Impact of Employees' Intercultural Competencies on Job Performance. A Case Study of a Sri Lankan Banking Sector

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Abstract- **This study investigates the impact of intercultural communication competences on job performance among bank employees in Sri Lanka, addressing a significant research gap in the Sri Lankan banking context. Despite the increasing multicultural nature of Sri Lankan banking environments, limited empirical evidence exists on how intercultural skills of banking employees influence employee effectiveness and organizational outcomes. The problem arises from the sector's reliance on Western-centric studies and the underutilization of formal intercultural training, which hampers the full potential of a diverse workforce. The aim is to explore the relationship between intercultural competencies—such as cultural sensitivity, communication skills, adaptability, and cultural empathy—and job performance in Sri Lankan banks.**

The study's population comprises approximately 52,263 employees in government and public commercial banking sectors, with 100 participants selected through convenience sampling based on age (20–55 years) and willingness to participate. Data collection involved online surveys with data analysis, including multiple regression, correlation, and descriptive statistics, complemented by reliability and validity assessments.

Key findings reveal a significant positive correlation between intercultural competencies and job performance, notably in interpersonal skills and team effectiveness. Interestingly, a positive relationship between cultural uncertainty and performance was observed, suggesting that comfort with ambiguity fosters adaptability and innovation. The results imply that enhancing intercultural training can improve customer satisfaction, reduce conflicts, and increase employee engagement. Practically, banks should prioritize targeted intercultural development initiatives to harness workforce diversity, leading to improved service quality and organizational performance. The study contributes valuable localized insights, emphasizing the strategic importance of intercultural competence in the evolving Sri Lankan banking sector.

Keywords—Intercultural competencies, Job Performance, Banking sector, Employees

I. INTRODUCTION

At present, globalization is pervasive in all aspects of life. With this increased connectivity across the world, there is also an increasing presence of diversity in the workforce of organizations and customers. Multicultural teams comprise individuals representing different national and cultural backgrounds working together towards a shared goal [1]. Cultural diversity in the workforce brings new perspectives and ideas to the status quo and improves the performance of the team and the wider organization [2]. In this context, effective management of diversity among the workforce, including cultural diversity, is a source of competitive advantage to organizations [3].These multicultural teams are also, however, exposed to problems and obstacles like subtle cultural differences and ethnocentrism when working in culturally diverse workplaces [1]. The banking sector in Sri Lanka has seen a significant evolution in customer diversity over recent years. Traditionally dominated by a narrow demographic, the sector has broadened its reach to accommodate a more varied clientele. Sri Lankan banks are expanding their services beyond urban centers to cater to rural and semi-urban areas. This expansion includes the introduction of mobile banking and rural branch networks to reach underserved communities. The range of services has broadened to include products for both high-net-worth individuals and lower-income groups. This includes microfinance options for small-scale entrepreneurs and savings products tailored to various income levels. There's a growing focus on serving different age groups and life stages. For instance, banks are offering specialized products for the youth, such as student loans and digital banking solutions, as well as for retirees, including pension accounts and investment options. Sri Lanka is home to various ethnic groups, including Sinhalese, Tamils, and Muslims, among others. Banks are increasingly tailoring their products and services to accommodate cultural and linguistic differences, including providing services in multiple languages and supporting community-specific financial needs. As digital banking becomes more prevalent, there is an increasing emphasis on reaching tech-savvy customers who prefer online and mobile banking solutions. This

shift is also helping to include tech-savvy younger generations and expatriates who need access to banking services from abroad. Banks are also focusing on gender inclusivity, with products and initiatives aimed at empowering women, including tailored financial literacy programs and support for women entrepreneurs. Overall, the Sri Lankan banking sector is actively working to address and embrace its growing customer diversity, adapting its offerings to better serve a broader and more varied population.

Job performance is one of the most important variables in human resource management as a predictor of human development. Job performance is generally what a person does at work. Employee performance significantly enhances an organization's growth and profitability [4]. The success of the banking sector relies on motivated employees, constant information exchange, and fulfilling employee needs and wants to enhance skills, knowledge, performance, and job satisfaction. Various researchers are attempting to construct accurate measures of job performance, which is still an incomplete task. The nature, complexity, and different stages of a job can affect the overall performance of employees. Definitions of managers' job performance have evolved from a fragmented literature. [5], [6] definded managers as 'an individual who achieves enterprise goals through the work of others. Managers are responsible for the control or direction of people, a department, or an organization. This study seeks to address the existing research by identifying the dimensions that underlie managers' performance. Managers' performance consists of multiple dimensions, and it is necessary to measure these dimensions, including contextual and task performance. The study also aimed to determine if the managers' performance dimensions can be generalized across different occupations. [7].

Intercultural communication competence, the ability to communicate effectively in a multicultural setting, allows members of teams to understand and empathize with cultural differences [8]. Moreover, learning communication skills has gone beyond the exchange of information. It mostly focuses on establishing relationships. Further, intercultural communication competence could be delineated along several dimensions. These dimensions have been shown to affect the performance of culturally diverse teams differently [8].

A. Research Problem

Globalization has accelerated the integration of diverse cultures in every facet of business operations. In today's interconnected world, organizations, especially in the banking sector, face increasing cultural diversity among both their workforce and clientele. Multicultural teams bring new perspectives and innovative ideas that can boost team performance [1]. More recent studies [9],[10] have further emphasized that effective management of cultural diversity provides organizations with a competitive edge by fostering enhanced problem-solving, innovation, and customer service.

In the Sri Lankan banking context, the sector has evolved from serving a relatively homogeneous customer base to addressing a more diversified market. Banks are now extending their services into rural areas, offering digital banking solutions, and tailoring products for various demographic segments. Bank employees in Sri Lanka are encountering significant challenges in performing their tasks within culturally diverse teams and with a diverse customer base. Despite possessing high levels of human capital, including specialized skills and knowledge, the performance of these employees in multicultural settings remains suboptimal.

[11] highlights that while numerous articles discuss sales performance, few specifically focus on frontline employees in the banking sector. [12] examined the relationship between intercultural communication competence and job burnout among employees. Another study identified that intercultural communication motivation (ICM), which is a specific component of intercultural communication competence (ICC), significantly contributed to job satisfaction among global workers in a multinational organization. This research highlights that while some aspects of ICC (like motivation) have been studied in relation to job performance indicators such as satisfaction [13]. A significant association was found between ICC (knowledge-based and skill-based attributes) and intercultural communication effectiveness, which is often linked to job performance. There is a notable lack of research that focuses on the whole spectrum of intercultural communication competencies. While numerous studies have explored selected components of intercultural competencies (e.g., motivation, knowledge, skills) rather than examining the full spectrum of competencies outlined in comprehensive ICC models. There is a notable gap in research specifically examining their impact on job performance, particularly within the banking sector. Although intercultural competencies such as cultural awareness, communication skills, and adaptability are widely recognized as critical for effective cross-cultural interactions, their direct influence on the job performance of employees in banking remains underexplored. This lack of focused research is significant given the sector's increasing need for employees to navigate diverse customer interactions and collaborate within multicultural teams.

The study will attempt to identify dimensions of intercultural communication competence that will influence an employee's job performance in the culturally diverse Sri Lankan banking sector.

B. Research Questions

1. Does the intercultural communication competence of Sri Lankan bank workers impact their job performance in a multiculturally diverse setting?

1.1 How does the interpersonal skill influence on job performance?

1.2 How does team effectiveness influence on the job performance?

1.3 How does cultural uncertainty influence on the job performance?

1.4 How does cultural empathy influence on job performance?

C. Significance of the study

This study is significant for several reasons. First, the researcher adopts the intercultural communication competence model (ICC) to investigate the relationship between the full competencies and employee's job performance. This study offers valuable information for researchers regarding the ways in which workers' job performance and overall effectiveness are impacted by their capacity to navigate and interact with varied cultural environments. Second, the study also adds to the larger body of knowledge on how intercultural competencies of frontline bank workers directly interact with multiculturally diverse customers. Third, this study's focus is on the banking industry of Sri Lanka, which is a multicultural setting. Covering these comprehensive dynamics may demonstrate how intercultural competencies improve customer service, customer satisfaction, teamwork, communication, and performance. This information is critical for creating training programs that are specifically targeted, refining recruitment tactics, and promoting inclusive workplace policies.

II. . LITERATURE REVIEW

A. Job Performance

Although the standard metric in academic studies is that performance involves actions resulting from the actions and what employees gain from their actions and behavior, there have been numerous attempts over the past few decades by scholars to explain and clarify the conceptualization of job performance [14]. Performance is the degree to which an organization's goals, objectives, vision, and mission, as articulated via the development of its business strategy, are realized through the implementation of a program of activities. Employee performance has a big impact on an organization's success, and organizational abilities in managing employee performance are one factor that determines how well an organization performs [15]. Efficiency, teamwork skills, and the amount and quality of work produced are frequently used to measure job performance. Over the past few decades, competencies have been a common foundation for evaluating job performance in many organizations [15]. Analysis of job performance is based on the skills and knowledge of the individual performing the job as well as behavioral characteristics.

[16] distinguished between two types of job performance: task performance and contextual performance. Accordingly, task performance essentially refers to an individual's competency with which one carries out activities that constitute the company's "technical core," while contextual performance includes activities that do not contribute to the technical core but serve as supporting factors to the social, organizational, and social environment in which organizational objectives are pursued. According to recent studies, good intercultural communication improves task and contextual performance [17][18].

B. Cross cultural communication competence

Cross-cultural communication in a culturally varied workplace, particularly in multinational corporations, has a number of challenges that are constrained by cultural boundaries and filters. The capacity to think, recognize differences, handle situations appropriately, and develop successful communication in the most appropriate manner with people from various cultures in a multicultural setting is referred to as intercultural communication competence (IC)[19]. Intercultural intelligence demonstrates a person's capacity to receive, realize, and respond to these varied cues in order to work across cultures effectively. It implies that individuals with higher levels of intercultural competence are more able to understand different aspects of cultures, such as languages, traditions, norms, cuisine methods, etc. Eventually, people with higher IC show high responsiveness with more respect for culturally diverse people, and they react to unusual or curious situations and behaviors without displaying obvious or perceptible discomfort and politely apply their understanding of other cultures to anticipate different expectations in a variety of circumstances [20]. It suggests that one of the key components of cultural intelligence is the willingness to treat others with respect regardless of their cultural background. More effective cross-cultural communication is the result of cultural intelligence. Good personal adjustments, good interpersonal relationships with culturally different people, and completion of task-related goals are the characteristics of effective intercultural communication [21]. Thus, we would anticipate that cultural intelligence would be based on personal relationships and task efficacy results.

[22] showed that metacognitive and behavioral cultural intelligence were directly correlated with contextual and assignment-specific performance. Another study with academic expatriates found that psychological capital, when combined with higher cultural intelligence, leads to better work performance [23]. The managerial importance of these abilities in multicultural workplaces was highlighted by a study of Saudi Arabian hospital employees in the banking and service sectors, which found that all facets of cultural intelligence significantly impacted job performance [24]. A recent regression-based study using a global workforce sample found that cultural intelligence enhances work adaptation, job satisfaction, and overall performance [25].

C. Theoretical background

1) Cross cultural communication competence model

[8] argue that high intercultural communication competence has a direct and advantageous impact on managers' capacity for making decisions and

addressing problems. They have introduced a cross-cultural competence model, and it includes four dimensions: interpersonal skills, team effectiveness, cultural uncertainty, and cultural empathy. This model reflects the argument that the cross-cultural communication competency includes not only knowledge of the culture and language but also affective and behavioral abilities, including charisma, empathy, and the capacity to control fear and uncertainty [26].

III. METHODOLOGY

This explanatory study views reality and grants assumptions using the positivistic philosophy. Following the deductive approach, the hypothesis will be developed based on ICC model and the previous literature. They were tested using empirical data.

A. Conceptual framework

The conceptual framework of this study indicates the relationship between the intercultural communication competencies of Sri Lankan bank workers and job performance. Four primary communication competencies have been identified based on existing literature on intercultural communication competencies: Interpersonal skills, Team effectiveness, Cultural uncertainty and Cultural empathy. The Cross-cultural Communication Competence Model (CCC Model) by [8] supports these four primary competencies which are chosen for this study.

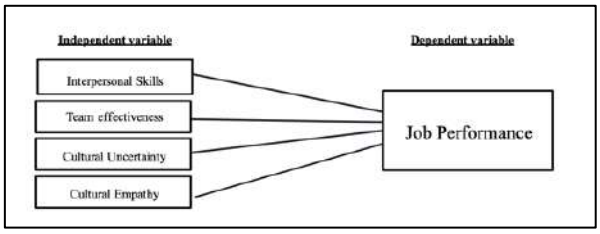


Figure 1. Conceptual framework

B. Model Specification

JP = β0+β1IS+ β2TE+ β3CU+ β4CE

Where,

JP = Job Performance

IS = Interpersonal Skills

TE = Team Effectiveness

CU = Cultural Uncertainty

CE = Cultural Empathy

C. Hypothesis development

Interpersonal skills such as communication, conflict resolution, and relationship building are consistently linked to enhanced job performance across various sectors. Employees with strong interpersonal skills are better able to collaborate, resolve conflicts, and foster a positive work environment, all of which contribute to higher individual and team performance. [27].

H1: There is an impact of interpersonal skills on job performance.

Team effectiveness, characterized by clear goals, mutual trust, and efficient communication, has a direct and positive impact on job performance. Effective teams leverage diverse skills and perspectives, leading to improved problem-solving and productivity [28][29].

H2: There is an impact of team effectiveness on job performance.

Due to increased stress, misunderstandings, and mistakes, cultural uncertainty—which frequently results from unclear or strange cultural contexts—can have a detrimental impact on job performance. Workers who encounter a lot of cultural ambiguity might find it difficult to adjust, which could reduce their productivity. [30],[31].

H3: There is an impact of cultural uncertainty on job performance.

In diverse workplaces, cultural empathy means the capacity to recognize and value cultural differences, which improves collaboration, lowers conflict, and improves communication. Workers with a high level of cultural empathy perform better on the job because they are more flexible and productive in multicultural settings [32].

H14: There is an impact of cultural empathy on job performance.

D. Operationalization

In this section, the researcher operationalizes the factors influencing job performance in multicultural teams, particularly among Sri

Lankan bank workers. The variables and indicators are defined, along with their measures and sources.

E. Research Design

The target population for this study consists of 52, 263 bank employees working in both the government and private commercial banking sector in Sri Lanka. These individuals are the focus of the research due to their involvement in multicultural work settings and the importance of effective intercultural communication in their roles. A total of 100 participants was selected for the study. This sample size is chosen to balance feasibility with the need for a representative cross-section of employees working in the selected sectors. The sample size is consistent with similar studies, which supports its validity for exploratory research purposes. A convenience sampling method was used to select the participants. This technique is often employed in exploratory studies due to its practicality and efficiency. Primary data about intercultural communication competencies and job performance was collected from bank employees using a structured online questionnaire.

Table 1. Measurement Model

Variable	Indicator	Measure	Source
Interpersonal skills	• Ability to acknowledge differences in communication and interaction styles • Ability to deal with misunderstanding • Comfort when communicating with foreign nationals • Awareness of your own cultural conditioning. • Basic knowledge about the country, the culture and language of the team	5-point Likert Scale	Matveev et al. (2001); Chen (2019)
Team effectiveness	• Ability to understand and define team goals, roles and norms • Ability to give and receive constructive feedback • Ability to deal with conflict situations • Ability to display respect for other team members • Participatory leadership style • Ability to work cooperatively with others	5-point Likert Scale	Matveev et al. (2001); Cui & Awa (1992)
Cultural uncertainty	• Ability to deal with cultural uncertainity • Ability to display patiene • Tolerance of ambiguity and uncertainty due to cultural differences • Openness to cultural differences • Willingness to accept change and risk • Ability to exercise flexibility	5-point Likert Scale	Matveev et al. (2001); Patel (2022)
Cultural empathy	• Ability to see and understand the world from other's cultural perspectives • Exhibiting a spirit of inquiry about other cultures, values, beliefs and communication patterns • Ability to appreciate dissimilar working styles • Ability to accept different ways of doing things • Non-judgmental stance towards the ways things are done in other countries.	5-point Likert Scale	Matveev et al. (2001); Gudykunst (1998)
Job performance	• Customer satisfaction scores. • Efficiency and productivity.	5-point Likert Scale	Mark et al. (2009); Rebecca et al. (2015)

IV. DATA ANALYSIS

Collected data was analysed using Multiple regression model followed by descriptive statistics and correlation test.

Author name/s should be in 9pt size, centered, not italicized. The family name should be written as the last part of each author's name (e.g. ABC Perera or Amal BC Perera). Degrees and other qualifications should NOT be shown with the author/s name/s. Author affiliation/s should be in 9pt Italic, centered. Email address is compulsory for the Corresponding author, which should follow the affiliation lines, in 9.5pt size, non-italic.

A. Preliminary analysis

1) Demographic analysis

Employee responses from a variety of Sri Lankan licensed commercial banks, such as Nations Trust Bank PLC, Sampath Bank PLC, Hatton National Bank PLC, and others, make up the dataset. National Development Bank PLC accounting for the majority (49.61%). The next highest percentage is 10.24% for Bank of Ceylon, followed by 4.72% for Commercial Bank of Ceylon PLC, Hatton National Bank PLC, Most responders (56.69%) are between the ages of 20 and 29, with 29.13% in the 30- to 39-year-old age range. Lower percentages include 4.72% in the 40–49 age range and 9.45% in the "Above 50" category. With more than half of the responders under 30, this suggests that the workforce is primarily younger. The participants, who

range in age from 20 to 49, have a variety of titles, including senior manager, executive officer, and managerial level positions.

Undergraduate, graduate, and professional courses comprise their highest educational credentials. The respondents' gender distribution, not their pay

categories, is depicted in the pie chart. It reveals that 36.22% of respondents are women and the bulk of respondents (63.78%) are men. The majority of individuals completed a professional course (40.94%), followed by a bachelor's degree (29.13%) and postgraduate studies (15.75%). Those with A/L qualifications (7.87%), O/L qualifications (1.57%), bachelor's degree candidates (1.57%), and undergraduates (3.15%) make up smaller percentages.

All four independent variables are highly unidimensional, with the first component explaining 78.81% of the variance in each case. This suggests that each independent variable can be effectively represented by a single factor, indicating strong internal consistency and a focused construct. The dependent variable shows a more multidimensional structure, with two components explaining 81.137% of the variance. This indicates that the dependent variable is influenced by at least two underlying factors, which could reflect a more complex construct (e.g., multiple dimensions or influences). The high percentage of variance explained by the first component in the independent variables and the first two components in the dependent variable suggests that the data is well-suited for factor analysis, as confirmed by the earlier KMO and Bartlett's Test results. The extracted components capture most of the variability, making the results reliable for regression model.

3) Descriptive statistics

Table 3: Descriptives

Variable	Mean	Std. Error (Mean)	Std. Deviation	Variance	Skewness	Std. Error (Skewness)
IS	3.8031	0.0852	0.9602	0.922	-1.596	0.215
TE	3.8268	0.0776	0.8748	0.765	-1.413	0.215
CE	3.8819	0.0803	0.9055	0.820	-1.535	0.215
CU	3.8281	0.0757	0.8621	0.743	-1.462	0.215
JP	3.846	0.0674	0.760	0.578	-1.035	0.215

The means of all variables are around 3.8, suggesting that respondents generally rated these constructs positively. JP (dependent variable) has the smallest standard deviation and variance (0.760 and 0.578), indicating more consistent responses compared to the independent variables. IS shows the most variability (standard deviation = 0.9602, variance = 0.922), suggesting less consistency in responses.

2) Validity of Data

The KMO values range from 0.811 to 0.907, all above 0.6, indicating that the data for each variable is suitable for factor analysis (with 0.811 being "meritorious" and values above 0.9 being "marvelous").

Bartlett's Test shows a significance value (Sig.) of 0.000 for all variables, rejecting the null hypothesis and confirming that the correlation matrices are not identity matrices, making factor analysis appropriate.

Table 2: Validity test

Variable	KMO	Approx. Chi-square	Sig
IS	0.907	571.651	0.000
TE	0.906	904.326	0.000
CU	0.866	735.550	0.000
CE	0.811	615.597	0.000
JP	0.896	2999.520	0.000

All variables are significantly left-skewed (negative skewness), meaning respondents tended to give higher ratings, with fewer low scores. IS is the most skewed (-1.596), while JP is the least (-1.035), though still significantly skewed. However, this level of skewness is often acceptable, especially since the KMO and Bartlett's tests already confirmed the data's suitability.

4) Correlation Test

Table 4: Correlation Analysis

Variable	Pearson Correlation	Sig. (2-tailed)
JP with IS	.455	.000
JP with CU	.594	.000
JP with CE	.593	.000
JP with TE	.553	.000

All relationships are statistically significant ($p < 0.01$), meaning the results are not due to chance. Cultural Uncertainty and Cultural Empathy have the highest correlations with Job Performance. This suggests that employees who are better at handling cultural uncertainty or who demonstrate cultural empathy tend to perform better at their jobs. Team Effectiveness also shows a strong, statistically significant correlation. Employees working in effective teams tend to have higher job performance. Interpersonal Skills show a moderate but significant correlation. Good interpersonal relationships are clearly important, but their influence on job performance is slightly less than cultural factors or team dynamics.

B. Hypothesis Testing

1) Multiple Regression

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.553	.306	.300	.6358

Sum of Squares	Sum of Square	F	Sig.
Regression	22.26	55.066	0.000
Residual	50.53		
Total	72.789		

The R Square value shows that this model explains approximately 30.6% of the variance in the dependent variable. This suggests that the model is nicely fitted.

Since $p < .001$, the regression model is statistically significant. This means that all four independent variables significantly predicts job performance.

Table 6: Coefficients

		Standardized Beta		
	B		Std. Error	Sig.
(Constant)	-0.440		.137	0.000
IS	.216		.037	0.000
TE	.288		.040	0.000
CU	.314		.041	0.000
CE	.299		.039	0.000

All coefficients are statistically significant ($p<0.05$) at the indicating that each independent variable (IS, TE, CU, CE) has a significant positive effect on Job Performance.

Estimated regression model

$$JP=-0.440+0.216\cdot IS+0.288\cdot TE+0.314\cdot CU+0.299\cdot CE$$

IS (0.216): For a 1-unit increase in Interpersonal Skills, Job Performance increases by 0.216 units, holding other variables constant. TE (0.288): For a 1-unit increase in Team Effectiveness, Job Performance increases by 0.288 units. CU (0.314): For a 1-unit increase in Cultural Uncertainty, Job Performance increases by 0.314 units. CE (0.299): For a 1-unit increase in Cultural Empathy, Job Performance increases by 0.299 units.

V. CONCLUSION

A. Summary of key findings

The purpose of this study was to investigate how employees' intercultural competencies affected their performance on the job in the banking industry in Sri Lanka. The study used a quantitative approach, collecting data from banking employees. The findings suggest a significant positive impact of interpersonal skills, team effectiveness, and cultural empathy on job performance. An unexpected positive relationship between cultural uncertainty and job performance, warrants further expansion. Higher levels of cultural sensitivity, flexibility, and communication abilities among employees made them more successful in their positions, which improved customer satisfaction and operational effectiveness. Additionally, the study found that the industry underutilized intercultural training programs, indicating a possible area for improvement to further improve worker performance.

By focusing on the Sri Lankan context, this research fills a critical gap in the literature and provides actionable insights for bank management. It contributes to both theory and practice by integrating global findings with local realities.

B. Implications of the study

By providing insights on how cultural characteristics affect job performance in a non-Western setting, it closes a significant vacuum in the literature where most of the attention has focused on Western banking environments. The study emphasizes how important it is for banks to spend money on intercultural training as a tactical instrument to enhance customer interactions and employee performance. Furthermore, it offers a framework for further study to investigate intercultural competences in many industries and cultural contexts, expanding our knowledge of their influence on organizational success.

The study's conclusions highlight the growing significance of intercultural competencies in the banking industry, where workers must increasingly negotiate a dynamic and varied workplace. Banks are encountering employees, customers, and partners from diverse cultural backgrounds as globalization continues to influence business processes and client demographics. Effective communication, conflict resolution, and cross-cultural collaboration are no longer merely "nice-to-have" skills; rather, they are now critical success factors.

Additionally, the study indicates a substantial relationship between team efficiency and intercultural competence. Workers with higher intercultural competency scores were more at ease offering helpful criticism to coworkers from other cultural backgrounds, assisting with problem-solving techniques, and preserving harmonious team dynamics in the face of disagreement. These results suggest that

intercultural training may improve productivity, team cohesion, and the workplace atmosphere. This could be accomplished by combining workshops, in- person and online training sessions, and experiential learning activities that enable staff members interact with people from different cultural backgrounds. Incorporating assessments of intercultural competencies into recruitment procedures can ensure hiring of employees better suited to diverse settings, thus enhancing team effectiveness and service quality. In a multicultural team, where varying work ethics and communication styles can frequently result in miss- communications, intercultural competences aid in negotiating these differences and promote more productive and peaceful cooperation.

Intercultural competencies also have a significant impact on consumer satisfaction. Employees with the ability to interact with people from different cultural backgrounds will probably be in a better position to meet the needs of the increasingly diversified clientele that banks service. In the highly competitive banking industry, this might lead to increased market share, better client loyalty, and improved brand reputation.

The critical role that leadership plays in promoting intercultural competencies in the workplace was another noteworthy finding of the study. Leaders can foster a culture that motivates staff members to pursue continuous learning and development by setting an example of inclusive behaviour and highlighting the importance of diversity. Employees at all levels of a bank are likely to acquire similar views towards cross-cultural interactions if the bank fosters cultural inclusion across its leadership teams. Additionally, mentor-ship programs, in which senior staff members who possess exceptional intercultural competency advise others, may also be a successful means of cultivating these abilities.

C. Limitations and future research areas

Limitations include the use of a non-probability sampling technique and reliance on self-reported data. Future studies could use larger, randomized samples and incorporate qualitative methods to further elucidate the dynamics of cultural uncertainty. By offering empirical support for the significance of intercultural competences in the banking industry, especially in the setting of Sri Lanka, this study adds to the body of current material.

Looking ahead, the demand for strong multicultural competencies will increase as technological innovations like artificial intelligence and machine learning become increasingly integrated into financial operations. Intercultural skills will be essential for both in-person and virtual interactions as banks depend more and more on automation and digital platforms. This is because cultural differences can appear in a variety of ways in digital settings. In this regard, future studies ought to concentrate on how intercultural competency interacts with new technical developments and how it might be used to enhance consumer experiences in a society that prioritizes digitization.

In a marketplace that is becoming more globalized and culturally varied, banks that place a high priority on intercultural competencies will be better positioned to prosper. The way these competencies are changing in response to global banking trends, technology breakthroughs, and the shifting demographics of the workforce should all be the subject of future research.

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