

Minding the Cultural Gaps between Different Countries - A Real Challenge for the International Managers

Alexandru CĂPĂȚINĂ¹
George SCHIN

Abstract

The managers that intend to develop their businesses at the global scale are frequently confronted with situations which require skills related to effective communication in diverse cross-cultural contexts. The paper's aim was to answer the following question: "How can a Cultural Intelligence web platform provide the support for international managers in their search of a specific business culture's peculiarities?" In this way, we conducted a qualitative research by using the web platform Country Navigator, in order to compare Romania's cultural profile from business point of view with two representative E.U. countries' profiles, France, respectively Germany. The main findings of our study outline significant gaps between Romania and Germany and moderate differences between Romania and France. The in-depth analysis of the cultural dimensions also reflects interesting aspects which must be taken into account by the managers. The paper concludes with several recommendations for the managers concerning practical ways to "bridge the gaps" between the cultural profiles of the countries taken into consideration in the study

Keywords international management, cultural intelligence, communication skills, cultural gaps, web platform

JEL classification: F23, M14

Introduction

The introduction will be written in Times New Roman, size 11 pt., and it will comprise: Global competition has forced managers to change how they act at home and abroad. The increasing rate of changes in clients' behaviour, technological developments, shorter product life cycles, and high-speed communications are relevant factors that contribute to these changes. Moreover, the cultural gaps between different countries must be taken into consideration. Although the international manager performs the same basic functions as a manager which is involved in activities developed only in its country, he must adjust to more variables and environments.

¹ Alexandru CĂPĂȚINĂ, "Dunarea de Jos" University of Galati, Romania, E-mail: acapatana@ugal.ro, Phone: +40723636396
George SCHIN "Dunarea de Jos" University of Galati, Romania, E-mail: george.schin@ugal.ro, Phone: +40744613117

The international business context make the directing function more difficult for the international manager, as employees' attitudes toward work and problem solving differ by a cultural context to another. The main characteristics of an international manager include specific skills such as the ability to work in international teams, adaptability to new cultural backgrounds, sensitivity to different cultures, awareness of own cultural background.

In this context, our paper aims at providing an extensive approach of the cultural gaps between Romania, France and Germany, revealed by the Cultural Intelligence web platform Country Navigator.

1. Theoretical background

The global competition has forced managers to change how they act at home and abroad. The increasing rate of changes in clients' behaviour, technological developments, shorter product life cycles, and high-speed communications are relevant factors that contribute to these changes. Moreover, the cultural gaps between different countries must be taken into consideration. Although the international manager performs the same basic functions as a manager which is involved in activities developed only in its country, he must adjust to more variables and environments.

The international business context make the directing function more difficult for the international manager, as employees' attitudes toward work and problem solving differ by a cultural context to another. The main characteristics of an international manager include specific skills such as the ability to work in international teams, adaptability to new cultural backgrounds, sensitivity to different cultures, awareness of own cultural background.

In the implementation of the strategic vision at the international level, the leaders must rely on the competencies of the people around them and to whom they create a stimulating environment for developing and behaving as veritable leaders (Nastase, 2010). In addition, the style of leadership that is acceptable to employees varies from nation to nation. In countries like France and Germany, informal relations with employees are discouraged. In Sweden and Japan, however, informal relations with employees are strongly encouraged, and a very participative leadership style is used.

A mindful international manager must therefore understand what the drivers of change are in cultures and in people, and what the blockers of change are. Having understood cultural differences, international managers then need to build a common culture that allows cooperating successfully and leveraging the differences. Their empathy enables them to see things from other viewpoints and to recognize that the cultural diversity present in a group offers the potential for high performance (Comfort and Franklin, 2010).

International managers should pay attention to the collaborative strategies, which are focused on making connections between firms, companies, and even institutions with distinctive and complementary competencies and capabilities (Roja and Nastase, 2013).

In the context of globalization, Cultural Intelligence can be defined as the ability to act appropriately in situations where cultural differences are important, to make you understood and to establish a constructive partnership across cultural differences (Plum, 2008).

The main role of the Cultural Intelligence is to improve cultural perception in order to distinguish behaviours 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 (Capatina and Bouzaabia, 2011).

A research coordinated by Ang et al. (2007) emphasizes Cultural Intelligence as comprising meta-cognitive, cognitive, motivational and behavioural dimensions with specific relevance to functioning in culturally diverse settings. Meta-cognitive Cultural Intelligence reflects mental processes that individuals use to acquire and understand cultural knowledge, including knowledge of and control over individual thought processes, while cognitive Cultural Intelligence reflects knowledge of the norms, practices and conventions in different cultures acquired from education and personal experiences. Motivational Cultural Intelligence reflects the capability to direct attention and energy toward learning about and functioning in situations characterized by cultural differences and Behavioural Cultural Intelligence reflects the capability to exhibit appropriate verbal and nonverbal actions when interacting with people from different cultures. This approach takes into consideration the knowledge of basic frameworks of cultural values (Hofstede, 2001).

An interesting survey conducted by Lynn and Gelfand (2010) outlines the impact of cultural intelligence on intercultural negotiation processes and outcomes, controlling for other types of intelligence (cognitive ability and emotional intelligence), personality (openness and extraversion), and international experience.

Many international business failures have been assigned to a lack of cross-cultural competence on the part of businessmen (Johnson et al., 2006). In this context, we truly believe that the professional approach of international business requires training in Cultural Intelligence.

2. Cultural gap analyses between Romania and two representative E.U. countries: France and Germany

The research methodology involved the use of the web platform Country Navigator, in order to emphasize the cultural gaps between Romania, France and Germany, in distinct comparative approaches. The Cultural Intelligence e-assessment tool Country Navigator, developed by TMA world, integrates a cultural profiling tool that enables the users to assess their own cultural profile, as well as comparisons between cultural profiles of different individuals or countries. Once the cultural gaps or similarities are identified, this platform provides relevant information regarding the best ways to manage and resolve any issues that might

arise in a cross-cultural approach, so the managers involved in international cooperation could benefit of training programs focused on their right behaviour in different contexts.

We will discuss firstly about the gaps revealed by Country Navigator assessment tool in the case of the comparison between Romania and France (as shown in Figure 1).



Romania has been combined with France

The scale positions are indicated as follows:

- The Romanian position
- The French position
- Overlapping position

The traffic light colours indicate how closely the scores match:

- Maximum difference
- Moderate difference
- Minimal difference

Figure 1. Cultural gaps between Romania and France
Source: image provided by Country Navigator web-based platform, www.countrynavigator.com

Analysing the first cultural dimension “**Relating**” we can observe minimal gaps associated to the axes “Explicit vs. Implicit” and “Individual vs. Group”, while in the case of the axis “Task vs. Relationship”, the difference is moderate.

In what concerns the axis “*Task vs. Relationship*”, Romanian managers who intend to develop their business at the global level generally believe that the success is directly proportional to the quality of relationships. In such a context, they try to react to each specific situation that may arise, avoiding a standardized

approach, if it is possible and doesn't involve a high amount of investments. The French managers tend to believe that international business depends firstly on the quality of relationships and mutual commitment. They are focusing on the principle reflecting that a legal contract has some flexibility and should be modified depending on changing circumstances, considering that trust is based on adaptability.

Regarding the axis "*Explicit vs. Implicit*", we observe an overlapping position. Romanian managers take into consideration in their communication style the signals from non-verbal behaviour and context in order to interpret the message. Moreover, when circumstances do not follow an implicit style, they can be more direct in their communication with others. French managers tend to imply what is meant, rather than speak directly what they think. Direct communication is considered in different contexts impolite. From this point of view, the business communication between French and Romanian managers is mostly very effective.

If we refer to the third axis "*Individual vs. Group*", the Romanian managers have the tendency to believe that the business partner should take in consideration the effects of his own mistakes, but should also receive personal reward when his collaborative effort brings benefits to the business partnership. The French managers tend more towards group than individualistic approach of the international business. Although they may display some individualistic tendencies (as individuals), they would generally develop partnerships based on group cohesion as a cultural value.

Analysing the second cultural dimension "**Regulating**" we can observe minimal gaps between all the axes involved.

In what concerns the axis "*Risk taking vs. Risk avoiding*", Romanian managers generally prefer to have a high level of regulation that gives them security; in this way, they plan well in advance for a known outcome; a high respect for tradition and seeking to learn from the experience of others must also be taken into account. The French managers tend to be very risk averse in international contexts. A sign of this characteristic is the high degree of regulation governing all areas of life and implicitly business in France.

Regarding the axis "*Tight vs. Loose*", both Romanian and French managers tend towards a business approach in which punctuality may not be their main concern. Deviations from a schedule or deadline are in the majority of cases accepted, since the end goal may not be visibly affected. All business aspects should be adequately considered and negotiated, before an outcome can be agreed.

Considering the axis "*Shared vs. Concentrated*", we observe an overlapping position. Little participative leadership is practised in both French and Romanian organisations, excepting an important part of the SME's. Employees generally prefer that decision-making to be assigned to higher authority. French and Romanian organisations often have a "high pyramid" form with a lot of hierarchical layers.

The third cultural dimension "**Reasoning**" also emphasizes minimal gaps between all the axes which support it.

Concerning the first axis of this cultural dimension – “*Linear vs. Circular thinking*”, Romanian managers tend to mix the direct line of reasoning with the circular one, moving in a step-by-step process to achieve their negotiation targets in international business. In more complex issues, they are likely to take a more circular manner to problem-solving, exploring them from multiple perspectives. French managers especially use circular manner in international communication in view to develop sustainable partnerships.

In what concern the axis “*Facts vs. Thinking*”, both French and Romanian managers tend to value logical reasoning, focused on thinking. Most of them agree that there is nothing as effective as a good practice successfully implemented in other circumstances.

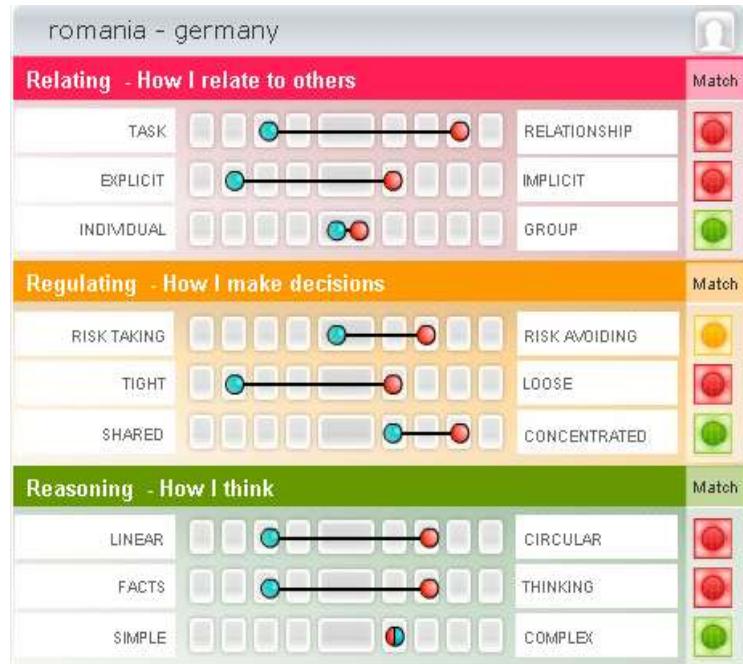
The last axis involved in the conceptual model of this cultural dimension – “*Simple vs. Complex thinking*”, the majority of Romanian and French managers enjoy the way to explore a problem in great detail, taking into account the background context; moreover, engaging in discussion and argumentation represent a real challenge for them.

The second comparative analysis will outline the gaps revealed by Country Navigator assessment tool in the case of the comparison between Romania and Germany (as shown in Figure 2). As we previously presented the main features of the Romanian managers in the context of international business, we will concentrate in the following paragraphs on the emphasis of the German managers’ traits in the context of business internationalisation.

The positioning of the Romanian and German cultural profiles on the dimension “**Relating**” highlights minimal gaps associated to the axis “Individual vs. Group”, while in the case of the axes “Task vs. Relationship” “Explicit vs. Implicit” the differences are significant.

In business activities, the German managers are concentrated on the tasks; much importance is given to written forms of evidence, especially regulations and contracts. The written and formalized documents are more likely to be accepted as proofs. The German communication style is internationally known as being very explicit, as openness is appreciated - it is considered honest to speak one’s opinion. In the international negotiations, requests are generally made by the German businessmen in a direct way. Regarding the tension axis “Individualism vs. Collectivism”, the surveys undertaken didn’t reveal an overall tendency to focus either on the individual or the group.

In what concerns the perception of risks, Germans are generally quite risk averse. Most would prefer order and stability to change. Another relevant aspect consists of the fact that German businessmen have a strong sense of order and justice and don’t sign contracts when partners do not obey the rules. Germans also tend to have a very tight use of time. In their opinion, time is a resource which mustn’t be wasted. Respecting the deadlines is a reflection of how reliable and serious a business partner is. Regarding the cultural dimension - power distance, Germans prefer to work in organisational structures that keep reporting lines and accountability levels clear but also values people involvement.



Romania has been combined with **Germany**

The scale positions are indicated as follows:

- The Romanian position
- The German position
- Overlapping position

The traffic light colours indicate how closely the scores match:

- Red (Maximum difference)
- Yellow (Moderate difference)
- Green (Minimal difference)

Figure 2. Cultural gaps between Romania and Germany

Source: image provided by Country Navigator web-based platform, www.countrynavigator.com

Referring to the way the German businessmen are thinking, we can remark a linear approach to problem solving. They prefer to go about their work in a systematic manner, following defined guidelines where possible to reach a specific target, in order to diminish the possibility of making mistakes. They are also oriented towards a straight-forward explanation style when making presentations. They rely heavily on factual information as evidence, which differentiates their behaviour from Romanian and French businessmen. Data gathering and problem solving is often conducted in a systematic way to make sure all aspects are covered. Project planning is taken to a high level of detail, while outcomes should be realistic and measurable.

Conclusions

The results provided by the Cultural Intelligence web platform in what concerns the appraisal of gaps between Romania, France and Germany emphasize precious information for entrepreneurs and managers who intend to develop their businesses or integrate in partnerships within these countries.

Romania is still governed by a great deal of bureaucracy, which make conducting business a time consuming process that requires perseverance. When developing their businesses at international level, Romanian managers prefer to start the negotiations in a formal style and allow their business partners to progress the relationship to a more personal level. Their external partners must expect to spend time getting to know them before outlining their business purpose and scheduling. They must also be aware that meetings are generally formal and follow old-world rules of courtesy, as well as most decisions require several layers of approval. It is also recommended for external business partners to avoid confrontational behaviour or high-pressure sales tactics.

French businessmen behaviour puts in evidence courtesy and a certain degree of formality, while trust is earned by means of a proper behaviour and the development of a wide network of close personal business alliances is very important. The way a French manager communicates is often predicated by his social status and education level; he often appears extremely direct because he is not afraid of asking probing questions. The French businessmen will carefully analyze every detail of a proposal, regardless the time spent; they are often proving effective debating skills that demonstrate their intellectual approaches of the businesses.

A common trait of French and Romanian businessmen concerns the avoidance of confrontational behaviour; moreover, as in the Romanian situation, business is hierarchical and decisions are generally made at the top of the company. These findings regarding the minimal cultural gaps between Romanian and French managers were also revealed by Country Navigator web platform.

German businessmen tend to employ different behaviours in comparison with their Romanian and French fellows, as following a protocol is critical to building and maintaining business relationships with them, while punctuality is taken extremely seriously. Another point which differentiates them is based on the fact that Germans do not need a personal relationship in order to do business. Once a decision is made, it will not be changed, as compromises are not accepted. Germans place great importance on this stage of the partnership project cycle. Plans and budgets are developed with a high degree of accuracy and in great detail. The certainty that success can be determined and guaranteed is crucial for a German business team which operates at an international level, making it different from teams belonging to other cultures.

References

1. Ang, S., Van Dyne, L., Koh, C., Ng, K. Y., Templer, K. J., Tay, C., & Chandrasekar, N. A., (2007). "Cultural intelligence: Its measurement and effects on cultural judgment and decision making, cultural adaptation and task performance". *Management and Organization Review*, 3(3), pp. 335-371.
2. Capatina, A. & Bouzaabia, R., (2011). "Analysis of organizational cultural profile gaps using a cultural intelligence web-based tool". *Review of International Comparative Management*, 12(1), pp. 143-151.
3. Comfort, J. & Franklin, P., (2010). *The mindful international manager: How to work effectively across cultures*. Kogan Page Publishers.
4. Hofstede, G., (2001). *Culture's consequences: Comparing values, behaviors, institutions and organizations across nations*. Thousand Oaks, Calif: Sage.
5. Imai, L., & Gelfand, M. J., (2010). "The culturally intelligent negotiator: The impact of cultural intelligence (CQ) on negotiation sequences and outcomes". *Organizational Behavior and Human Decision Processes*, 112(2), pp. 83-98.
6. Johnson, J. P., Lenartowicz, T., & Apud, S., 2006. "Cross-cultural competence in international business: Toward a definition and a model." *Journal of International Business Studies*, 37(4), pp. 525-543.
7. Nastase, M., 2010. "Developing a strategic leadership approach within the organizations". *Review of International Comparative Management*, 11(3), pp. 454-460.
8. Plum, E., 2008. *Cultural Intelligence: the Art of Leading Cultural Complexity*. Middlesex University Press.
9. Roja A.I. & Nastase, M., 2013. "Leveraging Organizational Capabilities through Collaboration and Collaborative Competitive Advantage", *Review of International Comparative Management*, 14 (3), pp. 359-366.
10. <http://www.kwintessential.co.uk/resources/global-etiquette/france-country-profile.html>
11. <http://www.kwintessential.co.uk/resources/global-etiquette/germany-country-profile.html>
12. <http://www.kwintessential.co.uk/resources/global-etiquette/romania.html>