there are differences in reporting methods that do not facilitate a direct comparison, and in recent years, some companies have reduced transparency regarding diversity, which narrows down the availability of relevant data. Despite the limitations, the dissertation provides useful insights of how Cultural Intelligence is applied in HR and leadership strategies of modern global software companies.

3. Results

The academic research that has been applied in the previous section demonstrated that Cultural Intelligence is a multidimensional capability that allows individuals to function effectively across cultural boundaries, with scholars to emphasize on its metacognitive, cognitive, motivational and behavioural layers in relation to global leadership and international Human Resource Management as well. Moreover, it is highlighted that CQ enhances team effectiveness and innovation in multicultural environments.

However, it is important to examine in what extent real life practices actually align with this theoretical basis. Official corporate reports and workforce surveys include insights of how organizations deal with multicultural collaboration and leadership in real business. The Grey Literature section includes official corporate documents from international software enterprises and HR articles on strategies from global advisory companies, in order to explore how they perceive and manage multicultural teams, and if they use explicitly or implicitly Cultural Intelligence viewed as an individual ability or as a strategic tool.

At the same time, grey literature sources indicate that a gap is observed regarding the public communications of diversity and inclusion and companies' actual practices. In fact, PwC's benchmarking survey on global data demonstrate that the 85% of organizations declare DE&I as their priority, but only 5% of global industry and 7% of technology sector achieve the ultimate level in these programs (PwC, 2022a). It is also interesting that 31% of global and 33% of tech participant employees declare that their own diverse characteristics worked as an impediment for their professional evolution in the companies they operate (PwC, 2022a). These results show that although corporations acknowledge the significance of D&I practices in their strategies, not all firms proceed to their complete implementation.

3.1 Cultural Intelligence in Corporate Environments

The way Cultural Intelligence is described in international companies' public documents, usually differs from the way the academic papers present it. Instead, it is observed that organizations are incorporating elements linked to CQ into more business related concepts (Google, n.d.; Microsoft, 2024). Based on corporate diversity and inclusion reports, as well as in human capital analyses, the section explores how theoretical studies are transferred

into the operations and language of business world in multinational technology organizations.

3.1.1 Theoretical definition and Business Language

While scholars use the definition of Cultural Intelligence for a capability with multiple layers that allows people operate effectively in multinational instances, surveys show that companies do not always use the same terminology in corporate documents. Instead, they may describe CQ as inclusion, belonging and global collaboration.

The actual term of Cultural Intelligence is limited, but encountered in specific cases, like in Microsoft's Multicultural Analysis and Empowerment research, which explores how technological systems can better understand cultural variation and support equal interaction in diverse populations (Microsoft, 2026), approaching CQ from a technological and data-driven method. By digitalizing the intercultural capability, CQ acquires a formal and acknowledged shape, that is integrated in innovative and research programs.

Additionally, Microsoft in its Global Diversity and Inclusion Report, repeatedly refers to building a culture in which employees "feel valued and included", by embedding diversity in company's business strategy (Microsoft, 2024). The report actually links workforce diversity to organizational success, considering inclusion as the lever of innovation and enhanced performance in the long-term (Microsoft, 2024). Although, business language does not use exactly the term of CQ, it implicitly recognizes that managing multicultural teams requires precise and structured competencies.

In similar way, SAP presents inclusion as a basic element of corporate identity, supporting that D&I can be integrated into the principles of leadership and company values (SAP, 2026). Also, in SAP's Inclusion Credo, the company highlights the importance of respect, empathy and equal opportunities, being committed to these values (SAP, 2025). In this document, SAP does not directly mention Cultural Intelligence, but it emphasizes on empathy and equal interaction, which has a strong connection to the behavioral and motivational dimensions of CQ, examined in the literature review section.

The IBM documents also demonstrate how an inclusive environment with people bringing diverse perspectives actively contributes to innovation and growth (IBM, 2013). Additionally, responsibility disclosures prove that IBM promotes policies that ensure

fairness, ethical conduct and respect across international operations (IBM, n.d.), which also validates that multicultural competence can be part of responsible corporate governance, included in broader organizational systems instead of being regarded just as an HR individual skill.

Google, on the other hand, incorporates the term of “belonging” (Google, n.d.), which focuses on whether their employees feel psychologically safe and supported in company’s environment. In Google’s case, the term of Cultural Intelligence is not mentioned directly either, but it implies that effective collaboration among diverse cultures is achieved through awareness, adaptability and inclusive practices from company’s side. The feeling of “belonging” is linked to how personnel experiences it, which is related with the motivational dimension of CQ as described by academics.

Global consulting and advisory organizations also, indirectly, analyze the value of intercultural competence in firms’ strategies. Deloitte, in its Global Human Capital Trends report highlights the growing need for individual’s soft skills like empathy, adaptability and collaboration in the increasingly digitally-transformed and globalized diverse workplaces (Deloitte, n.d.). These competences are acknowledged by global enterprises as crucial for managing diverse teams in technology-driven settings. Likewise, the Diversity, Equity & Inclusion Survey conducted by PwC underlines the positive effect of inclusive cultures in employees’ engagement and organizational performance, especially in the technology sector (PwC, n.d., 2025). These reports may not refer the exact term of Cultural Intelligence but they demonstrate that intercultural awareness and understanding promote effective global talent management. In addition, McKinsey articles and analyses by presenting representation and inclusion reports, although they do not use the explicitly CQ, they argue that the organizations with increased diverse leadership teams are usually more likely to achieve financial results that exceed the average, connecting diversity with performance as well (McKinsey, 2020, 2023).

Measurable business results enhance the significance of these practices. McKinsey’s analysis on a large sample of global companies demonstrates that companies at the top quarter in ethnic diversity are 39% more likely to improve their financial performance in comparison to the firms at the lowest quarter (McKinsey, 2023). These results show that concepts like inclusion, belonging and diverse management can bring actual outcomes for the organizations.

Cultural Intelligence is rarely mentioned directly in corporate environments. However, organizations embed CQ's principles regarding inclusion, belonging, ethical governance, and global collaboration, in their strategies. For international software enterprises, this intercultural capability is handled as part of company's culture and leadership programs, instead of a separate sole competency. The instances described above, demonstrate that the explicitly defined terminology of CQ, has been adapted to daily corporate language in order to serve the need of its integration in practice.

3.1.2 From Theory to Practice

The outcome derived from the examined sources, regarding the limited reference of the Cultural Intelligence as a term, but the broad use of empathy, inclusivity, collaboration across the borders and psychological safety that correspond to the basic principles of CQ, unveils the significance for global software enterprises to put it into practice.

For Microsoft, inclusion constitutes a mandatory part of company's business strategy, as it supports and promotes innovation in global distributed workforces (Microsoft, 2024), highlighting the importance of creating environments where employees are being encouraged to share their perspectives (Microsoft, n.d.) and contributing to a diverse and inspiring group-brainstorming. Microsoft also presents inclusion as a leadership trait, included in performance management and team culture (Microsoft, 2024), denoting that individual's intercultural capability is not regarded as a separate HR concept, but it is required to be incorporated in managers' behavior and daily interaction.

In fact, Microsoft shares specific internal measures, like its employees' opinion in 2024, about organization's commitment to D&I which scored 79% of positive answers (Microsoft, 2024). In the same year, 95.6% of personnel reported they were aware of allyship, increased from the 65% in 2019, and 83.5% of participants indicated that they had observed colleagues daily applying allyship (Microsoft, 2024). It is remarkable that the employees who reported observing these behaviors, demonstrated as well increased empowerment and energy compared to the individuals that did not report the same experiences, showing that decisions related to inclusion are not only communicated, but they are also evidently put into practice, and able to be measured (Microsoft, 2024).

Microsoft's Multicultural Analysis and Empowerment Research also indicates that awareness on cross-cultural collaboration is increasingly measured through technological systems, by examining how data and AI tools can interact with intercultural populations, recognizing that complexity of cultural issues affects interpersonal relationships, systems design and impartiality of algorithms (Microsoft, n.d.). Through this way, Microsoft is in fact including Cultural Intelligence in company's digital and innovation strategy.

According to Google, "belonging" is achieved when employees feel that they are respected, heard and supported, regardless of their background (Google, n.d.), associated with motivational and behavioral dimensions of CQ, although the actual term is not mentioned. Google also focuses on employee's daily experience, highlighting the importance of interaction's quality within the teams in multinational environments (Google, n.d.).

From SAP's side, inclusive behavior is presented as one of the main commitments that leaders should support, with direct connection to their performance outcomes and organizational values (SAP, 2025, 2026). Also, SAP's Inclusion Credo analyzes that respect, fairness and empathy are significant principles that can drive efficiency of global operations (SAP, 2025), denoting that the company handles intercultural capability as part of its corporate identity included in the requirements of a good manager, instead of regarding it as a soft, optional, skill.

IBM's positioning on company's Diversity Brochure is that the collaboration of people with different cultural and professional backgrounds, drives innovation, since diverse teams can contribute to improving problem solving and business growth (IBM, 2013). In addition, in IBM's Responsibility on Data and Policies the company outlines its commitments to fairness, ethical conduct and equal opportunity across nations (IBM, n.d.), indicating that cross-cultural respect is integrated in business standards and organization's compliance, by embedding, as well, intercultural awareness on its systems.

There are also reports from consulting agencies, demonstrating how this intercultural capability is actively becoming part of HR and leadership strategies, like Deloitte in its Global Human Capital Trends report, where it is highlighted that skills like adaptability, collaboration and empathy are increasingly getting critical in globally spread workplaces characterized by connection through digital tools (Deloitte, 2024). The document also claims that organizations should support leaders in managing diverse teams effectively

(Deloitte, 2024). Once again, Cultural Intelligence is not directly mentioned, but the described competences are closely linked to CQ's behavioral and motivational parts.

Furthermore, PwC's conducted Diversity, Equity & Inclusion (DE&I) Benchmarking Surveys, where the Global Data Sheet indicates that employees in global companies are expecting leadership to act inclusively and offer career opportunities equal to everyone (PwC, 2022a), while the respective Technology Data Sheet highlights that cultures characterized as inclusive, bring increased engagement and innovation outcomes (PwC, 2022b). These findings are crucial to understanding that managing multicultural talent is not limited just to recruitment procedures, but it covers the continuous development of leadership, and the strategies for retaining personnel, practices that demonstrate the meaning of intercultural capability in performance and engagement too.

PwC provides controversial evidences, as well, since the global survey findings give 85% of organizations identifying DE&I as a priority for company's values, but just 20% of them report that they use respective programs to support business innovation or financial performance (PwC, 2022a). Moreover, in technology sector 50% of firms concede that they perceive DE&I mainly as a tool for attracting and retaining talent, rather than a core strategic aspect, and 21% of tech organizations place a DE&I manager at C-suite level, while 32% of them actually assign DE&I goals to leaders (PwC, 2022b). This information show that despite the acknowledge of the importance of inclusivity at the workplaces, it is usually applied in specific company's parts, instead of integrating it in the whole organization.

Other reports also support the claims above, like Accenture's 360° Value Report which additionally connects Diversity and Inclusion (D&I) with creating long-term value for business (Accenture, 2024). This report puts emphasis on the necessity of organizations to foster settings that accept diverse perspectives and integrate them into decision making processes (Accenture, 2024), facing intercultural skill as a commitment and as part of their strategy.

One more evidence derives from The Future of Jobs Report 2025 by World Economic Forum, where it underlines that the importance of certain skills like collaboration, social influence and international understanding is rapidly increasing in the future workforce (World Economic Forum, 2025). The Report also shows that jobs are increasingly based on cross-border collaboration and on technology driven environments, and the organizations

are encouraged to work on those capabilities that allow effective interaction in diverse cultural workplaces (World Economic Forum, 2025), demonstrating that intercultural competence will appear as a prerequisite in the future business.

The documents also indicate that global technology companies support collaboration across cultures by using several mechanisms which incorporate individual skills, behavior of leadership, organization's culture and policies, implementing CQ in the workplace, summarized in Table 5 below:

Organization's practice	Results	Corporate Material from Grey Literature		Sources
Inclusive leadership	Leaders support the participation of all employees in a diverse team	Microsoft highlights leadership responsibility in inclusive teams		Microsoft - 2024 Global Diversity & Inclusion Report (Microsoft, 2024)
Belonging culture	Organizations create respectful and supportive workplaces	Google sees belonging as key element for workplace culture		Google – Building Together for Everyone (Google, n.d.)
Organizational values	Companies present values that promote collaboration through understanding and acceptance	SAP supports empathy, fairness and respect in all teams		SAP – SAP's Inclusion Credo (SAP, 2025)
Corporate policies	Policies created to ensure fairness and equal global opportunities	IBM presents such policies that support fairness		IBM – Data & Policies (IBM, n.d.)

Leadership development	Organizations offer leadership skills for diverse teams' development	Deloitte includes empathy and collaboration in global leadership	Deloitte – 2024 Global Human Capital Trends
Inclusive climate	Inclusive work settings increase employee engagement and collaboration	PwC links inclusivity with greater outcomes	PwC – Global Diversity, Equity & Inclusion Survey (PwC, n.d.)
Diversity & Innovation	Diverse perspectives bring innovation and problem solving	Accenture connects the inclusion with creating long-term value	Accenture - 360° Value Report: Delivering Value From Every Angle (Accenture, 2024)
International collaboration skills	Organizations require skills that fit the cross-cultural team work	WEF indicate collaboration and global awareness as key soft skills	World Economic Forum - Workforce strategies - The Future of Jobs Report 2025 (World Economic Forum, 2025)

Table 5 – Global companies supporting intercultural collaboration

By examining the forementioned grey literature sources, the conclusion lies on the fact that global software enterprises do not handle Cultural Intelligence as a separate theoretical concept, but instead the organizations incorporate CQ's core elements to their leadership development programs, diversity and governance policies, and innovation strategies, by presenting empathy, inclusivity and cross-border collaboration as mandatory soft skills. So, the components of Cultural Intelligence are being directly or indirectly assimilated to companies' systems and policies, in order to increase the performance and the outcome of multicultural teams.

3.2 Organizational Structures Supporting Cross-Cultural Collaboration

The reviewed grey literature manifests that over the last years, the global technology companies are increasingly supporting cross-cultural diverse talent through organizational structures. Companies generally describe inclusion and intercultural cooperation, by including in their corporate reports the practices used, like the governance structures, leadership accountability, internal policies and reporting methods, in order to ensure diversity and inclusion in their strategies, but the intentions do not always bring effectiveness in practice. Although the majority of organizations promote publicly D&I, just a few incorporate these initiatives in their structures, and even less are implementing them effectively (PwC, 2022a).

3.2.1 Cultural Diversity in Corporate Governance and Accountability Structures

Companies include their D&I commitments in their corporate governance, which eventually are put into practice, able to be measured. The grey literature indicates that global technology companies incorporate certain governance frameworks to promote and assist intercultural collaboration, supported by leadership and organizational processes.

In fact, Microsoft underscores that the main elements of company's D&I strategy are governance and leadership responsibility. In company's 2024 Global Diversity and Inclusion Report, it is outlined that the efforts for inclusion are overseen by firm's organizational leadership structures, which translates the diversity priorities into an official corporate strategy (Microsoft, 2024). More precisely, senior management is expected to actively support inclusivity in cases where employees from different cultural backgrounds collaborate, to become effective and contribute with their innovative suggestions (Microsoft, 2024). Microsoft, by assigning the responsibility to leaders, treats D&I as strategic priority, instead of a separate HR action.

Furthermore, information from Inside Microsoft: Global Diversity and Inclusion at Microsoft, indicate that accountability is fostered by internal initiatives and employee engagement processes that are designed to support inclusive behavior (Microsoft, n.d.). These programs are also aiming to encourage dialogue among personnel from diverse backgrounds and to enhance collaboration in global teams (Microsoft, n.d.), demonstrating

that company's governance framework is surrounded by specific organizational practices aiming to reinforce inclusivity at every level of the company.

Similarly, SAP in company's document with the title Inclusion and Equality, the leadership accountability is considered essential for ensuring that D&I are consistently applied (SAP, 2026). Leaders are also presented as responsible for offering equal opportunities and supporting employees from diverse settings in international teams (SAP, 2026). In SAP's Inclusion Credo, company's basic principles like respect, fairness and openness are established as basic values for collaboration (SAP, 2025).

IBM from its side, issues firm's D&I Brochure, where it analyzes that diversity initiatives are linked not only to the broader corporate strategy, but also to the organizational performance (IBM, 2013). According to the Brochure, diverse teams can contribute to innovation and improve decision making, since they combine a variety of perspectives by separate individuals who bring different cultural and professional experiences (IBM, 2013). In addition, IBM's Data and Policies document gives emphasis on corporate policies that include fairness, equal opportunity and ethical behavior (IBM, n.d.).

So far, documents from software industry reinforce the importance of leadership accountability for inclusive workplaces, but the 2024 Human Capital Trends report by Deloitte, also shows that companies are expecting leaders to develop capabilities that will render them able to manage diverse teams in global workplaces (Deloitte, 2024). Through this report, leadership development and organizational accountability techniques are proven to play an important role to the consistent implementation of inclusive practices (Deloitte, 2024).

PwC has conducted the Diversity, Equity & Inclusion Survey in 2022, where in the relevant Global Data Sheet, results show that employees are expecting the organizations to demonstrate actual and visible commitment to D&I through management behavior and relevant corporate policies (PwC, 2022a). The personnel is also more likely to engage and feel valued in environments where leaders are actively supporting the inclusive practices and equal opportunities (PwC, 2022a). PwC's Technology Data Sheet of the respective Diversity, Equity & Inclusion Survey in 2022, proves that technology companies benefit from these governance frameworks that support transparency and inclusive culture (PwC, 2022b), allowing employees to thrive and the company to be competitive.

Although governance and accountability in D&I play a crucial role, only 20% of global organizations have a DE&I leader in executive level, only 30% actually assign inclusion goals to leaders and just 23% measure leaders' progress on these objectives (PwC, 2022a). Almost equivalent are the results from the technology sector, with 20% of firms having a DE&I high-level manager, 32% setting leadership Key Performance Indicators (KPIs), and 24% assessing progress (PwC, 2022b), demonstrating that despite the frequent announcements of D&I practices, companies do not always proceed to embedding them in their systems.

On the other hand, the corporate reporting is also emphasizing transparency, and the 360° Value Report - Delivering Value from every Angle by Accenture, shows that companies are publishing D&I metrics in order not only to demonstrate the accountability to each stakeholder, but also to monitor the progress (Accenture, 2024). The document, additionally, claims that transparency in reporting assists organizations to the evaluation of diversity initiatives efficiency and identify areas for improvement (Accenture, 2024).

Another publication from World Economic Forum, The Future of Jobs Report 2025, confirms the same assertion, that companies are expected to deploy mechanisms that encourage collaboration and respect in diverse teams (World Economic Forum, 2025). In a digital and global workplace era, that governance structures that promote inclusive leadership and cross-cultural collaboration are the essential components for the resilience of the organization and for its long-term competitiveness (World Economic Forum, 2025).

So, grey literature indicates that global firms are increasingly using governance structures and accountability to support D&I, by using specific techniques to achieve their objectives. In addition, managing multicultural teams and fostering inclusive work environments are handled as organization's responsibility, requiring not only individual effort, but also management commitment.

3.2.2 Representation of Workforce and Diversity Reporting

Organizations' commitment to D&I is proven by sharing publicly data and indicators relevant to diversity. In fact, this kind of reporting practices are now part of common diversity governance structures of global technology companies.

Microsoft's Global D&I Report of 2024 use data to monitor manpower in different aspects. For example, the report indicates that women represented the 31.6% of company's global

total workforce in 2024, slightly increased from the 31.2% of the previous year, and they covered 27.2% of technical positions (Microsoft, 2024). Also, Microsoft declares that 53.9% of its global workforce is constituted by racial and ethnic minorities (Microsoft, 2024). According to the report, the act of sharing the data above, provides transparency on the company's progress on creating inclusive workforce and support the constant evaluation of diversity initiatives, by also manifesting the meaning of establishing measurable KPIs to drive internal strategies and policies (Microsoft, 2024). The numerical data provide therefore insights of company's progress but also feature areas for improvement in its diversity strategy.

The DE&I Survey - Global Data Sheet from 2022, denotes that employees are more likely to trust the organizational diversity initiatives when companies are openly sharing information about their representation and inclusion practices, by enhancing the perception of fairness and organization's credibility (PwC, 2022a). Respectively, the Technology Data Sheet from the same survey, indicates that the technology companies are usually relying on certain diversity metrics in order to monitor the progress and evaluate how effective these diversity initiatives are (PwC, 2022b). The survey's indicators show the representation levels of leadership roles, of hiring pipelines and organizational units of the technology sector companies (PwC, 2022b), which is important since data analysis help the organizations identify gaps or inefficiencies and take necessary actions to address them.

Companies from the consulting field also present the significance of D&I strategies measurement, like in the 360° Value Report where Accenture analyzes that enterprises are increasingly adding indicators about diversity in their performance measurement systems, aiming to track the results of such inclusion initiatives and evaluate the progress (Accenture, 2024). This report also emphasizes that regular measurements allows firms to link the diversity goals with general business outcomes, associated with innovation and organizational performance (Accenture, 2024).

The Future of Jobs Report, concentrating on the analysis of the broaden labor market, introduces the current trends which consist of the close monitor of personnel composition and the implementation of relevant policies that support equal opportunities in different demographic groups, demonstrating their commitments publicly (World Economic Forum, 2025).

Examples from these different approaches about reporting processes are gathered in the following Table 6.

Organization	Diversity Report Method	Purpose	Sources
Microsoft	Data about workforce composition and representation in organisational levels	Monitor progress and share results publicly	2024 Global D&I Report (Microsoft, 2024)
	Survey that focuses on employee's perception about inclusion and diversity practices	Understand how employee experiences and evaluates inclusion in workplace	Global DE&I Survey (PwC, n.d.)
PwC	Diversity practices insights according to technology sector	Identify trends, challenges and opportunities of diversity in technology sector	Global DE&I Survey (PwC, n.d.)
Accenture	Use of indicators relating diversity initiatives to company's values and general performance	Demonstrate that inclusion contributes to improved business outcomes	360° Value Report: Delivering Value From Every Angle (Accenture, 2024)
World Economic Forum	Workforce trends linked to skills and inclusion and labour market transformation	Highlight the importance of inclusive strategies of	Future of Jobs Report 2025 (World Economic

global organizations	Forum, 2025)
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Table 6 – Diversity reporting in global organizations

However, despite the forementioned established practices used by international firms, one significant finding derived from grey literature is that certain global companies have reduced the frequency of diversity reporting during the last years, due to the continuous debates regarding transparency and corporate accountability (WIRED, 2025). The reports disclose that major software technology companies, including Microsoft, Google and META, recently reduced or even cease the workforce diversity data publications, despite the fact that they used to consider them as transparency indicators (WIRED, 2025). Thus, corporate reporting is not always consistent or reliable for organization's commitment, as they can be affected by political or legal factors (WIRED, 2025).

In general, metrics about workforce representation and reporting about diversity are considered important to organizations, since it shows transparency and commitment, and companies can monitor the progress of these initiatives. The reporting methods may vary, but the scope remains the same.

3.2.3 Inclusion and Belonging in the Workplace

Diversity reporting and indicators of workforce representation may provide measurable results on progress of these commitments, but equally significant for organizations is to examine employee's perspective. Some companies and professional institutions during the evaluation of inclusion practices, give greater emphasis on employee's feeling of belonging, psychological safety and overall experience (PwC, 2022a).

The concept of belonging is frequent in the grey literature, like in Google's case where the organization aims at making employees feel valued, respected and supported regardless of their background or identity (Google, n.d.). According to Google, to achieve the sense of belonging though, an organizational culture is required that encourages open dialogues and welcomes personnel's ideas, expressed without worrying about getting excluded or marginalized (Google, n.d.), suggesting that inclusion is a feeling cultivated through daily interactions of colleagues and from the workplace climate.

Activities for belonging usually require networks of employees, internal communities and targeted programs which are supporting collaboration in diverse backgrounds, and create actual opportunities for employees to share their experiences and create mutual understanding (Google, n.d.). These practices foster a feeling of unity in diverse work environments.

The Society of Human Resource Management (SHRM) through its D&I Playbook provides guidance on diversity and organizational culture analyzing that inclusion strategies can become more effective when they encourage respectful behavior in every level of the organization (SHRM, 2025). Additionally, it states that when employees feel psychologically safe to express their views, which can contribute to the formulation of new ideas without the fear of negative consequences, the positive impact is increased (SHRM, 2025). The Playbook suggests that leadership's inclusive manners that motivate listening, empathy and constructive dialogues between team members from diverse backgrounds, can assist managers recognize the variant perspectives and create the respective working environments to help them flourish (SHRM, 2025). The key take away of SHRM suggestions is that leadership behavior plays a central role in developing an inclusive organizational culture and implementing respective practices.

Furthermore, SHRM suggests that despite DE&I are considered main elements for organizations' culture, employees experience them variously depending on their demographic group (SHRM, 2025). Likewise, other analyses show that personnel from underrepresented groups are less likely to evaluate positively workplace culture, and more likely to report cultural barriers (McKinsey, 2023), indicating the importance of assessing inclusion by company's workforce experiences as well.

The Global DE&I Survey conducted in 2022 also proves that a bias-free workplace can strengthen collaboration and innovation in technology companies (PwC, 2022b), while company's staff who perceive their workplaces as inclusive, are more likely to feel motivated, engaged and productive (PwC, 2022a).

Apart from the novelties, workplaces that welcome diverse synthesis of individuals, usually achieve not only long-term value, but also contribution in problem-solving (Accenture, 2024). Working in cross-cultural teams in an international, technology-driven firm, requires interpersonal skills like collaboration, social influence and communication, but the

organization should ensure their effective interaction and participation (World Economic Forum, 2025).

While data and metrics described previously are useful for monitoring the progress of inclusivity programs, the organizations recognize that when employees from different cultural backgrounds feel appreciated and accepted, the more engaged and productive would be.

3.3 Workforce Practices in Global Software Companies

The dissertation so far described what grey literature reported about the inclusion practices used by companies that occupy multicultural personnel. Corporate reports and business documents however, also reveal the HR practices that are used in order to attract, develop and retain employees from diverse backgrounds. While software technology companies tend to operate across multiple regions worldwide, the global talent management has been rendered an essential part of organizational strategy and HR management (PwC, 2022a; World Economic Forum, 2025). These practices are affected by the labor market and the continuous technological advancement, since 63% of employers in tech industry claim that skill inadequacies block business digital transformation, with 29% of organizations expecting a greater range of specialized talent by 2030 and 42% expecting additional decline (World Economic Forum, 2025).

3.3.1 Recruitment of Multicultural Talent

International software companies use global recruitment tools in order to attract the top talents, which may derive from different geographical and cultural settings. The digital industry increases and expands over time, so the organizations can become competitive and innovative by seeking for candidates with diverse skills, experiences and ideas, which leads to recruitment strategies that incorporate diversity and inclusion goals (World Economic Forum, 2025).

More precisely, Microsoft declares that company's broader inclusion strategy is based on expanding its recruitment funnel and on supporting the development of diverse talent, which is achieved through accessible and inclusive hiring processes aiming to increase diverse

representation in every organizational level (Microsoft, 2024). These practices are actually broadening the available talent pool, and encourage individuals with varied cultural and professional background to apply (Microsoft, 2024).

Based on The Future of Jobs Report 2025, 47% of organizations are expanding to more diverse talent search, since they usually deal with insufficient talent fit, which also supports company's international operations and needs (World Economic Forum, 2025). Accessing a diverse talent pool also enhances the adaptability of the organization, by reaching out talents that may not be found locally, and allows companies to respond more effectively in rapid technological changes thanks to the expertise of their personnel (World Economic Forum, 2025). Additionally, the report indicates that 85% of employers plan to emphasize on upskilling projects and 70% of them intend to recruit manpower owning new skills (World Economic Forum, 2025). Report's results show that diversity is used as a strategic tool to deal with skills that are scarce or required for the company's future workforce.

The results from the Global DE&I Survey by PwC, also demonstrate that companies design the recruitment processes aiming to attract applicants from diverse demographic and cultural group, supporting their D&I KPIs (PwC, 2022a). According to the tech part of the survey, software firms usually depend on international funnel of talents, since digital industry requires niche skills and technical expertise, resulting to the formation of multicultural teams expanding across many geographical boundaries (PwC, 2022b).

Another report by Accenture, emphasizes on the inclusive recruitment strategies that companies deploy in order to build diverse teams that will bring innovative solutions to global market demands (Accenture, 2024). Similarly, SHRM providing professional guidance on inclusion matters, suggests that organizations should design hiring processes that eliminate bias and ensure equal and fair opportunities for all candidates (SHRM, 2025). These processes could include the use of diverse hiring panels, transparent evaluation criteria and efforts to reach underrepresented groups, aiming to create recruitment systems that promote equal access and opportunities to employment (SHRM, 2025).

So, over the last years, global software industry companies are adopting recruitment procedures navigating towards attracting multicultural individuals from the global talent pool. Investing on multicultural workforces, organizations achieve higher levels of novelty and revolutionary perceptions that can lead to improved overall organizational performance.

3.3.2 Collaboration in Global and Distributed Teams

Global software companies are usually consisted of multinational teams, constituting another challenging part of international workforce management. These organizations are increasingly operating across multiple countries and across different time zones, which requires techniques and digital tools that facilitate effective cooperation. In fact, collaboration of global teams has become the main element of modern HR strategies, especially in software industries (World Economic Forum, 2025).

According to The Future of Jobs Report 2025, firms are relying on digital tools not only to handle remote collaboration and task coordination worldwide, but also to access talent from different regions and maintain continuous contact with employees of distributed teams (World Economic Forum, 2025). As Google describes, many companies create internal communities and collaborative spaces where employees from diverse locations can interact and share their thoughts and ideas, practices that assist in team bonding and encourage dialogue between individuals with different perspectives and backgrounds (Google, n.d.).

Software companies like Microsoft, create inclusive working environments that welcome ideas from every team member of any background during collaborative work (Microsoft, 2024). The organizations however, also value specific individual capabilities, like good communication, teamwork and trust that can contribute to an environment like this, by allowing employees to coordinate tasks, manage various perspectives and collaborate effectively in a remote team (Deloitte, n.d.). Management's skills on diverse teams are also appreciated by companies, since leaders play an important role in facilitating cooperation, encouraging respectful dialogue and recognizing the value of different viewpoints, which constitute methods that reduce misunderstandings and boosts cooperation in multicultural teams (SHRM, 2025).

Additionally, as mentioned in the previous chapters, employees feel more comfortable to participate in teams by sharing their ideas when they perceive their companies are inclusive (PwC, 2022a) and encourage employees to contribute with their experiences during team activities (Accenture, 2024), especially in digital industries where innovation usually depends on teamwork and knowledge sharing (PwC, 2022b).

Organizations aiming to support cooperation among personnel from different cultural backgrounds, are increasingly relying on digital communication tools, inclusive cultures in

the workplace and on individuals' soft skills. Nonetheless, these technology solutions do not eliminate differences in communication styles, managerial expectations, feedback procedures and trust among members of variant cultures (World Economic Forum, 2025). Collaboration in global software firms is enhanced by employees' and managers' ability to interpret and adapt daily to cultural differences (World Economic Forum, 2025), stressing the value of Cultural Intelligence in these dynamic ecosystems that rely on human coordination and understanding. These methods assist companies to coordinate work in global, multicultural teams and benefit from the variety of perspectives and experiences from their diverse workforce.

3.3.3 Employee Retention and Engagement in Multicultural Teams

Global technology companies have deployed practices for recruitment and collaboration to ensure diverse and effective multicultural teams, but securing the retention and engagement of international personnel is equally important, and usually linked to organizational culture, career opportunities and feeling of belonging in the workplace (World Economic Forum, 2025). It is reported in relevant survey that 44% of organizations expect their ability to retain talents will improve by 2030, and 64% of employers considering health and well-being factors to increase applicants' availability (World Economic Forum, 2025).

Actually, the feeling of belonging that organizations are aiming to cultivate in multinational groups, activates individual's perception of being accepted and encouraged to participate in company's activities and team's discussions (Google, n.d.). Corporate initiatives like employee communities, internal dialogue programs and networks of collaboration allow personnel to connect with colleagues of different backgrounds and regions (Google, n.d.).

Another aspect of enhancing employee retention is career development opportunities that organizations provide to personnel through mentoring programs, internal mobility chances and leadership development plans, ensuring that employees from any background can have access to professional growth initiatives and contribute to company's goals in the long term (Microsoft, 2024). In fact, the survey shows that 63% of global firms emphasize on reskilling and upskilling initiatives and 62% estimate employees' promotion as critical strategy (World Economic Forum, 2025). Workforce analysis also verifies that in global technology companies, these strategies are highly chosen by employees since upskilling

helps them adapt to rapidly changing technological demands and organization's needs (World Economic Forum, 2025).

Employee retention is also attained through equity, that is companies which demonstrate unbiased and fair decisions in promotion opportunities and career progression (PwC, 2022a). Relevant survey by PwC, suggests that individuals who perceive their workplace as equitable and inclusive, tend to report higher levels of engagement and commitment to their organizations (PwC, 2022a). The respective technology-focused survey indicates that employees of software companies value professional learning opportunities and transparent career paths during evaluating their future career decisions (PwC, 2022b). Employees who believe their contributions are recognized and rewarded fairly, also show increased engagement and commitment (PwC, 2022b).

Corporate documents and reports put emphasis on D&I in the workplace by rendering organizations a fertile ground for diverse ideas through increased participation, since individuals feel respected and supported, elements that strengthen employee motivation and dedication (Accenture, 2024). Managers also play an important role, since they become the key mentors for engagement by recognizing employee contributions and encourage them to share their ideas in team discussions (SHRM, 2025).

Thus, retaining and engaging employees in multicultural teams is as important as the diverse talent recruitment. Offering inclusive workplaces combined with professional development and training opportunities, software technology companies aim to increase employee commitment and performance in diverse global teams. Talent retention techniques used or suggested are presented in the following Table 7:

Organization	Talent Retention Method	Examples	Sources
Google	Belonging and Employee Connection	Create Employee communities and collaboration suggestions to support dialogue in diverse groups	Building Together for Everyone (Google, n.d.)

Microsoft	Career development and internal mobility	Mentoring and leadership development programs to support employee growth	2024 Global D&I Report (Microsoft, 2024)
	Equity and fairness in career opportunities	Employees' engagement increased when promotion processes are perceived as equal and fair	Global DE&I Survey (PwC, n.d.)
PwC	Professional development in tech companies	Employees' retention increased with learning opportunities and transparent career procedures	Technology Data Sheet 2022 (PwC, 2022b)
Accenture	Inclusion and Performance	Employees encouraged to contribute with ideas and support innovation in inclusive workplaces	360° Value Report: Delivering Value From Every Angle (Accenture, 2024)
	Inclusive Management and Employee Engagement	Leaders encourage communication and recognise employee contribution to support engagement	Inclusion & Diversity Playbook (SHRM, 2025)
SHRM			

Table 7 – Talent Management Practices in Global Tech Organizations

3.4 Organizational benefits from Diversity and Inclusion Practices

The grey literature part examined so far, highlighted the value of structured recruitment, development and management of global diverse talent, but diversity and inclusion initiatives also bring outcomes positive for the organizations. D&I are now viewed not only as ethical commitments, but also as strategic elements that boost collaboration, creativity and company's long-term success. McKinsey's global analysis based on a sample of 1,265 companies across 23 countries, indicate that management's diversity is increasingly improving organization's financial performance over time (McKinsey, 2023).

3.4.1 Diversity and Innovation

Corporate and business reports suggest that the companies which operate in global and software environments benefit from their diverse teams, which introduce multiple experiences, perspectives and approaches in problem solving to the team, and can contribute to innovation, effective decision-making and organizational performance (McKinsey, 2020).

The McKinsey report *Diversity Wins: How Inclusion Matters* supports that companies holding higher levels of gender and ethnicity diversity in management positions are more likely to perform better in profitability than competitors do, since teams with diverse leadership can bring a wider range of perspectives for strategic decisions (McKinsey, 2020). Additionally, McKinsey's article *Why Diversity Matters Even More* focuses on the improved creativity and problem-solving capabilities that diversity and approaches from different perspectives carry, and can affect organization's efficiency through original solutions that improve firm's adaptability to challenges (McKinsey, 2023).

Other official corporate documents like Accenture's 360° Value Report 2024, support the same positioning, explaining that companies recognize D&I methods for creating value and not just compliance or corporate responsibility programs (Accenture, 2024). The report also argues that inclusive practices are rendering companies more capable to identify new opportunities and respond accordingly to the changing market conditions (Accenture, 2024).

The Future of Jobs Report 2025 suggests that organizations are increasingly relying on developing collaborative and creative work environments as a response to rapid technological changes and to highly evolving economic conditions, through teams

composed by individuals with different skills and expertise that combine knowledge that can contribute to the new ideas generation (World Economic Forum, 2025).

Evidence from surveys manifest that inclusive cultures influence positively employee engagement, by encourage them to contribute actively in collaborative activities (PwC, 2022a). More precisely, technology-focused surveys indicate that in digital industries, innovation derives from teamwork and knowledge exchange among individuals with different technical expertise and equal-opportunity workplaces inspires employees to collaborate effectively (PwC, 2022b).

Reports from global institutions, international well-established consulting firms and workforce surveys all agree on the benefits an organization can gain by supporting diversity and inclusion. The impact is greater for global software companies, where technology is rapidly advancing in a competitive environment and the need for original opinions and techniques is more than essential.

3.4.2 Multicultural Teams in Software Sector

As many global software development companies are operating with teams of professionals from different countries, cultures and expertise, they can employ knowledge from a variety of markets and technological fields into their software products and services (World Economic Forum, 2025).

Software sector companies need to be forward-thinking in order to remain leaders into the rapidly evolving industry of technology. Microsoft, in company's D&I documents, states that diverse experiences and ideas promote problem solving and product development, since the embracing corporate culture motivates employees to contribute by sharing their opinions and collaborating in multinational team during the development of a project (Microsoft, 2024). Similarly, SAP in organization's inclusion communication, underscores the organizational gain of diverse suggestions and expertise, which can introduce new solutions to complicated technological challenges (SAP, 2025).

Global consulting firms like Deloitte, record increasing trend on how much organizations rely on structures of team collaboration for innovative approaches and technologies (Deloitte, 2024). Accenture also highlights that organizations which welcome different viewpoints and apply them into their processes, are rendered more adaptable and with

stronger positioning (Accenture, 2024). Furthermore, World Economic Forum denotes that digital technologies are gradually increased in organizations, with tools that enable the coordination of work among employees that are located in different regions worldwide, and maintain constant communication with all team members (World Economic Forum, 2025).

Through grey literature, it is evident that multicultural teams and diverse talent constitute an essential part for innovation in software sector companies, by combining various and alternative positions to address the competitive market where they operate in.

3.4.3 Diversity and Inclusion in ESG Commitments

Organization's practices on D&I are connected to broader company's strategical processes like handling its own reputation and ensuring corporate transparency as well as firm's Environmental, Social and Governance (ESG) obligations. Gradually, companies are in fact assessing D&I as part of their wider governance planning, stakeholder's responsibility and their own public accountability (Accenture, 2024).

In corporate responsibility reports, D&I practices are considered contributors of sustainable organization's value and business practices linked to corporate responsibility, transparency and long-term company's performance (Accenture, 2024). Analyses on global workforce showcase that organizations are increasingly accountable for social responsibility matters like transparency and diversity, through continuous evaluation that goes beyond their financial performance (World Economic Forum, 2025). As a result, companies incorporate their diversity initiatives into their corporate reports and public documents in order to demonstrate their alignment with the respective society expectations (World Economic Forum, 2025). As seen in relevant reports, diversity in governance affects operational effectiveness, since companies at the top quarter of gender diversity in executive roles and companies at the upper quartile of ethnic diversity in the same roles, are 27% and 13% respectively, more likely to achieve increased financial performance compared to companies in lower positions (McKinsey, 2023).

Leaders in Software Industry, such as Microsoft, use their reports to present their progress and commitments with emphasis on the transparency in workforce representation data and organizational inclusion initiatives (Microsoft, 2024). Microsoft also argues that this is a

means of monitoring progress internally and inform their commitments to employees, investors and external stakeholders, as well (Microsoft, 2024).

However, recently, public reporting on diversity is being challenged, as some organizations have reconsidered whether they should or in what way they have to present their workforce diversity data publicly. Relevant articles report that several large technology companies have reduced and modified these publications by altering their communication strategies about diversity data, which brings questions about transparency and accountability of equitable workplaces (WIRED, 2025).

These practices, though, induce risks for organization's reputation, as commitments on diversity are not perceived as credible and consistent, and in fact, employees and stakeholders usually do not evaluate organizations according to their public statements but based on the actual measures and actions (PwC, 2022a). Findings from technology sector show that candidates highly consider organization's D&I practices while evaluating potential employers, which demonstrates that organization's diversity culture can influence company's reputation as employer, and consequently their talent attraction potentiality (PwC, 2022b).

The sources used indicate that D&I are included in organizations ESG practices like governance, transparency and expectations of stakeholders. These initiatives and the way they are handled and presented by firms, affect their credibility and the range of the talent attraction.

Table 8 below concentrates the methods of diversity reporting used by technology sector organizations.

Organization	Reporting Method	Actions	Sources
Microsoft	Consistently continuous publication of diversity reports and workforce data	Transparently communicate progress and accountability	2024 Global D&I Report (Microsoft, 2024)

Accenture	Diversity as part of ESG reporting	Diversity included in company's long-term responsibility strategy	360° Value Report: Delivering Value From Every Angle (Accenture, 2024)
PwC	Surveys on diversity practices	Use of diversity data to analyse progress and workforce perceptions	Global & Technology DE&I Surveys (PwC, 2022a, 2022b)
WIRED	Analyse publicly technology companies' strategies on D&I	Observed modifications or reductions on diversity data reporting	Google, Microsoft, and Meta Have Stopped Publishing Workforce Diversity Data (WIRED, 2025)

Table 8 – Diversity Reporting over the years in Software Technology Companies

3.5 AI and Digital Transformation in Multicultural Environment

Rapid digital developments and particularly Artificial Intelligence in current times, are affecting the way organizations structure their processes and manage their global manpower. These technological advancements are reshaping job roles, skill requirements and ways of collaborating in multinational worldwide teams. AI tools and digital platforms are now interconnected and cooperation becomes more complex, constituting a new field of interest.

3.5.1 Artificial Intelligence and Workforce Transformation

According to grey literature, organizations' digitalization and AI are restructuring global workforce, especially in software industry, influencing the way employees collaborate with their colleagues, develop skills or even organize their daily activities (World Economic Forum, 2025). In fact, PwC's Global Workforce Hopes and Fears Survey 2025 shows that 54% of employees across all industries have used machine learning tools in the previous 12 months while only 14% used them for their work (PwC, 2025).

The Future of Jobs Report 2025 is analyzing the significantly fast technological changes which are altering the job positions and creating demand for new capabilities and expertise (World Economic Forum, 2025). Organizations adopt digital and automated systems that support productivity and enhance efficiency, which collaterally require new skills from the employees and drives the companies towards workforce redesign in order to adapt quickly to the evolving technological environment (World Economic Forum, 2025). It is reported that in 2025, 73% of employers are planning to automate more processes and tasks, and 63% are interested in incorporating automated systems in their talent acquisition processes, demonstrating that AI is already changing HR practices for talent management (World Economic Forum, 2025). AI is presented both as an opportunity and as a challenge, since automated and machine learning systems can assist employees to their routine tasks, data processing and decision support activities, but at the same time they require investment in reskilling and upskilling in order for employees to be able to adapt to new tools and processes (World Economic Forum, 2025).

Global Human Capital Trends Report demonstrates the increasing effort of companies to re-organize their already structured processes to connect human expertise to digital technologies, many times through experimentation with new ways of collaboration between employees and machine intelligence, improving decision-making and organizational performance (Deloitte, n.d.). According to the report, these new data require for employees to develop relevant skills, like critical thinking, communication and digital competency in order to be able to work effectively with advanced technologies, especially in global organizations where teams collaborate in daily but remote basis (Deloitte, n.d.).

Consequently, leadership and workforce management is also affected. Heads are expected to manage a combination of hybrid work practices with integrated digital technologies, remote collaboration tools and globally distributed teams (Deloitte, n.d.). These new

circumstances drive organizations towards adopting new approaches for management that will support and encourage collaboration, flexibility and knowledge sharing (Deloitte, n.d.). Thus, Artificial Intelligence and digital transformation are remodeling Human Resources practices in global organizations. The greater challenge though, is the ability to manage both technological change and diverse talent in modern software industry.

3.5.2 Talent Skills and Automated Systems

Based on workforce analyses, automated processes may change the technical parts of the tasks, but human capabilities like communication, adaptability and understanding of diverse opinions, still play a significant role in organization's success (World Economic Forum, 2025). Despite the fact that work in the future will focus on technological breakthroughs, individual skills will still remain important, especially in collaborative and innovative workplaces (World Economic Forum, 2025).

In fact, due to these rapid changes, the most necessary competence according to HR reports is adaptability, due to the fact that employees need constantly to adjust to new technologies, tools and digital processes (Deloitte, n.d.). Global Human Capital Trends reports that HR professionals are in search for individuals who are able to learn quickly, adapt to changes, manage to collaborate effectively with colleagues and work with technological systems (Deloitte, n.d.).

Global Diversity and Inclusion Report 2024 and The Future of Jobs Report 2025 highlight additional significant soft skills that HR departments appreciate in global technology driven industries like emotional intelligence, as well as interpersonal and intercultural understanding (Microsoft, 2024; World Economic Forum, 2025), aspects that constitute the competence of Cultural Intelligence. In such environments, the majority of routine tasks become automated, therefore Human Resources professionals require individuals with strong human interaction and communication skills as well as problem-solving abilities (World Economic Forum, 2025). These personal aspects not only assist employees to collaborate effectively and built trust among colleagues in a complex and demanding context (World Economic Forum, 2025), but according to Microsoft, they also facilitate collaboration with colleagues from different cultural and professional background (Microsoft, 2024). In addition, inclusive behaviors and open communication also contribute

to the exchange of ideas towards a common organizational goal (Microsoft, 2024). Google comments the significance of inclusive environments where employees from every background can feel comfortable to share their ideas and contribute to multicultural team discussions (Google, n.d.).

Global advisory firms have concluded that companies which recognize the value of human capabilities, invest in inclusive culture workplaces where the development of employees can boost organization's resilience (Accenture, 2024; PwC, 2022a). Companies benefit from employees that are encouraged to develop communication and collaboration skills, as well as to welcome diverse perspectives (Accenture, 2024; PwC, 2022a). Relevant surveys on technology field, agree that in software technology industry, employees are required to collaborate closely and unbiasedly with the other members of the team, bringing innovation to global organizations (PwC, 2022b).

The Society for HR Management addressing to People Operations professionals, is supporting the significance of organizational culture and inclusion practices to the way employees interact and the effectiveness of the teams (SHRM, 2025).

Concluding, despite the increasing use of AI and automated systems in global organizations, human skills are still necessary. In fact, HR experts of international companies under digital transformation, are looking for individuals with adaptive, interpersonal and collaborative skill that contribute in teamwork, innovation and overall organizational efficiency.

3.5.3 Cultural Intelligence as a Strategic Tool for Software Technology Companies

Organizations operating in software industry are acknowledging the significant challenge of managing global talent's cultural diversity, and these multinational firms are actually relying on employees that can collaborate and perform effectively in teams of broad geographical and cultural origins (World Economic Forum, 2025). Digital systems may facilitate companies in handling teams that are globally distributed, but the ability to understand different perspectives and manners of communication make teams work (Deloitte, n.d.).

Microsoft, as a global leader in software field, claims that members of international teams display a variety of experiences, professional knowledge and cultural background, which contributes to problem solving and development of new products, that is why the company

supports inclusive environments where employees feel comfortable to share their ideas (Microsoft, 2024). Similarly, another software global giant, Google, emphasizes the multiple insights and creative solutions that a diverse team can bring, when inclusive culture is promoted (Google, n.d.). SAP also supports corporate inclusion strategies when managing global workforces, highlighting the organization's benefit from culturally diverse teams that improve decision making (SAP, 2025, 2026).

Deloitte's public documents describe the positive effects of individual's interpersonal and cross-cultural skills in an international team, when companies have to deal with complicated business challenges (Deloitte, n.d.). The World Economic Forum report notes that among the competencies expected to remain essential in future workplaces are communication, collaboration and adaptability, all of which assist employees to work effectively in multicultural teams (World Economic Forum, 2025). PwC's survey results also show that equitable environments encourage individuals to engage eagerly in company's activities and develop new ideas (PwC, 2022a). Respective survey of PwC on technology sector, comment that software industries are highly relying on collaborative environments, teamwork and exchange of knowledge among professionals, that hold distinct technical and cultural backgrounds, for their project development processes (PwC, 2022b).

Furthermore, Accenture's reports explain that the strategy of inclusive culture in organizations, functions as a means for dealing with rapid changes in market conditions, as it promotes innovation (Accenture, 2024). According to SHRM, managers play a crucial role in this, by fostering respectful communication and collaboration, which strengthen team bonds and reduce misunderstandings in diverse teams (SHRM, 2025).

Grey literature's presented strategies are closely related to Cultural Intelligence, which refers to the ability of understanding, correctly interpreting and responding accordingly, in culturally diverse settings. In addition, the corporate diversity initiatives, like the inclusive leadership, multicultural collaboration and employee networks constitute mechanisms that support these capabilities. So, CQ can function as a strategic tool that assists HR professionals and managers in multinational software enterprises to enhance cooperation. Inclusive communication, being open to diverse opinions and cross-cultural collaboration in multinational diverse workplaces, are all relevant to the principles of Cultural Intelligence.

3.6 Critical Analysis on Corporate Diversity Practices

Business and industry reports frequently highlight the positive impact of D&I practices, but certain limitations are encountered as well. Relevant public documents, workforce surveys and corporate responsibility activities are used in order to preserve transparency and accountability to the stakeholders, but workforce analyses reveal that their implementation may not be what employees, investors and the public expect.

3.6.1 Typical Commitment and Actual Change

Global organizations feature diversity and inclusion in multinational settings as their strategic priorities, representing company's values, but external researches indicate that their realization actually vary in some organizations (Accenture, 2024). This inconsistency of public commitments and the application of practices demonstrate differences in D&I management in global corporations.

More precisely, Microsoft in company's D&I report emphasizes the efforts to create supportive workplaces with personnel from diverse backgrounds, to contribute with their ingenious propositions (Microsoft, 2024). Also, Google communicates company's inclusion culture as the gear for reinforcing employee belonging and encourage dialogue in diverse communities (Google, n.d.), demonstrating how companies incorporate diversity and inclusion as central lines of company's identity.

However, workforce surveys argue that these initiatives should be incorporated into organization's practices to become effective, and that employees themselves evaluate inclusivity by actual organizational actions, like career opportunities, fair processes for promotions and accountability of managers (PwC, 2022a). This denotes that personnel trusts diversity culture when they observe relevant plans put into practice (PwC, 2022a).

A McKinsey's research emphasizes the importance of leadership, arguing that companies with diverse leadership usually demonstrate increased organizational performance and improved processes on decision making (McKinsey, 2020). At the same time, the analysis notes that D&I initiatives bring stronger results when they are included in programmes of leadership development and accountability systems (McKinsey, 2020). Relevant articles introduce an overlooked aspect regarding the fact that several major software companies have modified the way they report workforce diversity data publicly (WIRED, 2025). More

precisely, in 2025 organizations like Microsoft, Google and Meta have limited published detailed diversity metrics they used to announce, which shows that transparency is under question (WIRED, 2025).

The disparity between the symbolic commitments and the actual change is evident since the companies are increasingly emphasizing that diversity is part of their organization's cultures and values (Accenture, 2024), but employees and stakeholders are expecting organizations to show measurement progress and transparent reporting (PwC, 2022a). So, international corporations should integrate D&I practices to their everyday management processes, leadership responsibility, training and transparent evaluation systems instead of relying just to their public communications (SHRM, 2025). Additionally, organizations are evaluated based on their ability to handle challenges that are related to personnel while being technologically transformed (World Economic Forum, 2025).

Although many global software technology companies emphasize publicly their commitment to inclusive work environments, studies and analyses on workforce highlight the significance of actual structural organizational practices to support their commitments in practice. Since organizations operate in global and culturally diverse settings, they are required to align their public announcements with organizational change to shield their credibility.

3.6.2 Outcomes for HR Professionals in Software Enterprises

Grey literature sources indicate that Human Resources experts in global software organizations need to incorporate diversity and inclusion values into organization's processes. Multicultural teams' management does not only handle recruitment procedures, but they have to support daily collaboration, development of leadership and design of organization's culture (Deloitte, n.d.). So, HR functions are playing active role in shaping specific work environments that sustain effective cooperation among employees from different cultural and professional backgrounds (World Economic Forum, 2025).

Reports on corporate D&I practices show that software technology companies usually put into implementation initiatives like employee networks, inclusive leadership programs and internal collaboration systems to support workforce diversity (Microsoft, 2024). For People

Operations, these practices can be used as facilitators of cross-cultural interaction, assisting the collaboration in multinational settings (Microsoft, 2024).

Other organizations, like Google, put emphasis on the importance of creating workplaces where employees can feel comfortable to express their positions and participate in team discussions, through communication channels, employee communities and projects that support multinational collaboration (Google, n.d.). HR managers should design practices which promote inclusion and assist employees to engage actively, as well (Google, n.d.).

Additionally, analyses on global workforces prove that management holds a significant position for facilitating cooperation, by encouraging respectful communication and accepting various perspectives, so HR functions should reinforce leadership programs focusing on communication, collaboration and inclusivity (SHRM, 2025), critical for global software organizations where team members work across geographical and cultural boundaries (Deloitte, n.d.). Workforce diversity is also linked to organization's long term value and performance, since companies that embed inclusion into their practices, strengthen innovation, adaptability and employee engagement (Accenture, 2024). This means that HR professionals should align the diversity initiatives with the strategic objectives instead of presenting them like separate aspects (Accenture, 2024).

The engagement of employees and the contribution of their ideas is increased when they perceive their workplace as inclusive and equitable, a sign for HR to design policies of equal opportunities, transparent career development and inclusive workplaces (PwC, 2022a). In software companies, where the nature of work requires continuous interaction with team members of different technical expertise, HR experts should provide conditions that promote knowledge sharing - an essential component of innovation (PwC, 2022b).

As organizations are increasingly investing in training programs related to communication, collaboration and upskilling to help employees adapt to continuously changing digital and multinational environment (World Economic Forum, 2025), HR functions have to plan and coordinate these type of programs (Deloitte, n.d.), along with the creation of organizational cultures that support open and professional collaboration as well as valuing diverse opinions in order to receive the maximum employee contribution (Accenture, 2024).

These instances demonstrate that the responsibilities of HR professionals in global software organizations expand beyond administrative roles and they should instead act as facilitators

in diverse work settings, by serving the corporation's broader strategies. Ensuring leadership development, continuous learning, as well as handling cultural diverse teams, HR is the key for successful talent management in software industry (Deloitte, n.d.; World Economic Forum, 2025).

4. Managerial Implications

The grey literature reviewed in this section introduces the common patterns used by global organizations to incorporate D&I to their strategies and the emerging challenges of international talent management. Data derived from corporate reports, workforce surveys and software technology sector analyses show how companies through HR professionals, who are equipped with Cultural Intelligence elements, respond to the demand for equal opportunities and transparency, handling limitations and opportunities in complex and highly digitally-driven environments. It also discusses these managerial implications for organizational culture, strategic HR, as well as the use of AI and digital technologies in multicultural workplaces.

4.1 Software Companies Diversity and Inclusion Practices and Cultural Intelligence

According to the sources analyzed, one of the pattern that is consistently used by organizations, regarding the inclusive workplace cultures, is the ability to make employees feel respected and comfortable to contribute with diverse perspectives (Google, n.d.; Microsoft, 2024). To achieve that, the companies use several techniques, like employee networks, inclusive leadership models and diversity reporting systems (Microsoft, 2024), all of which require increased Cultural Intelligence of HR stakeholders and managers in order to plan and implement cross-cultural practices effectively. In other words, CQ can be considered as the capability that helps to the bridge of the gap between diversity commitments and daily organizational effectiveness (PwC, 2022a, 2022b).

While diversity is regarded a driver of innovation, bringing at the same time quality in decision making and long-term value in software industry (Accenture, 2024; McKinsey, 2020), CQ assists in accepting diverse opinions, demonstrating increased adaptability in

unfamiliar situations and adjusting communication styles in dynamic and multicultural workplaces. Agility and continuous learning are also required for software sector's rapid pace of technological changes, with CQ assisting in motivating individuals.

Grey literature findings also demonstrate that software companies operate in environments where CQ is an essential capability, as they rely on international and distributed teams where personnel collaborates in a multinational and broaden geographical context (World Economic Forum, 2025). In these cases, effective communication is achieved not only from digital tools, but also from CQ characteristics, since employees should understand and accept cultural differences and adapt their behavior according to each case.

4.2 Emerging Challenges and Opportunities

It is observed from grey literature that during the recent years, D&I commitments that companies present, may occasionally differ from their actual implementation. While organizations are publishing diversity reports, some firms have silently reduced or even modified the data they share (WIRED, 2025). Therefore, employees tend to evaluate organizations from meaningful actions related to welcoming workplaces (PwC, 2022a).

According to the Future of Works, challenges are expected to multiply (World Economic Forum, 2025). The report demonstrates that 63% of employers estimate that skill inadequacies are the main impediment to organizational transformation, while 46% perceive that current organizational culture and resistance to change are the main issues to address (World Economic Forum, 2025).

The corporations operating in software industry, are relying on digital technology, which indicates that employees have not only to collaborate with multicultural colleagues, but also to deal with complex and constantly updated technological tools (Deloitte, n.d.) to achieve effective communication. In such situations misunderstandings and difficulties in team alignment and coordination may arise.

Cultural Intelligence can work as an opportunity in these virtual and multinational environments. CQ assists to the improvement of collaboration in these kind of teams, since organizations that are effectively integrating multiple ideas in their decision making processes, result in increased adaptability and creativity (Accenture, 2024).

Concluding, grey literature argues that for software enterprises the vital opportunity remains not only to promote diversity in theoretical basis, but also to develop leadership and Human Resources CQ capabilities, in order to apply diversity into practice for inclusion, coordination and innovation. In addition, software industry operates in digital environments with globally distributed teams, where Cultural Intelligence works as a key mechanism to ensure smooth and effective interaction across diverse teams. HR professionals have to understand and integrate the cultural differences into processes, handling them as company's assets that benefit the organization. For these reasons, the sources indicate that Cultural Intelligence is not just an individual skill, but a capability which can be incorporated into company's strategy to effectively manage global diverse talent in software sector enterprises.

4.3 Organizational Design for Cross-Cultural Effectiveness

The findings of the dissertation demonstrate that Cultural Intelligence does not only include interpersonal communication, but it is also linked to the organizational design of international firms, which are increasingly operating through remote global teams. Thus, company's structures and practices should not just rely on standardized management procedures, but they have to aim towards improving collaboration in settings with people from different cultural backgrounds (Deloitte, 2024). It has been observed that organizations promoting flexibility in communication channels, dispersed teams and inclusivity, seem to achieve more effective cross-cultural cooperation (Microsoft, 2024).

In multicultural software enterprises, organizational effectiveness is also linked with the ability of the employees to collaborate efficiently, despite their differences in communication styles, perceptions on hierarchy and expectations about their workplace (SAP, 2025). For this reason, evidence has shown that organizations which adopt CQ practices, encourage open communication, provide psychological safety and support knowledge sharing among teams that operate across different countries and time zones, as well (Google, n.d.). In this kind of working environments, managers' role is crucial, as leadership influences whether employees feel included and equal member of the team (McKinsey, 2023).

Additionally, organizational structures that integrate D&I principles with daily processes are able to essentially support the employee engagement and innovation (IBM, 2013). Corporations usually treat D&I initiatives as separated HR activities, but organizations that embed inclusion into their broad governance and operational procedures, make multicultural collaboration a part of the actual organizational culture (Accenture, 2024). These instances prove that organizational design can function as a mechanism for supporting CQ in company's leadership and overall operation.

4.4 Strategic Human Resource Management in Global Software Firms

Over time, the function of people management in companies, gradually evolved from executing mainly administrative tasks, to holding a strategic role, contributing to leadership development and organization's effectiveness (Avolio et al., 2009). More precisely, in global software sector firms, HR professionals' responsibilities still include managing recruitment and employee relations, but they are also required to support collaboration among culturally diverse teams working remotely (SHRM, 2025).

The dissertation demonstrates that CQ can contribute to Strategic HRM, in procedures like recruitment, talent development, employee engagement and employee retention. The organizations that use adaptive HR practices upon culture diversity can attract international talent and support collaboration in multicultural firms more successfully (Deloitte, 2024). Moreover, inclusive HR practices can enhance employee commitment and trust in the organization, especially in remote and hybrid working models, where meaningful communication is harder to be achieved (Microsoft, 2024).

It is also noticed that HR professionals with increased levels of CQ can more effectively recognize cultural differences from communication patterns and the expectations about feedback and leadership, adjusting accordingly the necessary HR practices (Van Dyne et al., 2012). Flexibility is particularly important in software companies, where teamwork, innovation and knowledge sharing depend a lot on effective interaction (McKinsey, 2023).

The research also demonstrates that Strategic HRM of global organizations are increasingly combining D&I initiatives with important organizational goals, like innovation, adaptability and sustainability (PwC, 2022a). Thus, Cultural Intelligence functions not only as an

interpersonal competence, but it can also be leveraged strategically to reinforce organizational performance and competitiveness.

4.5 Employing AI and Digital Tools for Inclusive and Culturally Intelligent Workplaces

Recent tools like Artificial Intelligence and digital technologies affect the way global software companies operate and manage employees, as well as their communication and collaboration in global environments. In software sector specifically, where international teams are collaborating across various countries remotely, facing differences in time zones, the contribution of digital platforms is crucial, since they support members' interaction, teamwork and diverse knowledge sharing (Microsoft, 2024; World Economic Forum, 2025). Companies also employ virtual communities and collaborative cloud spaces to enhance employee's engagement and their inclusion in global teams (Google, n.d.).

AI systems are nowadays becoming integrated into HRM processes, including recruitment, onboarding and workforce analytics (Deloitte, 2024), assisting more effectively the organizations to identify challenges of employee engagement and inclusivity, as well as to develop relevant initiatives regarding multicultural collaboration (PwC, 2022a). In addition, companies are increasingly activating digital learning platforms and online training programs, which can also contribute to the embracement of different communication styles and personalities, improve adaptability and develop intercultural understanding, guided by the principles of Cultural Intelligence (Accenture, 2024).

Nevertheless, organizations should constantly ensure the responsible and fair implementation of AI systems, by taking into consideration cultural diversity during their design and evaluation to avoid certain biases that automated technologies may reproduce (WIRED, 2025). Therefore, HR professionals and leadership should monitor whether digital tools actually support DE&I (IBM, n.d.).

So, AI and digital tools can indeed work as assistive mechanisms for ensuring that workplaces promote inclusivity, driven by Cultural Intelligence principles, especially in multinational companies that operate mainly digitally. However, in order for these methods to be effective, they should be accompanied by inclusive leadership and practices that encourage respect and acceptance of differences, as well.

Conclusions

The dissertation explored in what ways Cultural Intelligence is activated by Human Resources experts to render global culturally diverse talent management efficient in global software organizations. Study's findings demonstrate that these companies operate in highly demanding, dynamic and digital environments, rendering multicultural teams and worldwide collaboration a mandatory part of the business, and consequently, teams' management more challenging.

The study featured the extensive reference and analysis of CQ in academic literature, as opposed to its implicit reference in contemporary corporate documents, where it is mainly encountered as inclusion, belonging, collaboration and adaptability. These notions constitute basic characteristics of CQ, but business language seems to prefer adopting words that are widely acknowledged and understood. The findings also highlight that organizational structures, leadership approaches and practices that support collaboration can render workplaces culturally intelligent, particularly in global software enterprises where they operate based on multicultural teamwork and remote interaction. In fact, the dissertation demonstrates that organizations are not only in need for the benefits of Cultural Intelligence, but they are actually integrating CQ to their HR and leadership strategies.

More precisely, it is shown that companies are aiming towards more inclusive and less biased recruitment, increased employee engagement in multinational teams, as well as refined international leadership behaviours which play a critical role to the successful implementation of diversity and inclusion initiatives. These practices contribute to a more effective integration of global talent, resulting to enhanced remote collaboration that brings innovation and improved organizational performance. Nowadays, Human Resource Management is no longer limited to administrative tasks, instead it constitutes a strategic function, responsible for the development of talent, engagement of employees and effectiveness of multicultural teams.

Despite the fact that software companies are continuously updating their digital and AI processes to their virtual team collaboration and communication, human factor cannot be replaced. Digital platforms and AI tools are used to support remote communication, collaboration and inclusion in diverse workplaces, but companies should ensure technology's fair and culturally sensitive implementation. Additionally, individual's

capability to interpret cultural differences and adapt to new cultural situations, is still essential for managing diverse teams remotely, denoting that Cultural Intelligence also works as the basic facilitator for incorporating technological advancements.

The dissertation however highlights that organizations' publicly announced practices do not always imply their actual implementation. Global software technology companies emphasize D&I as their strategic priority, but in some cases their employees report that they are not experiencing inclusion in their workplace. Thus, there are certain limitations regarding differences in reporting methods, as well as the reduced transparency and reporting over the last years, which limit the available resources. In addition, the study includes measurable data like workforce representation, but Cultural Intelligence aspects like intercultural understanding, are harder to be detected and evaluated.

Despite the impediments, the dissertation shares that the organizations which adopt and integrate CQ's principles to their strategies, benefit from the increased employee engagement, the enhanced collaboration of multicultural teams and the innovation that derives from sharing diverse perspectives. Moreover, inclusive working environments attract diverse and enriched talent, while firms increase employee retention in a highly competitive international setting.

This research examined how Cultural Intelligence is embedded in Human Resources practices in software sector enterprises, but additional research can expand further, by including a broader range of companies from different industries. Also, CQ can be applied into other organizational functions of international companies, like sales, that require interaction with clients from diverse cultural backgrounds. In this case, Cultural Intelligence can assist in building customer relationship, improve understanding and therefore increase sales effectiveness. Hence, Cultural Intelligence can function as a strategic mechanism with multiple dimensions in various organizational levels, succeeding inclusive leadership, effective multicultural collaboration and competitive advantage for global enterprises.

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