

CROSS-CULTURAL APPROACHES TO MANAGING THE ADOPTION OF CASHLESS POLICIES IN THE WORKPLACE

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ABSTRACT

This study explores the cross-cultural aspects of managing the adoption of cashless policies in the workplace. The adoption of cashless payment methods presents unique challenges and opportunities in diverse cultural contexts. Understanding the cultural factors that influence individuals' attitudes and behaviors towards cashless payments is crucial for effective implementation. The study begins by examining key cultural dimensions such as individualism vs. collectivism, power distance and uncertainty avoidance. It discusses how these cultural dimensions shape individuals' preferences, trust, and security concerns related to cashless adoption. Cultural factors, including trust and security concerns, familiarity with traditional payment systems and socioeconomic factors are also explored as influential factors in cashless adoption. The study highlights the importance of considering these factors when managing the adoption of cashless policies in the workplace. Furthermore, the study discusses strategies for managing cross-cultural adoption, including customized training, fostering trust and security, and addressing infrastructure gaps. It emphasizes the need for robust communication, collaboration, and regulatory support to facilitate successful adoption. The abstract concludes by presenting a case study from Nigeria, where the implementation of a cashless policy provides valuable insights into managing cross-cultural adoption. Best practices derived from successful cases are discussed to guide organizations in navigating the complexities of cross-cultural cashless adoption. This study contributes to the understanding of cross-cultural dynamics in the adoption of cashless policies and provides practical recommendations for organizations aiming to implement such policies in culturally diverse environments.

Keywords: cashless policies, workplace, cross-cultural aspects, adoption, management strategies.

Introduction

The rapid advancement of digital technology has transformed the way we conduct financial transactions. In response, many organizations have introduced cashless policies in their workplaces to streamline operations, enhance security, and improve efficiency. However, cultural differences can significantly impact the acceptance and effectiveness of such policies.

This paper investigates the cross-cultural aspects that organizations must consider when managing the adoption of cashless policies in the workplace.

Cultural Dimensions and Attitudes towards Cashless Payments

Cultural dimensions play a significant role in shaping attitudes and behaviors towards cashless policies. Understanding these cultural dimensions is crucial for implementing effective strategies that account for cultural nuances and promote the adoption of cashless payment methods.

A study by Oyedele, Afolabi, and Adekunle (2021) explored the influence of cultural dimensions on the adoption of cashless payments in Nigeria. The research highlighted the following cultural dimensions:

1. **Individualism vs. Collectivism:** Individualistic cultures prioritize personal autonomy, choice, and independence. In contrast, collectivistic cultures emphasize group harmony, interdependence, and social relationships. In Nigeria, which is characterized as a collectivistic society, social influence and community norms play a significant role in shaping attitudes towards cashless payments? People are more likely to adopt cashless methods if they align with communal values and are endorsed by influential members of their social networks.
2. **Power Distance:** Power distance refers to the extent to which less powerful members of a society accept and expect power to be distributed unequally. In societies with high power distance, such as Nigeria, individuals are more likely to follow authority figures and comply with policies endorsed by those in positions of power. Therefore, the acceptance and success of cashless policies may be influenced by the endorsement and support of influential figures, such as government officials and community leaders.
3. **Uncertainty Avoidance:** Uncertainty avoidance refers to the extent to which individuals in a society feel threatened by ambiguity and uncertainty. Cultures with high uncertainty avoidance tend to prefer structure, rules, and predictability. In Nigeria, where uncertainty avoidance is relatively high, individuals may have concerns about the security and stability of cashless transactions. Addressing these concerns by implementing robust security measures and providing clear guidelines can help alleviate anxieties and promote cashless adoption.

Understanding and incorporating these cultural dimensions into the design and implementation of cashless policies is vital. Strategies should focus on leveraging social networks, building trust through influential endorsements, and addressing concerns related to security and stability.

Cultural Factors Affecting Cashless Adoption

The following are the cultural factors affecting cashless adoption:

1. Trust and Security Concerns

Trust and security concerns play a critical role in shaping the adoption of cashless payment methods. In recent years, several studies have focused on understanding the factors that influence individuals' trust in and perceptions of security in digital payment systems.

A study by Akinyele, Ogunnusi, and Ogunnaike (2021) investigated trust and security concerns in the adoption of mobile payment services in Nigeria. The research highlighted that

the lack of trust in the security of digital transactions was a significant barrier to cashless adoption. Participants expressed concerns about unauthorized access to their financial information, data breaches, and fraudulent activities.

To address these concerns, it is crucial to establish trust and enhance the security measures surrounding cashless payment systems. Building trust requires clear and transparent communication about the security features and safeguards implemented by financial institutions and service providers. Users need to be reassured about the encryption protocols, authentication mechanisms, and data protection measures in place to protect their financial transactions and personal information.

Additionally, collaboration between financial institutions, regulatory bodies, and technology providers is essential in establishing industry-wide standards and practices that prioritize security. Regular audits and compliance checks can help ensure that security protocols are followed and vulnerabilities are addressed promptly.

A recent report by Awasthi, Sangle, and Sharma (2021) emphasized the importance of user education and awareness programs in addressing trust and security concerns. Educating users about best practices for secure digital transactions, such as using strong passwords, avoiding phishing attempts, and regularly updating their devices and software, can significantly enhance their confidence in cashless payment systems.

Furthermore, the study highlighted the role of user reviews, ratings, and feedback mechanisms in building trust. Positive reviews and testimonials from existing users can help alleviate concerns and increase the perceived trustworthiness of cashless payment platforms.

2. Familiarity with Traditional Payment Systems

Familiarity with traditional payment systems is a significant cultural factor that influences the adoption of cashless payment methods in Nigeria. Many Nigerians have a long-standing familiarity and comfort with cash-based transactions, which can act as a barrier to the widespread adoption of digital payments.

A study by Adewale, Eze, and Yaya (2018) examined the factors influencing the adoption of mobile payment services in Nigeria. The study found that the familiarity and attachment to traditional payment systems, such as cash and physical banking, were key factors inhibiting the adoption of mobile payments. Participants expressed a preference for physical cash as it was perceived to be more tangible and reliable.

The cultural familiarity with cash in Nigeria can be attributed to various factors, including historical practices, informal economic systems, and the prevalence of cash-based transactions in daily life. This familiarity creates a level of comfort and trust in traditional payment methods, making individuals reluctant to transition to digital alternatives.

To overcome this cultural barrier, education and awareness campaigns highlighting the benefits and convenience of digital payments have been recommended. A recent report by Oladipo, Adigun, and Akinbola (2021) emphasizes the importance of educating Nigerians

about the features, security measures, and advantages of cashless payment systems. By increasing awareness and understanding of the benefits and safety of digital payments, individuals can be encouraged to embrace these modern payment methods.

Furthermore, the provision of accessible and user-friendly digital payment platforms, along with efforts to address infrastructure challenges such as limited internet connectivity and reliable electricity, can enhance the adoption of cashless payment systems among Nigerians (Ayo, Oni, & Ayeni, 2016).

3. Socioeconomic Factors

Socioeconomic factors play a significant role in shaping the adoption of cashless payment methods. Understanding the influence of socioeconomic factors is essential for addressing barriers and promoting inclusive cashless adoption among diverse populations.

A study by Dada, Aziz, and Emechete (2020) examined the impact of socioeconomic factors on the adoption of mobile money services in Nigeria. The research highlighted the following key socioeconomic factors:

1. **Income Level:** Income is a crucial determinant of cashless adoption. Individuals with higher incomes are more likely to have the financial means to access smartphones, reliable internet connectivity, and bank accounts necessary for cashless transactions. Lower-income individuals may face affordability issues, limiting their participation in digital payment systems.
2. **Educational Level:** Education plays a significant role in cashless adoption. Higher levels of education are associated with greater digital literacy and awareness of the benefits of cashless payments. Educated individuals are more likely to adopt cashless methods and adapt to digital technologies.
3. **Financial Inclusion:** The extent of financial inclusion, including access to formal banking services, also influences cashless adoption. Individuals who are unbanked or under banked may face challenges in participating in cashless transactions due to limited access to financial services and digital payment platforms.

Addressing these socioeconomic factors requires a multifaceted approach. Efforts should be made to improve financial inclusion through initiatives such as expanding access to banking services, promoting affordable smartphone options, and enhancing digital infrastructure in underserved areas.

A recent report by the World Bank Group (2020) emphasized the importance of financial literacy programs in driving cashless adoption. Such programs can educate individuals, particularly those from lower socioeconomic backgrounds, about the benefits and usage of digital payment systems. Additionally, providing incentives and rewards for cashless transactions can help overcome affordability concerns and encourage adoption among lower-income individuals.

Strategies for Managing Cross-Cultural Adoption

Managing cross-cultural adoption of cashless policies in the workplace requires careful consideration of cultural differences and the implementation of effective strategies. The

following strategies can help organizations navigate the challenges associated with cross-cultural adoption:

1. Cultural Sensitivity and Awareness

Developing cultural sensitivity and awareness is crucial for understanding the cultural nuances that may impact the adoption of cashless policies. Organizations should invest in cultural training programs and provide employees with the knowledge and skills necessary to navigate cross-cultural interactions. This includes understanding cultural values, norms, and preferences related to payment methods and financial transactions (Minkov, 2020).

2. Customized Communication and Education

Effective communication and education tailored to specific cultural contexts are essential. Organizations should develop informative materials and training programs that address the cultural concerns and preferences of employees. Clear and transparent communication about the benefits, security measures, and privacy protections associated with cashless payments can help alleviate cultural resistance and build trust (Kim & Kim, 2021).

3. Collaboration and Inclusion

Encouraging collaboration and inclusion among diverse employees can foster a positive cross-cultural adoption environment. Organizations should promote teamwork, provide platforms for open discussions, and involve employees from different cultural backgrounds in the decision-making process. This approach helps ensure that diverse perspectives are considered, leading to more effective strategies for managing cross-cultural adoption (Abosag, Youssef&Alimadadiet al., 2021).

4. Localized Implementation

Taking a localized approach to the implementation of cashless policies can enhance cross-cultural adoption. This involves adapting the payment systems, user interfaces, and customer support services to align with the specific cultural preferences and technological readiness of each target market. Local partnerships and collaborations can also facilitate smoother adoption by leveraging the knowledge and expertise of local stakeholders (Belkhir& El Mekkaoui, 2021).

5. Continuous Evaluation and Adaptation

Regular evaluation and adaptation of cashless policies are crucial for addressing cross-cultural challenges. Organizations should collect feedback, monitor adoption rates, and assess cultural barriers and preferences to make necessary adjustments. This iterative approach allows for continuous improvement and the customization of strategies based on the evolving needs and cultural dynamics of the workplace (Sharma & Lai, 2021).

Recent research supports the effectiveness of these strategies in managing cross-cultural adoption: For example, a study by Kim and Kim (2021) examined the role of communication and education in promoting the adoption of mobile payment systems in South Korea. They found that customized educational programs that addressed cultural concerns significantly influenced users' intentions to adopt mobile payments.

Additionally, a study by Sharma et al., (2021) explored the impact of localization strategies on the adoption of digital payment systems in India. They found that adapting the payment systems and user interfaces to align with local cultural preferences positively influenced adoption rates.

Case Studies and Best Practices

Case studies provide valuable insights into real-world examples of managing cross-cultural adoption of cashless policies. By examining successful cases and best practices, organizations can learn from the experiences of others and apply relevant strategies in their own contexts. Here, we present a case study from Nigeria, along with best practices for managing cross-cultural adoption.

Case Study: Cashless Policy in Nigeria

Nigeria's cashless policy implementation provides a notable case study in managing cross-cultural adoption. The Central Bank of Nigeria (CBN) introduced the policy in 2012 to reduce the reliance on cash transactions and promote digital payments. The policy aimed to enhance transparency, reduce corruption, and foster financial inclusion in the country (Adetiloye, Badejo, Osibanjo, & Falola 2020).

To manage cross-cultural adoption effectively, several strategies were implemented:

1. Robust Communication and Education

The CBN launched comprehensive communication and education campaigns to create awareness and educate the population about the benefits and procedures of cashless transactions. They utilized various channels, including radio, television, and social media, to reach a diverse audience and address cultural concerns and preferences (CBN, 2020).

2. Infrastructural Development

The government and financial institutions invested in developing the necessary infrastructure to support cashless transactions. This included improving internet connectivity, expanding the coverage of point-of-sale (POS) terminals, and implementing mobile banking solutions to ensure accessibility across different regions and socioeconomic groups (Agwu, Abazie, & Omoruyi 2020).

3. Collaboration and Stakeholder Engagement

The CBN collaborated with financial institutions, merchants, and other stakeholders to foster collaboration and inclusiveness in the adoption process. They engaged with industry players to address operational challenges, provide technical support, and encourage the participation of diverse stakeholders in driving the adoption of digital payment methods (Adeleye, Osuji, & Popoola 2020).

4. Regulatory Support

The CBN introduced supportive regulations and policies to facilitate the adoption of cashless payments. They implemented measures such as lower transaction fees for electronic payments, incentivized the use of digital payment channels, and enforced compliance with anti-money laundering and security standards to build trust and confidence in the system (Akinyele et al., 2021).

The case of Nigeria's cashless policy demonstrates the importance of robust communication, infrastructure development, collaboration, and regulatory support in managing cross-cultural adoption.

Best Practices

Drawing from successful case studies and experiences, the following best practices can guide organizations in managing cross-cultural adoption of cashless policies:

1. Conduct Cultural Assessments

Conduct cultural assessments to understand the cultural values, norms, and preferences of the target audience. This helps identify potential cultural barriers and develop tailored strategies that resonate with the cultural context (Kourouthanassis, Giaglis, & Vrechopoulos 2020).

2. Customized Training and Support

Provide customized training and support to employees and users from diverse cultural backgrounds. Address cultural concerns, provide clear instructions, and offer ongoing assistance to enhance understanding and adoption of cashless payment methods (Kuk, Gergawy, & Cheng 2021).

3. Foster Trust and Security

Emphasize trust and security measures to alleviate cultural concerns related to the safety of digital transactions. Highlight the use of encryption, authentication mechanisms, and data protection protocols to build trust and instill confidence among users (Awasthi et al., 2021).

4. Address Infrastructure Gaps

Identify and address infrastructure gaps that may hinder adoption, such as limited internet connectivity or inadequate access to payment terminals. Collaborate with technology providers and local stakeholders to bridge these.

Conclusion

Successful adoption of cashless policies in the workplace requires organizations to navigate the complexities of cross-cultural dynamics. By understanding the cultural factors that influence attitudes towards cashless payments, organizations can tailor their strategies and effectively manage the adoption process. Implementing cultural sensitivity, providing education and training, addressing security concerns, collaborating with local financial institutions, and engaging key stakeholders are essential strategies to ensure the successful integration of cashless policies in diverse workplace environments. By acknowledging and leveraging cross-cultural differences, organizations can harness the benefits of cashless payments while fostering a positive and inclusive work environment.

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