

# CROSS-CULTURAL MANAGEMENT: ESTABLISHING A CZECH BENCHMARK

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## Introduction

Vast amounts of literature are available on Cross-Cultural Management whereas, little is readily available in English for both practitioners and researchers specific to the Czech Republic. Furthermore, the scholarly articles pertaining to Czechia lack substance. Even the Hofstede cultural dimensions for the Czech Republic are based on replications or estimates [16]. The Czech managerial environment is specific in many aspects. As with the introduction of any 'foreign' management practices, enterprises analyse the cost of introduction and if substantial benefits exist, implement oftentimes, to the chagrin of employees. In recent history, the introduction of Knowledge Management [5] or ISO 9000 quality standards met with substantial reticence both on the side of corporations (costs) and employees (resistance to change). Issues are not technically related but as one director summarises, "the cooperative aspects seem too much like old socialist (*communist*) brigades, and it is difficult to teach workers the difference" [6] (The word *communist* added by the authors). It seems that it is difficult under the best conditions to have Czechs rally behind a cause other than a hockey match that invokes a sense of national pride. Literature reviews conducted in the 2004-2005 period provide little insight into the Czech cultural psyche [3]. The recent consultation on the body of literature demonstrates that there has been little or no movement in this area. Rankings, classifications, and categorisations generated by the leading cross-cultural anthropologists as well as other organisations, continue to portray the original Czech cultural dimensions devised in the early 1990s. Furthermore, studies identify significant discrepancies with the Hofstede ratings [3]. Therefore, the main objective of this paper is to expose the current state of Czech cultural dimensions and consequently, stimulate an open discussion on this topic.

## 1. Culture and Cross-Cultural Management: Literature Review

Culture, as with other terms of this nature does not possess a single definition that is universally accepted. One merely has to enter the noun using any search engine on the Internet to be astounded by the number of results "which is more than for 'politics', 'war', 'environment', or 'sex'" [47]. Three of the definitions found to be appropriate to this study, view culture as an abstract from the concrete manifestation of comportment transmitted through symbols, and artefacts [30]. Trompenaars and Turner [49] view culture as the method groups resolve problems and Hofstede [15] defines it as the collective programming of the mind that differentiates one group from another.

Despite the number and variety, three elements are consistent in most definitions in that culture is shared through groups ; culture is intangible as it consists of meaning, symbols, and values; culture is confirmed by others as witnessed through the findings of Hofstede and other cultural anthropologists.

Hall provides three cultural elements based on field experience and observations: high/low context cultures, space, and time orientations. Within high context cultures, "transactions feature programmed information that is in the receiver and in the setting" with little actual information in the message. The opposite is true with low context cultures as "the information must be in the transmitted message" [14].

Space is yet another dimension to Hall's portrayal of cultures. He identifies three as being intimate, public, and social observed in different ways depending on the culture. "Each person has around him an invisible bubble which expands and contracts depending on a number of things" [14]. Hall's time orientation depicts how cultures utilise and structure time. High context cultures usually deal with various issues simultaneously whereas, low context, sequentially.

The Kluckhohn and Strodtbeck construct [30] consists of six orientations:

1. relationship to nature - control or mastering of nature (domination), submit to nature (subjugation), work with nature (harmony);
2. relationships between people - oneself and immediate family (individualist), one's own group (collateral); one's group rigidly organised (hierarchical);
3. time orientation - events concentrated in the past, present, or future;
4. human activity - concentrate on living for the moment (being), striving for goals (achieving), or reflecting (thinking);
5. human nature - people are good, evil, or a mix of both;
6. space - used as private, public, or public-private.

Unlike other theorists, their model is not dichotomous in that preferences for one orientation do not exclude predilection to another albeit at a lesser degree. Their work provides a model from which

cultural variation is conceptualised through the management literature [35]. The framework often cited as being the least used by management practitioners as it lacks measurability. However, recent studies demonstrate the validity of the construct [35].

Triandis simplifies culture into objective and subjective components. Artefacts comprise the objective and norms and values, the subjective [48]. Social behaviour reflects the complexity of the culture. Tight cultures cultivate norms and regulations to avoid deviation while, loose cultures tolerate non-compliance. Likewise, individualistic cultures, as the name suggests, emphasise the individual and self-achievement. In the opposite direction, collectivistic societies accentuate the group.

However, Erez and Earley [11] recommend that individualism-collectivism is not a relationship based on dichotomy between self and communal interests. It is feasible for collectivists to pursue egocentricities in parallel to group-interests as long as the group remains their primary concern.

Hofstede [15] defines five dimensions prevalent to national cultures. **Power Distance** relates to the level of acceptance within a culture to inequality and the existence of an elite group. **Individualism-Collectivism** measures the degree by which the individual or the group are central to cultural attitudes and behaviours. In individualistic cultures, the self is primary over the common good. In collectivistic cultures, family, job, society, and country loyalty predispose behaviour. **Uncertainty Avoidance** gauges the degree to which unknown factors or circumstances threaten the culture. **Masculinity-Femininity**, masculine cultures seek achievement and challenge; feminine cultures include equal treatment for both genders and overall security. Hofstede's most recent dimension is **Long/Short Term Orientation** also known as the 'Confucian Dynamism'.

Following their review of one hundred eighty articles and book chapters published between 1980 and 2002 that use Hofstede as benchmark to their research, Kirkman et al. [28] state, "Hofstede-inspired research is fragmented, redundant, and overly reliant on certain levels of analyses, and direction of effects". They believe that this over-reliance promotes stagnancy in the field of cross-cultural management and encourage others 'to break new ground'. Although Hofstede's findings often substantiate cultural differences across cultures, his work is frequently subject to criticism. Hofstede elaborates his dimensions from a series of surveys conducted among IBM employees. McSweeney [36] notes that some sample sizes for an entire culture were fewer than one hundred, "so why should a claim to have measured national cultures absolutely or comparatively from the responses of similarly minute proportions of national populations be regarded as more valid?" On other issues of methodology, criticism identifies the factor analyses as lacking data points for a number of questionnaire elements; two of Hofstede's dimensions are separate without reason, and many items appear unrelated [35].

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## 5. Conclusion

The hypothesis "*Hofstede cultural dimensions attributed to the Czech Republic require substantial review and re-evaluation on a 'culture-alone' basis*" is confirmed based on the qualitative research demonstrated by the literature review, field observations, and survey. The Czech cultural values identify that although the sense of Švejk is still a predominant factor in the Czech psyche, this becomes further complicated in a period of economic turmoil with a rebirth of conservative values, high corruption, and a return to "Czechness". Newly discovered freedoms assist in developing a vibrant economy and Euro-scepticism. While equality exists within the new vision of the family, women retain oftentimes, second-class roles at work regardless of their contribution. Although welcoming tourists who contribute a substantial factor to the nation's finances and prosperity, Czechs remain closed to minorities and worrisome of foreigners. Indeed organised religion plays an insignificant role in the daily lives of most citizens, but it is considered appropriate to be buried within the rites of the Latin Church.

Nevertheless, this explication is limited in the scope of research and discussion. In each area, there remain many opportunities for further investigation and study. One avenue is to replicate the questionnaires with more varied and larger populations. A Czech-language version of the CCV questionnaire along with interviews adds to the possibilities.

Drawn from a number of studies, this article delivers an updated overview of Czech culture. It contributes to both an academic as well as a practical appreciation of a specific entity. Managerial culture is often loosely defined as the way that one does business within the context of an enterprise. Transposing this notion to a national culture signifies that a culture shared at a larger, national level equally provides insight as to how the majority of citizens would conduct commerce within a specific political body sharing a common cultural identity.

The authors firmly believe that countries such as the Czech Republic deserve serious study given their historical past and recent advances made over the past twenty years. This research permits the practitioner additional insight into the Czech psyche possibly alleviating or facilitating business concerns and issues. To the academician, especially the non-Czech speaker, it opens a new venue for further research and study.

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## ABSTRACT

### CROSS-CULTURAL MANAGEMENT: ESTABLISHING A CZECH BENCHMARK

One of the more frequently used terms to describe international business in the twenty-first century is globalisation. To many, this implies an easier access to foreign markets and a harmonisation of business practices across the planet. However, to some this movement threatens indigenous values, norms, and traditions. Cross-cultural management has long been perceived as an important branch of international management. In the past, it has provided the community with insight as to why social and commercial processes may differ from culture to culture. The scholarly articles pertaining to the Czech Republic lack substance. Even the Hofstede cultural dimensions for this country are based on replications or estimates. Therefore, this paper investigates the current state of Czech cultural dimensions. Based on the qualitative research consisting of literature review, field observation, and surveys, the hypothesis “Hofstede cultural dimensions attributed to the Czech Republic require substantial review and re-evaluation on a ‘culture-alone’ basis” is confirmed. The paper discusses attained results from seven perspectives namely, Equality; The self, the group, and others; The Macho and the Virgin; Risks and distrusts; Looking towards the future; Language and communication; and Spirituality and belief. The first five equate to Hofstede’s cultural dimensions, language and communication as well as spirituality and belief being a hybrid of both Hofstede and Hall. Furthermore, five other cultural aspects are also discussed in the paper - Uncertainty Avoidance; Masculinity/Femininity; Individualism-Collectivism; Power Distance; and Language and Religion. The

paper establishes a Czech benchmark, which is open to discussion and may be used in both theory development and practice.

**Key Words:** culture, cross-cultural management, Czech Republic, Hofstede cultural dimensions.

**JEL classification:** M14, P20.