

**Preparing U.S.-Based Company R to Be  
Culturally Successful in Puerto Rico**

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## **DEDICATION**

To our families for their love, patience, and support during our quest to attain doctoral degrees.

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## Executive Summary

Company R is an off-price retail organization that sells high-quality specialty store brands of clothing and home goods at lower-than-average retail prices. The company started as a small department store in 1957 in northern California and currently has over 2,000 stores in forty-three states across the United States (Company R., 2024). On their first day of employment, store associates are given a copy of the Store Associate Welcome Book (SAWB), a twenty-one-page book filled with important information, including store associate procedures, frequently asked questions, and the TRUE section which outlines the company's cultural standards for which it expects associates to conform. TRUE stands for SafeTy, **R**espect, **U** are the Brand, **E**fficient.

Aware that different cultural norms exist across the United States, Company R consistently researches and analyzes new areas of the country before stores are opened to determine if and what changes need to be made to the TRUE section of the SAWB to effectively attract and retain associates while maintaining the company's core cultural principles.

In July 2025, Company R will embark on a significant new opportunity by opening three stores in Puerto Rico for the first time. The questions explored are:

1. What are the significant differences between what is documented in the TRUE section of Company R's SAWB and Puerto Rican store associate cultural norms?
2. What cultural modifications should Company R make to the TRUE section of the SAWB to put the company in an optimal position to attract and retain Puerto Rican store associates?



Using Hofstede's six cultural dimensions as our conceptual framework, we analyzed Company R's culture against cultural norms in Puerto Rican workplaces. The data collected for the analysis was both quantitative and qualitative. We interviewed five individuals with Puerto Rican retail experience who work in human resources and operational leadership positions. The interviews were based on information obtained from Company R's TRUE section in their SAWB and information obtained from The Culture Factor Group. Additionally, a 19-question survey using a Likert scale was conducted. The questions in the survey were also based on the TRUE section of the SAWB and The Culture Factor Group information. 23 Puerto Rican retail associates responded to the survey.

Our data analysis indicates that Puerto Rican and Company R's workplace cultures do not wholly align, especially in the following areas: management hierarchy, family and friend integration, celebrating successes, and honoring traditions. Given this, Company R should make the following modifications to the SAWB:

**SafeTy:**

Include language ensuring store associates are aware of the different levels of risk that Company R is willing to take (e.g., not pursuing shoplifters).

**Respect:**

Include language that introduces larger-scale recognition opportunities for store associate successes, including groups of store associates; Include language that adds social events outside of work, including family members and close friends; Include language stating that family members and close friends will be invited to company-sponsored events at least twice a year; Include language introducing new holidays, including Good Friday, Mother's Day, Father's Day, and potentially some local saint days.

**U are the Brand:**

Reword the language from expecting store associates to share value-added ideas with store leadership to introducing an opportunity to share them.

**Efficient:**

Reword the language associated with requiring store associate urgency to language touting the importance of supporting the customer but without the word urgent.

In addition, Company R should hire an on-island experienced human resources manager who understands Puerto Rican culture to review our SAWB recommendations, plus make additional culture-based recommendations for the store associate hiring processes:

**Introduction/Organizational Context**

Our partner organization, Company R, is an off-price retail organization that sells high-quality specialty store brands of clothing and home goods at lower-than-average retail prices. The company started as a small department store in 1957 in northern California and grew to six stores within the San Francisco Bay Area over the next few years. The company has over 2,000 stores in forty-three states across the United States (Company R., 2024). Company R does not offer any merchandise for sale on the Internet. Company R's Group Senior Vice President of Human Resources is the project sponsor.

The company expects its associates to conform to the cultural standards it developed over sixty years ago. These standards are documented in the TRUE section of the SAWB, which every new store associate receives upon hire. TRUE stands for:

**T = SafeTy**

- We know, follow, and encourage all safety policies and procedures
- We prioritize our safety and the safety of associates and customers in all situations
- We are aware of hazards in our surroundings and avoid taking unsafe actions
- We immediately correct or report any safety concerns

**R = Respect**

- We are friendly, knowledgeable, and energetic
- We make eye contact, smile, greet, and thank
- We recognize fellow associates for demonstrating TRUE

**U = U are the Brand**

- We maintain a professional appearance in Dress Code
- We keep all areas of the store clean, well-maintained, and merchandised to standard
- We correct or report what is not working

**E = Efficient**

- We maximize productivity by minimizing steps and touches
- We take advantage of downtime to support our team

Knowing different cultural norms exist in areas across the United States, Company R researches and analyzes the culture in every area of the country where it opens new stores to determine whether any of the language in the TRUE section of the SAWB needs to be modified to meet local cultural norms while maintaining the company's core cultural principles. This is critical to ensure associate attraction in each respective area of the country.

In July 2025, Company R will open three stores in Puerto Rico for the first time, and it needs to attract 150 individuals to staff and operate the stores effectively. If the company wants

to attract associates effectively, it will be necessary to determine if the current language in the TRUE section of the SAWB meets the cultural expectations of the workforce in Puerto Rico. If not, Company R must analyze its TRUE principles against Puerto Rican cultural expectations and determine what TRUE language to modify.

## **Problem of Practice**

As Company R is interested in successfully opening and operating three stores in Puerto Rico in 2025, the company is fully committed to learning and understanding the country's cultural norms, balancing the impact of Company R's TRUE section expectations against such norms, and then making appropriate modifications to the TRUE section. Company R has requested that we help them achieve this balance as they feel respected staff will result in comfortable staff, putting them in an optimal position to focus their energy on supporting customers. Given this, our problems of practice are:

1 – What are the significant differences between what is documented in the TRUE section of Company R's SAWBs and Puerto Rican store associate cultural norms?

2– What cultural modifications should Company R make to the TRUE section of the SAWB to put the company in an optimal position to attract and retain Puerto Rican store associates?

The key stakeholders in this project include members of Company R's executive, store, and human resources leadership teams and individuals qualified to work in Company R's Puerto Rican-based stores. Their expertise and insights will be instrumental in shaping the cultural adaptation strategy for the SAWB.

## Review of Literature

### *The Business Case for Cultural Sensitivity in International Expansion*

**Cultural Misalignment in International Business.** As Kathryn Read's (2022) exploration of global business failures demonstrates, companies can face significant setbacks due to cultural misalignments. One prominent example is Walmart's experience in Germany, where the company's failure to understand and adapt to local culture led to unsuccessful market penetration. Walmart's U.S.-centric business practices clashed with German consumer expectations, resulting in a cultural misalignment that ultimately forced Walmart to withdraw from the German market.

Likewise, Disney's venture in France further illustrates the critical role of cultural sensitivity (Novela, 2017). The entertainment giant encountered several cultural challenges - from dress code discrepancies to misaligned management practices. French employees resisted Disney's American-style management and dress codes, which did not resonate with local cultural norms. These issues point to a need for more in-depth cultural understanding and adaptation. These examples emphasize that success in one culture does not guarantee success in another.

Lastly, Dass and Vinnakota (2019) highlight the complexities of cross-cultural communication and the potential for brand misinterpretation in unfamiliar cultural landscapes. They state that successful organizations genuinely comprehend the host country's culture and adopt a holistic approach beyond surface-level understanding. Their research illustrates that merely translating marketing materials or superficially tweaking products is insufficient. Instead, organizations must delve into the intricate social, economic, and historical contexts that shape cultural perceptions and behaviors. Miscommunication and cultural misunderstandings can lead to significant setbacks in business operations and employee relations, such as misinterpreted

marketing messages, ineffective management practices, and decreased employee morale. By adopting a comprehensive cultural analysis, companies can better align their strategies with local expectations and values, thus reducing the risk of cultural blunders and enhancing their chances of success in international markets.

**Need for Cultural Analysis.** Erin Meyer's (2017) insights further validate the need for cultural analysis. Meyer argues that international expansion challenges companies to navigate "cultural potholes" that can disrupt their global strategies. These cultural potholes include differences in communication styles, attitudes toward hierarchy, decision-making processes, and time management. Meyer's work emphasizes that understanding and adapting to these cultural differences is crucial for effective communication and decision-making in a global context. She provides frameworks and tools for analyzing cultural differences to help companies develop culturally informed strategies better suited to the complexities of international markets. As a result, this approach helps organizations avoid misunderstandings and conflicts arising from cultural misalignments and thus enhances their overall effectiveness and success in global operations.

For example, Matt Strach's (2023) guide offers a strategic perspective that advises that a company's culture should include local customs and cultural knowledge. Strach argues that understanding and incorporating local traditions, social norms, and communication styles into the company's culture can substantially enhance its effectiveness in international markets. This approach involves more than just superficial changes; it requires a deep commitment to learning about and respecting the local way of life. By doing so, companies can build stronger relationships with local employees, partners, and customers, improving cooperation and trust. Strach highlights that integrating cultural knowledge helps companies navigate complex social

dynamics and avoid misunderstandings that could derail business efforts. Ultimately, such a culturally attuned strategy can pave the way for smoother operations, more successful negotiations, and long-term success in diverse markets.

**Practical Examples of Cultural Sensitivity.** Joe Kutchera's (2022) series on doing business in Puerto Rico offers practical examples of what Puerto Rican employees anticipate from a cultural viewpoint and real-world scenarios and expectations from the local workforce. His work provides valuable insights into the cultural norms and values influencing workplace behavior and employee expectations in Puerto Rico. Understanding these expectations is fundamental for promoting a workplace environment that is respectful, inclusive, and engaging. By highlighting specific cultural nuances and providing actionable advice, Kutchera's series helps organizations create strategies that align with local cultural norms and thus help to encourage a more harmonious and productive work environment.

Additionally, Vora and Kostova's (2007) study on dual organizational identification within multinational corporations explores the complex interplay between a company's global corporate identity and the local cultural identity of its subsidiaries. They argue that for multinational companies to be successful, they must balance these identities effectively. While a company must maintain its core values and overarching corporate culture, it must also integrate and respect its subsidiaries' local cultural practices and norms. By achieving this balance, companies can promote a sense of belonging and loyalty among local employees who feel their cultural identity is valued and respected within the broader corporate framework. The dual identification helps create a cohesive organizational culture that supports global consistency and local relevance, which helps enhance employee satisfaction, engagement, and performance. Vora and Kostova highlight that such an approach promotes harmony and unity within the

organization and strengthens the company's ability to operate effectively across different cultural contexts.

**Developing Intercultural Competence.** Understanding cross-cultural management, as highlighted in the work of Browaeys and Price (2019), underscores the necessity of developing intercultural competence within organizations. This competence includes recognizing and appreciating cultural differences and implementing management practices that respect and leverage these differences. The two authors emphasize that organizations must go beyond superficial adaptations and deeply integrate cultural understanding into their operational strategies. Such integration can improve employee satisfaction, increase engagement, and enhance performance outcomes by advancing an inclusive and respectful work environment.

Similarly, Edwards (2019) discusses the challenges of transferring employment practices across borders and provides critical insights into the complexities multinational companies face when implementing their home-country HR practices in foreign subsidiaries. Edwards highlights the need for a tailored approach to HR practices that considers unique local labor laws and cultural expectations. This approach would ensure that HR strategies are culturally appropriate and effective to help multinational companies avoid common pitfalls and ensure employees feel valued and respected in their cultural context.

**Understanding the Local Business Environment.** Wild and Wild (2019) stress the importance of grasping the host country's business environment for successful international ventures. They argue that understanding the unique business landscape of a host country is crucial for any company's expansion plans. This involves familiarizing oneself with local market conditions and competitive dynamics and understanding regulatory frameworks, cultural nuances, and consumer behavior. Such comprehensive knowledge enables organizations to make



informed strategic decisions, mitigate risks, and capitalize on local opportunities to enhance their chances of success in the international market.

Moreover, Cable, Gino, and Staats (2013) highlight the importance of personal identity in employee onboarding. They emphasize that recognizing and integrating personal identity elements during onboarding can significantly improve employee engagement and satisfaction. Organizations can encourage a sense of belonging and commitment among new hires by creating onboarding processes that acknowledge and celebrate individual identities. This approach helps build a robust and cohesive workforce that is motivated and aligned with the organization's values and goals.

Finally, insights from Tayeb's research on the transfer of HRM practices across cultures guide adapting management practices to fit local contexts. Tayeb argues that multinational companies often face challenges when implementing their home-country HRM practices in foreign subsidiaries. To overcome these challenges, HR strategies must be tailored to local cultural norms, labor laws, and employee expectations. This cultural adaptation ensures that HR practices are legally compliant and culturally sensitive, improving effectiveness and promoting a positive work environment.

**Navigating Legal and Regulatory Frameworks.** In addition, Siddaramu's (2021) analysis of labor reforms in India provides a cautionary tale about the difficulties of navigating local labor laws and regulations. Siddaramu's study highlights the complexities and challenges multinational companies face when dealing with diverse and often stringent legal requirements in different countries. This analysis stresses the importance of being well-versed in the host country's legal and regulatory framework to ensure compliance and avoid potential legal pitfalls.

Understanding local labor laws, employment standards, and regulatory expectations is pivotal for developing effective HR strategies that are both legally sound and culturally appropriate.

Finally, the comprehensive review by Brewster and Mayrhofer (2019) on comparative human resource management suggests that successful international HR strategies require a deep understanding of the local context. Their research emphasizes that understanding cultural differences and actively incorporating this understanding into HR policies and practices is essential for creating a supportive and effective workplace. Organizations can foster a positive work environment that enhances employee satisfaction and engagement by tailoring HR strategies to fit local cultural norms, labor laws, and employee expectations. This approach helps safeguard legal compliance and promote long-term success in the international market by building a motivated and cohesive workforce.

### ***Strategies for Aligning Business Practices with Cultural Norms***

**Understanding Cultural Norms.** A comprehensive understanding of cultural norms is crucial for any organization looking to establish a presence in a new region. Cultural guides often outline vital norms, including dress, gender equality, hierarchy, communication, and time management, which are essential for tailoring business practices to connect with local values. For example, "Expatriate Arrivals – Doing Business in Different Countries" provides insights into these norms to help organizations navigate cultural expectations ("Doing Business in Different Countries," n.d.). Similarly, resources such as the "Cross-Cultural Management Guide" from Commisceo Global Consulting Ltd. dive into managerial cultural norms and shed light on aspects such as managerial roles, change management, time and priority handling, decision-making processes, and communication and negotiation styles (Resources. Commisceo Global

Consulting Ltd., n.d.). These insights are instrumental in understanding the expectations and behaviors of various business environments.

For example, a study by Martell and Guzman (2019) examines how multinational companies successfully integrated local cultural practices into their business strategies. They found that companies that respected and incorporated local customs, such as the emphasis on family and community, could build stronger relationships with their employees and customers. This integration helped to improve both employee morale and engagement, as well as enhance customer satisfaction and loyalty. These findings stress the importance of understanding and respecting local cultural norms to create a workplace environment that is respectful, inclusive, and engaging.

**Assessing Cultural Alignment.** Hofstede's six dimensions of national culture offer a theoretical framework for systematically categorizing and understanding cultural differences to assess cultural alignment (Hofstede et al., 2010). These dimensions provide insights into the cultural factors influencing organizational behavior and decision-making processes. The dimensions include:

- **Power Distance:** This dimension measures the extent to which less powerful members of organizations and institutions accept and expect that power is distributed unequally. High power distance cultures may be more comfortable with hierarchical structures and centralized authority. Organizations operating in such cultures must recognize and respect these hierarchies to ensure smooth functioning and employee satisfaction (Hofstede, 1984).
- **Individualism v. Collectivism:** This dimension reflects how individuals are integrated into groups. In collectivist cultures, there is a strong emphasis on group cohesion and

loyalty. Organizations must encourage a sense of community and collective responsibility to promote teamwork and collaboration rather than focusing solely on individual achievements.

- **Motivation, Achievement, and Success:** This dimension looks at the distribution of roles related to achievement and success. Cultures high in motivation, achievement, and success value competitiveness, assertiveness, and material success, while those low in motivation, achievement, and success prioritize quality of life, caring for others, and nurturing behaviors. Organizations should create a supportive work environment that values competitiveness and work-life balance.
- **Uncertainty Avoidance:** This dimension indicates how a culture feels threatened by ambiguous situations and seeks to avoid them through strict codes of behavior and belief in absolute truths. High uncertainty avoidance cultures prefer structured conditions and transparent rules. Organizations should implement clear policies and procedures, provide detailed instructions, and ensure a stable working environment to reduce anxiety and increase productivity.
- **Long v. Short-Term Orientation:** This dimension describes the culture's focus on future rewards rather than short-term benefits. Long-term-oriented cultures value perseverance and thrift, while short-term-oriented cultures emphasize respect for tradition, social obligations, and quick results. Organizations should balance long-term strategic planning with short-term goals to align with local cultural expectations.
- **Indulgence v. Restraint:** This dimension measures the degree to which societies allow relatively free gratification of basic and natural human desires related to enjoying life and having fun. Indulgent cultures place a higher emphasis on leisure and enjoying life.

Organizations should consider integrating enjoyment and flexibility into their work environment to improve employee satisfaction and engagement.

By examining these dimensions, organizations can develop culturally aware strategies embedded in the local cultural context. This nuanced understanding of cultural factors enables organizations to tailor their management practices, communication styles, and operational procedures to align with the cultural norms and values of the society in which they operate.

Additionally, Hofstede's work emphasizes that cultural awareness is not just about recognizing differences but also understanding their underlying reasons and how they impact organizational behavior (Hofstede, 2001). This comprehensive approach helps organizations promote better relationships with employees, customers, and stakeholders in a way that can lead to more successful and sustainable business operations.

**Adapting HR Practices to Cultural Context.** Research on international HRM practices highlights the need to adapt HR strategies across different cultural settings. Randa's (2003) work on international HRM practices for Swedish companies provides insights into customizing HRM practices to align with local cultural contexts. Here, Randa emphasizes the importance of understanding local labor laws, employee expectations, and cultural norms to develop HR policies that are both effective and respectful of local traditions. For instance, Swedish companies operating abroad often need to adjust their performance evaluation criteria, compensation structures, and employee development programs to reflect the local cultural emphasis on collective achievement and seniority. This customization ensures that HR strategies are culturally appropriate and adequate to promote higher employee engagement, satisfaction, and productivity. By aligning HR practices with local values, companies can create a harmonious work environment that respects cultural diversity while maintaining organizational coherence.

Additionally, a study by Kim and Gray (2005) on adapting HR practices in multinational corporations in South Korea demonstrates the importance of integrating local labor practices and cultural norms into HR strategies. Their research found that companies that adapted their HR practices to fit local customs, such as seniority-based promotion and collectivist team structures, were more successful in achieving employee satisfaction and loyalty. This adaptation helped maintain core corporate values while respecting and incorporating local cultural expectations, which are vital for promoting employees' sense of belonging.

**Tailoring Onboarding Processes.** Tailoring onboarding processes to highlight individual identities within the cultural context can enhance employee engagement and retention. Insights from Cable, Gino, and Staats (2013) on reinventing employee onboarding suggest that emphasizing cultural fit during onboarding can lead to better integration and satisfaction among new employees. Their research highlights that traditional onboarding processes often overlook the importance of cultural fit, resulting in new hires feeling disconnected and undervalued. By focusing on cultural fit, organizations can create a more welcoming and inclusive environment that acknowledges and respects the diverse backgrounds of their employees. This approach helps new employees quickly adapt to the organizational culture and thus encourages a sense of belonging and commitment from the outset.

For example, a study by Klein, Polin, and Sutton (2015) found that onboarding programs tailored to align with the cultural values of new hires considerably improved their job satisfaction and organizational commitment. They discovered that new employees are more likely to feel motivated and engaged when their values align with the organization's. This alignment helps to enhance their job satisfaction and strengthen their emotional attachment to the organization. Accordingly, the study suggests that incorporating cultural elements into onboarding processes,

such as culturally relevant training materials, mentorship programs, and team-building activities that respect cultural norms, can help new employees feel more connected to the organization. This, in turn, leads to higher retention rates and better performance outcomes as employees are more likely to stay with an organization where they feel valued and understood.

**Leadership and Organizational Culture.** The GLOBE study by House et al. (2004) offers a detailed examination of cultural dimensions that complement Hofstede's framework and focus on leadership and organizational practices. The study identified nine cultural dimensions and highlighted that different cultures have distinct preferences for leadership styles. In high power distance cultures, there is a preference for autocratic and paternalistic leadership, where leaders provide clear direction and maintain authority while showing care for subordinates. Additionally, collectivist cultures value team-oriented and participative leadership that stresses collaboration and group goals over individual ambitions.

Moreover, Schein's (2010) work on organizational culture and leadership underlines the role of leaders in embedding cultural values within an organization. Schein identifies three levels of organizational culture: artifacts, espoused values, and basic underlying assumptions. Leaders are crucial in shaping these cultural elements by acting as role models and reinforcing desired behaviors through organizational practices and policies. For example, leaders should provide clear guidelines in high uncertainty avoidance cultures and create a supportive environment to mitigate uncertainty.

Integrating insights from the GLOBE study and Schein's framework helps leaders develop culturally congruent leadership practices that enhance employee engagement, satisfaction, and organizational effectiveness. This cultural alignment builds trust and credibility, increasing employee commitment and loyalty.

**Creating an Inclusive Organizational Climate.** Creating an inclusive organizational climate that aligns with local cultural values enhances employee satisfaction and engagement. Schneider, Ehrhart, and Macey (2013) underscore the importance of promoting an inclusive environment to increase productivity and retention rates. They argue that inclusivity leads to a more committed and motivated workforce.

Likewise, Trompenaars and Hampden-Turner (2012) highlight the significance of cultural diversity and the need for flexible strategies that adapt to diverse cultural contexts. They emphasize that recognizing and valuing cultural differences can lead to more innovative and effective organizational practices. Trompenaars and Hampden-Turner argue that embracing cultural diversity allows organizations to draw from a broader range of perspectives and problem-solving approaches, which can help foster creativity and innovation. They also point out that flexible strategies that accommodate different cultural norms and values can improve communication, reduce conflicts, and build stronger, more cohesive teams. By integrating these diverse viewpoints, organizations can enhance their adaptability and resilience and, as a result, make them better equipped to navigate the complexities of the global market.

**Leveraging Diverse Cultural Perspectives.** Bartlett and Ghoshal's (1989) work on managing across borders emphasizes the necessity of understanding and integrating diverse cultural perspectives for successful multinational operations. They highlight that appreciating cultural differences is crucial for effective global management. Bartlett and Ghoshal argue that companies must move beyond a one-size-fits-all approach and instead tailor their strategies to fit the unique cultural contexts of each market. This involves recognizing local business practices, communication styles, and decision-making processes. By doing so, organizations can build stronger relationships with local stakeholders, enhance their responsiveness to market needs, and



gain a competitive advantage. Integrating diverse cultural perspectives also helps promote a more inclusive organizational culture where diverse viewpoints are valued and leveraged for innovative solutions.

Correspondingly, Adler's (2008) exploration of international dimensions of organizational behavior further explains how cultural differences impact management practices and employee interactions. She argues that recognizing these differences can enhance organizational effectiveness and employee relations. Here, she emphasizes that managers must develop cultural competence to navigate the complexities of multicultural environments. This competence includes understanding cultural norms, values, and behaviors and adapting management practices accordingly. By doing so, organizations can improve communication, reduce misunderstandings, and build trust among diverse teams. By leveraging these concepts, organizations can help develop culturally sensitive management strategies that enhance employee satisfaction and engagement and drive better performance and successful global operations.

**Navigating Cultural Diversity.** Thomas and Peterson's (2017) book on cross-cultural management offers essential concepts and frameworks for navigating cultural diversity. They provide tools for understanding and managing cultural differences that emphasize the importance of cultural awareness and adaptability in global business contexts. Their frameworks help leaders recognize and bridge cultural gaps in a manner that will help to safeguard effective communication and collaboration across diverse teams.

For example, a study by Javidan, Dorfman, Luque, and House (2006) explored the impact of global leadership on organizational success. They found that leaders who understand and adapt to cultural differences are more successful in international business operations. The study emphasizes the need for leaders to be aware of cultural variations in values, practices, and

expectations to manage and lead diverse teams effectively. This awareness helps create culturally congruent and practical strategies, promote better team performance, and achieve organizational goals in multicultural settings.

**Communication and Cultural Context.** Hall's (1976) work on high-context and low-context cultures provides vital insights into communication styles and cultural interactions. High-context cultures, like Puerto Rico, rely heavily on implicit communication, non-verbal cues, and the context surrounding the message. Understanding these nuances is crucial for tailoring communication strategies to fit the cultural norms of such environments. Relationships and trust are paramount in high-context cultures, and messages are often indirectly conveyed, requiring a deeper understanding of the social and cultural context. This knowledge helps organizations avoid miscommunication and build stronger relationships with local stakeholders.

Rugman and Collinson's (2012) comprehensive coverage of international business strategies reinforces the importance of incorporating cultural differences into global business practices. They argue that recognizing and respecting cultural variations can significantly enhance a company's ability to operate effectively in international markets. Organizations can improve their adaptability and responsiveness to local market conditions by integrating cultural considerations into their strategies. This approach fosters better communication and collaboration and contributes to more effective marketing, negotiation, and management practices in diverse cultural settings.

**Developing Cultural Intelligence.** Earley and Mosakowski's (2004) concept of cultural intelligence (CQ) is critical for effective cross-cultural interactions. CQ involves understanding, interpreting, and adapting to cultural differences, enabling individuals to navigate various cultural contexts successfully. Developing CQ within the workforce promotes better teamwork

and collaboration across cultural boundaries. Employees with high CQ are more adept at interpreting unfamiliar cultural cues and adjusting their behavior accordingly, which enhances communication and reduces misunderstandings. This adaptability is crucial for creating a cohesive and inclusive work environment where diverse teams thrive.

Equally important, Black, Morrison, and Gregersen (1999) highlight the importance of developing global leadership skills for international business success. They emphasize the need for cultural intelligence (CQ) among leaders, which involves the capability to function effectively across various cultural settings. Leaders with high CQ can better understand cultural nuances, adapt their management styles, and make informed decisions that respect and leverage cultural differences. This cultural intelligence is crucial for encouraging effective global operations and ensuring that leadership strategies are culturally congruent and effective.

Lastly, Solomon's (1994) article on the importance of cultural adaptation in international business highlights that success abroad requires more than business acumen. Solomon emphasizes the need for understanding and adapting to cultural nuances and argues that cultural sensitivity is essential for building strong relationships with local partners and stakeholders. This cultural adaptation goes beyond simple gestures; it involves a deep appreciation of local customs, values, and business practices. Organizations prioritizing cultural intelligence and adaptation are better equipped to navigate the complexities of international markets and, as a result, can lead to more sustainable and successful global operations.

## ***Summary of Key Insights: The Strategic Importance of Cultural Sensitivity***

This extensive literature review highlights the critical importance of cultural sensitivity and adaptation for successful international business operations. Understanding and aligning with local cultural norms is essential for fostering effective communication, leadership, and organizational practices. Tailoring HR practices, onboarding processes, and leadership styles to fit diverse cultural contexts can significantly enhance employee satisfaction, engagement, and retention. Moreover, creating an inclusive organizational climate that respects and leverages cultural diversity improves productivity and builds trust and credibility among employees and stakeholders. By adopting a multifaceted approach that integrates cultural intelligence and flexible strategies, organizations can navigate the complexities of international markets in such a manner that can lead to more sustainable and successful business operations.

## **Conceptual Framework**

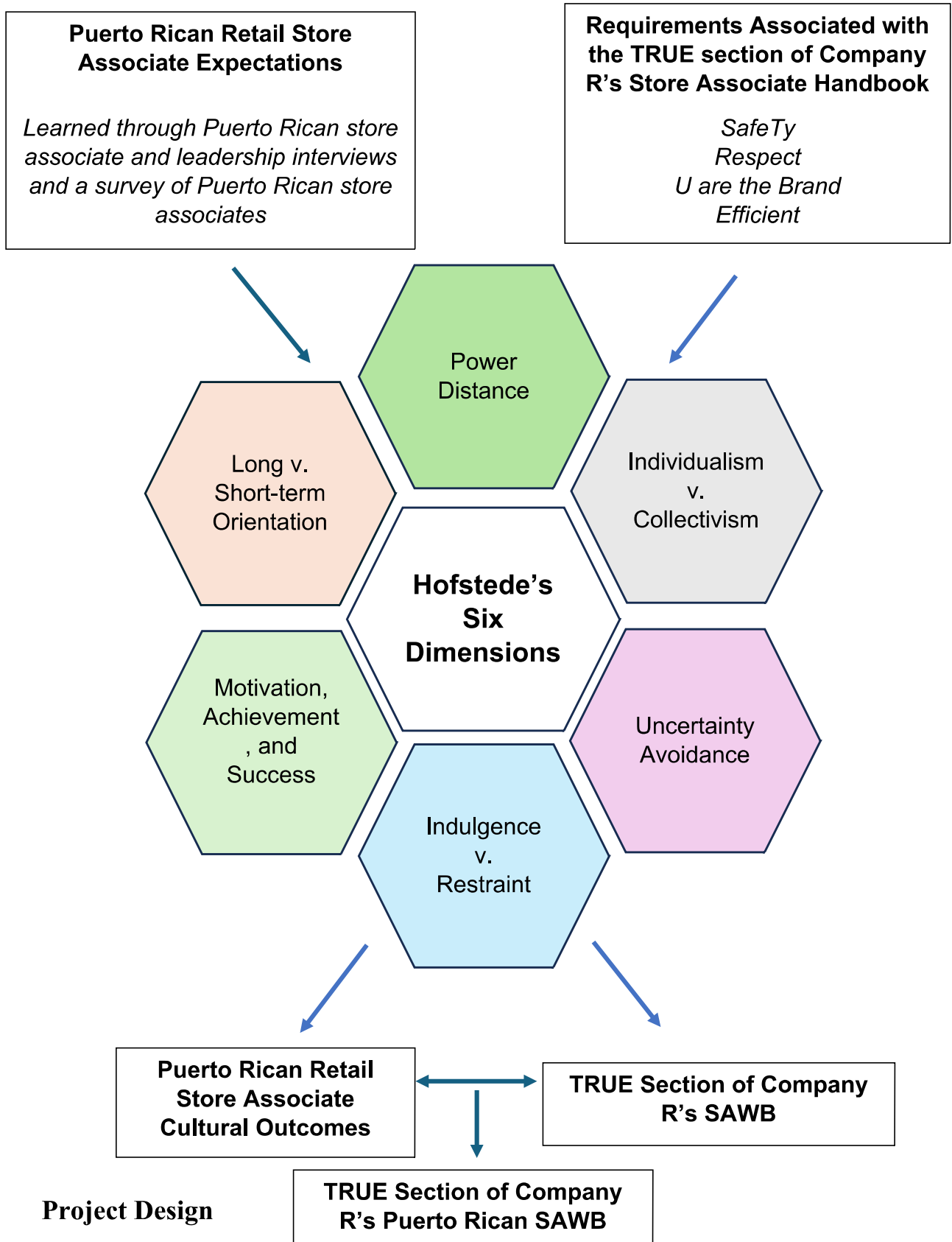
Given that Puerto Rican store associates will be expected to execute the job requirements documented in the U.S. culturally designed TRUE section, it is crucial to determine if such requirements positively resonate with them from a cultural standpoint. If not, Company R will likely experience challenges attracting associates as individuals will not feel respected working for the company.

To determine if TRUE's requirements resonate with Puerto Rican store associates, we looked to Geert Hofstede, the architect of six cultural dimensions that provide a comprehensive framework for understanding how cultural differences impact various aspects of human behavior within organizations. His six dimensions are power distance, individualism v. collectivism, indulgence v. restraint, motivation, achievement, and success; uncertainty avoidance; and long v. short-term orientation.

Understanding each of the dimensions in the context of Puerto Rican store associate expectations and the requirements outlined in the TRUE section of Company R's SAWB will result in better intercultural understanding. Such understanding will allow Company R to decide whether it wants to modify TRUE areas to better conform with Puerto Rican store associate expectations.

By leveraging Geert Hofstede's six dimensions of culture, we can understand how cultural differences impact various aspects of human behavior within organizations. Applying this understanding to the context of Puerto Rican store associate expectations and the requirements outlined in the TRUE section of Company R's SAWB, we can envision a more harmonious and productive work environment. This understanding will empower Company R to decide whether it wants to modify TRUE areas to better conform with Puerto Rican store associate expectations (see Figure 1).

**Figure 1: Conceptual Framework as Applied to Company R**



### ***Data Collection Methods***

We used mixed-method data, incorporating both quantitative and qualitative components. The quantitative piece of our research was a 19-question Likert scale survey given to individuals working in Puerto Rican retail stores. We received 23 completed surveys. The survey participants were people contacted on LinkedIn, plus personal and business contacts.

The qualitative component is directly linked to Hofstede's six cultural dimensions. The Culture Factor Group was a crucial part of our research as it played a significant role in validating the data and enhancing the reliability of our findings. Our first interview was with the CEO of The Culture Factor Group, who developed a numeric scale of Hofstede's six cultural dimensions. This scale measures 110 different countries' cultural dynamics using Hofstede's six cultural dimensions, with the United States and Puerto Rico being two of the countries analyzed.

We conducted four additional interviews with mid-level and senior-level managers from organizations transitioning from operating solely in the contiguous United States to the contiguous United States and Puerto Rico. These interviews were conducted with participants we connected with through our business affiliations, further emphasizing the thoroughness and dedication of our research.

### ***Cultural Dimensions Survey***

The survey developed based on our literature review, conceptual framework, The Cultural Factor Group data, and conversations with our corporate partner, Company R, played a crucial role in our research. The survey collection process started on March 4, 2024, and ended on May 10, 2024. The survey comprised 19 questions using a five-point Likert scale (Appendix 1 - The Survey). Each question was directly related to one of Hofstede's dimensions, with power distance having five questions, individualism v. collectivism having four questions, and long v.

short-term orientation having three questions. The three more aligned dimensions, restraint v. indulgence, had three questions, and motivation, achievement, and success, and uncertainty avoidance each had two questions. All the participants were current retail associates working in Puerto Rico. All survey participants directly correlate to the population group we are attempting to generalize due to their current work status. We obtained survey participants in several different ways.

Our survey process was comprehensive. We utilized LinkedIn, individual, and business contacts to reach out to potential participants who met our criteria. Approximately 125 individuals were invited to participate, and we received responses from 23, resulting in an 18% response rate. The Culture Factor Group designed the survey to align with Hofstede's six cultural dimensions. The survey was conducted anonymously and served the primary purpose of validating the data from The Culture Factor Group, thereby ensuring the accuracy and reliability of our research.

### ***Interviews***

We also conducted five interviews. Four of the five invitees participated and were all business associates of the researchers. Each has at least five years of experience overseeing Puerto Rican retail store associates. The first interview occurred on March 4, 2024, and the last on May 15, 2024. There were two different types of interviews. The first was with the CEO of The Culture Factor Group, as described above. The second set of interviews was conducted with human resources and operational leadership working in retail organizations with corporate offices in the United States and retail store operations in Puerto Rico. The interviewees' breadth, depth, and experience directly spoke to the differences between cultural dynamics in the United States and Puerto Rico and their impact when transitioning operations solely from the United



States to the United States and Puerto Rico. We used Zoom to conduct all interviews and recorded the interviews with the participants' permission.

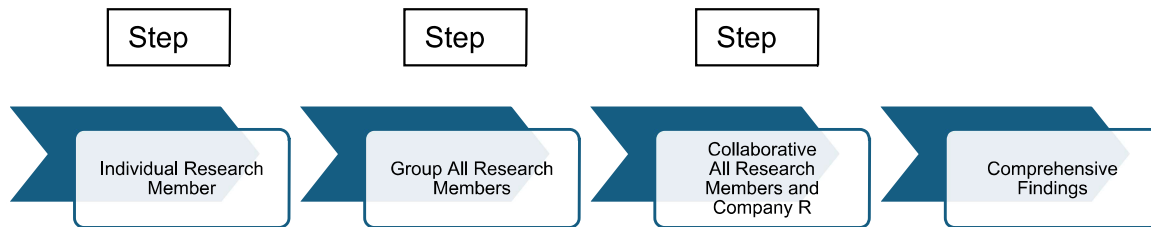
Each interview comprised seven open-ended questions (Appendix 2 - Interview Questions). Every human resource and operations leader said their company performed a cultural alignment analysis when they entered Puerto Rico. They were familiar with such analyses as their companies had opened stores in other international locations. Hofstede's cultural dimensions, power distance, long v. short-term orientation, and individualism v. collectivism are very different in the United States and Puerto Rico. Indulgence v. restraint, motivation, achievement, and success; and uncertainty avoidance show a negligible or limited difference between the United States and Puerto Rico.

### ***Data Collection Challenges***

The most significant data collection challenge was getting enough participants for our survey. The response rate, which was lower than we hoped, is a crucial factor as it directly impacts the representativeness and reliability of our research findings. A higher response rate would have provided a more comprehensive understanding of the cultural dynamics in Puerto Rico. Our initial plan was to send out an initial request and two reminders. We needed to send five requests/reminders and even had to make telephone contact to complete the last five surveys.

## Data Analysis

**Figure 2 Analysis**



### ***Comprehensive Data Analysis Process***

Our data analysis process was thorough and rigorous to help ensure the reliability of our findings. We used a systematic approach to analyze the survey and interview data to derive comprehensive and nuanced insights. This was not a solitary endeavor but a collaborative one where each research member contributed to reviewing the tabulated survey results and developing conclusions. We then compared these findings and built themes and threads from the data. From there, the information compiled during the joint research members' session was used to create an initial findings report for the survey, which we shared with critical stakeholders in Company R to ensure the inclusivity and transparency of our research process.

### ***Quantitative Data Analysis***

The analysis of the survey data was quantitative and based on the answers given from the Likert scale within the survey. Each of the 19 questions directly related and aligned with one of Hofstede's cultural dimensions. The survey was designed to capture nuanced responses across these dimensions, ensuring each question provided insight into specific cultural traits. Once the survey responses were collected, we tabulated the data using Microsoft Excel. Each survey question was aligned with one of Hofstede's six cultural dimensions: power distance, individualism v. collectivism; motivation, achievement, and success; uncertainty avoidance; long

v. short-term orientation; and indulgence v. restraint. This alignment allowed us to categorize the data effectively and facilitate a more structured analysis.

We employed descriptive analysis techniques to interpret the data. This involved calculating key statistical measures for each Likert scale item's means, medians, modes, and standard deviations. These measures helped us understand the central tendencies and variability within the responses. For instance, we could identify the participants' general trend or average sentiment by calculating the mean response for each question. Standard deviations provided insight into the consistency of responses and helped identify whether there was broad agreement or significant variation among participants. A table describing the survey results can be found in Appendix 3 – Survey Results.

In addition to descriptive statistics, we constructed frequency distributions for each question. This involved counting the responses for each Likert scale point (e.g., strongly agree, agree, neutral, disagree, strongly disagree) and presenting these counts in a tabular or graphical format. Frequency distributions helped us visualize the spread of responses and identify patterns. For example, if many respondents selected "strongly agree" for a particular question, it suggested a strong consensus on that aspect of the cultural dimension.

To ensure the accuracy and reliability of our findings, we compared our survey results with The Culture Factor Group's model. This involved a detailed comparison and contrast of our survey findings with the established model. We examined whether the patterns observed in our data aligned with the predictions and benchmarks set by The Culture Factor Group's model. Any discrepancies were analyzed to understand potential reasons and implications. This comparative analysis helped validate our survey data and ensured our findings were credible and grounded in a well-established theoretical framework.

Confirming the validation and reliability of our survey data was a critical step. The detailed comparison with The Culture Factor Group's model was a cross-validation method. By aligning our findings with a recognized model, we could confirm the reliability of our conclusions. Additionally, the comprehensive nature of our descriptive analysis and frequency distributions further strengthened the credibility of our results.

### ***Qualitative Data Analysis***

For the interview data, we used thematic coding to identify key patterns and themes that emerged from the responses. Thematic coding is a systematic process in which we develop thematic codes based on the existing literature and our conceptual framework centered on Hofstede's cultural dimensions. Each interview transcript was carefully reviewed to ensure a comprehensive understanding of the content. The most extended interview was 32 minutes, and the shortest was 22 minutes. Relevant sections were identified and coded according to the following dimensions: power distance, individualism v. collectivism; motivation, achievement, and success; uncertainty avoidance; long v. short-term orientation; and indulgence v. restraint.

For instance, exploring power distance, we looked for themes related to acceptance of authority and perceptions of hierarchical structures. We paid particular attention to statements reflecting attitudes towards supervisors and organizational hierarchy. In the context of individualism v. collectivism, we identified themes such as team orientation and personal achievement that focused on how respondents viewed teamwork versus individual accomplishments. These codes were then systematically applied to the interview transcripts to extract relevant data. This process involved multiple iterations to ensure consistency and accuracy. Each research member independently coded a set of transcripts and then compared results to reconcile discrepancies to ensure high intercoder reliability.

Through this thorough approach, we built a rich dataset that provided a nuanced understanding of the cultural dynamics. The thematic codes allowed us to identify common patterns and divergences, which are crucial for developing a comprehensive analysis (Appendix 4 – Thematic Codes).

### ***Triangulation of Data***

We employed a triangulation process to confirm the strength and validity of our findings. This involved several steps to ensure a comprehensive analysis. First, we thoroughly analyzed the interview data to identify key themes and insights. This qualitative analysis involved thematic coding, where we systematically reviewed each transcript to extract relevant data points related to Hofstede's cultural dimensions. By identifying recurring themes, we were able to develop a nuanced understanding of the cultural dynamics at play.

Second, we conducted a detailed survey analysis to quantify these themes and explore broader patterns. This quantitative analysis involved tabulating the survey responses, calculating descriptive statistics, and constructing frequency distributions. By aligning each survey question with one of Hofstede's six cultural dimensions, we could categorize the data effectively and identify central tendencies and variability within the responses.

Finally, we incorporated the findings from both data sources by comparing and contrasting them. This comparative analysis allowed us to cross-validate our qualitative and quantitative findings to ensure our conclusions were grounded in multiple lines of evidence. By examining the consistency between the interview and survey data, we were able to confirm the reliability of our results.

Taken together, this process of triangulation ensured that our findings were comprehensive and credible. By integrating qualitative insights with quantitative data, we were able to provide a complete understanding of the cultural dimensions in both contexts. This approach reinforced the validity of our analysis and allowed us to draw meaningful and accurate conclusions from the data.

### ***Addressing Concerns in Data Analysis***

Throughout the analysis process, several potential concerns were critical. One primary concern was ensuring the reliability and validity of our thematic codes. To address this, we conducted intercoder reliability checks. This involved multiple researchers independently coding a subset of the transcripts and comparing results to confirm consistency. By reconciling any discrepancies in the coding, we ensured a high level of agreement among the coders, strengthening our qualitative findings' reliability.

Another significant concern was the potential for response bias in the survey data. Response bias can occur when participants do not answer survey questions truthfully or accurately, often due to social desirability or misunderstanding of the questions. To mitigate this, we carefully designed our survey items to be clear and unbiased, and we used statistical techniques to identify and control any differences in the data.

## **Findings**

### ***Findings Related to Project Question 1***

What are the significant differences between what is documented in the TRUE section of Company R's SAWBs and Puerto Rican store associate cultural norms?

Hofstede's six cultural dimensions were the conceptual framework used to analyze cultural norms in Puerto Rico as they relate to retail associates. The analysis was conducted through primary research, including interviews and surveys with local Puerto Rican associates, and secondary research, including academic studies and government reports. The findings indicate that Company R and Puerto Rican cultural norms are misaligned in three of Hofstede's six cultural dimensions (power distance, individualism v. collectivism, and long v. short-term orientation). There is less cultural misalignment in three dimensions (indulgence v. restraint; motivation, achievement, and success; and uncertainty avoidance). In this section, we break down the findings into two sections. The first section will focus on three of Hofstede's six cultural dimensions that are significantly misaligned between Company R and Puerto Rican cultural norms, and the second section look at the three remaining Hofstede cultural dimensions that are less misaligned.

### ***Significantly Misaligned Cultural Dimensions***

Three of Hofstede's cultural dimensions demonstrate significant misalignment, including power distance, individualism v. collectivism, and long v. short-term orientation. The cultural norms of Company R diverge markedly from Puerto Rican cultural norms in these three dimensions, which could greatly hinder associates from operating within Company R according to their cultural norms. These three dimensions necessitate the most adjustments in the TRUE section of the SAWB.

### ***Power Distance***

Power distance is the extent to which less powerful members of a society accept and expect that power is distributed unequally. Managers are unlikely to ask associates for input in

power-distance workplaces, while in low-power-distance workplaces, associates are expected to share their ideas with management.

Our research indicates that Puerto Ricans have a high-power distance culture. Puerto Ricans are accustomed to accepting an unequal power structure that is hierarchical with a top-down driven agenda. Direction comes from the leaders at the top and flows down to the sales associates. In our survey, 90% of the respondents strongly agreed or agreed that they like it when their managers ask for ideas on improving the company, which indicates a hierarchical structure. A second survey question that asked if they expected to be told what to do at work came back with three of twenty-three responses disagreeing or strongly disagreeing, an 87% response rate toward a high-power distance culture. The Culture Factor Group has Puerto Rico rated at 68 in power distance, which means Puerto Rico operates under a hierarchical structure where everybody has a place. There is no further need for justification (The Culture Factor Group, 2011). One of our interviewees stated that respect is the cornerstone of Puerto Rican culture, and a hierarchical structure with direction coming from the top enables Puerto Rican associates to show respect by following directions. This high-power distance culture may pose challenges for Company R, which operates under a more egalitarian management style. Associates are expected to share ideas as their skills and knowledge are respected by leadership. Company R is more in line with the United States power distance culture, where hierarchical structures are more for convenience, and there is more significant interaction between all levels of the structure. While operating in the United States, Company R states that associates must share improvement ideas with management without being prompted. The concept of sharing ideas without being prompted goes directly against Puerto Rican power distance culture.



### ***Individualism v. Collectivism***

Individualism v. collectivism is based on how individuals integrate into groups. Workplaces with an individualistic culture stress individual achievement and rights, while workplaces with a collectivist culture place greater importance on the goals and well-being of the group. Our findings indicate that Puerto Rico is a highly collectivist culture where associates focus more on the group than themselves individually. In Puerto Rico, it is not unusual for societal members to operate in an extended family where coworkers and other non-relatives are considered part of the family. Three different interviewees stated that Puerto Ricans view their coworkers as extended family. In this type of culture, employee/employer relationships are perceived in moral terms where the group you are in matters, and management controls all groups. Loyalty is paramount in a highly collective culture. In our survey, three of the questions went directly to individualism v. collectivism; of the sixty-nine total responses, only sixteen responses agreed or strongly agreed with an individualistic lean. Based on the numbers, more than 75% of the responses pointed toward a collective culture. One survey question asked if they have a winner-take-all-all mindset linked directly to individualism. 16 of the 23 respondents disagreed or strongly disagreed with this.

Company R operates in what can be described as a low collectivist culture that borders on individualism. In some ways, its operations in the United States mirror the country's individualistic tendencies, with the expectation that people will look after themselves. Loyalty is less crucial than in a collective culture. There needs to be more alignment between Puerto Rican cultural norms and Company R regarding individualism v. collectivism.

### ***Long v. Short-term Orientation***

The degree to which cultures encourage delaying gratification or their members' material, social, and emotional needs. Long-term orientation workplace cultures focus on the future in a way that delays short-term success in favor of success in the long term. Short-term orientation workplace cultures focus on the near future, including quick results and respecting tradition.

High Short-term Orientation is the cultural dynamic in Puerto Rico. Puerto Rican associates focus on more immediate gratification and respect for their traditions based on this cultural dynamic. Awareness and respect for traditions are critical to ensuring a positive workplace. High Short-term orientation cultures look for the absolute truth and are focused on quick results instead of waiting for a future return (The Culture Factor Group). Another component of this cultural dynamic is that fulfilling societal obligations is a prime component that ties back to Puerto Rico being a collective culture. Four interviewees stated traditions matter in Puerto Rico; when asked if traditions were critical, nineteen out of twenty-three survey respondents strongly agreed or agreed, an 86% positive response. Only 22% of the survey respondents strongly agreed with planning versus being more spontaneous.

Company R has a culture with a low long-term orientation. Company R focuses on respect and dignity. However, respect and dignity are based on United States cultural norms, including language and United States traditions and holidays. Company R focuses more on the future and longer-term gains than associates' immediate social and emotional needs. Company R does not continually recognize high-level or outstanding work but does it infrequently with a greater emphasis on innovation. The lack of recognition on a more frequent basis directly contrasts with the need for a higher short-term orientation culture. Due to their different cultural

norms, several parts of this cultural dimension must be revised between Puerto Ricans and Company R.

### ***Less Misaligned Cultural Dimensions***

The remaining Hofstede cultural dimensions, indulgence v. restraint; motivation, achievement, and success; and uncertainty avoidance, are minimally misaligned. Company R's cultural norms diverge slightly from Puerto Rican norms in these three dimensions, which would not significantly hinder associates from operating within Company R according to their cultural norms. These three dimensions necessitate the minimum adjustments in the TRUE section of the SAWB.

### ***Indulgence v. Restraint***

Indulgence v. restraint is the extent and tendency of a society to fulfill its desires. High levels of indulgence in the workplace indicate the need for relatively free gratification. In contrast, low levels of indulgence in a workplace demonstrate restraint, as there is a tendency to suppress the gratification of needs and regulate them through social norms.

Puerto Ricans display a medium indulgence culture. They display a positive attitude and tend towards optimism. In addition, they place a higher degree of importance on leisure time, acting as they please, and spending money as they wish. Two interviewees stated that Puerto Ricans want and need to have fun while working and interacting with others. One of the overarching themes from the interviews was that Puerto Ricans want to enjoy themselves as often as possible. Twenty of the twenty-three respondents strongly agreed or agreed that it is essential to be friendly, knowledgeable, and energetic at work. Sixteen of the twenty-three

respondents, 70%, believe being friendly and conversing with customers while checking them out is more important than moving quickly and efficiently.

Company R is a low indulgence culture described by the motto of work hard, play hard, but the play hard component is based on United States cultural leisure ideas. Company R leans toward restraint and focuses more on individual responsibility. There is no significant gap between Puerto Rican cultural norms and Company R regarding indulgence v. restraint. One survey question on indulgence focused on being friendly, knowledgeable, and energetic, with nineteen responses out of twenty-three pointing toward a segment of indulgence aligning with Company R's values.

### ***Motivation, Achievement, and Success***

This focus is based on societal values placed on motivation, achievement, and success. A high-level motivation, achievement, and success workplace culture values assertiveness, courage, strength, and competition. A low-level motivation, achievement, and success workplace culture values cooperation, nurturing, and quality of life. This section's primary focus is motivation and how one quantifies success. A high-level culture focuses on competition and achievement, with success defined by the winner. A low-level culture sees success as caring for others and liking what you do. The Culture Factor Group rates Puerto Rico at 56, an intermediate rating.

Puerto Rico has a medium high-level-leaning culture but does show some tendencies within the low-level side of the dimension. Associates are proud of their successes and achievements in life. There is a competitive spirit amongst associates as they aim to achieve success. Our survey conclusively shows that Puerto Rico has strong high-level motivation,

achievement, and success, plus some low-level tendencies. One survey question had responses that skewed high-level by more than 65%, and one question skewed low-level by more than 82%.

Company R has a slightly low-level motivation, achievement, and success culture. It prides itself on humility. As a result, successes are rewarded, but on a tiny scale. Company R and Puerto Rican cultural norms regarding motivation, achievement, and success could be more aligned.

### ***Uncertainty Avoidance***

The cultural dimension of uncertainty avoidance looks at how threatening change is to a culture. High uncertainty avoidance cultures in a workplace mean low tolerance for uncertainty, ambiguity, and risk-taking. Low uncertainty avoidance cultures in the workplace accept and feel comfortable in unstructured situations and try to have as few rules as possible.

Puerto Ricans have a low uncertainty avoidance culture. According to two interviewees, associates are relaxed and not adverse to taking risks within their areas of responsibility or expertise. The Culture Factor Group suggests that Puerto Ricans are relaxed and not adverse to taking risks. Consequently, there is more acceptance of new ideas and innovation and a willingness to try something new or different, whether it pertains to technology or business practices. Our survey showed us that only 26% of the respondents were averse to taking risks.

Company R operates with a low uncertainty avoidance culture. From a customer support standpoint, taking appropriate steps, including risks, is welcomed but is generally expected to be

within the box of safety and reason. Overall, Company R has no concern about this cultural dimension as Company R's and Puerto Rican uncertainty avoidance align well.

## **Recommendations**

### ***Findings Related to Project Question 2***

What cultural modifications should Company R make to the TRUE section of the SAWB to put the company in an optimal position to attract and retain Puerto Rican store associates?

The recommendations are organized according to Hofstede's six cultural dimensions so that Company R's organizational culture in Puerto Rico will align with Puerto Rican cultural norms as effectively as possible.

### ***Power Distance***

The biggest issue between the two cultural norms in power distance revolves around the difference in the hierarchical system accepted in Puerto Rico and the one that Company R uses. The two recommendations below will change how Company R will operate in Puerto Rico versus the United States.

- Reword the language in the TRUE section of the SAWB from expecting store associates to share value-add ideas with store leadership to presenting an opportunity to share value-add ideas.
- Introduce monthly meetings where store associates can freely present improvement ideas to store leadership.

By implementing these two recommendations, Company R will embrace a culture more aligned with Puerto Rico while still being able to get associates' input on improvement and innovation. The changes for these two recommendations are handled by different parts of Company R. The SAWB modifications fall under the purview of the Corporate Human

Resources (HR) Department. The SAWB will also need to include a monthly meeting. Still, it will also have to become part of the operating procedures for Company R in Puerto Rico.

Ensuring the monthly meetings occur in each store in Puerto Rico will be the responsibility of the regional manager overseeing Puerto Rico.

### ***Individualism v. Collectivism***

The issue is that Puerto Rico has a collectivist cultural dynamic, while Company R leans slightly more toward an individualistic culture. Company R must consider the extended family dynamic and ensure management understands how Puerto Ricans perceive loyalty and group interaction and dynamics.

- Hire an on-island Puerto Rican HR support resource who speaks Spanish, understands Puerto Rican culture, and can develop ways to foster relationships amongst all associates.
- Ensure family members and close friends are included in company-sponsored events at least twice a year.

Hiring an on-island HR support person will show that Company R embraces and understands the differences between cultural expectations in its current operations and Puerto Rico. The concept of extended family is fundamental in Puerto Rico and foreign to Company R. Creating events sponsored by Company R that incorporate this idea will ensure cultural alignment and show respect for Puerto Rican culture. Hiring and interacting with an on-island HR person will fall under the responsibility of Corporate HR. The company-sponsored events focused on extended families will be conducted under the regional manager's and corporate operations' purview.

### ***Long v. Short-term Orientation***

The misalignment in this dimension revolves around the frequency of gratification, honoring and respecting traditions, and how communications occur. The best way to align Company R with Puerto Rican culture is to implement the three recommendations below.

- Reword the language in the TRUE section of the SAWB associated with requiring store associate urgency to language touting the importance of supporting the customer but without the word urgent.
- Offer new holidays, including Good Friday, Mother's Day, Father's Day, and potentially some local saint days.
- Publish the SAWB in Spanish.

Publishing the SAWB in Spanish accomplishes two things: it improves communication and shows respect for the native language of Puerto Rico. Company R can show a strong sense of accepting and honoring Puerto Rican traditions by realigning holidays to embrace observed Puerto Rican holidays. Changing the wording of the SAWB by removing the word urgent will make the statement more in line with the Puerto Rican cultural dynamic while allowing Company R not to change its values. Corporate HR would undertake all these actions.

### ***Indulgence v. Restraint***

Little needs to be done to align this dimension due to the close alignment of Puerto Rican cultural norms, and those of Company R. The recommendation below is similar to that made in individualism v. collectivism.



- Introduce team-building events outside of work, including family and close friends.

This recommendation will support individualism v. collectivism and indulgence v. restraint. Having the extended family engaged in activities ensures that Company R allows associates to involve their extended family, including coworkers and immediate family, in their work community in non-work-related settings. The company-sponsored events focused on extended families will be conducted under the regional manager's and corporate operations' purview.

### ***Motivation, Achievement, and Success***

The only minor misalignment in this dimension concerns the frequency with which Company R presents awards and recognizes associates. The recommendation below will align Company R's culture more directly with Puerto Rican cultural norms.

- Introduce larger-scale recognition opportunities for store associate successes, including groups of store associates.

By increasing the frequency of recognition opportunities, Company R will satisfy the missing piece of this dimension. Corporate HR will be in charge of designing and implementing recognition programs, and the Regional Manager will oversee their execution at the local level.

### ***Uncertainty Avoidance***

This dimension significantly aligns with Company R and Puerto Rican cultural norms. This alignment provides a solid foundation for our recommendations, ensuring everyone understands the acceptable risk level.

- Through new hire orientation, ensure store associates are aware of the risk that Company R is willing to take (e.g., not pursuing shoplifters).

It is important to note that managers at all levels within Company R are responsible for cross-cultural management. This underscores their integral role in the process and empowers them to make a difference.

## **Conclusion**

The data collected from a variety of sources, including human resource and store leader interviews and Puerto Rican retail associate surveys, demonstrates that Puerto Rican associate cultural expectations as applied in the retail workplace differ from Company R's United States-based cultural requirements as documented in the TRUE section of the SAWB. As the TRUE section will be one of the first things new associates will see, it is critical for Company R to seriously consider adding, deleting, and rewriting the TRUE section of the SAWB to conform with Puerto Rican workplace cultural expectations. If not, the company will likely lose associates shortly after they enter the store to start their first shift.

As future cultural changes occur within Company R and Puerto Rico, it will be necessary for Company R's human resources department to track these changes and perform cost/benefit analyses associated with any that will impact the company from an operational or financial perspective, and make further changes to the TRUE section of the SAWB as appropriate. If not, Company R will likely not be "welcoming" the store associates into its Puerto Rico-based stores.

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## **Appendices**

### **Appendix 1**

# Vanderbilt University Students - Puerto Rican Workplace Culture Survey

Thank you for participating in this voluntary survey. As a reminder, your names and responses will not be individually shared with anyone. On a scale from 1 – 5, with 5 being "strongly agree" and 1 being "don't agree," how would you rate these statements when it comes to your workplace:

\* Indicates required question

---

1. "I expect to be told what to do at work." \*

Mark only one oval.

1 2 3 4 5

Strongly Disagree      Strongly Disagree

2. "My top priority in life is to have a successful career." \*

Mark only one oval.

1 2 3 4 5

Strongly Disagree      Strongly Disagree

3. "It's very important to arrive at work by the time my schedule starts." \*

Mark only one oval.

1 2 3 4 5

Strongly Disagree      Strongly Disagree

4. "I feel comfortable introducing new ideas at work." \*

Mark only one oval.

1 2 3 4 5

Stro      Strongly Disagree

5. "Making eye contact and smiling at coworkers and customers is an important part of my job." \*

Mark only one oval.

1 2 3 4 5

Stro      Strongly Disagree

6. "My focus at work is on my success and not necessarily about the success of other employees around me." \*

Mark only one oval.

1 2 3 4 5

Stro      Strongly Disagree

7. "It's important to be friendly, knowledgeable, and energetic at work." \*

Mark only one oval.

1 2 3 4 5

Stro      Strongly Disagree



8. "I like when my manager asks me for ideas to make the company better." \*

Mark only one oval.

1 2 3 4 5

Stro      Strongly Disagree

9. "I enjoy taking risks." \*

Mark only one oval.

1 2 3 4 5

Stro      Strongly Disagree

10. "I am comfortable talking to anyone at work, including my manager's manager, about anything occurring at work." \*

Mark only one oval.

1 2 3 4 5

Stro      Strongly Disagree

11. "I believe in the statement - 'I strive to be the best I can be at work.'" \*

Mark only one oval.

1 2 3 4 5

Stro      Strongly Disagree

12. "My priorities are family/friends and then work." \*

Mark only one oval.

1 2 3 4 5

---

Strongly Disagree      Strongly Disagree

13. "I think it's more important to check a customer out quickly than have a friendly conversation with them when they are at the register." \*

Mark only one oval.

1 2 3 4 5

---

Strongly Disagree      Strongly Disagree

14. "I focus on making sure my workplace is neat, clean, and organized." \*

Mark only one oval.

1 2 3 4 5

---

Strongly Disagree      Strongly Disagree

15. "I consider the people I work with to be extended members of my family." \*

Mark only one oval.

1 2 3 4 5

---

Strongly Disagree      Strongly Disagree

16. "I believe in the statement - 'the winner takes it all.'" \*

*Mark only one oval.*

1 2 3 4 5

Stro      Strongly Disagree

17. "I like to plan versus doing things without planning." \*

*Mark only one oval.*

1 2 3 4 5

Stro      Strongly Disagree

18. "Leisure time is very important to me." \*

*Mark only one oval.*

1 2 3 4 5

Stro      Strongly Disagree

19. "I believe Puerto Rican traditions should be greatly respected in the workplace." \*

*Mark only one oval.*

1 2 3 4 5

Stro      Strongly Disagree

## **Appendix 2**

### **Interview Questions – Puerto Rican Retail Leaders (with U.S. Based Company Association)**

- 1 – What role do you play in overseeing retail store associates in Puerto Rico?
- 2 – How long have you been overseeing retail store associates in Puerto Rico?
- 3 – What are your company's cultural expectations outlined in your associate handbook? Do the exact expectations apply to your retail store associates in Puerto Rico?
- 4 – Did your company's cultural expectations change in order to hire and retain retail store associates in Puerto Rico successfully? If yes, what did you change?
- 5 – Do you have a human resources manager responsible for retail store associates? Do they live in Puerto Rico or elsewhere?
- 6 – We will show you statements associated with Hofstede's six cultural dimensions for Puerto Rican retail store associates (developed by The Culture Factor Group). We want your reaction to each statement from the perspective of – "Do you feel the statement is valid? If no, why?"

# Appendix 3 – Cultural Dimensions Survey Results

## Likert Scale Results

23 Retail Store Associates Who Work in Puerto Rico

1 = Strongly Agree & 5 = Strongly Disagree



## Likert Scale Results

23 Retail Store Associates Who Work in Puerto Rico

1 = Strongly Agree & 5 = Strongly Disagree



## Likert Scale Results

23 Retail Store Associates Who Work in Puerto Rico

1 = Strongly Agree & 5 = Strongly Disagree



## Likert Scale Results

23 Retail Store Associates Who Work in Puerto Rico

1 = Strongly Agree & 5 = Strongly Disagree



# Likert Scale Results

23 Retail Store Associates Who Work in Puerto Rico

1 = Strongly Agree & 5 = Strongly Disagree



## Appendix 4 – Thematic Codes

### Power Distance Index (PDI)

- **Code:** PDI
- **Category:** Power Distance
- **Definition:** Measures the extent to which less powerful members of an organization or institution accept and expect that power is distributed unequally. This dimension is crucial in understanding an organization's hierarchical structure and power dynamics.
- **Themes (i.e., what we will use to categorize statements from the interview)**
  - **Acceptance of Authority:** Look for indications of how comfortable employees are with accepting orders without question.
  - **Perception of Inequality:** Note any comments on perceived fairness or inequality in the workplace.
  - **Communication Style:** Observe how employees communicate with superiors (direct v. indirect).

### Individualism v. Collectivism (IDV)

- **Code:** IDV
- **Category:** Individualism v. Collectivism
- **Definition:** Measures the degree to which individuals are integrated into groups.
- **Themes (i.e., what we will use to categorize statements from the interview)**
  - **Team Orientation:** Responses highlighting the importance of group harmony and team success.
  - **Individual Goals:** Statements reflecting personal achievement and individual goals.
  - **Loyalty:** Indicators of allegiance to the group or organization versus self-reliance.

### Motivation, Achievement, and Success

- **Code:** MAS
- **Category:** Motivation, Achievement, and Success
- **Definition:** Measures the distribution of gender roles and the value placed on competitiveness v. quality of life.
- **Themes (i.e., what we will use to categorize statements from the interview)**
  - **Competitiveness:** Look for emphasis on achievement, success, and competition.
  - **Quality of Life:** Responses highlighting the importance of relationships and work-life balance.
  - **Gender Roles:** Comments on traditional v. modern gender roles within the organization.

### Uncertainty Avoidance Index (UAI)

- **Code:** UAI
- **Category:** Uncertainty Avoidance



- **Definition:** Measures the extent to which people feel threatened by uncertainty and ambiguity.
- **Themes (i.e., what we will use to categorize statements from the interview)**
  - **Comfort with Risk:** Employees' comfort with taking risks and handling ambiguity.
  - **Preference for Structure:** Statements showing a preference for clear rules and guidelines.
  - **Anxiety:** Look for expressions of stress or discomfort in uncertain situations.

### **Long v. Short-Term Orientation (LTO)**

- **Code:** LTO
- **Category:** Long v. Short-Term Orientation
- **Definition:** Measures the degree to which a society maintains links with its past while dealing with the present and future challenges.
- **Themes (i.e., what we will use to categorize statements from the interview)**
  - **Future Planning:** Look for emphasis on long-term goals and planning.
  - **Tradition v. Innovation:** Responses that balance respect for tradition with the need for innovation.
  - **Perseverance:** Indicators of persistence and perseverance in achieving long-term goals.

### **Indulgence v. Restraint (IVR)**

- **Code:** IVR
- **Category:** Indulgence v. Restraint
- **Definition:** Measures how people try to control their desires and impulses.
- **Themes (i.e., what we will use to categorize statements from the interview)**
  - **Enjoyment of Life:** Indicators of emphasis on leisure and personal enjoyment.
  - **Self-Control:** Responses showing restraint and regulation of desires.
  - **Work-Life Balance:** Statements about balancing work responsibilities and personal life.