

# Analysis of Organizational Cultural Profile Gaps Using a Cultural Intelligence Web-Based Tool<sup>1</sup>

**Alexandru CĂPĂȚÎNĂ**

“Dunarea de Jos” University of Galati, Romania

E-mail: acapatana@ugal.ro

Telephone: +40723636396

**Rym BOUZAABIA**

Institut de Hautes Etudes Commerciales de Sousse, Tunisie

E-mail: rymb060@gmail.com

Telephone: +21620255684

## *Abstract*

*The performances of the companies involved in the globalization process are conditioned by their managers' abilities to understand the cultural differences of their stakeholders, to assess the cultural profiles of their business partners and to promote the cultural synergy.*

*Our paper emphasizes the results of a survey that we undertook in the field of Cultural Intelligence (CQ), by analyzing two cultural profiles from a Romanian company and a Tunisian one, using a CQ web-based platform. The answers provided by a sample of employees of each company were processed by the means of the CQ platform facilities.*

*The cultural profiles assessment reveals the cultural gaps between two companies involved in the same type of activities but belonging to different countries and implicitly cultures.*

**Keywords:** *cultural intelligence, gap, cultural profile, cross-cultural, globalization*

**JEL classification:** M14, M16, F23

## **1. Literature Review**

The companies which have in view their business expansion at the global level must develop their strategies on cross-cultural analysis which are based on competitive intelligence tools and resources. Their managers must find relevant answers to the following questions: What are the motivations of a cross-cultural

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approach, what behavior norms, values systems, habits, customs must be understood, what is the strategic information that must be included in the cross-cultural action plan, why do some individuals have superior capacity to deal with the challenges of working in different cultures, what communication style must be adopted in the cross-cultural interactions.

Many of us fail in intercultural situations in all sorts of ways: feeling threatened or uneasy when interacting with people who are culturally different, being unable to understand or explain the behaviors of others who are culturally different, being unable to transfer knowledge about one culture to another (Thomas, 2008)

Cultural Intelligence is the ability to act appropriately in situations where cultural differences are important and the ability to make yourself understood and to establish a constructive partnership across cultural differences (Plum, 2008). Cultural Intelligence represents a system of interacting abilities, describe how these elements interact to produce culturally intelligent behavior, and then identify measurement implications. Leaders with high Cultural Intelligence index understand how to encounter new cultural situations, judge what goes on in them and make appropriate adjustments to understand and behave effectively in those otherwise disorienting circumstances.

Cultural Intelligence can be also defined as an individual's capability to function and manage effectively in cultural diverse settings. The four factors of Cultural Intelligence (CQ) mirror contemporary views of intelligence as a complex approach that is composed of meta-cognitive, cognitive, motivational and behavioral factors. Meta-cognitive CQ reflects the mental capability to acquire and understand cultural knowledge. Cognitive CQ reflects general knowledge about culture. Motivational CQ reflects individual capability to learn about the functioning in intercultural situations. Behavioral CQ reveals individual capability to exhibit appropriate verbal and non-verbal actions in culturally diverse interactions (Sternberg, 2000; Ang & Van Dyne, 2008).

Other specialists in this field consider that the main factors of the Cultural Intelligence (CQ) can be reconsidered, defining them in this way: knowledge CQ, interpretive CQ, perseverance CQ and behavioral CQ (Livermore, 2009). Knowledge CQ measures one's understanding of cross-cultural issues and differences. Interpretive CQ is the degree to which are mindful and aware when we interact cross-culturally. Perseverance and behavioral CQ are the dimensions of Cultural Intelligence that most explicitly influence how we live out or ideas.

When an organization needs to collaborate with partners in other countries it is vital to prevent misunderstandings and conflicts. A culturally intelligent manager will ensure that the key people are given the opportunity to study not only the strategic background for the cross-national work, but also their own motivations and attitudes to cultural differences. High cultural intelligence requires more than understanding – it requires motivation and capability to respond appropriately. A person may understand what is happening (and why) in a cross-cultural encounter, but may choose to ignore the situation or respond with incompatible actions (Earley & Ang, 2003)

Crowne (2008) studied how previous experiences abroad influence Cultural Intelligence and reveals that education and employment in different cultures increases cognitive and behavioral aspects of Cultural Intelligence while motivational CQ was higher for those who visited more countries for vacation and other purposes.

In the global scramble for talent, leading organizations aspire to be the employer of choice. They hope to attract, develop, and retain the best talent in their organizations. Multinational companies see the competitive advantage of hiring individuals who are culturally intelligent. These organizations also adopt cultural diversity as an integral part of their human resource agenda. They identify focus areas for cultural diversity and link cultural diversity and the HR business case. (Tan, 2004)

To create a culturally intelligent organization, several aspects should be taken into consideration. Openness to experiences was found to facilitate intercultural group performance and to be related to all CQ dimensions. Openness should be approached from two different angles. On the one hand, it is a personality trait, which can be relatively easily recognized and measured, for example, by using tests when hiring new employees and thus creating their personality traits portfolio. Employees with this trait are probably more adaptable and better accepting differences. On the other hand, openness can represent values learned and endorsed within a certain culture (Karma & Vedina, 2009).

Cultural Intelligence is specific to the learning organizations which can be developed only when the leader succeeds to transform the organization and himself in both sender and receiver of information, building a climate of trust and embedding it within the organizational culture (Năstase, 2008)

As a conclusion of the studies undertaken in this field, the main role of the Cultural Intelligence is to improve cultural perception in order to distinguish behaviors driven by organizational culture from those specific to an individual, emphasizing that allowing knowledge about other cultures and understanding the cultural differences leads to better business practices.

## **2. Research methodology for Cultural Intelligence profiles assessment**

The main goal of our research consists of the identification and assessment of two cultural profiles corresponding to a Romanian company and a Tunisian one, both specialized in providing insurance services.

We use as research tool an e-questionnaire (figure 1) provided by a web-based platform dedicated to Cultural Intelligence - Country Navigator, developed by TMA World, which is an online informational resource that provides up to date and essential information for people seeking to learn about key business cultures. This platform integrates a cultural profiling tool that enables the users to assess their own dominant cultural orientations and to compare to the chosen focus country. Once potential areas of similarity and difference have been identified, consultancy is provided to the users on how to manage and resolve any issues that might arise in a cross-cultural approach.

Q.1 to Q.9 → Q.10 to Q.27 → Q.28 to Q.45 →

	strongly disagree	disagree	neutral	agree	strongly agree
1. I expect to be rewarded for my own efforts.	<input type="radio"/>				
2. It is best to be patient. Things will happen when the time is right.	<input type="radio"/>				
3. I would not bend the rules for someone even if we have a good relationship.	<input type="radio"/>				
4. I am unlikely to challenge those in authority.	<input type="radio"/>				
5. The world is complex and our memos and reports must reflect that complexity.	<input type="radio"/>				
6. You've got to be willing to take bold risks to make things happen in business.	<input type="radio"/>				
7. It is important for me to feel very close ties with my work group.	<input type="radio"/>				
8. It is very important that people respect the chain of command.	<input type="radio"/>				
9. Surprises in business should be avoided; identify the risks and manage them well.	<input type="radio"/>				

**Figure 1 Sample of the questionnaire provided by Country Navigator e-tool**

The platform also enables the users to perform a detailed analysis of their own cultural styles and to identify strengths and potential challenges in relation to their chosen country. The analysis provides links to relevant country information and learning resources so users not only identify differences but receive practical instruction on applying business skills.

We distributed the questionnaires to all the employees of the Romanian and Tunisian companies and we introduced the survey results in the Profiler tool of the web platform Country Navigator. Cultural profile of each company is emphasized by means of the integration of their employees' cultural profiles. Our approach supposes the assessment of the real cultural profile and not of the desired cultural profile which is promoted by means of the business mission and values system. The analysis of the questionnaires involves the distribution of the employees' answers on three main dimensions: Relating – How the employees relate to others, Regulating – How they make decisions, Reasoning – How they think. Each dimension requires the positioning of the answers on a scale situated between two opposite concepts (e.g. the dimension Relating provides three types of scales: task vs. relationship, explicit vs. implicit and individual vs. group).

### **3. Data analysis – revealing the gaps between different cultural profiles**

The results of our surveys undertaken in the Romanian and Tunisian organizations assess the perceived current culture. They measure the culture that is actually expressed in behavior, which might deviate from the ideal culture as it is expressed in the official documents of the organization.

First analysis of the cultural profile is made on the Romanian company. We collected 11 questionnaires which were filled by a representative sample of this company's employees, including managers. The insertion of the information in Country Navigator Profiler provided the following result: (figure 2)



**Figure 2 Cultural profile of the Romanian organization**

Referring to the way how the employees relate to others (the scale: task vs. relationship), we remark the fact they prefer to react to each specific situation that may arise and not to apply 'a-one-size-fits-all' approach. Their default position is that even though a contract is a fixed agreement and that trust should be based on rules, they are looking for some flexibility which is necessary for changing circumstances that may inevitably arise.

In what concerns the second scale of the way how the employees relate to others (explicit vs. implicit), we observe that the employees tend to believe in open and direct communication. Getting straight to the point can be helpful for them and the explanations will be the right way to avoid confusions in communication transactions. However, when the circumstances do not suit a direct style, they can be careful and reconsider the communication with others.

The third scale of "Relating" section (individual vs. group) emphasizes that the employees from the Romanian company generally believe that group harmony and a sense of belonging comes before individual needs - this is a cultural feature of the Romanian organizational cultures. When they try to solve the problems, they start with discussion and are looking for consensus before any action is taken, in order to apply collective intelligence to the business tasks. The positive approval of the colleagues is likely to be a strong motivator in this company.

Its employees generally believe that it is better to build long-term relationships than to make a quick deal.

Analyzing the way the employees of this company make decisions (the scale: risk taking vs. risk avoiding), we observe that they accept that new is not always better than old, having a bias for innovation and creativity. At the same time, they are comfortable with a level of regulation that gives them security but which is also flexible enough to allow adaptation to new situations when necessary.

Concerning the results' positioning on the scale tight vs. loose, we appreciate that the company's employees are often flexible in the allocation of time in order to allow the tasks solving in an unforced way. In the same time, we consider that the employees are "multi-tasking" oriented and find it quite normal to handle several tasks simultaneously.

Referring to the "shared vs. concentrated" scale, the employees appreciate the knowledge of those who do the work but value the contribution of strong leadership. They would prefer to work in an organizational structure that keeps reporting lines and hierarchical levels clear but also values people involvement.

"Linear vs. circular" scale of the dimension Reasoning reveals that in basic task-solving, the employees tend to take a direct line of reasoning, moving in a step-by-step process to reach their target efficiently. With more complex issues, they are likely to take a more circular route to problem-solving, exploring the issue from multiple perspectives before deciding how to move forward. They know that without some understanding of the context, the situation cannot be resolved adequately and are comfortable working within a broad framework but do not like to be forced towards a deadline.

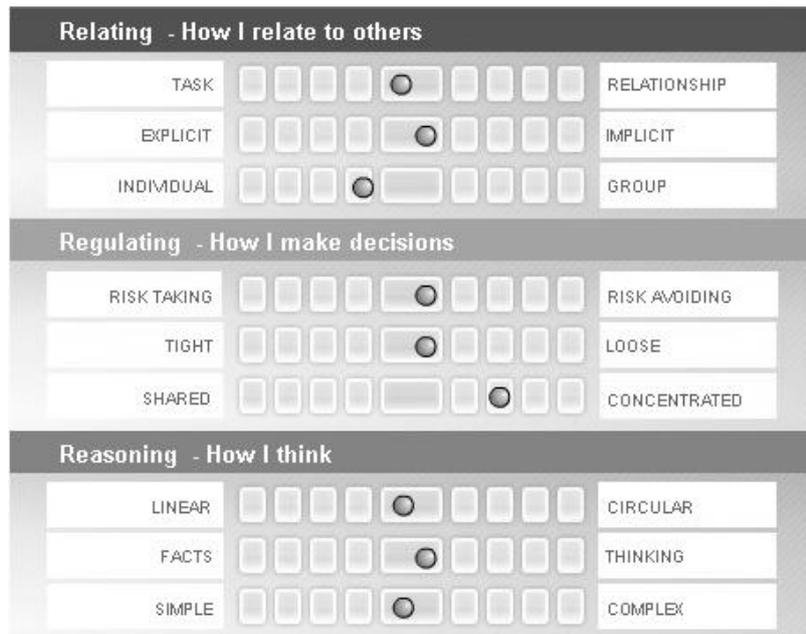
The employees' orientation towards "facts vs. thinking" highlights that they generally believe that an argument can be won by presenting the factual evidence. They are likely to structure their projects so that they have measurable outcomes. They are also skilful in gathering the right evidence and interpreting it correctly, preferring to work from the specific to the general.

Analyzing the way the employees of this company think (the scale: simple vs. complex), we remark that they are generally focused on delivering results in a timely manner. In the same time, they are skilful at reducing issues to manageable proportions in order to do this.

Second analysis of the cultural profile is made on the Tunisian company, where we gathered 9 questionnaires which were filled by a representative sample of this company's employees, including managers.

The CQ Internet-based platform Country Navigator Profiler provided the following result for the Tunisian company profile (figure 3).

The scale "task vs. relationship" associated to the dimension "Relating - how the employees relate to others" reflects a task-oriented vision. In this kind of organization, the leader can help the team understand their challenge by providing a coherent series of tasks that structure their activities. He must ensure that the team has the right skill, develop a shared understanding of their interdependent relationships and provide strategies for getting started.



**Figure 3 Cultural profile of the Tunisian organization**

Considering the second scale of “Relating” dimension (explicit vs. implicit), we appreciate that the Tunisian company’s employees are polite in their communication with others and are able to pick up signals from non-verbal behavior and to interpret the messages. However, when circumstances do not suit an implicit style, they can be more direct in their communication with colleagues, customers, etc.

Individual vs. group orientation of the Tunisian company’s employees emphasizes that they generally rely upon their own efforts and resources and belong to a society where individual achievement is important. They should also expect personal praise and reward for a job well done and have a strong sense of confidence in their own abilities. They may believe that the individual approach to problem solving is the most effective.

Concerning the results’ positioning on the scale “risk taking vs. risk avoiding”, we observe a balance between these opposite poles. Accepting the risk is a decision that should be made by comparing the cost of mitigating the risk to the potential impact if that risk is exploited. Risk avoiding involves taking steps to remove a hazard and engage in alternative activities.

In what concerns the second scale of the way how the employees take decisions – “tight – loose”, we remark that they believe that time is valuable and, as time is often perceived as money, they try to respect deadlines and keep to

schedules. In the same time, they perceive other people's time is equally valuable to them and try to make the best use of time and respect timeframes even though there will be situations when interruptions are acceptable.

“Shared vs. concentrated” scale of the dimension “Regulating” outlines that the Tunisian company’s employees believe that the most effective way of governing is by having a clear chain of command. Their behavior reveals a cultural framework where inequality between individuals is both expected and desired.

The first scale of “Reasoning” dimension – “linear vs. circular” indicates a balanced orientation towards these opposite poles, being positioned in the same point as the Romanian company.

Referring to the “facts vs. thinking” scale, our opinion is that the Tunisian company’s employees tend to believe that an argument can be won by presenting a logical, coherent framework, by recognizing the need to gather the right evidence. For them, it is important to have a logical argument with sound reasoning supporting the evidence. They most probably enjoy "thinking" through situations and will argue their behavior from diverse perspectives.

In the same manner as the Romanian company’s employees, the Tunisian employees are focused more on simple way of thinking, trying to deliver the results in a time-efficient, simple manner, whenever possible and being able to reduce complex issues to simple solutions.

### **Conclusions**

We appreciate that the cultural intelligence web-based platform that we used in our research provides a lot of advantages of which we can mention: a complex analysis of different cultural profiles and working styles, a better understanding of how to work with other people from other culture through profile comparison and skills’ development in cross-cultural interactions.

The results of our research emphasize significant gaps between the Romanian and Tunisian companies. In what concerns the ways the employees related, the Tunisians are rather task-oriented, looking for the goals’ achievement, while the Romanians are relationship-oriented, anticipating the events by building contingencies into their planning process and implementing these contingencies when the events occur. The Romanian company’s employees are more explicit in their interactions with others comparing with the Tunisian employees which prove prudence in their communication style. The Tunisians are more individualistic than the Romanians, which give importance to the group belonging.

Regarding the decision making methods, the Tunisians are less flexible in their decision making processes and prefer to avoid the risks, contrary to Romanians which are seeking for innovation and creativity. However, both of them prefer working in a hierarchical organization where the responsibility levels are well defined.

The Tunisian employees’ way of reasoning proves to be more linear than the Romanians, which try to solve the problems by exploring all the alternatives.

The Tunisians like to reflect in depth to different situations in view to argue their points of view, while the Romanians are more focused on factual proofs. Both Romanians and the Tunisians have a turn for achieving the goals in a simple manner and without wasting their time, if possible. They are able to reduce the complex issues in manageable proportions without neglecting the impact of the context on the specific facts.

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