

Managing Diversity in Entrepreneurial Teams. (The Impact of Cultural Intelligence on Team Performance in Nigeria)

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Abstract

This study explores the role of Cultural Intelligence (CQ) in managing diversity within entrepreneurial teams in Nigeria. Diversity, encompassing cultural, demographic, and functional aspects, is increasingly prevalent due to globalization, urbanization, and diasporic contributions. While diversity fosters creativity, innovation, and resilience in entrepreneurial ventures, it also presents challenges, such as communication barriers and cultural conflicts. CQ, defined as the ability to function effectively in culturally diverse settings, emerges as a critical competency for navigating these complexities. The research underscores the significance of CQ in enhancing team performance metrics such as collaboration, innovation, and productivity. High-CQ teams demonstrate superior problem-solving capabilities, adaptability, and inclusivity, which are crucial for thriving in Nigeria's dynamic entrepreneurial ecosystem. The study highlights the four dimensions of CQ—cognitive, metacognitive, motivational, and behavioral—and their relevance to managing diverse entrepreneurial teams. Empirical evidence links high CQ levels to improved team cohesion, reduced conflicts, and greater alignment with organizational goals. Despite its benefits, the adoption of CQ-driven strategies in Nigeria faces barriers, including limited resources, training gaps, and resistance to diversity-focused practices. The study recommends tailored CQ training programs, policy incentives, and leadership development initiatives to address these challenges. Additionally, integrating CQ into performance reviews and fostering cross-cultural interactions can enhance its impact. The findings emphasize that effective diversity management through CQ not only improves team dynamics but also contributes to the competitiveness and sustainability of entrepreneurial ventures. The study concludes by advocating for a stronger institutional framework to support CQ integration, aligning with Nigeria's goals for economic growth and innovation.

Keywords: Cultural Intelligence (CQ), Diversity Management, Entrepreneurial Teams, Team Performance, Collaboration and Innovation, Nigeria's Entrepreneurial Ecosystem

1. Introduction

Entrepreneurial collectives in Nigeria serve a critical function in propelling the nation's economic advancement and fostering innovation. These associations are vital to the processes of small and medium enterprises (SMEs), which embody around 96% of the commercial landscape and contribute close to 48% to Nigeria's Gross Domestic Product (GDP) (Timothy, 2021; Geidam & Yahaya, 2020). In a country marked by considerable socioeconomic adversities, including elevated unemployment rates and volatile economic circumstances, entrepreneurial collectives have emerged as essential agents for job creation and sustainable progress (College & Nagar, 2023). For instance, endeavors in sectors such as technology, agriculture, and fashion have flourished through collaborative initiatives, capitalizing on Nigeria's youthful demographic and digital advancements.

Collaboration is a fundamental element of entrepreneurial achievement, offering a framework for amalgamating varied skills, experiences, and viewpoints to realize shared objectives. Effective collaboration nurtures innovation, bolsters problem-solving proficiency, and guarantees resilience when confronted with obstacles (Linhardt & Salas, 2023). For entrepreneurs in Nigeria, collaboration is particularly vital for maneuvering through the uncertainties inherent in the business landscape, which includes inadequate infrastructure and restricted access to financial resources. Cooperative initiatives within teams enable members to consolidate resources and distribute risks, which is crucial for startups that operate under conditions of resource scarcity (Pauer, Matzler & Herrmann, 2024). Empirical research further indicates that collaboration enhances adaptability to market fluctuations, rendering entrepreneurial ventures more competitive within rapidly evolving sectors such as fintech and e-commerce (Hessari, Daneshmandi, Busch & Smith, 2024).

The diversity present in Nigerian entrepreneurial collectives has markedly increased due to factors such as globalization, urbanization, and the incorporation of diasporic expertise into local enterprises. This diversity encompasses variations in ethnicity, gender, religion, education, and professional experience, mirroring Nigeria's multicultural fabric. Diverse collectives introduce a multitude of perspectives, cultivating creativity and innovation that can yield a competitive advantage (Baruah, Burch & Burch, 2022). For instance, technology startups in Lagos frequently comprise individuals from various regions and nations, thereby enhancing their capacity to develop products catering to a wide-ranging user demographic (Ibeku & Nwagwu, 2024). Nonetheless, diversity also presents challenges, including disparate communication styles and conflicting cultural values, which can impede collaboration if not adeptly managed.

In Nigeria, cultural and demographic variances pose significant obstacles to the effective management of diverse entrepreneurial collectives. The nation's 250 ethnic groups introduce distinct languages, traditions, and work methodologies, potentially resulting in misunderstandings and discord within teams (Daberechukwu & Kamarudin, 2023). For example, discrepancies in time orientation—whereby a group prioritizes long-term strategic planning over immediate gains—can instigate tension during decision-making processes. Gender inequalities further

complicate team dynamics, as cultural prejudices frequently restrict women's involvement in leadership positions, despite evidence indicating their substantial contributions to team efficacy (Hauff & Elgoibar, 2023).

The importance of cultural intelligence (CQ) in improving team performance is not well understood by many Nigerian entrepreneurial teams. Navigating the challenges of diverse teams requires CQ, which is the capacity to perform well in culturally heterogeneous environments (Aggarwal & Wu, 2021). However, according to research, Nigerian business owners frequently undervalue CQ in favour of intuition or ad hoc methods to overcome cultural differences (Lee, 2023). The venture's success is eventually at risk due to unresolved disagreements, decreased team cohesion, and decreased productivity caused by this comprehension gap.

The importance of cultural intelligence in managing diversity in teams is becoming more widely acknowledged. It helps people to communicate clearly, adjust to various cultural circumstances, and foster trust among teammates (Zhan & Hample, 2022). CQ gives team leaders and members the skills they need to overcome barriers and establish inclusive workplaces in the culturally and demographically diverse Nigerian entrepreneurial ecosystem. To increase cross-cultural cooperation and boost team happiness and productivity, tech hubs in Abuja, for example, have introduced CQ training programs (Philip, Jiang & Akdere, 2023).

Team performance and CQ are strongly correlated, according to empirical data. High CQ teams are more innovative, have stronger problem-solving skills, and make better decisions (Ratasuk & Charoensukmongkol, 2020). Businesses in Nigeria who place a high priority on CQ report greater levels of customer satisfaction and employee engagement (Garba, Makolo & Nafiu, 2024). This relationship is especially noticeable in companies that focus on exporting, as it is essential to comprehend cultural quirks in order to enter and maintain international markets.

Objectives of the Study

1. To explore the impact of cultural intelligence on entrepreneurial team performance
2. To identify strategies for leveraging diversity through CQ in Nigeria

2. Conceptual Review

2.1 Cultural Intelligence (CQ): Theoretical Perspectives

2.1.1 Definition and Dimensions of CQ

The multifaceted concept of cultural intelligence (CQ) refers to a person's capacity to perform well in environments with varying cultural norms. It was initially conceived by Earley and Ang (2003) as a crucial framework for comprehending how people may communicate with people from diverse cultural backgrounds and successfully handle cross-cultural interactions. CQ focuses on cultural competence and flexibility, as contrast to emotional intelligence (EQ), which stresses interpersonal skills and self-awareness (Ang et al., 2007). Because of this, CQ is especially important for

entrepreneurial teams working in multicultural settings like Nigeria, where there is a high degree of linguistic, religious, and ethnic variety. CQ is made up of four fundamental components that work together to improve a person's capacity to negotiate cross-cultural relationships:

1. **Cognitive CQ:** Understanding cultural norms, beliefs, and customs in many societies is represented by this dimension. It includes knowledge of the political, social, and economic systems that influence how people behave and make decisions. Because it enables people to identify and honour these diverse cultural standards, cognitive CQ is advantageous for entrepreneurs working in Nigeria where team members have diverse cultural backgrounds. Building cohesive teams, for example, can be facilitated by an awareness of the different ways that the Yoruba, Igbo, and Hausa populations perceive hierarchy and authority.
2. **Metacognitive CQ:** Cultural sensitivity and higher-level, strategic thinking are components of metacognitive CQ. It involves having the capacity to organize, track, and evaluate one's cultural presumptions and interactions. High metacognitive CQ entrepreneurs are able to foresee cultural hurdles, adapt quickly, and come up with plans to enhance teamwork and communication (Shirish, Srivastava & Boughzala, 2023). This is crucial for handling the complex nature of Nigerian entrepreneurial teams, which frequently include individuals from various geographical areas with a range of cultural and educational backgrounds.
3. **Motivational CQ:** This dimension describes a person's innate motivation and interest in understanding and interacting with diverse cultures. In order to build trust and understanding among team members, people with high motivational CQ demonstrate a strong readiness to devote time and effort to cross-cultural contacts (Ang et al., 2007). Motivational CQ is essential for Nigerian business owners because it fosters great team cohesion, particularly when collaborating with people from diverse socioeconomic and cultural backgrounds. Additionally, it encourages a positive outlook on obstacles and changes, which is critical for the development and flexibility of entrepreneurs.
4. **Behavioral CQ:** This entails having the flexibility to modify both spoken and nonspoken communication to conform to cultural standards. To satisfy cultural norms and promote productive relationships, entrepreneurs with high behavioral CQ might adapt their voice, body language, and other communication styles (Earley & Ang, 2003). Having a high behavioral CQ enables entrepreneurs to connect more successfully with team members and clients from many cultural backgrounds in Nigeria, where social interactions are shaped by a variety of languages and customs. For instance, business owners may need to change how they communicate with team members who are more formal versus more informal.

5. 2.1.2 Relevance of CQ in Entrepreneurial Team Management

CQ is a crucial element of effective team management for entrepreneurs, particularly in a nation as culturally diverse and rich as Nigeria. In teams made up of people from different places, ethnicities, and social backgrounds, entrepreneurs with high CQ are better able to communicate, establish trust, and settle disputes (Yue & Wei, 2023). Teams with high CQ are more likely to foster a welcoming atmosphere where team members are inspired to give their all and feel appreciated.

This is especially important in Nigeria, where the growth and viability of startups and SMEs can be determined by effective team management.

Effectively handling cultural differences can also directly affect how well a team performs. High CQ entrepreneurs are able to capitalize on the distinct viewpoints of a varied staff, which fosters innovation and creativity. Culturally intelligent teams are better at coming up with innovative ideas, which is crucial for negotiating Nigeria's changing business environment, according to research by Yue & Wei (2023). This is especially true for startups that have to react fast to shifts in the market and customer demands. Additionally, CQ has been associated with improved team cohesion, decreased turnover, and increased work satisfaction—all of which are essential for the stability and expansion of entrepreneurial teams (Earley & Ang, 2003).

Beyond encouraging creativity, CQ reduces the likelihood of conflict resulting from cultural misinterpretations. For example, miscommunication may be common among entrepreneurial teams with individuals from different cultural backgrounds. High CQ entrepreneurs are able to anticipate and resolve these problems, ensuring that team members are more in sync and working toward the same objectives. Instead of concentrating on settling personal disputes, team members are more inclined to concentrate on cooperative problem-solving, which improves cooperation and increases production.

2.2 Diversity in Entrepreneurial Teams

2.2.1 Types of Diversity

Diversity in entrepreneurial teams can take multiple forms, each contributing unique strengths and challenges. Understanding these types of diversity is essential for implementing effective management strategies that leverage the potential benefits while addressing potential drawbacks.

1. **Cultural Diversity:** Perhaps the most noticeable and significant type of diversity in entrepreneurial teams in Nigeria is cultural diversity. There are more than 250 ethnic groups in the nation, and each has its own traditions, values, and customs. A team's capacity to provide culturally appropriate goods and services can be greatly improved by this cultural diversity. A team with individuals from diverse ethnic origins, for instance, can create products that accommodate a range of cultural preferences, increasing their commercial appeal (Jones, Chace & Wright, 2020). But cultural variety can also lead to problems including misunderstandings, poor communication, and trouble making decisions. Effective leadership techniques that foster tolerance and respect, along with cultural intelligence training, can help to lessen these difficulties.
2. **Demographic Diversity:** Team members' differences in age, gender, and socioeconomic background are examples of this kind of variety. As younger generations join the workforce and assume leadership positions, demographic diversity is becoming more and more common in Nigeria's entrepreneurial scene. This demographic change contributes new viewpoints, creative concepts, and technological know-how that are essential for the expansion of contemporary businesses. However, generational splits can occasionally result from demographic diversity, as younger and older team members approach problem-solving and

work methods differently. Even while gender diversity in Nigeria is improving, it can still have a big impact on how well an entrepreneurial team performs. Gender-balanced teams have been shown to outperform male-dominated teams in areas such as innovation and productivity (Hemmert, Cho & Lee, 2022). Addressing gender diversity through policies that encourage equal participation and representation is essential for team success.

- 3. Functional Diversity:** This type of diversity is typified by variations in the knowledge, abilities, and educational backgrounds of team members. Functional variety is a valuable asset in Nigeria, where startups frequently encounter complicated challenges that call for multidisciplinary responses. For instance, a fintech business may have team members with backgrounds in marketing, finance, and software development. Because of this diversity, the team can work together to develop solutions that take into account a range of skill sets and tackle problems from many perspectives. However, if the team has a defined structure and communication plan, functional diversity can also result in role ambiguity and disputes over decision-making authority (Homan, Gündemir, Buengeler & Van Kleef, 2020).

4. 2.2.2 Benefits and Challenges of Diversity in Nigerian Entrepreneurial Contexts

There are many significant advantages to diversity in Nigerian entrepreneurial teams. Teams that embrace cultural, demographic, and functional diversity are more likely to demonstrate increased creativity and more effective problem-solving skills, which is especially important in a competitive and rapidly changing business landscape where maintaining an edge requires innovative solutions. For example, tech companies in Nigeria that include team members from diverse professional and cultural backgrounds can create products and services that appeal to a wider audience, increasing their market reach and potential for success (Daberechukwu & Kamarudin, 2023).

Nonetheless, there are particular difficulties in managing diversity. Cultural, linguistic, and generational differences can lead to miscommunication and misconceptions, which can have a detrimental effect on team effectiveness. According to a study by Adams, Pratiwi, and Sudirman (2024), heterogeneous teams can be very innovative, but they frequently find it difficult to agree on shared objectives and work well together in the absence of focused management techniques. These problems can be made worse by team members' lack of cultural intelligence, which can lead to disagreements, decreased output, and less-than-ideal team chemistry. The cohesiveness and general efficacy of the team may be weakened by biases and preconceptions that foster an atmosphere in which some team members feel excluded or underappreciated (Richter, Martin, Hansen, Taras & Alon, 2021).

Entrepreneurs must put into practice focused tactics that encourage diversity and cultural knowledge to overcome these obstacles. Creating policies that promote open communication, creating training programs aimed at improving CQ, and cultivating a team culture that respects and honors different viewpoints are a few examples of these tactics. The difficulties of diversity can be further reduced and its advantages increased by effective leadership that places a high priority on empathy, respect, and inclusion. Confusion can also be reduced and a more cooperative atmosphere can be fostered by establishing a clear communication system and outlining roles and duties.

2.3 Team Performance Metrics

2.3.1 Key Performance Indicators (KPIs)

The success of entrepreneurial teams is often measured through specific performance metrics, known as KPIs. These indicators help track progress, evaluate productivity, and identify areas for improvement. The most commonly used KPIs in entrepreneurial settings include:

1. **Collaboration:** The degree to which team members cooperate, share information, and support each other. High levels of collaboration contribute to a cohesive and productive team environment and are crucial for achieving collective goals. Teams that collaborate effectively can adapt to challenges more easily and innovate more rapidly.
2. **Innovation:** Innovation is a vital KPI for entrepreneurial teams, especially in Nigeria's competitive market. It refers to the ability of the team to generate and implement novel ideas, products, or services that set them apart from competitors. Teams that innovate successfully are better positioned to attract customers and maintain a competitive edge.
3. **Productivity:** The effectiveness and caliber with which a team completes its responsibilities and objectives is a key indicator of productivity. Very productive teams can increase their output without using excessive amounts of resources. This is especially important in settings with limited resources, such as Nigeria, where sustainability depends on sustaining high productivity (Adeleye, Daramola, Onabote & Osabohien, 2021).

2.3.2 CQ's Influence on Achieving These Metrics

For entrepreneurial teams to reach and surpass their performance criteria, cultural knowledge is essential. Because they are more aware of and respectful of cultural differences, teams with high CQ typically work together more successfully. This comprehension lessens miscommunications and disputes that might impede development. A team leader with a high metacognitive CQ, for instance, might anticipate possible cultural hurdles and come up with ways to overcome them, fostering a collaborative and peaceful workplace.

When it comes to creativity, CQ allows team members to freely and transparently share their distinct viewpoints. Members of a team are more inclined to offer ideas and participate in problem-solving when they feel appreciated and respected for their cultural origins. More creativity and creative solutions result from this, which can assist the team in tackling problems in fresh and efficient ways. Teams with high CQ are better at incorporating different viewpoints into their creative processes, which results in better-developed goods and services, according to studies (Earley & Ang, 2003).

High CQ might also increase productivity. Working in a culturally savvy way helps teams stay focused on their goals and accomplish deadlines because it reduces conflict, improves communication, and builds trust. For example, a team leader can foster an environment where tasks are accomplished more quickly and with less time lost to misunderstandings or conflicts if they are aware of the cultural norms and communication styles of their team members. The success

of the business endeavor is ultimately fueled by this strategic approach to diversity management, which guarantees that teams stay productive and focused on their objectives.

2.4 Entrepreneurial Ecosystem in Nigeria

2.4.1 Overview of Nigeria's Entrepreneurial Landscape

Nigeria has a thriving and quickly changing entrepreneurial ecosystem, with a diverse range of startups and SMEs making substantial economic contributions. Timothy (2021) asserts that SMEs account for about half of the nation's GDP and are vital to the generation of jobs, which is crucial in a nation with a high unemployment rate. Technology, agriculture, fashion, and entertainment are the industries propelling this expansion; the tech sector is leading the way because of its quick expansion, which is being driven by rising internet usage and digital adoption.

Notwithstanding its encouraging potential, Nigeria's entrepreneurship ecosystem has several obstacles to overcome. These include regulatory obstacles, high interest rates, capital availability, and insufficient infrastructure, all of which might hinder the success of new businesses (Timothy, 2021). For Nigerian entrepreneurs to successfully overcome these challenges, they must possess flexibility, creativity, and cultural intelligence. Managing a diverse workforce and interacting with stakeholders in a variety of cultural contexts are becoming more and more crucial for entrepreneurs looking to grow their companies.

2.4.2 Influence of Cultural and Social Diversity on Entrepreneurial Success

For Nigerian entrepreneurial teams, cultural and socioeconomic diversity can present both opportunities and difficulties. Positively, variety gives companies access to a broad spectrum of customer preferences and cultural customs. In a nation with more than 250 ethnic groups and a rich cultural legacy, this is especially important. Businesses are better positioned to provide goods and services that appeal to Nigeria's diverse populace when they embrace and capitalize on cultural diversity. Fintech companies that integrate regional languages and cultural allusions into their platforms, for instance, typically have a larger clientele and greater levels of client retention (Biswas, Neogi, Arockiam & Mitra, 2024).

However, it takes a great deal of cultural knowledge to manage this diversity. The many customer behaviors, geographical preferences, and cultural conventions that exist throughout Nigeria must be understood and navigated by entrepreneurs. For instance, a business that wants to expand from Lagos, a commercial center with a more cosmopolitan atmosphere, to Kano, a place renowned for its distinctive customer behavior and rich Islamic traditions, needs to modify its marketing and business plans appropriately. Entrepreneurs with high CQ are able to recognize these subtleties and modify their goods and services to suit the demands of various market niches (Toane & Shujah, 2024).

In general, the ability to effectively handle social and cultural diversity can improve the creativity, problem-solving, and productivity of an entrepreneurial team. Entrepreneurs are better equipped to handle the intricacies of Nigeria's difficult business environment if they actively develop CQ within their teams and promote an inclusive work environment. This makes it possible for them to

fully utilize the abilities of their different teams, which eventually boosts competitiveness and promotes long-term market success.

3. Operations Strategy

3.1 Leveraging CQ for Enhanced Team Operations

3.1.1 Strategies for Integrating CQ into Team Processes

Integrating cultural intelligence (CQ) into team operations is crucial for entrepreneurs looking to maximize the benefits of diversity within their teams. Effective integration strategies can improve team collaboration, foster innovation, and enhance overall performance. Below are detailed strategies for integrating CQ into team processes:

- 1. Cultural Intelligence Training Programs:** Implementing training programs aimed at developing cultural intelligence is one of the most straightforward ways to improve CQ within teams. These programs, which might incorporate workshops, role-playing activities, and simulation-based learning, can be customized to the unique cultural setting of Nigeria. For instance, team members can learn how to recognize and deal with cultural prejudices, comprehend local customs, and engage in inclusive communication through training modules (Thompson et al., 2024). Case studies and real-world examples that demonstrate how CQ is applied to overcome obstacles experienced by Nigerian teams can also be incorporated into training.
- 2. Interactive Team-building Activities:** Organizing team-building exercises with a cultural awareness theme can offer useful, hands-on experiences that support the training's lessons. Collaborative problem-solving exercises, cultural storytelling sessions, and cross-cultural team challenges are a few examples of activities that can teach team members how to effectively traverse cultural differences and understand diverse viewpoints. Teams may, for instance, participate in group exercises where they must come up with ideas for solving business problems while keeping in mind cultural customs that could influence their approaches. By establishing an atmosphere that motivates team members to be involved and curious about other cultural perspectives, these activities develop motivating CQ.
- 3. Leadership Development Programs:** Building leaders with high CQ is essential to a team's successful integration of cultural intelligence. High CQ leaders are better able to set an example of cultural inclusion and modify their management approach to accommodate the varied demands of their workforce. Cross-cultural leadership seminars, coaching, and mentoring are examples of leadership programs. For example, leaders with high metacognitive CQ are able to foresee cultural misunderstandings and resolve them before they become confrontations. A constructive and upbeat team culture is maintained by this proactive approach (Earley & Ang, 2003).
- 4. Cultural Exchange and Networking Opportunities:** By exposing team members to many cultures and cultivating an awareness for diversity, networking and cultural exchange activities can improve CQ. Nigerian business owners can give their teams the chance to collaborate with

international or interregional teams and take part in events. These contacts may take the form of cooperative ventures, attendance at local business conferences, or cross-cultural interactions that promote communication and information exchange. Team members benefit from this exposure by gaining personal knowledge of various cultural customs and improving their capacity to function well in cross-cultural settings.

- 5. Incorporation of CQ in Performance Reviews:** By including CQ in performance evaluations, team members can be encouraged to continuously improve this ability and its significance can be emphasized. Assessments that gauge a person's capacity to use cultural intelligence in their daily work might be a part of performance reviews. Employees may be judged, for example, on their capacity to work well with people from diverse backgrounds, resolve disputes amicably, and modify their communication methods. This encourages team members to improve their CQ while also reiterating its significance (Ang et al., 2007).

3.1.2 Importance of Sequential Integration and Synergistic Alignment

Entrepreneurs should use a sequential integration strategy for successful CQ integration. Instead of using CQ techniques all at once, this method incorporates them into team operations gradually. Team members can gradually improve their CQ abilities with this phased approach, adjusting to new procedures and integrating them into their daily work routines at a manageable rate. Beginning with basic training programs, sequential integration can progress to more intricate endeavors like leadership coaching and cross-cultural ventures.

The development of CQ is guaranteed to be in line with the team's overarching objectives and vision through synergistic alignment. Team members are more inclined to participate completely in the process when they are aware of how their personal CQ growth affects the team's performance as a whole. For instance, a Nigerian startup that specializes in agricultural technology might incorporate CQ training into product development initiatives to make sure that everyone on the team approaches product design with cultural sensitivity, leading to more inclusive solutions that are suited to a range of customer needs. The formation of cross-functional teams that combine diverse backgrounds and abilities can also promote synergistic alignment by encouraging a cooperative style in which each team member's cultural intelligence enhances the group's output.

3.2 Challenges in Implementing CQ-driven Diversity Management

3.2.1 Resource Constraints and Training Gaps

There are many obstacles to overcome while implementing CQ-driven diversity management in Nigerian entrepreneurial teams, most of which are associated with limited resources. Due to their tight resources, many startups and SMEs may not be able to spend in CQ development and training initiatives. Training in cultural intelligence can be expensive, particularly when professional facilitators or multinational collaborations are involved. Access to excellent training materials, which are necessary for developing strong cultural intelligence abilities throughout the team, is frequently restricted by this price barrier (Parker, Fang, & Bradlyn, 2020).

There can be gaps in the training materials that are available in addition to budgetary limitations. Many startups in Nigeria might lack the infrastructure necessary to carry out such training activities, however, some larger firms have access to knowledgeable facilitators and extensive training programs. This difficulty is exacerbated by the dearth of regional training providers with cultural intelligence experience. Entrepreneurs may need to look at creative ways to get around this, such as online training courses or collaborations with global organizations that provide reasonably priced CQ training for SMEs and startups.

3.2.2 Resistance to Diversity-focused Practices in Entrepreneurial Teams

One major barrier to putting CQ-driven tactics into reality is resistance to embracing diversity-focused initiatives. Cultural traditions and beliefs that have been firmly established over time may be the source of this opposition. Team members' perceptions of diversity and the importance of cross-cultural understanding may be influenced by traditional beliefs and practices in specific Nigerian communities. Team members accustomed to uniform settings, for example, could find it challenging to adjust to more inclusive procedures that call on them to change their conduct or communication style. The effective application of CQ techniques may be hampered by this resistance, which can often cause conflict within teams.

Furthermore, people might not be aware of the concrete advantages of cultural knowledge. Some team members might not see the benefit of incorporating CQ into their day-to-day activities, particularly if they think their existing method of managing the team is adequate. Leadership education and strategic communication are necessary to overcome this obstacle. Leaders should stress the connection between higher CQ and better team performance, emphasizing how it can result in more creative ideas, better teamwork, and more productivity.

When attempting to implement diversity-focused initiatives, entrepreneurs may encounter opposition as well. Collaborative approaches that necessitate open communication and shared decision-making may be difficult for team members accustomed to a more traditional or hierarchical approach. In order to overcome these obstacles, a culture of openness and trust must be established where team members are motivated to voice their thoughts and work well together. Leadership should provide an example of inclusivity by actively listening to team members and showcasing the importance of different viewpoints.

3.3 Prospects for Successful CQ Integration

3.3.1 Long-term Benefits for Team Cohesion and Performance

There can be significant long-term advantages for team cohesion and performance when CQ is successfully included into entrepreneurial teams. Improved team cohesion is one of the main advantages. Teams with high CQ are more capable of handling cultural differences, resolving disputes amicably, and fostering member trust. This trust is essential for creating a productive workplace and promoting candid communication. For instance, a diverse team is more likely to work well together, exchange ideas, and support one another when its members are aware of and respectful of one another's cultural origins.

Teams with high CQ are also more flexible and able to find creative solutions to problems. For Nigerian companies that have to negotiate a challenging and ever-changing business climate, this flexibility is essential. Teams can gain a competitive edge in the market by developing more innovative and successful solutions via the understanding and integration of diverse cultural viewpoints (Earley & Ang, 2003). Research has demonstrated that teams with cultural intelligence are more adept at handling cross-cultural projects and satisfying the demands of a wide range of customers, which is especially important in Nigeria's multiethnic society (Livermore, 2010).

CQ integration also increases team productivity by reducing miscommunications and disputes. Teams who have absorbed the concepts of CQ are able to stay focused on their goals, which leads to increased productivity and improved results. For Nigerian business owners, who frequently have to work with limited resources, this is extremely crucial. Cost reductions and increased profitability are two benefits of high productivity that are essential to the expansion and long-term viability of startups and SMEs.

3.3.2 Opportunities for Policy Support and Institutional Frameworks

Institutional structures and policy support are essential for enabling the effective integration of CQ in Nigerian entrepreneurial teams. Policies that promote diversity management and CQ development can be developed by the government in collaboration with stakeholders from the business sector. Policies can, for example, offer tax breaks to companies that sponsor cultural intelligence training initiatives or financing opportunities for new enterprises aiming to improve teamwork through CQ development. Such actions can foster a more inclusive entrepreneurial ecosystem and lessen the financial strain on small enterprises.

By integrating CQ into their curricula, educational institutions can also play a significant contribution. Courses on cultural intelligence can be offered by universities and training facilities, equipping aspiring business owners with the abilities necessary to lead diverse teams. The gap between theoretical knowledge and real-world application can be closed with the support of industry-education partnerships. To ensure that Nigerian entrepreneurs are prepared to handle the particular difficulties of leading diverse teams, workshops, seminars, and certification programs on cultural intelligence can be customized to meet their needs.

The creation of mentorship programs that match business owners with seasoned executives who possess a high degree of CQ is another way that institutions can assist. These mentorships can offer insightful advice on navigating cultural differences and incorporating CQ into teamwork. Entrepreneurs can learn best practices for creating culturally competent teams and steer clear of typical mistakes by getting advice from seasoned mentors.

A strong support network that fosters an entrepreneurial ecosystem where variety is used to spur innovation and expansion can be established through the integration of CQ-focused policies and institutional frameworks. Entrepreneurs are better positioned to succeed over the long term and boost the economy when they have the tools and know-how to handle cultural diversity.

Conclusion and Recommendations

In Nigeria, where ethnic and cultural diversity greatly influences team dynamics, cultural intelligence (CQ) is crucial for managing the diversity found in business teams. Teams with higher CQ levels typically exhibit greater collaboration, creativity, and productivity, according to this study, which has underlined the crucial role that CQ plays in team success. Entrepreneurs can capitalize on the capabilities of diverse team members and create a more inclusive and productive team environment by having the capacity to comprehend and adjust to various cultural situations.

Managing diversity effectively is crucial for teams to capitalize on the potential benefits of varied perspectives while avoiding conflicts and communication barriers. The successful integration of CQ can lead to enhanced team cohesion, innovative solutions, and higher job satisfaction, all of which contribute to the long-term sustainability and growth of entrepreneurial ventures. However, the process of building CQ in teams is not without challenges. Resource constraints, gaps in training infrastructure, and resistance to change are barriers that need to be addressed for CQ development to be effective.

Recommendations

1. Establish comprehensive training programs focused on developing cultural intelligence. These should include workshops, online courses, and real-world case studies tailored to the Nigerian context.
2. Encourage government and private sector policies that provide incentives, such as tax benefits and grants, to businesses investing in CQ training and diversity management practices.
3. Train leaders to model inclusive behaviour and facilitate open communication. This will set the tone for valuing diversity and integrating CQ into team operations.
4. Organize projects and initiatives that bring together team members from diverse backgrounds. This fosters teamwork and enhances cultural intelligence.
5. Partner with educational institutions to include CQ training in business curricula, preparing future entrepreneurs to manage diverse teams effectively.

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