



World Scientific News

An International Scientific Journal

WSN 122 (2019) 231-241

EISSN 2392-2192

On cultural aspects of management

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“The technological revolution has become a cause of such rapid change in social environment that the whole human capacity to adapt to those changes were overrun [...]”
(L. Eiseley)

ABSTRACT

Culture and human resources management are interconnected and cannot exist without each other. The cultural differences stand for an important factor in shaping relations between organizations and building interpersonal ties. The managers must learn how to value and respect the culturally determined patterns of behavior and to link the management of cultural differences to the organizational needs.

Keywords: organizational culture, management, multiculturality

1. INTRODUCTION

Human resources management in international corporations in Poland has gained on interest. This is related to both the international conditions in the sense of institutional determinants of the external surroundings of an international organization, and the intercultural ones which relate to national or organizational culture. This is of course first of all a resultant of political, economic and social transformations which allowed Polish companies to develop

on international markets and opened the Polish market for foreign companies. The globalization and internationalization processes cause some significant changes in the scope of personnel functions in the organizations, in the efficiency of its implementation, especially in the strategic, cultural and communication dimensions.

This paper is intended to show the importance of international management, which is caused by a growing number of international enterprises in Poland and still insufficient knowledge on the management issues in intercultural terms. Conclusions were drawn pertaining to the need to raise awareness in this field, based on the literature studies.

2. ABOUT ORGANIZATIONAL CULTURE

Culture and human resources management are interconnected and cannot exist without each other. Researchers in the field of enterprise and management started to research and analyze the organizational culture at the beginning of 1980s [1-3]. The research over the organizational culture was the boost in transformation of strategies, structures and operation of contemporary organizations in Western economies and in circumstances of advancing economy. The above-mentioned researchers find enormous impact of cultural conditions on a given country's level, .e. the values and social norms on the management practices and running of business enterprises. Management of international corporations in the intercultural context forces to combine various cognitive perspective and to coordinate actions that often follow diverse cultural paths. [4]

The difference between a national and an organizational culture is that the first one is acquired within the first 10 years of our lives in our families, environment, at school. We come into contact with the organizational culture right before or after we become adults, when our values are already set. [2]

The organizational culture is a highly complex and internally coherent phenomenon. It provides the people - who on the one hand take part in it, and on the other create it - with support and identification with the workplace. Therefore, what is an organizational culture, and what function does it play in an organization? The wide spread of this term among researchers of enterprises resulted in abundance of concepts and definitions of the phenomenon. [5]

For example, according to E. Schein, an organizational culture is a system of common beliefs and values, growing within an organization and guiding the behaviors of its members. However, the definition of culture is derived first of all from the works by G. Hofstede, who assumed that cultural differences are the programming of managers' minds, reflected in thought and action patterns, also through references to particular values. Further conceptualizations of the influence exerted by national culture on ways of performing the personal function included *Globe* project [3, 6]. On the other hand, the assumption made in the research conducted by international corporation that personnel policy should be supranational and the practices implementing this policy should be adopted to cultural norms of different states is a great simplification [7].

Hofstede (2000) distinguished the following dimensions of culture: [2]

- power distance;
- individualism versus collectivism;
- masculinity versus femininity;
- uncertainty avoidance;

- long-term and short-term orientation.

The second classification of national cultures, helpful in explaining the impact of culture on human resources management in enterprises is that made by F. Trompenaars and Ch. Hampden-Turner. [3] They distinguished seven basic evaluation processes affecting the economy, including: setting of rules and discovering exceptions, construction and deconstruction of events, management of individuals, assimilation of the outside world, synchronization of rapid processes, choosing the best, equal opportunities. In addition, they listed 7 equal values:

- universalism - particularism;
- analysis - synthesis;
- individualism - communitarianism;
- internal direction - external direction;
- sequential - synchronous time;
- achievement - ascription;
- equality - hierarchy.

The *Globe* project constitutes an interesting cultural typology including the following cultural dimensions: quality orientation, future orientation, power distance, uncertainty avoidance, institutional collectivism, family collectivism, equality between men and women, assertiveness and humanistic orientation. [6]

When it comes to the influence from the surrounding culture on management and operation of an organization, two different positions have emerged so far:

1. stresses the role of culture and its consequences for the management and enterprise issues, based on assumptions that a culture influences management because it is different in different countries, and the discrepancies are decided by various values of behavior which constitute a cultural feature;
2. the second one minimizes or completely eliminates it, as it assumes that there is only one effective way to manage organizations, regardless of their location.

In order to reach the goals and carry out the tasks effectively, both the internal and external behaviors of particular actors in a given institution should be shaped accordingly.

There are seven acculturation levers [8]:

- 1) Language - implementation of new management procedures or techniques results in introducing particular vocabulary into the language of a given organization;
- 2) Education - education in the scope of new functioning and operating solutions;
- 3) Propaganda - communication between an organization and its client, the most effective organization take care of quality, content and form of communication, adopting all possible channels to communicate information and emphasize the value of the organization;
- 4) Driving, accelerating and destructive forecasts - development of visions and strategies;
- 5) Normative expectations - values, aims, recognition of achievements, remuneration and payroll systems (an organization expresses its normative expectations by designing information and IT systems, adequate management processes control system, personnel evaluation system, personnel bonus and remuneration systems; indexes, aims and

systems for recognition and remuneration are intended to specify the directions of normative expectations);

- 6) Fashion - following the progress and popular trends;
- 7) Cultural patterns and models - managerial staff, teams, effective organizations, organizational heroes, imitating the behaviors that occur in these models is one of the most important acculturation processes.

R.M. Kanter believes that at the age of market globalization and IT development, the following elements are characteristic for the organizational culture [8]:

- The company's development strategy is not a fixed scenario, but it is based on improvisation and the creation of new innovations,
- Organizational models must be based on deeper internal integration, meaning that there is no place for strong centralization and bureaucracy,
- Development of alliances is being abandoned, creating in return a wide cooperation network,
- Adoption of diversified motivational techniques so the best employees do not leave the organization.

Shaping of the organizational culture is related to the transformations that take place in the organization's surroundings, especially in the competitive sector. E.H. Schein lists a few possible adverse effects of no cultural change, impacting other elements of the organization: [9, 10]

- Limiting the possibility to implement new strategies - the assumptions of the existing culture do not comply with the assumptions of the new strategy.
- Problems emerging in the case of mergers or acquisitions - different cultural values.
- Difficulties with implementation of new solutions in the organizational, technological and structural spheres.
- Causing conflicts among groups - strengthening subcultures or countercultures.
- Problems with a communication system - various perspectives of the organization's subcultures.
- Difficulties with assimilation of new employees in the organization.
- Reducing work effectiveness through emergence of new cultural standards which reduce effectiveness and efficiency of the employees' operations.

There are plenty of researchers who argue that the national culture is a dominating force that drives all decisions made within an organization. Others oppose the view that cultural aspects have any meaning for the management process. F. Fukuyama presents an interesting point of view, which many economists disagree with, namely that culture may determine the economic growth. [1]

Cultural aspects can always influence a way which a given organization responds in to its own environment, structures, roles, relationships as well as the decision-making, communication and reaction to structures by its members. Furthermore, the organization may be influenced also by specific internal and external factors. The internal factors include the organizational strategy and CEO's personality, while the external ones - meaning outside of national culture - account for economic, market conditions, technologies, actions of

competitors, etc. It is a challenge for a manager employed in an international organization to decide under which circumstances the cultural aspect may or may not be of key importance. Understanding the cultural aspects and their impact does not guarantee that only the right decisions will be made, but it can reduce the probability of failure. [1]

Hence, it is necessary to mention three models of a managerial career implemented in international groups of companies [2]:

- domestic managers, recruited in the host country, carrying on with their carriers on the local labor market;
- managers from the country of origin of the parent company of an international corporation, who are sent to work in enterprises managed by subsidiaries as expatriates in order to strengthen the corporate governance, transfer knowledge and good management practices as well as the working standards so desired by the corporations, to the local managers and employees;
- international managers - they start their careers in any given foreign unit of the corporation, they have the competency allowing to function on any labor market; their professional career ends in any given country and division of the corporation.

The organizational culture exerts some significant influence on solving of social and organizational problems emerging in HRM processes in the international groups of companies. [11] It sets out the approaches to shaping personnel strategies along with the scope and ways of using the human resources in the whole scale of the group of companies and the entities it includes, creating the grounds for decisions and actions undertaken in within the employee selection, assessment, motivating and development processes.

National and organizational cultures show numerous similarities and differences. Negating or excessively favoring or exaggerating the meaning of cultural differences may cause shock, cultural tensions and confusion. Taking them into account in decision-making processes and personnel problem-solving improves the work results and quality. [11]

3. ON INTERCULTURAL MANAGEMENT

There have been two different positions so far when it comes to the influence of the surrounding culture on the enterprise management and operation. One stresses the role of culture and its consequences for the problems of management and organization, while the other diminishes or eliminates it at all. [12]

The essence of the cultural factor in today's corporations is proven by numerous concepts and reflections from both the theoretical and empirical plain. Nowadays, the diversity management includes socio-cultural aspects such as: age, sex, sexual orientation, race, ethnic origin, professional group, work position, education, qualifications, experience and physical capability of the organization's members. The main assumptions of this management concept refer to developing awareness and acceptance of socio-demographic differences within an organization and using them in a beneficial way. [13]

In the era of globalization, the enterprises are increasingly more often confronted with the diversity management phenomenon, including the cultural diversity. The concept of diversity refers to those features which make people different along with their consequences for perception and participation in an organizational life. [14, 15]

Diversity management is intended to promote individuality of personnel and developing a working environment, where they can grow their own potential. Problems that arise in diversity management are: development of fair systems, elimination of such phenomena as for example exclusion by, among others, seeking to involve the employees in decision-making processes or promoting their individuality. [15, 16]

It however seems reasonable to say that cultural differences stand for an important factor in shaping relations between organizations and building interpersonal ties. They can contribute to the growth of an organization and an increase in its competitiveness. Numerous research reports describe the differentiation of cultural patterns and norms, and analyze the configuration of organizational values pointing to significant impact of the context of social culture. Aware control of managers over their stereotypes and prejudices related to cultural differences allows to develop more tolerant, open enterprises, which are as a consequence more effective and conducive to human self-fulfillment and cooperation. [17]

Enterprises operating on an international level are characterized with the following qualities which make them different from HRM adopted in national economic operators:[18] a higher number of undertakings and HR tasks, including preparation of managers and employees assigned to work abroad for other cultural conditions, development of personnel and institutional relationships in the international surroundings, preparation of special remuneration packages for expatriates, coordinating mobility of employees on the international level, getting familiar with tax regulations of other countries, stronger employer's interference in the lives of their employees outside work, the meaning of the cultural context in deciding about the most important problems that occur on all stages of the HRM process. This obliges the HR managers to include cultural diversity in a mission, in systems of values, while developing the HR policy rules, corporate procedures promoting multiculturalism, developing training programs, in the intra-organizational communication and to offering support to managers and experts assigned to work abroad in overcoming their cultural shock.

The international human resources management is defined, captured and explained in many ways. It is most often presented as a collection of HR strategies and practical solutions to problems with staff, emerging during internationalization of business activity of enterprises. [20]

One of the most important challenges to be faced by an international enterprise is reconciliation of the corporation's global approach with multitude of cultural, political, economic factors that are specific for the country, where local business units operate. [21]

Success of international managers depends on plenty of factors:

- personal qualities (psychological traits) that may give them grounds to or disqualify from working in an intercultural environment,
- factors related to the manager's origin and cultural identity, namely the values, standards and work attitudes, religious beliefs, approach to time, which are the legacy of the culture the manager is are rooted in.

Cultural flexibility turns out important here, meaning the awareness of cultural filters which distort the images we see. This flexibility makes it easier to understand that representatives of other cultures have different filters, which distort this image in a different way, while each cultural group believes its version of reality to be just as accurate and true as we believe our is. This allows to deal with emotional responses, moral judgments and evaluations considering personality. [6]

A contemporary manager must understand that diversity is a fact and that the organizational culture must correspond to the needs of very different employees. Hence, one of the most important challenges to be faced by a manager is to shape the organizational culture of an enterprise operating within an intercultural context. It is worth taking the following management principles into account:

- reflectiveness,
- empathy,
- adaptability,
- ability to compromise,
- acceptance of diversity,
- taking into account common interests,
- sensitivity to cultural changes and new challenges,
- ability to anticipate cultural change and prepare new patterns of action.

The following determinants pose a model of a perfect multicultural organization which operates flexibly in a dynamic environment, which applies knowledge management and the members of which have the ability to think strategically:

- acceptance of uncertainty,
- synthesis,
- inner-direction,
- small distance of power;
- co-existence of pro-transactionality and pro-partnership,
- co-existence of collectivism and individualism,
- coexistence of femininity and masculinity,
- long-term orientation and global approach,
- awareness of intercultural differences and the willingness and ability to use them constructively in management. [21]

Adler stresses the rules that managers in multicultural organizations should follow [22]:

- assume cultural differences rather than similarities,
- emphasize the description rather than interpretation or evaluation of someone has said or done,
- try to understand or interpret a given situation by looking at it from the perspective of a representative of another culture,
- treat clarification of a situation as probable, not as certain.

Cultural issues exert great impact on how people work. For example, while comparing the Japanese and Americans, it can be noted that the former identify themselves very strongly with their companies, they do not use any individual awards, and the decision-making process is spread throughout the company. Meanwhile, the Americans are on the opposite side. Some interesting conclusions were brought by the research conducted among American and Chinese managers in 10 joint-ventures in China. The Chinese perceive the American managers negatively, who are completely unable to find themselves in the Chinese cultural reality. [20]

What about the Polish management style? It is most often characterized by:

- lack of clear objectives and strategic directions,
- lack of a proper control and incentive systems for employees,
- community rather than individualism,
- familism, often resulting in nepotism,
- participation, high degree of uncertainty avoidance,
- large distance of power.

The cultural factors are often treated as something unobvious and unspecified. The final result is underestimation of their role and importance and insufficient awareness of the need to explore and analyze them regularly. This has impact on the effectiveness of the company's operations and financial results. Cultural differences revealed during intercultural interactions may cause different results from those triggered by the remaining differentiating factors such as: age, sex, race, cognitive abilities, education. Therefore, the results of research over the phenomenon of diversity can be referred to the effects of intercultural relations, unless they indicate the basis for diversification. [23]

The intercultural management is hence based on an assumption that the culture influences the norms, values, attitudes and behaviors of participants of an organization. This is the domain designed to promote fair division of power in the scope of enterprise policy. It refers to classically understood management functions: planning, decision-making, resources acquisition, personnel management. Only the way, which these functions are carried out in is conditioned culturally and it is different in terms for work-related actions between cultures and persons. Any extreme attitudes should be avoided in intercultural interactions, [17] namely the egocentrism and polycentrism, which do not ensure success in the parent company's operations. In the case of egocentrism, the threat is to ignore the differences which leads to potential numerous misunderstandings and conflicts. In turn, polycentrism may lead to the loss of one's own identify by the organization and the inability to implement its own coherent strategy.

Along with intensification of the globalization processes, the diversity and multiculturalism is already a very common phenomenon. Those who see positive effects in globalization will benefit. It is therefore important to strive for change in organizations. The managers must learn how to value and respect the culturally determined patterns of behavior and to link the management of cultural differences to the organizational needs. [24]

According to the views of numerous authors dealing with the discussed notions, the workers of international corporations must learn to appreciate and respect other values, view and practices. [3, 6] The skills of intercultural cooperation and teamwork of managers in international capital groups are considered particularly desirable. Globalization and internationalization have resulted in the diversification of human environments and work resources. This drew the entrepreneurs' attention to the approach called diversity management [25]. It is based on an assumption that a diversified workforce may contribute to strengthening the enterprise's competitiveness, and in practice it stresses first of all the issues related to ensuring equal opportunities for all workers. Diversity management is defined as creating culture and systems within an organization, intended to provide all workers with a possibility to contribute to the objectives of the enterprise [26]. In management, this approach is intended to promote individuality of employees and to create such a working environment where the employees can develop their potential. In the HRM context, it is recognized on the one hand that the people can be a unique resource ensuring the advantage, and on the other - attentions is drawn to HRM practices adopted in an enterprises as a significant success factor. In this context,

the diversity management is related to using the potential hidden in the company's resources in terms of achieving its objectives, and is oriented towards gaining a competitive advantage. It is also important to consider the factors resulting from specificity of a given economy while analyzing the surroundings, namely the cultural (values, norms, customs), legal (political and legal system), economic aspects (financial system, micro and macro-economic factors) along with the educational system and labor relationships. [27, 28]

4. CONCLUSIONS

National culture is still the main determinant of human behaviors in all spheres of social and economic life. There are no doubts that apart from numerous problems, the result of multicultural diversity - views, attitudes, knowledge, education systems - is greater creativity, innovation and competitiveness of entities that operate in a multicultural environment. A person learn if they change their behaviors by acquiring new knowledge, acting, experiencing new phenomena. Personnel knowledge, experience and competence become the basic value in a modern organization, which manifests as the key factor of competitive advantage. People need to be encouraged to using and sharing knowledge and experiences by adopting new assumptions and cultural values. The significance of organizational culture is currently becoming a subject of lively discussions and reflections in the field of science.

Operation of contemporary organizations is being increasingly more often considered in terms of cultural analysis of various organizational phenomena and their impact on the organizational capability to build competitive advantage. The cultural stereotypes may pose the source of strategic power of an institution and the feeling of confidence among its workers, but they can also account for some serious limitation, especially when the desired organizational changes violate the previous cultural order, pointing to the need for transformations in the system of norms, values and assumptions. The company's surrounding influences its values. The above-mentioned deliberations and numerous studies confirm the legitimacy of viewing the organizational culture from the perspective of values and norms functioning in a given country. They also encourage to take a more detailed look at these problems, which will make it easier to explain the ever-changing tendencies prevailing in the organizational reality and to better understand the world of entrepreneurship, also in Poland.

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