THE EFFECT OF NATIONAL CULTURE ON INFORMATION FLOW

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Abstract

Purpose:

The primary purpose of this paper is to test the effect of national culture on service provision within Islamic Insurance (Takaful). This paper seeks to incorporate the following constructs: Power distance, information gap and information flow as an observed variable represented by hierarchical driven information gathering and sharing or functional driven information gathering and sharing. The secondary purpose, is to investigate Hofstede's claim regarding the homogeneity of Arab culture in which he believes dominated by the religion of Islam. The sample (n=462) were employees of Takaful operators in Kuwait and Egypt, and they completed the questionnaires in a self administrated method. To test the hypotheses, structural equation modelling using Analysis of Moments structure (AMOS) was employed.
It was found that there is differences in information flow between Kuwait and Egypt. Kuwait was found low power distance and functional driven information gathering and sharing mediated by low information gap, whereas Egypt was found high power distance provide information in hierarchical driven information gathering and sharing mediated by high information gap. Another finding, was the significant evidence that is not supporting Hofested's claim of homogeneity of all Arab culture. Result show clearly how two different Arab countries varies in the services they provide within a sector that unique to the Arab cluster. This paper confirms an existing theory that to the best of the researcher knowledge has never been tested which adds to the body of knowledge in general and Takaful industry in particular how national culture may affect service provision. Secondly, it disconfirm Hofstede's claim of homogeneity of the Arab culture as it evidently proves the cultural differences between Kuwait and Egypt.
Key Words: National culture, Service provision, Power distance, Information Flow, Takaful
Research Type: *Research Paper*

1 Introduction

Many empirical studies investigating the association between the determinants of service delivery and cultural uniqueness suggest that the consumers of services in different countries have different perceptions of service quality; providers need to be aware of the variation of wants and needs that consumers would bring into a service encounter in different cultures. However, there is still a lack of researchers to explain the level in which national culture effects the delivery of services from the provider's perspective and whether the service provision differ based on national culture. Few researchers have examined how cultural differences between practitioners might threaten service provider's success in case of global expansion (Kogut and Singh, 1988). However, the attempts to develop a conceptual framework / model explaining the effect of national culture on service provision have been found very anaemic in the literature.

2 Theoretical Driver

In the context of service provision, the intangible nature of the final product gives the employees a very crucial factor in the value-generation process of the service organization regardless of the type of the service. Front line employees are the first line within the organization to interact with customers as they are the first step in service encounter. They collect information and intelligence about customers, answer customer's complaints and pass it on to the back office that in-turn need to have a very quick response to customers inquires in order to satisfy customer's needs. Front line employees must understand the customer's needs and put in an extra effort to match their company's service offering with customer specific needs (Gummesson, 1991). This specific need must be known to organizations through a good information collection and sharing then articulated in thorough specifications which interpreted in a robust performance. To allow for this to happen, Managers need to share information with their subordinates and receive feedback about their perceptions of the organizations performance as well as working with other managers to solve any issues (Gronroos, 1990). Also, back office employees need to act in a timely manner to handle customer's requests or complaints (Zeithaml et al., 2001). However, service marketing researchers and practitioners are recognizing that the success of any firm must accommodate customers within the context of their environment (Wind and Robertson, 1983). This environment is increasingly becoming international. However, before moving to a different market, service firms must get acquainted with their service marketing strategy and how this might affect the success of their expansion pertinent to the importance of the service personnel in implementing the marketing strategy.

3 The Literature Review

3.1 Service quality

 Parasuraman "gap model" which considered being the most operational instrument, has been invented by Parasuraman, Zeithaml, and Berry (1985, 1988) to tests the gap of both customers and service providers; gaps in the service they provide. The gap model constructed the model as function of five dimensions, four of which concern the service provider and the fifth gap concerns the customer gap. According to Parasuraman, Zeithaml and Berry (1988) Gap 5 is the perceived service quality as it is the difference between the customer's expectations and the customer's perception of the delivered services, if there is no gap existing it means the services delivered are meeting the customers' expectations, whereas superior service quality is when the customer's perception exceeds their expectation which in turn relies on the size and direction of the four gaps associated with the delivery of the service quality on the provider's side (Zeithaml, 1988). The conceptual gap model was refined and further improved by Zeithaml et al., (1988) to identify a reasonably exhaustive set of factors thought to affect the magnitude and direction of four gaps on the provider's side of the service quality model. The refined model was called the extended gap model of service quality. The factors of the extended model was mainly involving the communication and control process that have been implemented in organizations by which management of employees could be controlled and also to manage the outcome of the processes. Fig 1.1 illustrates the extended gap model by Zeithaml et al., (1988).
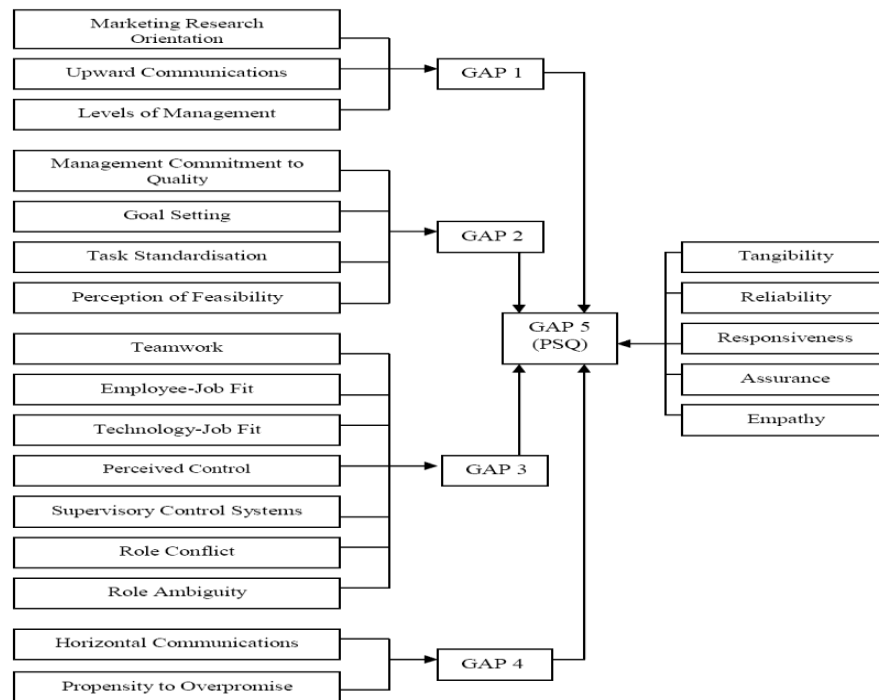
Fig 1: Extended Gap Model of service quality (Zeithaml et al., 1988)

The five dimensions are:

Gap 1: Information gap (Difference between service providers understanding of customer's expectation and the actual customer's expectation)

Gap 2: Specification Gap (Difference between service provider's perception of customer's expectation of standard and specification and the actual service standards to be performed.

Gap 3: Performance Gap: the difference between written standard and specification against the actual service performed.

Gap 4: Communication Gap: The difference between promised and delivered service

Gap 5: Customer Gap: The difference between customer expectation of a service and the perception after receiving the service

For the purpose of this research only gap 1 which is information gap is used to find the effect of national culture on information gap and how the level of this gap might effect the information flow.

3.1.1 Criticisms and support of the Gap Model

However, despite its growing popularity and widespread utilization of gap model to identify the gap exist between provider - customer or within the provider only, it has been subject to criticisms by many scholars. Carman (1990) found the items of SERVQUAL are not consistent when subjected to cross sectional analysis as he questioned the reality of the five components of the SERVQUAL when using the same component for different types of service providers. On the other hand, many studies have applied the SERVQUAL model to their research without any deficit and got valid results (Gagliano and Hathcote 1994, Fernandez and Badia 2005, Chang et al 2002, Francois Carrillat et al. 2007, Chang 2009).

However, despite the criticism of the SERVQUAL developed by Parasuraman et al. (1988), it is the major reference point of contributions on service quality gap.

3.2 National Culture Theory

The term national culture is driven by believe that each country has people with shared history and experiences would be considers a country of homogeneous culture which is the seed for the national culture (Bhaskaran and Gligorovska, 2009). Hofstede (1980) differentiates between organizational culture and national culture assuming that "unique" values is specific to national culture whereas, the organizational culture is identified by "shared" values within the organization. He stated that the values of the nation are acquired from childhood and passed on to generations with difficulties to be changed; Hofstede stated that "national culture is programmed into us first, that is, right from day we are born first. Thus, they form the most profound level of our mental programs, which are our values. By the time we are adults, our values are usually well settled and difficult to change."

3.3 National culture dimensions

Many Scholars have studied the differences between national cultures based on different dimensions. The most cited dimensions that became authority to cross cultural studies were found in Hall and Hall (1990) Hofestede (1991), Swartz (1994), Trompenaars (1993) and House et al. (1999). However, the most researched cultural dimensions of national cultural are Hofested's dimensions which have been cited (14750) times, and also another reason for using Hofestede dimension of power distance to validate his claim of homogeneity of Arab culture. Therefore his typology of power distance will be used in this research as discussed in the next section.

3.3.1 Hofstede's cultural dimensions

Hofstede measures culture in multiple dimensions through the IBM Attitude Survey (Hofstede, 1981) which was initially constructed as an employee satisfaction survey but during the analysis he found that the questionnaire had some national attributes that could be correlated to cultural values. Hofstede used 116,000 questionnaires of employees in 66 different countries before further expansion to more than 53 cultures (Hofestede, 1983) receiving more than 60,000 responses. Hofstede used the eclectic approach relying on theoretical reasoning followed by statistical factor analysis to categorize the cultural dimensions (Magnusson et al., 2008). Hofstede's model started initially by identifying four key cultural values dimensions that are to be "scored" using the IBM company attitude questionnaire (Donthu and Yoo, 1998). The four central dimensions could be given comparative scores for each one of the four dimensions. He defines the dimensions as the following:

1- Power distance: the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally". (Hofestede, 1991) That means high power distance indicates a high level of inequality in terms of power and wealth. On the contrary, low power distance indicates more equality and cooperation between levels.

2- Individualism versus Collectivism: "Pertains to societies in which the ties between individuals are loose" collectivism is the opposite. (Hofstede, 1991), 3- Masculinity and femininity: "the dominant sex role pattern in the vast majority of both traditional and modern society" (Hofestede, 1991), 4-Uncertainty Avoidance: the extent to which members of cultural feel threatened by uncertain or unknown situations". (Hofstede, 1991)

However, Hofested's have been intensively criticized by many scholars as discussed in below. For the purpose of this research only power distance dimension will be utilized to test the national culture.

i.   **Critics of Hofstede's model**

Some have criticize Hofstede's model for being non- comprehensive (Schwartz 1994) and as based on one corporation (Schwartz, 1994; smith et al., 1996). The validity of Hofstede's dimensions has been questioned as they were collected from a single company using a survey based questionnaire lacking the academic foundation (McSweeney, 2002). Donthu and Yoo (2002) criticized Hofstede's (1991) cultural

indices for the four dimension as they have pooled 22 Arab countries together without being analyzed individually, assuming the societal differences among these countries are similar and have no differences.

ii.   Support for Hofstede framework

Despite many critics, the national cultural framework of Hofstede is the most widely used in many fields such as psychology, sociology, marketing, or management studies (Sondergaard, 1994; Steenkamp, 2001). Because until now it's the most comprehensive and robust in terms of the number of national culture samples (Smith et al., 1996). In addition, Hofstede's framework is an Integratable cultural framework that can fit into studies in a simple, practical, and usable way for cultural studies (Soares et al., 2007).

3.4 Link between culture and Service quality gaps from the service Provider Perspective

Review of cross-cultural studies suggest that the bulk of existing research has been focusing on studying the effect of culture on service quality from the customer perspective and directed to comparisons between US and European samples, and Middle Orient samples (Donthu and Yoo, 1998). The literature review revealed that there is an existing gap in the literature addressing the effect of national culture on service provision as most of service delivery analysis is totally focusing on the financing of services, while provision, particularly issues related to institutions, incentives, and provider behaviour, has received much less attention (Svensson, 2002). On the other hand, reviewing the literature revealed that there is a scarcity of researchers studying the national culture of the Middle Eastern countries due to the claim that all Middle Eastern countries belong to one culture as they are dominated by Islam. Hofestede (1981) clustered all Arab countries (22 countries) in one group assuming that they have identical scoring in his index of cultural typologies of power distance, uncertainty avoidance, individualism and masculinity without a thorough dissecting of each country. There are very few researches have been published to confirm/ disconfirm Hofestede's theory on Arab countries and whether they have homogenous cultures driven by Islamic religion or some differences may exist. For all of the above reasons, the researcher intends to study the effect of national culture on delivered service quality from the provider's side within the context of Takaful industry as an Islamic alternative to the conventional insurance in order to add knowledge to the subject and to fill the gap in the literature. The researcher will generate hypotheses to be tested quantitatively and also build a preliminary model that can work as a seed for further research to add to the anaemic literature by studying the effect of national culture on service provision in terms of information flow.

Reviewing the literature revealed an existing conceptual framework that provides theoretical background between service quality and national culture through some service mechanisms. However, the model need to be tested on an empirical ground and to substantiate the theory as to what extent national culture effect service provision in terms of information flow.

4 Conceptual Framework

Service Quality / National Culture	Information Gap1	Specifications Gap 2	Performance Gap 3	Communication Gap 4
Power Distance: Large	Hierarchical Driven Information Gathering and sharing		Delivering Services Quality regulated by centralized Performance control	?
Small	Functional Driven Information gathering and Sharing	Participative leadership Driven in Setting Service Quality Specification	Empowering to Performing Delivering Service Quality	
Uncertainty avoidance : Strong	Close and Formal Driven Communication	Money Driven Specifying Service Quality	System Boarder driven Performing	Close and Formal Driven Communication
Weak	Open and Informal Driven Communication	Gust Satisfaction Driven Specifying Service Quality	Gust Satisfaction Driven Performing	?
Individualism/Collectivism Large / Small	?	?	Performance Driven by Grope Coherence and Dominance of Relationships	?
Long/ Short term Orientation: Large		Money Driven Specifying Service Quality	?	?
Small	Gust Relationships Driven Information Gathering			

Table 1: Final Model of National Culture-Service Quality Relations (Altayab, 2007)

 A preliminary conceptual framework for this study is delineated based on previous research that prove the background of the relations between national culture variables based on Hofestede (1981) typologies and service quality gaps based on Zeithaml et al., (1988) on 12 service mechanisms. The researcher intends to test a single dimension of national culture which is power distance on a single service quality gap which is information gap on information flow. The preliminary conceptual framework is shown in Fig 4.1 below.
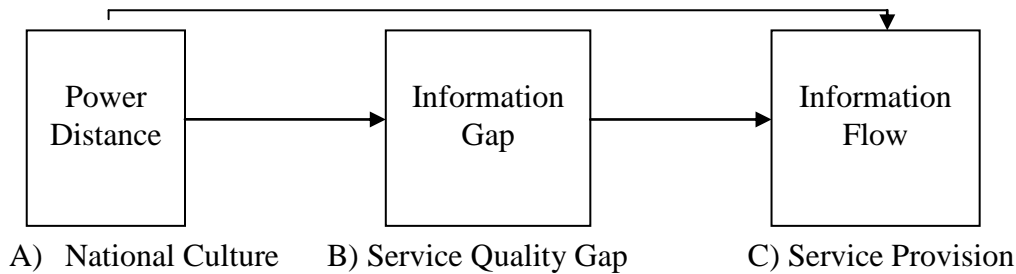

| Power Distance | → | Information Gap | → | Information Flow |

A) National Culture   B) Service Quality Gap   C) Service Provision

Fig 2: Preliminary framework

Information flow is a construct consist of two mechanisms:
      a) Hierarchical driven information gathering and sharing
      b) Functional driven information gathering and sharing
These two mechanisms have been identified and theoretically supported in previous research (Altayab, 2007), however the construct of Information flow is defined as the way information being disseminated and collected. The researcher has conducted 2 separate focus groups with which he identified the construct of information flow under which the two mechanisms of hierarchical and functional driven information gathering and sharing. The reason for choosing Takaful was due to the intention of being consistent with the context of this investigation.

4.1 Effect of high power distance on information flow through Information Gap

According to House et al. (2004) in their Globe research they found low power distance encourages information gathering and sharing which touches the finding of Altayab (2007) who found a link between the high power distances with information gap in a mechanism identified as "hierarchical – driven information gathering and sharing" which means that the flow of information in an organization moves through hierarchical behaviours and practices. Narish Khatri (2009) argued that high power distance synonyms with the lack of contribution from lower level employees over and above inefficient communication and information sharing which made the quality of decisions very poor and inefficient. High power distance cultures foster the vertical downwards information sharing and distribution where horizontal and informal information sharing very rarely exists since some of the subordinates fear expressing their views to their superiors. Therefore the following hypothesize is proposing as:
H2a: In Egypt, there is a positive effect of high power distance on hierarchical – Driven information gathering and sharing through high information gap

4.2 Effect of low power distance on information flow through Information Gap

According to Narish Khatri (2009) low power distance cultures attempting to eliminate the information gap in all directions such as informal, horizontal, top and bottom information sharing and gathering strengthen the quality of decisions they make. The low power distance with information gap was linked through the mechanism of "functional driven information gathering and sharing". This means all levels of the organization have equal opportunity to gather information and share in all directions as well as the flow of information can be shared and disclosed to all departments of the organization regardless of the

position of the employee. Low power distance cultures were found to be the cultural dimensions that encourage organization culture to share knowledge (Hauke, 2004).

In order to test this effect of national culture on service delivery provisions, the researcher proposes the next hypothesis:

H2b: in Kuwait, there is positive effect of Low power distance on functional – Driven information gathering and sharing through low information gap

5 Methodology

5.1 Instrument

The study was survey based questionnaire questions were designed to answer the proposed hypothesis of the differences between Kuwait and Egypt power distance. It was developed in three parts. Firstly, Hofestede (1981) questionnaire was used to test power distance, secondly Zeithaml (1988) questions were compiled and added to the questionnaire to test information gap. Thirdly, two focus groups conducted in Kuwait and Egypt to facilitate the process of instrument development. The terminology of information flow was stemmed from the focus group. The questioner adopted 5 Likert scale from strongly disagree to strongly agree.

5.2 Sample

The population was drawn randomly from providers of Takaful industry in two organizations in Kuwait and two in Egypt. The sample was 500 questionnaires for both countries but the response was 231 complete questionnaire from Kuwait and 232 from Egypt. The high response rate attributed to the presence of the researcher at the organizations ensuring the completeness of the questionnaires. The method was self administrated questionnaire in both countries to ensure the maximum response rate.

5.3 Data Analysis

The SPSS used in this research was version 17 with which different statistical techniques were employed and analyzed like; t-test. Also the researcher used the structural equation modelling (SEM) as a statistical methodology that permits a set of hypothesized relationships between variables to be examined. The intention is to investigate whether the information gap has a mediation effect between national culture in terms of power distance and service provision in terms of information flow.

6 Results

6.1 T-test

Group statistics of Kuwait and Egypt national cultures in terms of power distance and service provision in terms of information gap using t-test is shown in table 6.1 below.

Group Statistics							
	N	N	Mean	Std. Deviation	Std. Error Mean	Sig. (2-tailed)	Mean Difference
INFO-GAP 1 Kuwaiti	231	3.3	.99604	.06553			0.61046
Egyptian	232	2.7	.89960	.05906		.000	
						.000	
PD Kuwaiti	231	2.5	.91519	.06021		.000	-.82767
Egyptian	232	3.3	1.03423	.06790		.000	

Table 3: t-Test between Kuwait and Egypt

As far T-test, the group statistics shows significant differences between Kuwait and Egypt in information gap of service quality gaps and national culture dimension of power distance. The mean differences between Kuwait and Egypt sample was in favour of Kuwait information which indicates that Kuwait information gap is less than Egypt since the mean differences is positive in favour of Kuwait. Whereas, the mean differences of national culture dimensions of power distance have been found in favour of Egypt over Kuwait which indicates that Egypt national culture tends to be higher power distance than Kuwait. Based on above Results:

H1a: hypothesis is supported as Egypt is higher power distance than Kuwait

6.2 Testing hypothesis by structural equation modelling

Structural equation modelling (SEM) is a statistical methodology that facilitates a set of hypothesized relationships between one or more variables to be examined (Byrne, 2001). SEM is known as a collection of statistical techniques including multiple regression, path analysis, and confirmatory factor analysis. The main driver for using SEM in this research was attributed to the nature of SEM as a theory driven technique that used in reference to hypothesis about potential relationships among variables (Kline, 2005).

6.2.1 Effect of high Power distance on information flow

This hypothesis was tested using AMOS to study the effect of power distance of national culture on service delivery mechanism in terms of information flow through information gap as the hypothesis posit the following:

H2a: In Egypt, high power distance has a positive effect on hierarchical – driven information gathering and sharing through information gap.

In order to answer the hypothesis, the researcher proposed mediation model as shown in fig (6.1) below. The model first start to find significance of the individual relationships between all three constructs as the following:

1-   Low power distance is directly related to the Hierarchical – driven information gathering and collecting

2-   The information gap (mediator construct) is related to the input construct (Low power distance, Egypt)

3-   The mediator (information gap) is related to the outcome construct (Egypt as low power distance)

Using Amos, the results is summarized in table 6.20 for both the indirect model and after introducing the direct model.
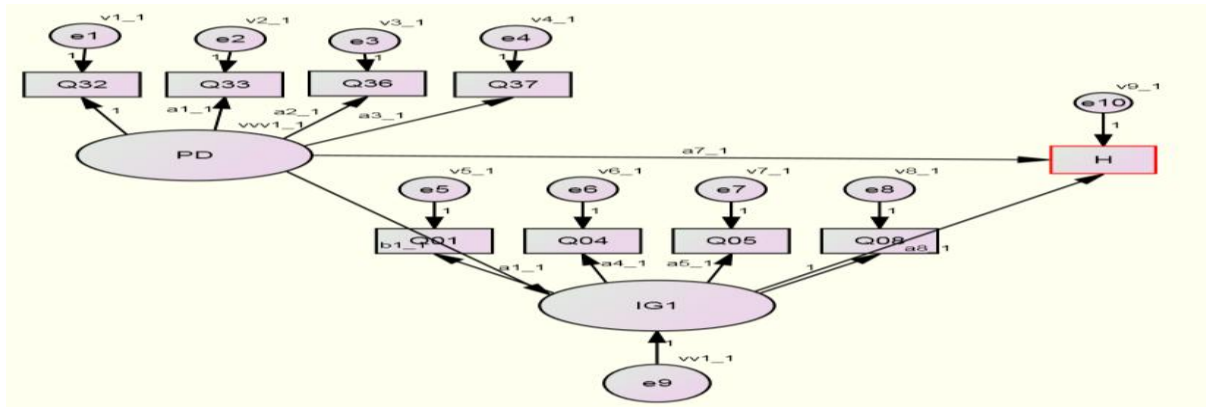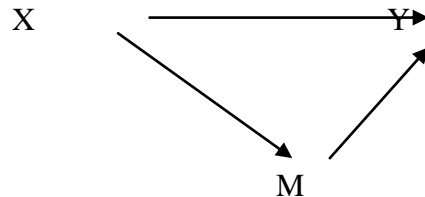
Fig 3: Effect of Egypt high power distance on hierarchical driven information gathering

According to Hair et al., (2010) the model fit shows that CMIN/DF (normed Chi-Square) below 2 is preferred but between 2 and 5 is considered acceptable. The goodness of fit (GFI) is indicating 87% as shown in table 6.21 below is an acceptable fit. The Baseline Comparisons (CFI) indicates acceptable as it indicates more than the minimum acceptable level of 0.90. RMSEA which indicates the badness of fit is less than 0.1 which means according to Hair et al., (2010) a rule of thumb suggest that together the RMSEA and the (CFI) allow for the badness-of-fit index and a goodness-of-fit index evaluation. However, The model fit has not changed significantly when the direct parameter has been introduced as the change in x^2 (chi square) is only 3.3 which even though not very high difference but at least has slightly worsen the Chi square which support mediation.

Model Elements	Initial model (indirect model)		Revised Model (after adding the direct effect)	
Model fit				
CMIN	303.2		300.5	
CMIN/DF	5.7		5.9	
GIF	0.86		0.9	
CFI	0.948		0.948	
RMSEA	0.10		0.10	
Standardized parameter estimate Kuwait	Initial Model		Revised Model with Direct effect	
IG <---PD	0.743	sig	0.743	Sig
H <--- IG	0.054	Not Sig	0.066	Not Sig
H <--- PD	Not Estimated		-0.016	Not Sig
Egypt IG <---PD	0.745	sig	0.746	Sig
H <--- IG	0.523	sig	0.638	Sig
H <--- PD	Not Estimated		-0.150	Sig at 0.1

 Table 4: Model fit and Parameters estimates of High power distance on Hierarchical information

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The magnitude of the mediation effect of high power distance (Egypt) on hierarchical driven information gathering and sharing is broken to direct and indirect effect than compiled as a total effect as shown in table 6.21 below. When the indirect effect, X → M →Y = the total effect of X→Y this means complete mediation, but when the indirect effect X → M →Y is less than the total effect X→Y with the same sign this means partial mediation (Shrout and Bolger, 2002).

For the tested model, when the indirect effect of b1_2 ×a1_ 2 equals the total effect then the effect of high power distance on hierarchical information gathering and sharing is completely mediated by information gap. In this case, there is no direct effect of high power distance on hierarchical information gathering and sharing as the direct path is equal to zero. When the indirect effect of high power distance on hierarchical information gathering and sharing is smaller than the total effect and of the same sign then the effect of X on Y is partially mediated by information gap. In this case, the direct effect of high power distance on hierarchical information gathering and sharing is a value other than zero.

Effect of HPD ---> Hierarchical	Original Model (Only indirect effect)	Revised model with direct effect
S. Total Effect	0.390	0.326
S. Direct effect	00.0	-0.150
S. indirect Effect	0.390	0.476

Table 5: Total effect of Egypt high power distance on hierarchical driven information gathering

The results indicate that total effect inclusive of direct and indirect effect of high power distance national culture on information flow in terms of hierarchical – driven information gathering and sharing in the revised model is smaller than the total effect of the original model which is inferred as partial mediation. This finding supports the hypothesis of high power distance; Egypt in this case, has a positive effect on hierarchal driven information gathering and sharing partially mediated by high information gap which has increased after introducing the direct path. Therefore, H2a: is supported.

6.2.2 Effect of Low Power distance on information flow

In order to test this effect of national culture of low power distance on service delivery mechanism of information flow, the researcher posits the following hypothesis:
H2b: in Kuwait, Low power distance has a positive effect on functional – Driven information gathering and sharing through information gap.
Fig 6.11 shows the direct and indirect effect of low power distance on service delivery mechanism of Functional - driven information gathering and sharing as resulted from Amos.
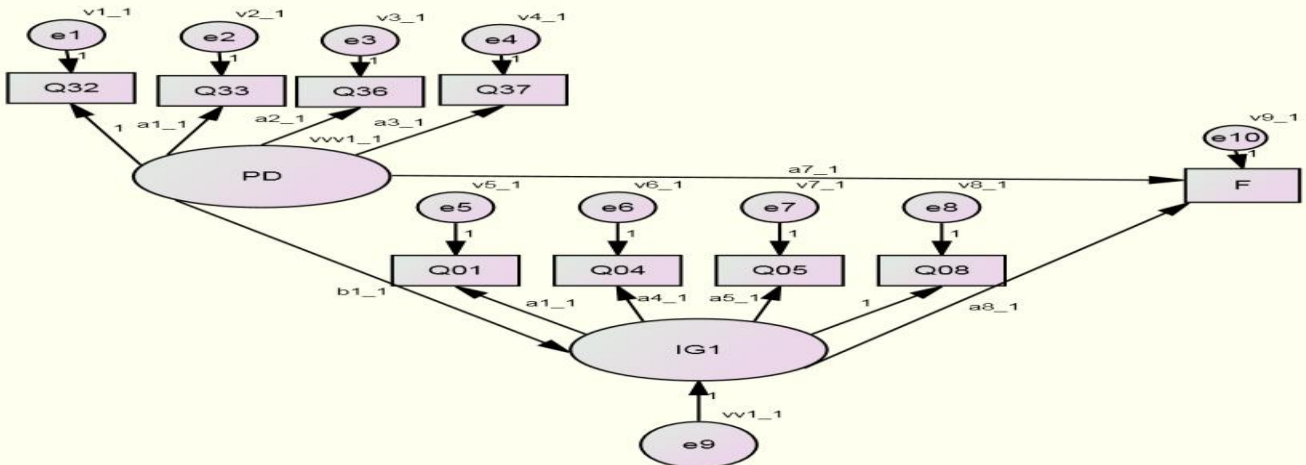
Fig 4: Effect of Kuwait low power distance on functional driven information gathering

The results from the model as shown in table 6.4 below indicate that CMIN has decreased after introducing the direct effect which supports the mediation. The goodness of fit (GFI) is indicating 88% is an acceptable fit. The Baseline Comparisons (CFI) indicates acceptable as it indicates more than the minimum acceptable level of 0.956. RMSEA which indicates the badness of fit is less than 0.09 which means according to Hair et al., (2010) an acceptable model fit.
The magnitude of the effect of low power distance on functional information gathering and sharing is

Model Elements	Initial model (indirect model)		Revised Model (after adding the direct effect)	
Model fit				
CMIN	390		267	
CMIN/DF	7.3		5.2	
GIF	0.829		0.880	
CFI	0.932		0.956	
RMSEA	0.12		0.09	
Standardized parameter estimate Kuwait	Initial Model		Revised Model with Direct effect	
IG <---PD	0.747	sig	0.745	Sig
F <--- IG	0.425	Sig	0.233	Sig
F <--- PD	Not Estimated		0.251	Sig
Egypt				
IG <---PD	0.731	sig	0.713	Sig
F <--- IG	0.513	sig	-0.103	Not Sig
F <--- PD	Not Estimated		0.826	Sig

Table 6: Model fit and Parameters estimates of Kuwait Low power distance on functional information gathering and sharing

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depicted in table 6.5 below. The results indicate that total effect inclusive of direct and indirect effect of low power distance national culture on information flow in terms of functional – driven information gathering and sharing in the revised model is larger than the total effect of the original model. This means that there is some direct effect as well as indirect effect which support that information gap is partially mediating the effect on low power distance on functional – driven information gathering and sharing. This finding supports the hypothesis that low power distance has a positive effect on functional driven information gathering and sharing partially mediated by low information gap which has decreased after introducing the direct effect.

Effect of LPD ---> Functional	Original Model (Only indirect effect)	Revised model with direct effect
S. Total Effect	0.375	0.425
S. Direct effect	0.00	0.251
S. indirect Effect	0.375	0.173

Table 7: Total effect of Kuwait low power distance on functional driven information gathering and sharing

Therefore, based on all of the above results H2b: is supported

7 Discussion and conclusion

7.1 National culture differences

The first research objective was to investigate the cultural differences between countries belong to similar cluster that share common language, religion or geographic location. The findings of the current study revealed strong evidences of the differences between national cultures of Kuwait and Egypt as two different countries belong to similar cluster in which they share similar language, religion or geographic location. These findings are in contrary to Hofestede (1991) findings of IBM study. He assumed that all Arab countries have homogeneous culture dominated by Islamic religion. The findings of this research provide evidence that homogeneity of Arab cluster is not valid and Hofestede cultural index regarding Arab countries need to be further investigated

7.2 Effect of power distance on information flow

Results of this research have found that high power distance has an effect on service provision in terms of hierarchical information gathering and sharing through high information gap.
Result indicates that high power distance synonyms with an inefficient communication and information sharing which made the quality of decisions very poor and inefficient. Results indicates that high power distance dominates the flow of information by one-way flow of communication from superiors to subordinates preventing the utilization of frontline employee's knowledge and experience in aiding the organizational development which result in large information gap that lead to hierarchical information gathering and sharing. This findings also supported by Gould (2000) who argues that High power distance is based on the hierarchical relationship with organizations as the position of a member of an organization signifies the extent of power he holds where people value the higher ranked employees to which the flow of information going vertically. Whereas, the effect of low power distance culture on information gathering and sharing have been found supporting hypothesis H2b which posits that low power distance has an effect on service provision in terms of functional – driven information gathering and sharing mediated by low information gap. Results have shown that low power distance has a positive

relationship with low information gap, in other words, it means that the lower the power distance is the lower the information gap which in turn leads the organisation to adopt information flow in functional driven information gathering and sharing. This was also supported by Rivera-Vazquez (2009) who found that small power distance national cultures contribute in reducing the gap between the superior and the employees as he suggested that minimal layers of an organization has a positive impact on the flow of information in different direction, which was in line with what House et al., (2004) found in their globe research that low power distance national culture encourages information gathering and sharing. A preliminary conceptual framework is delineated below in fig 6.3.
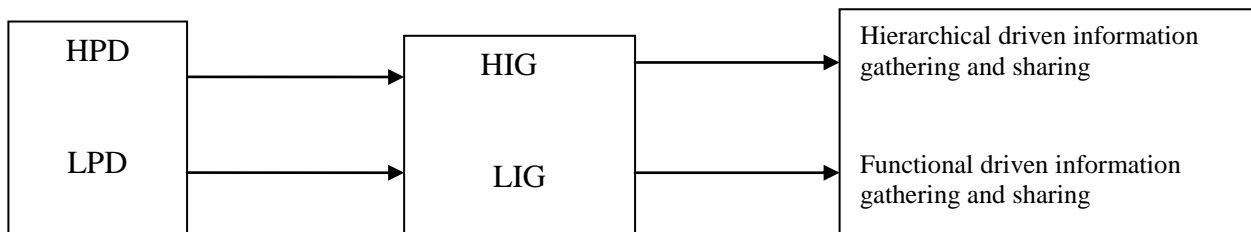

Fig: 5: Effect of power distance on information gap through information gap

HPD: High power distance,

LPD: Low power distance,

 HIG: High information gap,

LIG: Low information gap

7.3 Contributions of the study

The study contributes to the body of knowledge in service marketing literature at the theoretical and practitioner level in the following ways. First, it confirms the theory that national culture has an effect on service delivery through information gap. Secondly, it provides evidence that disconfirm Hofestede's claim of homogeneity of Arab culture as it evidently proves the cultural differences between Kuwait and Egypt. On other hand, practitioners of Takaful may comprehend how power distance effect information flow for which managers can eliminate their information gap which in turn will strengthen the quality of information gathering and sharing. Hi Power distance effect information flow in terms of hierarchical information gathering and sharing which may influence the reception of a prompt feed back as high information gap isolate the units in silos leaving marketers struggling getting the right feedback from customers. For example, Egypt Takaful has been found less successful according due to the mismatch between customer perception and management expectation of customer's perception. This may be resulted from the emphasis of Egyptian Takaful management on using Takaful as an spiritual tool solely as an Islamic product without looking to its other positive elements provided to customers. Marketers may need to spot the light on other good things they provide rather than focusing on Islamic product only which eventually is not achieving the intended target as it still under 1% of Egypt GDP. Whereas, Kuwait as low power distance country is entertaining functional information gathering and sharing that contributing to the success of the Takaful in Kuwait as it represent slightly above 1% of Kuwait GDP which encourage Marketers to continue focus on the religious aspect of the product.

7.4 Limitations and future research

This study provides insights into the effect of national culture in terms of power distance on service provision in terms of information flow within Takaful industry. The research has been conducted on a single industry which may limit the generalizibility of the research. However, being consistent with the context of the investigation overcome this limitations as one of the main objective is to find the cultural differences among countries clustered in one group and assumed to have homogeneous culture driven by religion and language. Results revealed that the industry being Islamic and related to both countries has shown strong evidences the inappropriateness of the assumption of homogeneity of countries share same religion and language.

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