

# Cultural Adaptability among American and European Business Students

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## Abstract

The purpose of this study was to examine business students' cross-cultural adaptability. American business and International business were the population for this study. The Cross-Cultural Adaptability Inventory (CCAI) was used to determine the cross-cultural adaptability of the undergraduate business students. This instrument is pro effective in determining cross-cultural adaptability and those factors which may lead to greater cross-cultural adaptation. In addition, other ancillary variables (gender, race, age, and level of education) were analyzed. The astute business educator can utilize these findings to enhance curricula to better prepare students for their future roles in the global marketplace. The results of this study will provide educators with data that needs to be further examined.

Keywords: Cultural Adoptability, Business Student, International Student



## Introduction

Through immigration, increased opportunities for education and advancement, and the upsurge of women and minorities in the workplace, the U.S workforce is no longer a homogeneous group of people who look, think, and behave in the same way (Tuleja, 2005).

The quote offers an introduction to understand the ever changing demographics in the workplace, particularly when it comes to diversity. No longer can employees, managers, and others ignore the fact that the workplace is changing with respect to cultural diversity. People of various cultures are coming together to work in the global marketplace. Effective managers must understand the need to be culturally adaptable and competent. Compared with other industrialized nations, the United States sorely lacks a number of global business/marketing/competencies (Jeannet, 2004). The ability to adapt methods and to work effectively in a cross-cultural or multicultural setting has become critical. Though many trainers recognize that country-specific approaches can be a deterrent to successful outcomes across borders, there have been few opportunities (until recently) for them to prepare for working in cross-cultural settings. For many, in fact, an understanding of the effect of culture on training success is still often realized only after a wake-up call or an experience of culture clash in a training setting (Kemper, 1998).

America's growing ethnic diversity is having a profound impact on business (Gitman & McDaniel, 2008). The cultural and social profile of the United States is changing rapidly (Whitman & Demarest, 2000). Globalization is inevitable. Dramatic changes in transportation, technology and trade have altered the way people communicate and relate to others around the world (Schmidt, 2007). There is no question that knowing culture can be helpful. There are many good and obvious reasons for studying cross-cultural differences (Gannon, 2004). In this very brief review, the authors provide the constant changing of theme-America's workplace in terms of diversity and the need to train future managers in cross-cultural effectiveness. For success in the workplace, current business students need to determine their cross-cultural adaptability. The present study was driven by this critical need.

In ascertaining one's cultural adaptability, they will be better prepared to interact, work, and communicate successfully in their future roles as global workers and/or managers. It was within this context the research study was conducted. The purpose of this study was to determine the cross-cultural adaptability in a population of college business students enrolled in American and International Universities.

## Review of Literature

U.S. managers must develop a global vision if they are to recognize and react to international business opportunities, as well as remain competitive at home (Gitman & McDaniel, 2008). Never before has business spanned the globe the way it does today (Collins, 2008). There is a dearth of literature that specifically addresses the comparison of undergraduate business students' cultural adaptability from foreign and domestic universities. There exist research studies and writings on the CCAI. Finally, there is a plethora of literature that exists on the critical need for employees to possess

competence in cultural management/communication, global knowledge, cultural diversity, and cultural adaptability for success in today's global marketplace. To better support the tenets of this research, these categories of literature were reviewed.

Cultural management/communication competence. Hynes offers

Given the changes occurring in the world marketplace and increasingly competitive nature of markets both at home and abroad, firms must become more active internationally to survive and prosper. These trends and developments all suggest that today's students have a noteworthy chance of becoming tomorrow's international businesspeople. To be successful international businesspeople, they will have to be successful intercultural communicators (2008).

Cultural problems arise from differences in behavior, thinking, assumptions, and values between U.S. people and those from other countries and cultures with whom they associate. These cultural differences often produce misunderstandings and lead to ineffectiveness in face-to-face communication (Tuleja, 2005). Gannon stated that "there are many good and obvious reasons for studying cross-cultural differences, including a conservative estimate that somewhere between 25% and 50% of our basic values stem from culture" (2004). Collins, Never before has business spanned the globe the way it does today (2008). The authors certainly have made the case that our future global managers have to be prepared and educated in cultural management and possess intercultural competence.

Global Knowledge. For organizations to flourish, let alone survive in the decades ahead, their perspective must be global (Schmidt, 2007). Demographic changes are transforming the United States into a microcosm of the global village (Adler, Rosenfeld & Proctor, 2007). A deeper understanding of the nature of cultural differences would increase the effectiveness of U.S. people in cross-cultural situations (Tuleja, 2005). Many U.S. firms have capitalized on opportunities in foreign countries by engaging in international business (Madura, 2007). The cultural and social profile of the United States is changing rapidly, too. Since its birth, the United States has assimilated people from every continent and every nation on the globe (Whitman & Damarest, 2000). The world is becoming smaller and smaller. The successful global workplace must employ workers with a great deal of global knowledge.

Cultural Diversity. Cultural blending occurs faster than ever before. Not only are we blending families, but we are also crossing previously solid lines of social demarcation and work distribution (Whitman & Damarest, 2000). Today, everyone works with more diverse populations than just a few decades ago (Hynes, 2008). Neuliep provided that the dramatic cultural transformation in today's market place, and the relevance of intercultural communication competence cannot be overstated (2006). To compete in the global and U.S. markets, today's managers must possess the skills to interact with people who are different from themselves. With the current workforce being so culturally diverse, it is critical that there is an understanding and appreciation of the culturally diverse employee who arrives at work with a variety of attributes, lifestyles, values, attitudes, rules, practices, rites and rituals. Acceptance, beyond tolerance, of cultural diversity in the workplace will only strengthen the portfolio of any corporation.

In the quest for identifying efficient ways to prepare students for work in the global economy, literature has suggested that it would be beneficial to identify the role cultural adaptability plays in predicting success in the workplace. If one can predict strengths and weaknesses of student cultural adaptability, then educators can zero in on which aspects of adapting to various cultures need to be addressed and reinforced. This study will also provide information to help faculty teach students about the need for cultural adaptability. Business students who have an understanding of cultural adaptability will make the workplace more effective, more productive, less hostile, more open, and more dynamic. Within this context, the following questions were addressed:

- A. What is the cultural adaptability of undergraduate business enrolled in American universities?
- B. What is the cultural adaptability of undergraduate business students enrolled in International universities?
- C. Are there differences or similarities in the cultural adaptability of business students enrolled in American vs. International universities?

This study specifically analyzed domestic and international undergraduate business students' cultural adaptability.

The following primary null hypothesis guided the study:

H0. There will be no tested differences of cultural adaptability between undergraduate business students enrolled in American and International universities.

H1. There will be tested differences of cultural adaptability between undergraduate business students enrolled in American and International universities.

## **Methodology**

One instrument was used in this study the CCAI. This instrument was administered to determine business students' cultural adaptability.

The CCAI has been used effectively in a variety of populations. It is a training instrument designed to provide information to an individual about his or her potential for cross-cultural effectiveness by measuring an individual's ability to adapt to other cultures. CCAI assessment helps to measure cultural dimensions and provides information regarding an individual's potential for cross-cultural adaptability regardless of experience with and knowledge of another language or culture. It also allows groups and individuals to gain insight into both their ability to adjust to a new culture and environment, and the potential stressors that lie ahead. This instrument is used in settings such as business, academia, and government to help:

- Strengthen cultural diversity training and educational programs.
- Counsel individuals considering life changes that could expose them to people from different cultures, backgrounds, values, or experiences.
- Promote cultural awareness within the classroom, student affairs, resident life, minority studies, and community programs.
- Develop readiness for travel or relocation abroad. ((Kelley & Meyers, 1995).

The CCAI assessment measures:

- Emotional Resilience (ER). The degree to which an individual can rebound from and react positively to new experiences.
- Flexibility/Openness (FO). Extent to which a person enjoys the different ways of thinking and behaving that are typically encountered in the cross-cultural experience.
- Perceptual Acuity (PAC). Extent to which a person pays attention to and accurately perceives various aspects of the environment
- Personal Autonomy (PA). Extent to which an individual has evolved a personal system of values and beliefs, while at the same time respects others and their value systems (Kelley & Meyers, 1995).

### Study Population and Demographics

A total of eleven hundred and twenty students participated in the study. This yielded nine hundred and thirty four responses which resulted in an 83% response rate. Of the 934 participants, 521 were female and 389 were male (24 missing cases). Age of the students varied. All subjects were enrolled business courses in American and European universities. Participation was voluntary (the study site at each university that agreed to participate.). This study followed a descriptive research design using survey methods with statistical treatments. The design was a cross-sectional survey. Babbie stated that the cross-sectional design is the most frequent used study design (1990).

The data in this descriptive study were collected using survey procedures as described by Dillman (1978).

Each of the potential participants received a survey packet containing the following items:

1. Informed Consent. Cover letter describing the study to the potential participant and outlining the procedures to be followed in completing the forms in the survey packet.
2. The survey with a section on demographics (brief questions asking for biographical and demographic information).
3. The CCAI.

### Findings

The CCAI measures four areas: emotional resilience, flexibility/openness, personal autonomy, and perceptual acuity. The study sought to find if there was a statistically significant relationship between the CCAI score and other variables. Table 1 illustrates how students ranked on the emotional resilience (ER) scale. The ER score indicates the extent to which persons like to interact with people from other cultures.

Emotional Resilience	Scale	American Valid Percent	European Valid Percent
	Below 77	31.1	40.3
	Between 77 and 81	22.7	23.0
	Above 81	46.2	36.7
	Total	100	100

Table 2 indicates how the students ranked on the flexibility/openness (FO) scale. The FO scale measures the extent to which a person enjoys the different ways of thinking and behaving that are typically encountered in the cross-cultural experience. Open, flexible people have a positive attitude toward the unfamiliar. The items on the FO scale deal with responses to people, situations, and experiences that are different from those that one normally encounters.

Flexibility/Openness	Scale	American Valid Percent	European Valid Percent
	Below 65	46.4	50.7
	Between 65 and 69	25.3	24.4
	Above 69	28.3	24.9
	Total	100	100

Table 3 indicates the students' rankings on the personal autonomy (PA) scale. The PA scale measures the extent to which an individual has evolved a personal system of values and beliefs that he or she feels confident enough about to act on in unfamiliar settings. At the same time, the scale examines the extent to which an individual respects others and their value systems. Finally, it examines how pressured a person feels to change in a cross-cultural environment.

Perceptual Acuity	Scale	American Valid Percent	European Valid Percent
	Below 45	42.4	49.8
	Between 45 and 47	25.1	27.6
	Above 47	32.5	22.6
	Total	100	100

Table 4 shows the students' rankings on the perceptual acuity (PAC) scale. The PAC scale assesses the extent to which a person pays attention to and accurately perceives various aspects of the environment. Perceptually acute people are sensitive



to verbal and nonverbal cues when interacting with people who are different from oneself, and they interpret those cues in the context of the others' cultures.

Personal Autonomy	Scale	American Valid Percent	European Valid Percent
	Below 31	18.8	30.3
	Between 31 and 33	29.9	36.7
	Above 33	51.3	33.0
	Total	100	100

## Discussion

The study measured students' rankings on the four cultural adaptability scales: ER, FO, PA, and PAC. Tables 1-4 provide the students' scores on the four scales. The CCAI was not developed to predict success or failure in cross-cultural interaction. Instead, after learning about cross-cultural adaptability and examining their own assets and liabilities in this area, individuals who take the instrument can make decisions about their own readiness to interact with people from other cultures (Kelley & Meyers, 1995, p. 1). When students take the CCAI, they gain insight into their ability to adapt and change to working and living with different cultures. The CCAI provides students with a baseline of where their strengths and weaknesses lie. The astute business instructor will use this information to develop and hone needed skills and refine and promote possessed skills for success in the workplace.

ER. Chi Square analysis indicated that significance was achieved at (.021) on the scale of emotional resilience. In reviewing the data in Table 2, American business students are more emotionally resilient (46.2% USA, 36.7% European). Table 1 suggests that American participants ranked higher on the ER scale. The ER scales relate to the negative emotional reactions individuals experience due to lack of familiar, culture-specific cues. As stated earlier, people with high ER scores can regulate his or her emotions, maintain emotional equilibrium in a new or changing environment, and deal with the setbacks and difficult feelings that are a normal part of the cross-cultural experience. Given this data, educators who teach American and/or European students should take into consideration that these rankings are high, but both categories have percentages (31% American and 40% European) that fell below the average. This suggests that the business educator could focus on improvement in this area.

As the authors of the CCAI indicate, some people feel frustrated, confused, or lonely when they interact with people from other cultures. The emotionally resilient person has the ability to deal with stressful feelings in a constructive way and to bounce back from them. Emotionally resilient people like new experiences and have confidence in their ability to cope with ambiguity. Educators need to first share this information with students as future managers. In addition, educators must create for their students' culturally diverse experiences, occurrences, and encounters. They must coach students on the recognition of culture specific cues that will lead to less stress and reduce culture shock.

FO. Chi Square analysis indicated that significance was not achieved on the scale of flexibility/openness.. In reviewing the data in Table 2, American business students are more open and flexible (28.3% USA, 24.9% European). Table 1 suggests that American participants ranked higher on the FO scale. The Flexibility/Openness (FO) scale measures the extent to which a person enjoys different ways of thinking and behaving that are typically encountered in the cross-cultural experience. Open, flexible people have a positive attitude toward the unfamiliar. The table percentages reveal alarming results when analyzing the amount of students be they American or European who fall below the average. The items on the FO scale deal with responses to people, situations, and experiences that are different from those that one normally encounters. The definition is provided by the authors of the CCAI, Kelley and Meyers, 1995. Given these disturbing proportions, all educators (European or American) who teach in colleges of business must take greater strides to make certain that students are aware of the emerging global workplace. Educators need to provide students with the skills, aptitudes, and proficiencies that will enable them to interact successfully in the global economy. They need to provide sound reasoning and instruction on the need to be open-minded, encourage participation in activities where they meet others not like themselves, and learn to develop a curiosity and natural respect for each other.

As the Kelley and Meyers (1995), authors of the CCAI, state that open, flexible people enjoy interacting with people who think differently from themselves. They like and feel comfortable with all kinds of people. They are tolerant and nonjudgmental, and they tend to think creatively. People who are open and flexible tend to be nonjudgmental and tolerant of people who are different from them. Given this data, educators who teach American and/or European students should take into consideration these rankings in both above and below averages. Business educators must write prescriptive lesson plans, develop strategic unit plans, and implement curricula designed for experiences which allow for interactions with other cultures.

PAC. Chi Square analysis indicated that significance was achieved at .018 on the scale of perceptual acuity. In reviewing the data in Table 3, American business students have a greater ability to learn and interpret the gestures and body language of different cultures (32.5% USA, 22.6% European). As Kelley and Meyers stated, perceptual acuity is associated with confidence in one's ability to accurately perceive the feelings of others (1995). It is also associated with valuing other cultures and being willing to suspend judgment of others. Although the numbers for American students show a greater understanding of perceptual acuity, both groups need continued guidance, teaching, training and instruction on non verbal communication (body language, cultural cues, gestures), and other aspects. This will lead to improvement in their ability to a person pays attention to and accurately perceives various aspects of the different environments and cultures.

PA. Chi Square analysis indicated that significance was achieved at .000 on the scale of personal autonomy. In reviewing the data in Table 4, American business students have a much stronger personal value system (51.3% USA, 33.0% European). Table 4 suggests that American participants ranked higher on the PA scale. The PA scale measures the extent to which an individual has developed a personal system of values and beliefs that he or she feels confident enough about to act on in unfamiliar settings. At the same time, the scale examines the extent to which an individual



respects others and their value systems. Finally, the authors state this scale examines the pressure to change which is felt by a person in a cross-cultural environment. The table comparisons offer stronger percentages overall whether American or European. American students should be lauded for their strong sense of self awareness, self-confidence, self-directness and strong belief system. This can be a double edged sword when these beliefs and principles are so strong that they may cause conflict when then asked to accept ones different from their own. Given the definition of this scale by Kelley and Meyers, instruction on empowerment should continue since many of its characteristics are associated with this scale (1995), Business instructors who teach large groups of international European students should educate and train students on the ability to effectively gauge their personal identity, values, beliefs, and empowerment in the context of unknown situations, unfamiliar environments, and different values. People who interact with people from other cultures may not get the reactions and reinforcement to which they are accustomed to. Both groups of students will be future managers in the global workplace, so interaction will be likely. To reduce the amount of conflict that could occur, once again, training, education, and discussion of the merits of different values, beliefs, customs, standards and principles should be accepted.

## Summary

The data suggest that significance was achieved in three out of the 4 scales of the CCAI which provide support that American and European students' cultural adaptabilities are different. The null hypothesis is rejected. American students, by pure percentages, fared better in all the four scales. However, the numbers suggest that there is still work to be done in all scales to make our future global managers successful. All students can benefit from being culturally adaptable-whether within the organization or working at international assignments. Many university graduates are hired each year for marketing efforts of foreign-based companies in the United States. These companies are also looking for international and global competence within their managerial ranks (Jeannet, 2004). When reviewing any literature on workplace/culture diversity, one can view a continue theme - future American managers must achieve cultural competence to be triumphant in the organization.

European students lack in all four of the scales in comparison. American educators who teach abroad or teach in business programs with high populations of European students should be cognizant of the fact that the students may not be equipped to assess nonverbal and verbal cues, may not be self confident in assessing culture communication nor be able to pay attention and accurately perceive various aspects of the environment. to which a person pays attention to and accurately perceives various aspects of the environment.. It should be noted as well that the instrument, the CCAI, was normed and validated on traditional populations in the US. Europeans may secure higher ranking using another assessment of cultural adaptability. However, both sets of students need to be well versed in the capacity to:

- Assess cultural dimensions
- Determine nonverbal and verbal cues
- Diminish culture shock
- Accept cultural diversity

- Evaluate trends in global business
- Practice being comfortable in unfamiliar situations
- Consider body language in cultural negotiations
- Gauge receptivity of nuances, slang, and gestures in cultural interactions
- Review cultural taboos related to culture
- Employ sensitivity in cultural confrontations

This list is not exhaustive, but provides direction in helping students, American or otherwise, to become more culturally adaptable. To add to the critical need for these points to be considered, Gordon and Newbury offer

Despite a recognized need for a global mindset, opportunities for US business school students to gain hands-on diversity training regarding intercultural issues remain rare. The reasons for this neglect include a lack of agreement on how to teach intercultural awareness and paucity of faculty to do so (2007).

In a report by the same authors studying business students via a cultural project, 73% of the students reported a strong interest in meeting people from different cultures. So the interest is there. Educators need to capitalize on this trend. The information gained from this study will aid future global managers, both foreign and domestic, help to achieve cultural adaptability in the workplace. It is hoped that with appropriate training, education, experience and knowledge effective managers can recognize and adapt to different work styles and cultures. A good start would be to review the results of this study of Americans or Europeans who are entering the workplace of the 21<sup>st</sup> century. It would also behoove us to realize that we do not possess an isolationist point of view, prejudice, bias or bigotry. The professional who embraces, accepts, supports cultural diversity will enable their organizations to increase employee retention, reduce employee turnover, attract qualified employees, bolster employee satisfaction, improve cultural adaptability, adapt to workplace diversity and expand the importance of cultural knowledge in the global workplace.

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