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CULTURE: THE MISSING INTELLIGENCE VARIABLE

The 1990s may be the decade when the world moves from economic and technological competition towards a competition between ideas and cultures.

Orström Möller, Secretary of State, Denmark.

UNDERSTANDING INTELLIGENCE ACROSS CULTURES

Business intelligence is thriving. Analyses show that the primary causes of international business failures are inadequate information about the business environment and the lack of understanding of foreign cultures. Savvy corporations are moving quickly to correct these inadequacies and, as a result, business/competitive intelligence activities are escalating. Business intelligence is commonly understood as a program or set of organized actions aimed at observing the factors that exert or could exert an influence on the competitiveness of a company or of the economy of a country, and understanding the meaning and implications of what is being observed. (Fig. 1).

What makes a country's or an organization's intelligence system competitive? On which fundamental premises is it possible to base an intelligence system so that it produces the knowledge necessary to compete? What beliefs do nations with renowned intelligence systems like Germany, France, Sweden, Japan or the U.S. hold about intelligence? How do these beliefs influence practices? What results have these practices produced? What can we learn from best foreign practices? And how can we best foster the development of intelligence in a country or in an organization?

Culture influences intelligence

Each individual, organization and nation, exists at the convergence of many concepts, values and beliefs. The beliefs, truths and assumptions that German, French, Swedish, Japanese or Americans hold about intelligence differ widely. Chancellor Kohl from Germany was asked by American journalists what he thought of the alleged aggressive

French intelligence efforts that resulted in the withdrawal of representatives of the American aeronautical industry from their scheduled participation at the Air Show in Le Bourget. The journalists experienced a cultural shock when the Chancellor replied philosophically that what surprised him was not that some countries engaged in such intelligence activities, but that sothers supposedly did not.

Different beliefs about intelligence lead to different attitudes and practices which, in turn, create different intelligence abilities and disabilities. Cultures evolve, that foster or inhibit intelligence. National cultural influences are particularly powerful in that they are shared across religions, levels of education, social networks, companies and industries, and therefore are rarely questioned. They even transcend ethnic groups. In the U.S. for instance, the underlying common culture overrides the diversity coming from the influx of new immigrant populations.

Cultures are like holograms: in these holograms, microcosmic elements like corporations bear the entire representation of the national macrocultural context. Nations and corporations are alike. The same forces are at work within them and the same issues emerge. Like nations, the corporations' search for knowledge is influenced by the culture from which they emerge.

The economy is becoming more and more global. The problem for government and business analysts and managers encounter in understanding the expanding world come largely from the fact that they unconsciously look at it from an ethnocentric perspective--through their own national cultural mode of perception which they assume to be normal and superior. This widespread impairment leads to the development of stereotypical views and affects the pertinence of business choices.

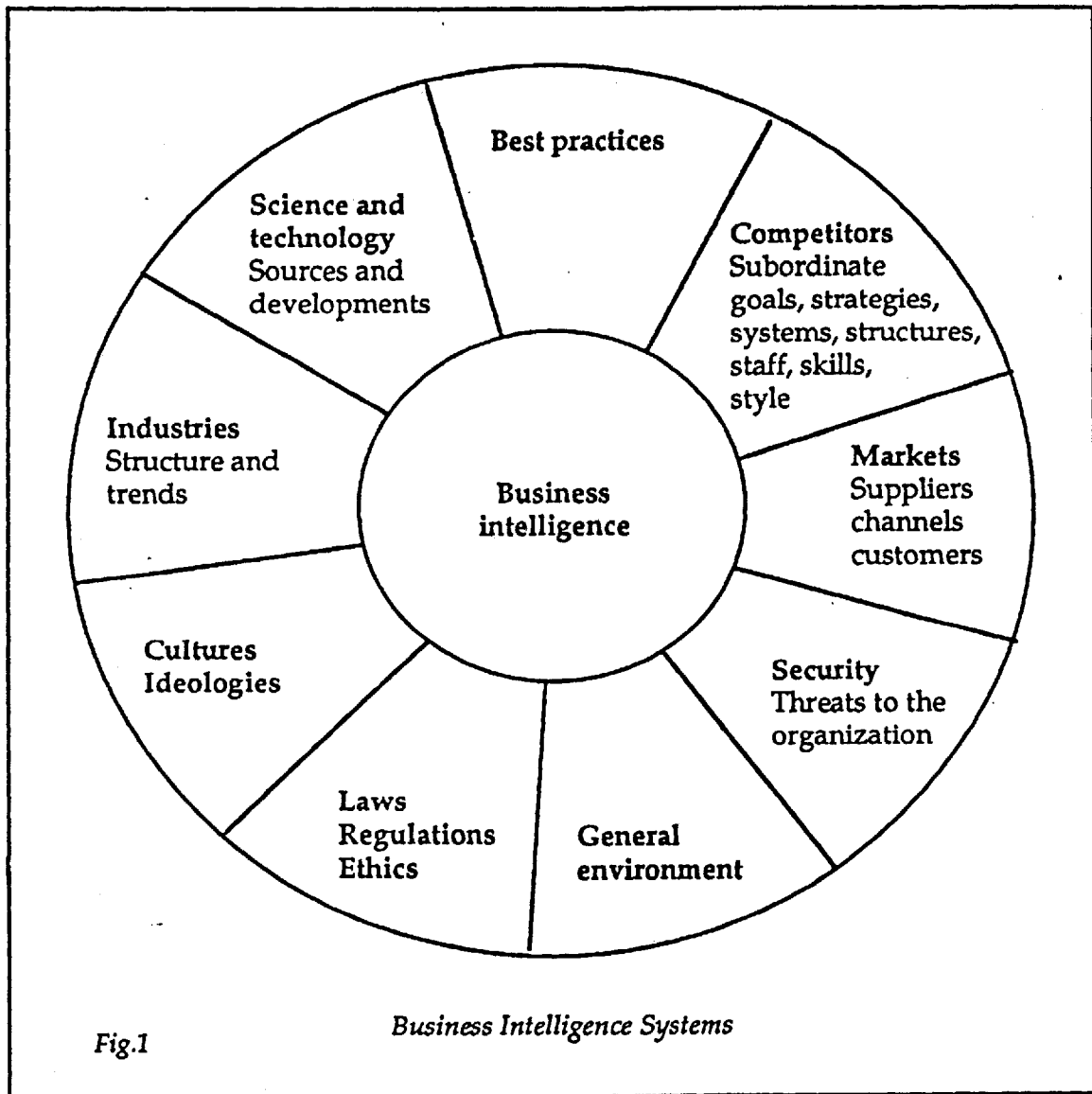
In the future, the influence of national cultures on intelligence will become more important, not less important.

Culture is becoming the one remaining vehicle through which two vital needs--individuality and sovereignty--can be exercised. Culture is the one element that weaves a homogeneous social fabric and survives mergers, acquisitions and cross-border standardizations.

As change accelerates , the power of culture in intelligence will become more apparent. Culture has deep, permanent roots in language, which, from birth, encodes images, concepts and patterns of thinking into the people much like one programs a computer chip. Throughout life, both language and culture serve as a means of perceiving, representing and relating; hence the importance of language in shaping culture and the importance of culture in shaping intelligence.

Language and culture determine the perception of the self, the perception of the world and the approach to knowledge. The Navajo language for example contains no words meaning "superior", "subordinate", "boss" or "hierarchy". As a consequence, the Navajos cannot conceive of hierarchical relations. It is a foreign concept to them. Efforts to integrate Navajos into hierarchical organizations have failed and people who have worked with them have had to adapt to the Navajo view of reality. Such deep linguistic and cultural differences are also to be found between countries like Japan, the US, France, Germany and Sweden, especially in the area of intelligence.

In 1991, in a study (Ghoshal, Westney), conducted at General Motors, Kodak and British Petroleum, cultural biases were overwhelmingly singled out by both the intelligence users and intelligence producers as the number one impediment to effective competitor intelligence/analysis. Since then, little research has taken place on the link between culture and intelligence. Culture is the missing intelligence variable. What follows is a brief review of key intelligence beliefs, practices and culture in Germany, France, Sweden, Japan and the US, as well as a model to help better integrate intelligence in organizations across cultures.



TRANSCENDING PERCEPTUAL BIASES AND DEVELOPING AN INTELLIGENT NATION/ ORGANIZATION

Intelligence consists of looking at the same things as everyone else and seeing something different.

Albert Szent-Györgyi. Nobel Prize, Physics

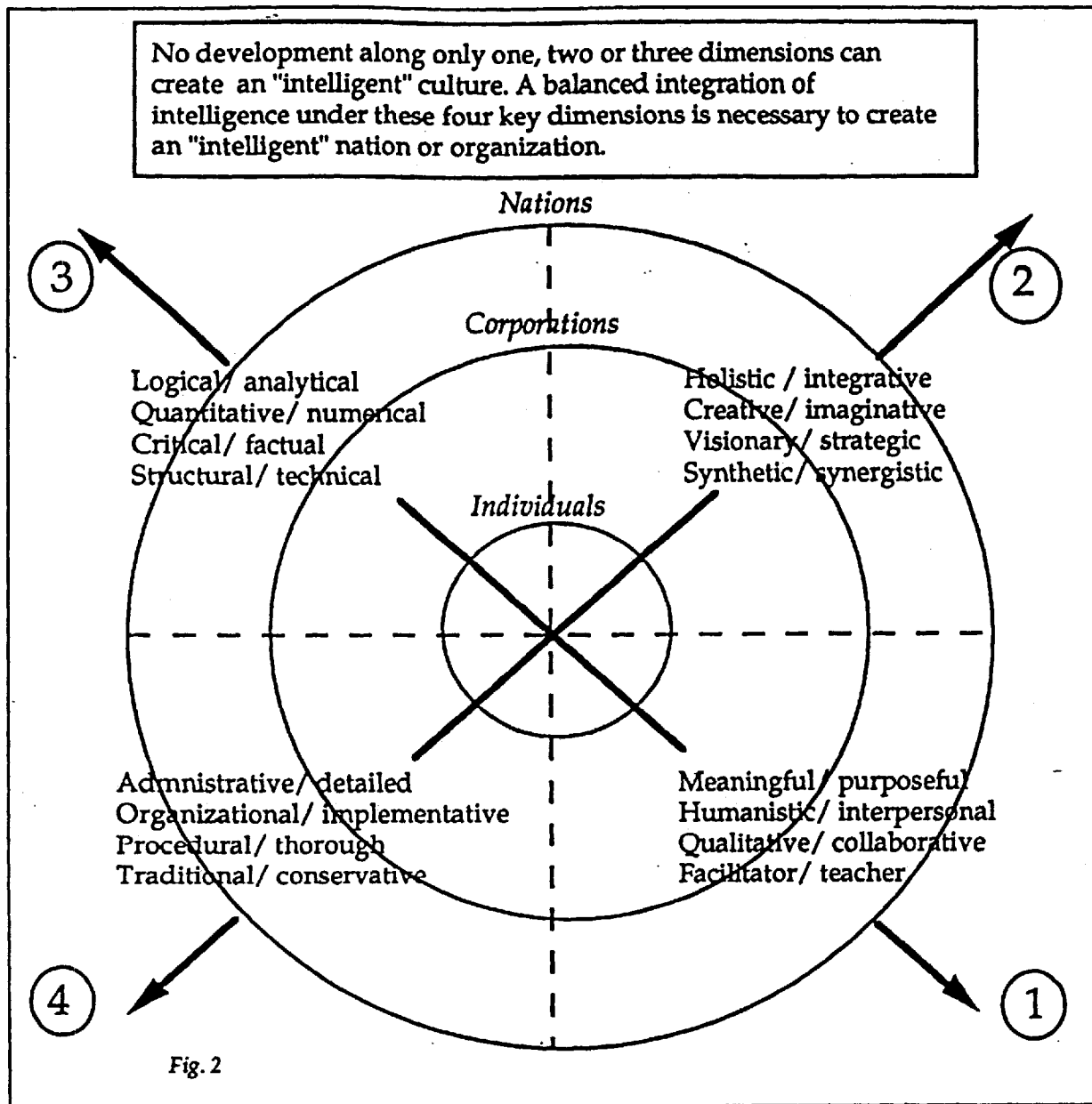
Nations and corporations are like individuals: their search for knowledge is a psychological process.

Nations and corporations are like individuals: they are bodies of people, in which psychological processes take place. Models used to comprehend individual cognitive processes can be used to understand how organizations or nations pursue intelligence. A number of researchers: Mintzberg, De Bono, Herrmann among others have, to different extents, mapped individual cognitive processes. Herrmann's premise is that dominance is part of the human condition not only physically but also mentally. Each individual's cognitive process is dominated by different affinities and avoidances. Every person, and by extension every organization, has a natural affinity for certain perceptual modes over others. While some persons or organizations are fact- oriented, others prefer to use their intuition. Some may be satisfied with approximation and creative focus, while others may need details, order and measure. Preferences and avoidances along key cognitive dimensions reveal a person's or of an organization's approach to intelligence. The recurring intelligence beliefs and practices along these key dimensions create the "intelligence" of a culture.

Intelligence functions along four key dimensions

These dimensions can be mapped, as shown in (Fig. 2). Different organizations or countries develop and integrate intelligence to various degrees along these key dimensions. Corporate or national intelligence efforts can be mapped, using the same model. (Fig. 3). The model stresses the interdependence of the four dimensions: no development along one, two, or three of the four intelligence dimensions alone is sufficient to create intelligence that withstands world-class competition. If intelligence is not equally developed and integrated under all of the four dimensions, the nation or the organization becomes impaired and develops a learning disability.

Organizational learning disabilities often go unnoticed for long periods of time: organizations can adapt for months or years to intelligence-poor environments. Some corporations avoid the issue entirely. They lack a formalized process to scan the environment, and usually delude themselves into believing that their past successes are proof of their capability to succeed in the future. This attitude is significant of a corporate learning disorder. Some companies are already brain dead: their cognitive systems have long been shut down. They just coast along an old wave of success. When this wave subsides, they realize the extent of what they do not know. It is often too late to catch up with the competition. Business intelligence systems take three to four years of intensive attention to develop and mature. Creating a culture of intelligence requires the continuous integration intelligence in the organization along the four key dimensions described below.



Dimension 1: Meaningful/purposeful, humanistic/ interpersonal, qualitative/collaborative, facilitating/teaching.

When this dimension is dominant, teaching, communicating, training in intelligence and sharing a common intelligence vision come naturally. This inclination is particularly well developed in Japan and in Sweden, which have managed to grow an "intelligent" popular culture. Intelligence and social interdependence feed each other for the common good. Both countries have elevated intelligence to the level of philosophy and have integrated it into the national culture. People bond, develop *intimacy*, , and derive greater purpose and meaning through the practice of intelligence.

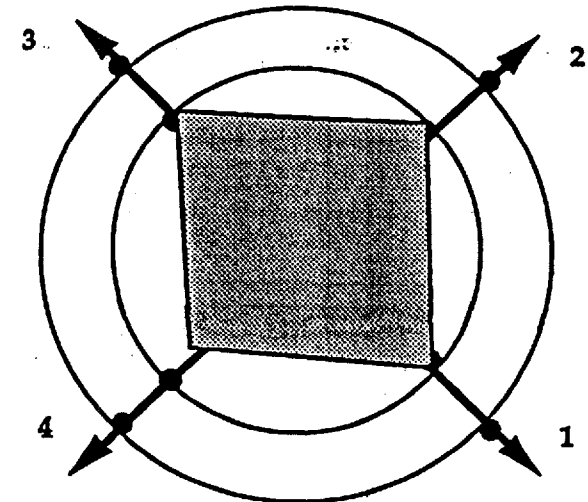
Such intelligence finds its source in people, not in logic. It rests on a shared emotional understanding. There is a deep human side to intelligence. It connects and unites people, offering them something larger than themselves to be part of. It gives them the chance to build something important and to do it with others. Emotions and intuition play a large role. The Japanese word *Amae*, a term used both to denote the relationship between a child and his mother— and an employee and his company, and thereby the object of his intelligence efforts, conveys this emotion.

This approach to intelligence draws upon a shared communitarian concern, and creates a commitment permeated by a deep sense of trust. Intelligence is perceived as a means to help the group at large preserve its heritage, culture and traditions and to create prosperity while maintaining peace. Intelligence is experienced as a tool of cultural change to weave a new societal fabric. Intelligence serves as a medium to orchestrate interpersonal relationships. The *Ningen kankei*, the Japanese networks, are an integral part of the intelligence fabric of society.

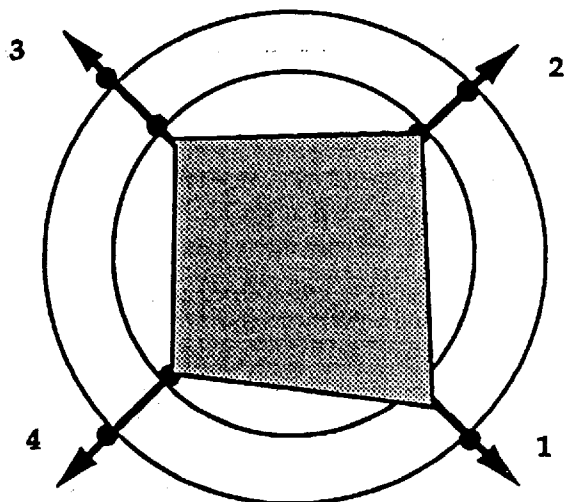
In the U.S., the traditional association of intelligence with the military and secrecy has prevented the people from perceiving intelligence as an opportunity that benefits the average citizen: intelligence is perceived as part of an underground world, rather manipulative and unethical. In Sweden and Japan, by contrast, the social benefits of intelligence are understood by the majority of the people, from farmers to small business owners and big corporations. People, business and government grow intelligence hand in hand: the society and organizations have become instruments of intelligence and intelligence serves to unite them. France understands that building an "intelligent" economy is a process of cultural change. Over the last year, the government has embarked on in-depth study of best foreign business/competitive intelligence practices, and is currently undertaking a major effort to make intelligence a part of the collaborative process of formulation and implementation of the national economic strategy. Whether this attempt will succeed will largely depend on whether intelligence ends up becoming the property of a cultural elite rather than being used as a tool for national cultural change.

Dimension 2 : Holistic/ integrative, creative/ imaginative, visionary/ strategic, synthetic/ synergistic

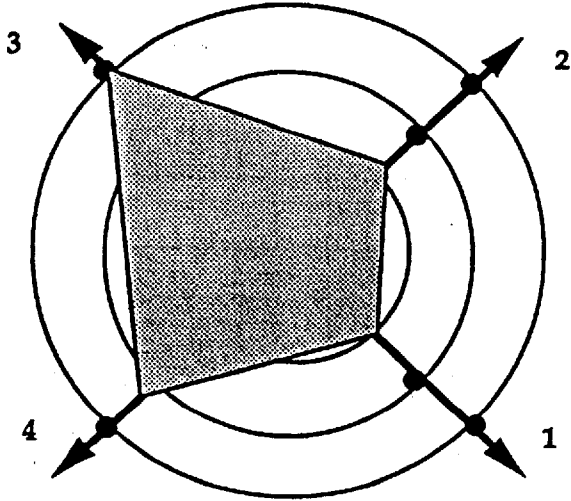
Organizations dominant in dimension 2 seek to expand the limits of intelligence. Intelligence is used as a tool to express new ideas, conceptualize and innovate. This dimension is home to the entrepreneurs and visionaries who visualize the realms of new possibilities that intelligence can bring to the organization. These visionaries integrate intelligence into the organization, rather than just conducting ad-hoc projects. They avoid building intelligence into another organizational silo: they are aware that this would mean being captive to the same thinking that brought organizational problems in the first place. Intelligence is the property of intelligence users and producers, not of a select group. Dimension 2 dominant individuals have little interest in implementing the changes required. They excel at innovating and conceptualizing, rather than at applying intelligence. Repetitive procedures are avoided and there is little interest in classifications, procedures, numbers and formulas. Strategizing and synthesizing are preferred even if at the expense of overlooking significant details. They often run the risk of seeking more truths about the company's environment than the politics or the organizational tolerance for change can handle.



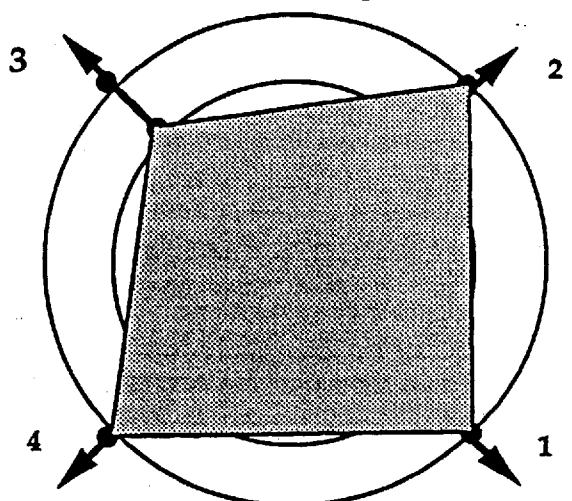
German intelligence



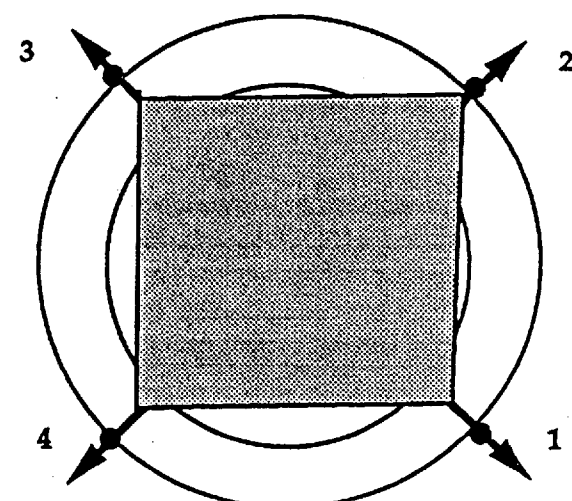
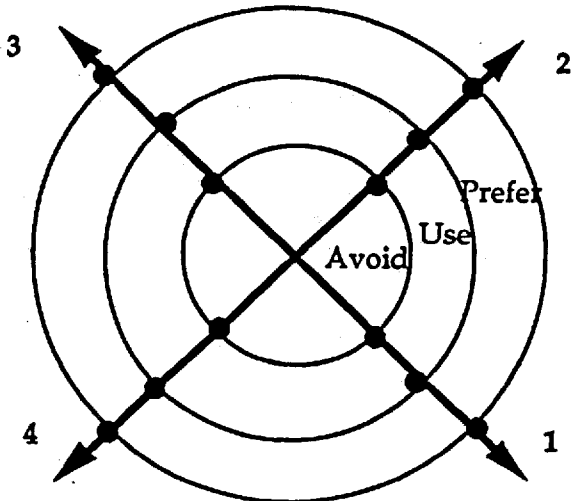
French intelligence



American intelligence



Japanese intelligence



Swedish intelligence

fig.3

The four axes in the above diagrams represent the four dimensions of integration of intelligence described in Fig. 2

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Dimension 2 intelligence shuns bureaucracy. Intelligence uses informal channels, and intelligence professionals are allowed to exercise their entrepreneurial spirit. Intelligence is perceived as quasi "sacred": it is understood that, if properly integrated, it can propel the organization to another level of competitiveness. Japanese and Swedish intelligence have greatly developed this understanding. Intelligence is an integral part of the ongoing process of strategizing on the national and corporate levels. Intelligence is not pursued in spurts or when crises strike. It is perceived as a continuum, a process without time or scope limitations. Intelligence is in every piece of information: it is not limited to confidential information. Intelligence is an integral and essential part of the national perceptual mode and of national and corporate thinking.

Dimension 3. Logical/analytical, quantitative/ numerical, critical/ factual, structural/ technical

U.S. intelligence reigns supreme in this dimension. Dimension 3 is a master of logic and reason. American intelligence can handle better rigorous quantitative assessments and factual or numerical analyses better than anyone. Problems are solved logically, the complex is reduced to the simple, the unclear to the clear. Sophisticated tools are used to develop generalizations from the specific. Logic and reason rule the intelligence process. Intuition and "soft approaches" are discounted: they are perceived as debatable, hard to prove, unreliable. Intelligence professionals have an affinity and a capability for undertaking massive projects and tackling tough problems. The intelligence processes are formal and quantified. The search for knowledge is project-based and problem-oriented, with measurable goals at each step. When the project is over, the thrust of intelligence is reduced.

Intelligence professionals in this dimension function with limited time horizons and favor short-term, measurable results. Projects are completed on time and within budget. Clockwork efficiency prevails. Facts and proofs are needed at each step of the way. Performance is measured according to well quantified criteria. Satisfaction is attained by meeting the bottom line. Creativity is not considered essential: the way to increased performance is to optimize proven analytical models. There is a reluctance to undertake assignments where the output and the return on investment cannot be measured or where there are some elements of vagueness involved. Function and value are precisely quantified and monitored. Concern for human processes are secondary. The reality is factual, the processes mechanistic and the interactions hierarchical. Authority is preferred to diversity.

If this dimension is a master of efficiency, it lags behind in effectiveness: analytical tools have limited effects on organizational development. The Japanese or the Swedish intelligence approaches use fewer analytical tools than the U.S. and yet are considered more effective. The difference lies in the extent to which intelligence permeates the organizations, in how it influences decisions, and in how it functions as an integral part of leadership.

In Dimension 3, few assumptions are questioned and the questioning remains shallow. There is little perspective of a deeper meaning and purpose in intelligence. Intelligence does not penetrate the culture of the organization and organizational integration remains low. Intelligence remains "a process and a product", coming from a group of specialists. Intelligence is at the service of a small number of decision makers, often financial ones, and plays little proactive role. Intelligence professionals stay only a few years in their functions:

intelligence is a way to move up in the organization. Intelligence personnel are selected for their potential to excel in other functions. Distinctions are awarded for individual performance in projects rather than for group performance over the long term. There are few, if any, mechanisms to reward the institutionalization and integration of intelligence in the organization.

Dimension 4. Administrative/ detailed, organizational/ implementative, procedural/ thorough, traditional, conservative

Dimension 4 dominance likes to plan, execute and implement. Designing and implementing procedures for documenting and classifying intelligence is a second nature. Collecting data, following meticulously defined procedures, evaluating them, inventoring them and filing is handled with great rigor. Ambiguity is rejected; intuitions and emotions are distrusted. The orientation is mechanical and sequence, procedure and order are favored. There is little interest in intellectual complexities or in speculation. Challenging established intelligence practices is not of interest. Intelligence improvements are conceived as incremental rather than radical. Decisions are made according to precise protocols. The focus is on optimizing intelligence practices rather than on exploring new possibilities. Why try to improve upon what seems to work just fine?. Persistence, attention to details, perfectionism and focus on one task at a time are the key factors for success. Dimension 4 supports Dimension 3 well in its analytical efforts. Quality is attained through rigorous observation of procedures and attention to details. The value of secrecy is well understood and confidential information is safely kept.

Dimension 4 dominance professionals have extraordinary capabilities to bring order out of chaos. They find comfort in precision and order and like to formalize whatever is spontaneous, vague and informal. Given masses of unorganized raw information, they excel at bringing it under their control, assessing it using proven formulas, and safeguarding it. Formalization and automation are welcomed as means to improve efficiency. American intelligence excels in this dimension.

Dimension 4 unfortunately tends to overlook the big picture. Rejecting ambiguity and vagueness, it limits itself to known, proven intelligence approaches. The administrative procedures imposed upon intelligence professionals leave them little freedom to develop innovative intelligence strategies. This dimension generates a culture of reactivity that prevent intelligence from being an agent of change in the organization.

Are the four dimensions equally critical?

Dimension 1, as it reaches into the emotional depths of the person, is critical for effectiveness, and essential for laying the foundation of all culture of intelligence. It builds its foundation on what reality: on people, rather than on tools and techniques. Cultures like Japan or Sweden that have successfully experimented with intelligence have used this dimension to lay the foundation of their intelligence system. France is about to embark on a mission to make business/competitive intelligence a part of the national culture.

Dimension 2 is important in that it allows the intelligence reality to grow, and break new ground. Dimension 3 structures this growth and model it. Dimension 4 brings sequence and order to the whole. The continuing pace and magnitude of the change in the world

demands creative intelligence responses. To provide these kinds of responses, the organization must not only become specialized in each of the four dimensions, but also maintain a fine balance between these dimensions and integrate them equally.

Dealing with the real issues behind intelligence

Growing intelligence is about understanding change-cultural change in particular- and managing it. While government and business leaders say that they understand the issue of cultural change, few are able to translate that understanding into successful action.

Governments and corporate executives often want the rewards of intelligence but do not want to have to go through the challenging process of changing their cultural orientation and integrating intelligence. More is needed than to recite vaguely constructed ideas about changing economic and competitive conditions and the need for better information.

Focused, systematic, integrated intelligence strategies must be put into place to fit the rapid changes in the competitive environment. A paradigmatic shift in culture and power is the necessary price to pay to successfully integrate intelligence. Growing an intelligent nation or organization inevitably requires the reconsideration of concepts, assumptions, values and beliefs about business in general and about intelligence that are deeply engrained in national and organizational cultures.

Intelligence is a double-edged sword that must be handled with maturity, as it brings to light truths about the nation's or the company's competitive stance. More than anything, it reveals the true nature of the nation or of the company. Politicians or executives may brutally curtail the process because they fear troublesome news or because the news threaten their own career plans. The change necessary to bring intelligence into government or into the organization needs to be approached with humility. The greater the competence and the more developed the functional skills, the more psychological obstacles people and organizations may have to overcome before accepting the idea that there may be a lot that they do not know and that intelligence could bring them. On the other hand, intelligence is not a panacea: government officials and corporate executives may have unrealistic expectations. If they themselves do not know where they are headed, no amount of intelligence will help them.

Developing an intelligent nation or organization is as much a psychological as an analytical or logistical process. It is as much about acquiring valuable information as about rethinking the organization's cognitive process. Both go hand in hand. Neither of these two processes alone can produce a business/competitive intelligence capability.

Since business/competitive intelligence is a cognitive process, learning intelligence is about learning how to learn. Developing an intelligent nation or organization is therefore about building a nation or an organization of learners. Becoming an intelligent learner is certainly about finding valuable information, acquiring practical skills. Equally importantly, it is about understanding the limitations of one's own cultural intelligence framework, transcending one's biases, recognizing the value of best intelligence practices across cultures, integrating these practices, and re-perceiving the world in a new way as a consequence of recreating one's relationship to it.

Looking at the Japanese and the Swedish models, the reward may well be substantially increased performance, renewed purpose and meaning for citizens and employees, and a sustainable increase in the nation's or organization's competitive strength.

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