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**Cultural Differences : an opportunity
for the development of the
international companies**

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CULTURAL DIFFERENCES: AN OPPORTUNITY FOR THE DEVELOPMENT OF THE INTERNATIONAL COMPANIES

SUMMARY

Modern enterprises have to deal with many inevitable and complicated changes of their environment. The result of those changes is going to be a different way of thinking about managing a company. The success of a company is still considered as achieving objectives, but it could be seen a change in thinking of conditions of that success. One of those conditions – not the only one and not the most important – are cultural differences among members of the organization. Every human is a part of his/her cultural group, but in the same time he/she is an individual with his/her own personality, experiences, ways of thinking and perceiving the world. The author tries to show that cultural differences could be considered not only as a source of misunderstanding within the organization, but also, if the appropriate model of the intercultural managing is used, cultural differences could cause the growth of the organization.

Key words: culture, intercultural management, cultural cooperation.

INTRODUCTION

Because of the processes taking place in the modern world^[1], the issues connected with culture and cultural influence over the economy^[2] – in its broadest definition – become more and more important. From the economical standpoint an increase in migration is very important – since it promotes intercultural contacts. People are marked with the national culture – and yet constantly exposed to the intercultural relations. Different, at times even contradictory, the elements of culture and the international strategy of the company do not mix easily. Cultural differences become really important among the people of different nationalities in a single workspace. It is necessary to acknowledge the fact, that visible globalization trends, which seemingly tie people together, also bring out the profound differences between the people of various nationalities, on the level of an individual, a group of people, and – which is of utmost importance – on the level of the organizations. As Mr. Korporowicz points out „The phenomena of cultural globalization, specific for the contemporary forms of the technologically advanced civilization, which brought forth the period of the expansive standardization, have lead to the opposite phase. The immense variety of cultures has been revealed, along with the necessity to define the formula for the coexistence, and, indirectly, the problem of the cultural identity groups and individuals under the conditions of international-

¹ The processes mentioned include: shortening the distance between East and West, expansion of the South-east Asia and the development of the trans-national corporations, the increase of the value of the information, development and transfer of the modern technologies.

² Cf. G. Hofstede: *Kultury i organizacje*. Warszawa 2000

ized systems of social life and growing importance of the intercultural communication”^[3].

The idea that cultures differ is a truism. However, understanding the differences between the cultures, accepting and respecting them, seems to be a necessity to run the effective international business. Thus widening the horizons of cognition beyond the borders of the country grants an opportunity to evolve. Aside from that, involving cultural differences in professional manner, as well as introduction of the appropriate intercultural management model, minimizes the number of the conflicts sparking out due to those differences, and increases management effectiveness.

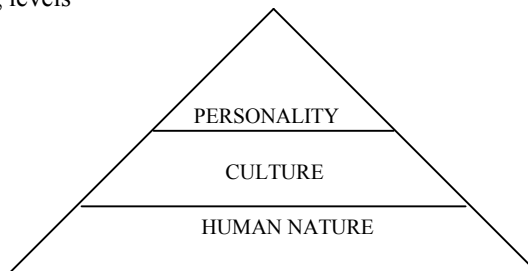
THE NOTION OF CULTURE

There are as many definitions of the notion of „culture” as there are the members of it. There is no single or most appropriate definition. One may agree with what Herder^[4] has said: „There is nothing more indefinite than the word ‘culture’”. The differentiation stems from the domain one treats as the root for the definition (anthropology, sociology, psychology). Six types of the definition of culture are accepted: descriptive-numeric, historical, normative, psychological, structural and genetical^[5]. In all of the above, there are some common elements of the notion in question. Culture is the phenomenon which is: beyond individual, social, the set of symbols, the historical reality, the psychological phenomenon, the learnt entity (as opposed to the biologically transmitted).^[6]

Among the most cited definitions, one deserves special mention. Hofstede claims that „culture is the collective software of the mind, which differentiates one social group from the other”^[7]. This would mean, that mind of any man is somehow programmed. The programming is in part common to all the people, and in part only specific to one person. There are three levels of ‘mind-programming’.

Picture 1 The mind-programming levels

The mind-programming levels



From: Hofstede G., *Kultury i organizacje*, Warszawa 2000, p.40

³ L. Korporowicz: *Od konfliktu do spotkania kultur, czyli tożsamość jako reguła autotransformacji*, [in]: A. Kapciak, L. Korporowicz, A. Tyszka (eds.): *Komunikacja międzykulturowa. Zbliżenia i impresje*. Instytut Kultury 1995, p.39

⁴ J.G. Herder: *Myśli o filozofii dziejów*. Warszawa 2000, p.22

⁵ B. Balewski: *Psychospołeczne i ekonomiczne uwarunkowania efektywności aktywnych form przeciwdziałania bezrobociu*, Poznań 2006, p.15

⁶ E. Nowicka: *Świat człowieka – Świat kultury*. Warszawa 1998, pp.59 - 62

⁷ G. Hofstede, op. cit., p. 40

Hofstede says that human nature is the universal level, common to all human beings. It is the bulk of knowledge regarding the basic psychological and physical needs.^[8]

Culture is the collective level, thus characteristic for given social group. It is learnt. It is acquired in the socialization process, from those, who have been the members of culture themselves. This level allows one group to be unique in its surrounding.^[9]

The personality, for Hofstede, is the level specific and unique for a given human being. It is in part inherited, and in part acquired and shaped under the influence of one's own experiences and culture^[10].

The elements, of which culture is comprised, such as language, rituals, symbols and prearranged reaction rites, are transmitted as cultural artifacts. Those, in turn, can be divided into: physical, linguistic and behavioral artifacts^[11].

Physical artifacts are material goods of culture – Art, architecture.

Linguistic artifacts form language, used by the members of given culture. Myths and legends are considered such linguistic artifacts^[12].

Behavioural artifacts, on the other hand, make up for specific rituals and habits connected with schemes of behaviour. Those are codified to a varied extent.^[13]

When one is familiar with cultural artifacts, it is possible to observe concretized images of given culture. Most researches are of the opinion^[14] that within one culture, one can find set of norms and values characteristic to it. There can be even marked differences in the understanding of such basic notions as „good” or „evil”^[15].

Culture has profound meaning, both in life on an individual, as in the life of the group. It teaches the members of the given community, how “to live”, think, behave, perceive the world. Thanks to it the individuals receive prepared samples of behaviour and thinking. Culture „retains” the norms and values, which the members of the given culture share, and which mark the difference between them and the members of other cultures. Culture itself creates the division between people, the division into “us” and “them”^[16].

CULTURE AND MANAGEMENT

Just as there is no one proper definition of culture, there is no one, common style of management. Because of the cultural differences, the managers make decisions in a different way, reach the ascribed goals differently.^[17] Their behaviour is dictated by culture, which they inherited, as much as culture of the country they are working in. As it has been already stated, culture is one of the defining factors,

⁸ ibidem

⁹ ibidem

¹⁰ ibidem, p.41

¹¹ A.K. Koźmiński, W. Piotrowski (eds.), (1995), p.420

¹² ibidem, p.421

¹³ A. Czermiński, M. Czerska, B. Nogalski, R. Rutka, J. Apanowicz: *Zarządzanie organizacjami*, Toruń 2002, p. 590

¹⁴ cf. F. Trompenaars, Ch. Hampden-Turner, (2002)

¹⁵ E. Nowicka: *Świat człowieka – Świat kultury*, p. 432

¹⁶ K. Nishiyama, *Doing business with Japan: successful strategies for intercultural communication*, Honolulu 2000, pp.16-17

¹⁷ A. Murdoch: *Współpraca z cudzoziemcami w firmie, poltext*, Warszawa 1999, pp.175-177

as far as thinking, perceiving world and individuals goes. It will also impact preferences and attitudes of the employees, their work-style^[18].

The scientific domain, which is entitled to the research of the phenomena on the border of the management and national cultures, is called intercultural management. It „focuses on (...) interactions of the people from more than one culture, operating in the confines of the organizational roles (...); it is based on the presumption, that culture influences the norms and values, attitudes and behavioural rites of the members of the organization“^[19]. Thus, culture is the element, because of which the behaviour of the members of the organization is unified. It is impossible to unify those behavioural patterns completely, because each human being possesses unique personality.^[20] What's more, the unifications lead to even more pronounced differences between cultures.^[21] It is worth noting, that culture is only one of the elements of the surrounding of the company^[22]. It cannot be either over- or under-appreciated.

From the intercultural standpoint, the most important cultural artifacts are those, which, while differing among themselves, impact the management in different ways. The following differences allow to view cultural dimensions (cultural orientations, cultural groups)^[23], and also inform of characteristic features of given cultural groups.

Table 1. Chosen cultural dimensions

Autor	Division criterion	Cultural dimension
G. Hofstede	Attitude towards individual and group Attitude towards social hierarchy Attitude towards changes and new situations Attitude towards social roles	Individualism - Collectivism Power distance Level of avoiding the uncertainty Masculinity – Femininity
F. Trompenaars Ch. Hampden-Turner	Attitude towards individual and group Attitude towards ethical and legal rules The way of behaving The way of perceiving the world The way of marking the social status Attitude towards time Attitude towards the surroundings	Individualism - Collectivism Universalism - Particularism Restraint - Emotionality Segmentation - Wholeness Achieving - Ascribing Linearity - Nonlinearity Harmony - Aggressiveness

¹⁸ K.S. Cameron, R.E. Quinn: *Kultura organizacyjna – diagnoza i zmiana*, Kraków 2003, p.15

¹⁹ A.K. Koźmiński, W. Piotrowski (eds.), (1995), p.422

²⁰ G. Hofstede, op. cit., p.41

²¹ F. Trompenaars, Ch. Hampden-Turner, op. cit., p.18

²² M. Bartosik-Purgat: *Otoczenie kulturowe w biznesie międzynarodowym*, Poznań 2006, p.35

²³ The terms are used interchangeably

R.R. Gesteland	Attitude towards business environment Attitude towards time The way of behaving Attitude towards rules, laws, habits and conventions	Pro-transaction – Pro-partnership Monochrony- Polychrony Expressiveness - Modesty Ceremony – Non-ceremony
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From: own research, on the basis of: Hofstede G., *Kultury i organizacje*, Warszawa 2000, p.51; Trompenaars F., Hampden-Turner Ch., *Siedem wymiarów kultury*, Oficyna Ekonomiczna, Cracow 2002, pp.22-24; Gesteland R.R.: *Różnice kulturowe w biznesie*, Warszawa 2000, pp.16-17.

In the classification devised by Hofstede one can define four types of cultural dimension. This is done on the basis of the four criteria: attitude towards the group and individual, attitude towards social hierarchy, attitude towards change and new situations and attitude towards the social roles. The four dimensions thus reached are: individualism – collectivism, power distance, level of avoidance of the uncertainty, masculinity – femininity. To this end, Trompenaars and Hampden-Turner propose to use 7 criteria: attitude towards the individual and the group, attitude towards the ethical and legal rules, the way of behaviour, the way of perceiving the world, the way of marking the social status, the attitude towards time, attitude towards surroundings. On the basis of the seven, they define seven types of cultural orientations, grouping them in the antagonistic pairs: individualism – collectivism, universalism – particularism, restraint – emotionality, segmentation – wholeness, achieving – ascribing, linearity – non-linearity, harmony – aggressiveness. On the other hand, Gesteland presents such cultural dimensions: pro-transaction – pro-partnership, monochrony – polychrony, expressiveness – modesty, ceremony – non-ceremony. He uses the following criteria: attitude towards business surroundings, attitude towards time, the way of behaving, attitude towards rules, laws, habits and conventions. As it can be observed, the bulk of the criteria is the same and the cultural dimensions, devised on their basis – though named differently – overlap significantly. There are thus the cultural orientations which are specifically important in the intercultural business relations, owing to which there is a distinct possibility to define the differences between the members of different cultures.

Intercultural management means managing the multi-national organizations^[24] - thus those, which economical subjects are operating in the different national economies, cultural systems, are centre-dependent and co-depend in capital^[25]. In this type of the organizations, the intercultural relations are an everyday reality with which the managers have to cope. National culture influences the members of the organization. Because of this, people originating from different cultures have different expectations towards both formal and informal behavioural patterns^[26]. Those expectations decide how the people will react to different situations. There are three models of the intercultural interactions: the model of the cultural domination, the model of the cultural coexistence, and the model of cultural cooperation^[27].

Cultural domination requires the main cultures dominance over the organization as far as norms and values are concerned. Other cultures are discriminated or

²⁴ A.K. Koźmiński, W. Piotrowski (eds.), op. cit., p.422

²⁵ A. Murdoch, op. cit., p.85

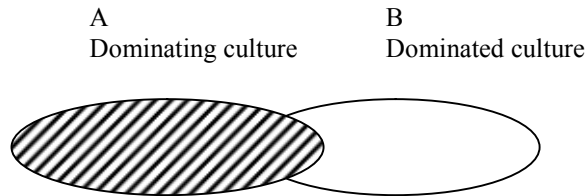
²⁶ A. Czermiński, M. Czerska, B. Nogalski, R. Rutka, J. Apanowicz, op. cit., pp. 588-560

²⁷ A.K. Koźmiński, W. Piotrowski (eds.), op. cit., p.434

ignored. From the practical standpoint this is the easiest model to implement. Its incorporation into the organization requires no specific knowledge or skills. However, its use is risky for the company – the employees are resistant and in conflict, which in turn diminishes effectiveness and leaves the potential of the employees and the company untapped.

Picture 2. Model of the cultural domination

Model of the cultural domination

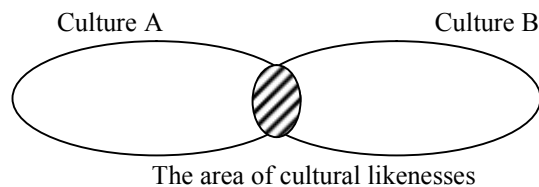


From: Koźmiński A.K., Piotrowski W. (eds.), *Zarządzanie. Teoria i praktyka*, Warszawa 1995, p. 434

In the cultural coexistence model, the main-culture members, and the guest-culture members try to reach a compromise between the cultures they represent. Only the solutions which please members of both cultures are valid. In the company management the common points between the cultures are employed. In this model, despite the fact that it accepts different norms and values, the tendency is to avoid conflicts on the cultural ground. Because of this, the employees of the organization operate in the domain of the cultural likenesses, since this guarantees the harmony of the organization. This attitude, however, leaves the strong points of the cultures untapped.

Picture 3. Model of the cultural coexistence

Model of the cultural coexistence



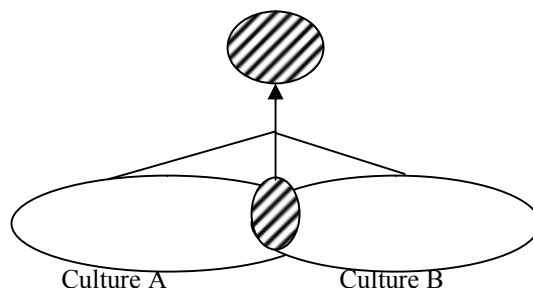
From: Koźmiński A.K., Piotrowski W. (eds.), *Zarządzanie. Teoria i praktyka*, Warszawa 1995, p. 435

The cultural cooperation model operates under the assumption, that the cultural interactions lead to the development of the organization and its members, bring in the new norms and values. New cultural patterns, created in the organization, do not only base on the elements of the original national cultures, but exceed them. This way the new management style arises, the one based on the mutual

respect and tolerance, openness to the cultural difference, new ideas and creative thinking. This way, culture has a meaning for the economical effectiveness of the company^[28]. The members of the organization learn how to „create new forms of the organization and management, which surpass the individual cultures of its members”^[29].

Picture 4. Model of the cultural cooperation

Model of the cultural cooperation



From: Koźmiński A.K., Piotrowski W. (eds.), op. cit., p. 436

To sum up, culture has, without a doubt, an impact on the behaviour of a man, on the choices he/she makes, his/her reactions in relations with other people. Because people are, in fact, the true capital of the company, the cultural differences within should be noted. This is really important in the multi-national companies. From the practical management standpoint it is important that the suitable intercultural management model is used – such as will benefit the organization and increase its effectiveness. The most viable is the cultural cooperation model, which draws on the cultural differences to offer a new management system. Having the common cultural elements as the base, one can search for mutual solutions which can be used in every element of the organizational management, for the most part – in personnel management. Despite proposing new solutions to the employment of the cultural differences, one has to keep in mind, that „every researcher as a man and simple mortal has specific cultural inheritance and the view thus biased”^[30]. It is also worth stressing that the changes in the personnel management – because of the intrinsically people related nature – are significantly dependent on the culture of the members of the organization. Culture influences the employees – their involvement, efficiency, loyalty to the company, satisfaction with the work performed, emotional state, physical health.^[31] Having this in mind, in the personnel management the cultural cooperation model should be used, as the one most effective from the organizational and employee standpoint, and the new managing style should base on the respect, tolerance for that, which is different, and on the conscience of the meaning of culture.

²⁸ H. Steinmann, G. Schreyogg: *Zarządzanie. Podstawy kierowania przedsiębiorstwem. Koncepcje, funkcje, przykłady*. Wrocław 1998, p.453

²⁹ N.J. Adler: *International Dimension of Organizational Behaviour*. 2002, p.108

³⁰ G. Hofstede, op. cit., p. 246

³¹ K.S. Cameron, R.E. Quinn, op. cit., p.15