

Cross-Culture Management: Differences in Content of Organizational Culture perceived by Managers Acting in the Multicultural Environment of Czech- Austrian Companies

Abstract

The paper is devoted to the issue of cross-culture management and presents results of partial part of empirical research into organizational culture which was found out within the project „The Impact of Organizational Culture on Performance of Multicultural Companies in Czech Republic, Austria and Hungary“. This research project was funded from the Austrian Science and Research Liaison Office Brno on behalf of the Austrian Federal Ministry for Education, Science and Culture and was carried out at the Faculty of Business and Management, Brno University of Technology in the Czech Republic in cooperation with the FH Wien in Austria and Széchenyi István University in Győr in Hungary. The main objective of this part of the research was to map the content of organizational culture in manufacturing companies and in companies providing services. Questionnaire of organizational values, filled-in totally by 159 respondents – representatives of higher, middle-level and low-level management, were used for data collection. Acquired data were processed by means of the methods of statistical analysis, by means of factor analysis, Analysis of Variance (ANOVA) and Levene Test for Equality of Variance. The main result of this part of empirical research was to identify the differences in content of organizational culture in the perception of Czech and Austrian managers acting in the Czech – Austrian companies.

Key words: multicultural environment, organizational culture, Czech-Austrian Companies

1 Introduction

A mutually intertwined process of internationalization and globalization has been proceeding very quickly and it has been becoming to a greater extend a characteristic feature of the present.

Multinational companies are attracted by non-filled markets, cheap qualified labour force, convenient location or tax relief and nowadays they are able to position and move very quickly any source into any territory that bears, in their opinion, the most suitable conditions for increasing their value. In this context it mainly includes opportunities and challenges of developing global society. However, the cooperation advantageous for the partners involved may change into mutual competition. In the area of management it means that management should not be limited only to performing of economic and technical operations and not to pay attention to the influence of cultural environment companies operate in. It is necessary to focus on the ability of managers to manage a company in multicultural conditions. In this context we can find quite a new term "intercultural management", defined by Nový and Schroll-Machl as "managing and running organizations in an environment of two or more cultures" (2002).

1.1 Factors influencing behaviour of workers in multicultural environment

Acting and ways of behaviour of workers in multicultural environment is influenced by many factors. One of the most important factors are information about culture of partners or colleagues known to workers. Understanding and correct interpretation of different behaviour of coworkers can contribute to mutual understanding and good cooperation. Companies enter cooperation relationships with other companies and they can operate within more organization or national cultures. This fact influences the behaviour of the company.

Problems caused by different perception, ways of thinking and behaviour of members of different cultures may exist on more levels (Lukášová, Nový and co., 2004):

- on the level of organization cultures within the framework of national fusions, acquisitions and other forms of cooperation of companies;
- on the level of organization as well as national cultures within the framework of

international fusions, acquisitions and other forms of international cooperation.

If fusions or acquisitions are created within one country, which means among local companies, the cause of conflict is difference of the content of organization cultures. Confrontation on the level of organization processes, systems, practices and behaviour of employees that takes place here is relatively visible for the employees of the fusing companies. Less visible (or hidden) is the conflict on the level of organization values and especially the main conditions through which the external manifestations are determined.

If fusions and acquisitions are created among companies from different countries, the employees are exposed to a double conflict: a conflict on the level of organization cultures and a conflict on the level of national cultures. The authors agree, that the differences in thinking, feeling and behaviour resulting from differences of national cultures are deeper than the differences resulting from various organization cultures (Hall, 1995, Gancel, Rodgers, Raynaud, 2002 and other). The more distant are the countries of origin of the fusing companies the more different are not only the main conditions and preferences of values, but also organization characteristics of these companies, because differences in national cultures lead to different organization practices and different employees' expectations (Kogut, Singh, 1988, according to Larsson, Risberg 1998) and to nationally specific management style (Olie, 1990, according to Larsson, Risberg, 1998).

Researches carried out so far show that if the cultures of the fusing companies are alike, the results of fusions and acquisitions are more favourable than in case of different cultures (Larsson, Risberg, 1998, Forstmann, 1998 and others). The results of fusions and acquisitions may not necessarily become worse with the growing extend of cultural difference, because the extend of impact is influenced by other factors that play a certain role here (Larsson, Risberg, 1998) and cultural difference also does not have to automatically mean a devastating collision (Very, Lubatkin, Calori, 1998), especially when the workers or the fusing companies are well prepared

to this fact.

2. Methodology Resources of Research

Organizational culture represents very complicated, complex and hardly apprehensible social phenomenon, which – nevertheless- according to implemented research significantly influences long-term effective operation of the company in multicultural environment. Contemporary authors (for example Hofstede, 1993, Adler, 1997, Sullivan, 2002 and others) regard as the core of organizational culture organizational values, influencing the behavior of the individuals in the company and by their means also the behavior of the company as a whole.

Organizational values shape for each company the important defining and identifying element, they are frequently defined in the company mission, representing preferences, scales and criterion for individual people, thus making decision-making process easier for them. Values shared in the company act also as important factors in the motivation sphere of the personality of employees as well as important stimulant and regulator of their behavior. Especially in case of mutual agreement between values acknowledged by the person, i.e. individual values, and values shared in the company, i.e. organizational values, the organizational values become absolutely conscious motivators. Mutual conformity between organizational and individual values influences also the rate of identification, satisfaction and willingness of the person to stay in the company.

Organizational values control and direct the behavior of all members of the company, thereby significantly influencing the operation of the whole company; therefore, they can be considered as predictors of the company behavior and proper indicators of the content. Organizational values are also relatively stable and resistant against changes; consequently, the analyses of the content

of organizational culture are often carried-out just in this level of organizational culture.

Managers acting in multicultural companies play the key role and they significantly influence the behavior of other people by their behavior; therefore, identification of the content of organizational culture shared by managers of various nationalities was specified as one of the main targets of implemented research.

3. Objectives

The objective of this research was to:

- identify the content of organizational culture in the Czech-Austrian companies;
- find-out whether there are differences in the content of shared organizational values, related to the nationality of managers working in the Czech-Austrian companies.

4. Methods

Method of written questioning was used for the collection of research data. Questionnaire of organizational values contained totally 85 values formulated by short statement (for example: to reach high quality of services, to participate in problem-solving process, to seek the customer satisfaction etc.). The task of the respondents was to mark (on submitted five-grade scale of Likert type) how important the behavior, expressed by the statement, is considered important in the company. Respondents were stressed to try to answer as objectively as possible, i.e. not to answer how – in their view – it should be in the company or how they themselves consider the individual values important, but to response as “observers“ in their own company.

5. Sample

Totally 159 respondents filled-in the questionnaire of organizational values, representatives of

upper, middle-level and low-level management. Minimal number of managers in each company was selected according to its size – within companies up to 50 employees totally 3 people filled-in the questionnaire (in exceptional cases 1 – 2 persons), within companies from 51 to 1000 employees 6 persons, within companies over 1000 employees 10 and more people.

Structure of the investigated research group is documented in detail in tables 1 to 3.

Age of respondent	n	%
< 30 years	56	35
31 – 35 years	36	23
36 – 40 years	21	13
41 – 45 years	19	12
46 – 50 years	7	4
51 – 55 years	10	6
56 – 60 years	3	2
> 60 years	3	2
not specifying the age	4	3
totally	159	100

Table 1: Research group structure based on age point of view

	n	%
women	54	34
men	102	64
not specified	3	2
totally	159	100

Table 2: Research group structure based on sex point of view

Position	n	%
upper management	28	18
middle management	46	29
low management	48	30
not specified	28	18
totally	159	100

Tab. 3: Research group structure based on working position in company

6. Method of Data Processing

Data acquired by the questionnaire of organizational values were processed by means of the methods of statistical analysis, with the help of factor analysis and Analysis of Variance. By factor analysis were acquired more general content elements of organizational culture of Czech-Austrian companies. By Analysis of Variance (ANOVA) was tested the equality of means between individual sub-groups, i.e. Czech and Austrian managers.

Statistical processing of data was implemented by means of the program SPSS 14.0.

7. Research Results

7.1 Content Elements of Organizational Culture of Czech-Austrian Companies

The data obtained on the basis of the organizational values questionnaire were statistically processed using the method of factor analysis first.

The factor analysis was used in order to extract consistent factors. Ten factors were extracted.

Factor No. 1 loads on the values that focus on employees (respect towards them, orientation on

their further education and development, providing them with opportunities, participation, rewarding quality, perfection and excellence).

Factor No. 2 loads primarily on the values concerning cooperation, teamwork, sharing of information and experience within the company.

Factor No. 3 includes primarily values directed to the order within the company, discipline, respecting laws and abiding by rules and procedures inspection.

Factor No. 4 includes moral values (fairness and honouring rules).

Factor No. 5 is characterized by its orientation on quality in relation to customer satisfaction (high quality services and products, flexible responses to customer needs).

Factor No. 6 loads on concentration on company goals, high performance and fighting obstacles.

Factor No. 7 includes values as innovation, searching and applying of new knowledge, implementation of new thoughts in combination with focus on external environment.

Factor No. 8 can be labelled as preference of proved and standard procedures.

Factor No. 9 can be characterized by orientation to sponsoring and image building.

Factor No. 10 loads on competitiveness with other companies and partners.

Having identified the content elements of organizational culture of Czech-Austrian companies, the aim of further investigation was to compare the content of organizational culture in the multicultural environment of investigated companies perceived by Czech and Austrian managers.

7.2 Comparison of Content of Organizational Culture in Czech-Austrian Companies perceived by Czech and Austrian Managers

By further statistical processing of data of value-questionnaire were detected differences in content of organizational culture perceived by Czech and Austrian managers in the level of organizational values.

Test of analysis of variance identified statistically important differences between individual sub-groups, i.e. managers of Czech and Austrian nationality. Significant differences in responses of managers acting in multicultural environment occurred within five following factors:

- factor 4: moral values;
- factor 5: orientation to quality of products and services;
- factor 7: orientation to innovative procedures;
- factor 9: orientation to sponsoring and image building;
- factor10: orientation to competitiveness with other companies and partners.

Responses of Czech and Austrian managers differed significantly in mentioned five factors – in perception of what is considered in their view as important in their companies.

In view of Austrian managers (average 4,62) are put in their companies higher importance to moral values than in view of Czech managers (average 4,11). It seems that by Austrian managers are moral values perceived as more important in their companies as by their Czech colleagues.

The largest statistically difference in the perception of organizational culture between Czech and Austrian managers was determined with the factor 5 "Orientation on quality of products and services". In investigated Czech -Austrian companies put Austrian managers (average 4,63) on quality more accent than Czech managers (average 3,69).

According to Austrian managers (average 4,66) are innovative procedures used in their companies seems as more important than according to Czech managers (average 4,00).

Statistically important difference in perception of content of organizational cultural in multicultural company was identified within the factor 9 "Orientation to sponsoring and image building" too. Austrian managers put higher importance to these organizational values (average 4,51) than their Czech coworkers (average 4,27).

According to Austrian representatives (average 4,5) is orientation to competitiveness with other companies and partners stressed with higher importance than in opinion of their Czech colleagues (average 3,89).

8. Conclusion

Companies more and more get into touch with members of various national cultures. This includes their employees, business partners and customers. The work of managers is more and more influenced by development of "global" economics and that is why the need to manage problems of controlling and communication in the multicultural environment of multinational companies is of prominent interest now.

Success of cooperation depends to a great extend on abilities of workers who operate in multicultural conditions. These workers should meet certain conditions of successful fulfilling of everyday tasks in a multinational company. Unfortunately, cooperation in international conditions is often not as successful as managers originally expected. As one of the most frequent reasons can be seen in not understanding cultural differences in the environment of the partner companies. Very often it is possible to meet international teams consisting of great specialist in their field, but despite all effort, suitable conditions and perfect work of individuals, the output of the team as a whole does not correspond to the expected results. It is not always possible to reach

mutual understanding, despite the fact that the same language of communicating and corresponding techniques are used. Habits based on long-term traditions may be different in different countries and the efficiency of mutual cooperation depends to a great extent on how much effort the workers from different cultural environments exercise to come into agreement. Misunderstandings or conflicts, which usually represent serious obstructions of successful cooperation, appear especially due to the fact that ideas about certain cultures are deeply rooted and as such they are considered to be generally true. In the process of meeting and cooperation spontaneous reactions occur and thus it can happen that the way the partner acts is seen as something imperfect or even funny. This way cultural differences may easily cause different perception, misunderstanding and missing each other. It is useful to realize that finances, technologies or transmission of information are to a great extent independent on the place of origin and are very easily transferable into a different environment.

Our research results proved statistically important differences in the perception of the content of organizational culture in the level of values in relation to nationality of managers acting in multicultural environment of Czech-Austrian companies. Differences were identified both in the individual levels of management as well as within the framework of these levels of management. Significant differences in responses of Czech and Austrian managers occurred within five identified factors (moral values, orientation to quality of products and services, orientation to innovative procedures, orientation to sponsoring and image building, and orientation to competitiveness with other companies and partners).

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