

ORGANIZATIONAL CULTURE AND ITS ROLE IN BUSINESS.THE EXAMPLE OF POLISH CULTURE

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Abstract:

The article describes the role of organizational culture in the international business environment. Its aims to characterize Polish business culture, right after 25 years since the transformation of economic system and to answer the question: 'Is it more *eastern socialistic* or global culture?'. Article starts with revision of concepts of organizational and business culture presented in the literature, and then present conclusions referring to Polish business environment. In the end, all the successes and failures in international cooperation will be presented. Research review shows that Poland has made lots of changes towards western culture, although it still stays much Polish at some points.

Keywords: organizational culture, business culture, international cooperation, Poland, business etiquette

1. ORGANIZATIONAL CULTURE AND BUSINESS CULTURE

Spencer-Oatey says that a culture can be defined as 'a fuzzy set of basic assumptions and values, orientations to life, beliefs, policies, procedures and behavioral conventions that are shared by a group of people, and that influence (but do not determine) each member's behavior and his/her interpretations of the 'meaning' of other people's behavior.' (Spencer-Oatey, 2008, p. 3). Basic patterns of thinking and behavior are molded in early childhood, taught through socialization process, by family, school and job. Employees, joining the organization, bring in, their own rules and values which have an impact on shaping the organizational culture. The phenomenon of organizational culture is examined for over 30 years, although there is no generally accepted definition of it. And so, G. Hofstede for example defines organizational culture as: 'a collective mind programming that helps us distinguish members of one organization from another' (Hofstede, Hofstede, Minkov, 2011, p. 20). Ł. Srokowski, though, describes organizational culture, as a set of statements and views about what is and what is not right to do, which are shared by members of the same organization (Srokowski, 2012, p. 26-27). Cz. Sikorski says, that 'the culture can be determined as a system of ways and patterns of thinking, that are preserved in social environment of organization and they have meaning in accomplishing its formal goals.' (Sikorski, 2002, p. 4). Variety of elements that define the culture is enormous, and its common piece is that every employee might say: 'it is ours, it is the way we work, it is the way it works in our organization'. Culture is what helps us to differ the way one organization works, from how does the other one. B. Glinka and A.W. Jelonek stated, that organizational culture should be seized on few levels, considering environment, which the organization works in, business surrounding, national culture, interested parties and the scene inside the organization (managerial staff, employees, procedures, coworkers interactions, insidious pressures or crises) (Glinka, Jelonek, 2010, p. 26). E. Schein (Schein, 2004, p. 14-17) suggests to consider organizational culture in three level context. The levels are connected to each other and make one value, proper organizational culture. First level is the most visible, and is created by cultural artifacts and creations, patterns of behavior, language, symbols and ceremonies. Norms and values, prohibitions and ideologies, directives of behavior binded in single organization are the second level. This one is partially visible and made aware of. The third level, which is also the most difficult to see is created by basic assumptions, applying to surroundings and reality, human nature, interpersonal relations and activities. Authors of different model of organizational culture, R. Quinn and K.S. Cameron, emphasize that it cannot exist by itself, that it is partially hidden in minds of organization members. It is created by shared ideas, values or norms. It is the components that keeps the organization together which basically means, that it might support its growth or decrease its efficiency as well (Cameron, Quinn, 2006, p. 16-18).

Particular organization cultures might differ from one another, although we have to state a typology here. One of the common models is made by G. Hofstede (1997), who identified for measurements of culture and then added another one, so called Confucian dynamism (Hofstede, Hofstede, 2005; Hofstede, Hofstede, Minkov, 2011). Cultural measurements stated by Hofstede are:

1. Authorities distance — this basically describes, how much all the people that are not in charge accept the fact that authority is not evenly spread. Short distance is observable in Scandinavia.
2. Individualism — collectivism, are used to describe whether people are more focused on themselves and people around them, or the groups they belong. High individualism is observable in USA and collectivism is specific to north- eastern Asia.
3. Masculinity — femininity, describes if in particular culture people aspire to achievements and success, or rather quality of life and carrying about others. Italian culture is masculine, Scandinavian is more feminine.
4. Avoiding uncertainty — shows how much people feel endangered of uncertainty, and try to avoid this type of situations. It plays a very big role in management in Scandinavia.
5. Long- or short- term orientation. Long- term orientation means emphasizing on values directed towards rewards in distant future. Short- term orientation- emphasizing on past and present values.

F. Trompenaars and Hampden-Turner (Trompenaars, Hampden-Turner, 2002, p. 19) created another cultural model. Seven measurements have been pointed out:

1. Attitude to ethical rules, law, interpersonal commitments (universalism, particularism).
2. Attitude to unit and a group (individualism, collectivism).
3. Behavior (moderation, emotionality).

4. Perception of the world (segmentation, wholeness).
5. Detering the social status (achieving and attributing status).
6. Attitude to time (sequential or synchronous).
7. Attitude to surroundings (aspiring to consensus, rivalry and achieving your own goals).

Authors established that there is possibility of entire according between different cultures which is conditioned by being open for other person and acceptance of differences between cultures.

R. House and others (House, Hanges, Javidan, 2004, p. 30), in his search for connections between organizational culture and organizational leadership, has identified nine measurements of culture, in which he included: focusing on future, gender equality, assertiveness, humanistic orientation, in- group and institutional collectivism, focusing on results, authorities distance and avoiding uncertainty. R. House et al. has noticed some negative correlations between cultural values in seven measurements out of nine. He came to the conclusion that people do not always behave accordingly to their values. He stated that declared and kept values may be different.

National culture has a big impact on shaping organizational culture. In case of many international partnerships, the collision of two different organizational cultures, originating from different countries, may have different results. Enterprises working in a certain country create their own ways to communicate with the environment. In this context we may speak about business culture as a set of rules applying to people's behavior in social and official communication. Business culture might be different not only depending on the country but also a region. It can be characterized by accepted rules of interpersonal communication (formal and informal), etiquette, attitude to foreign culture, or style of negotiation. In this context we can specify cultures like (Gesteland 2000, p. 16-17):

- High or low context (sophisticated or straightforward communication).
- Ceremonious or informal (importance of inequality between people).
- Expressive and temperate (scale of expressing feelings).
- Pro transactional and moderately pro transactional (pressure on goals or relations).
- Monochromic, moderately monochromic and polychromic (attitude to time).

Business culture, where etiquette is a part of it, is crucial for building good relations with the partners (Moore, 1998, p. 5). We should remember that lack of knowledge, about our partner's business culture could not only ruin our relations, but could also cost us a lot.

2. PROFILE OF POLISH BUSINESS

Some major, economic and cultural changes have occurred in Poland during last 60 years. Polish, socialistic culture (1945- 1989) was overrun by cult of hierarchy and authority, formalization, acquiescence for corruption, lack of initiative, taught helplessness. In central planned economics all the goods belonged to everyone, so they actually didn't belong to anyone. The system never really gave people any other way to get a car or a flat for example, than with use of connections. Year 1989 brought the transformation of economic system, although cultural changes did not follow it fast enough. Cultural changes needed the generation shift. Years 1990- 2000 can easily be called 'times of wild capitalism'. In that time, businessmen made rapid careers and employers did not really care about employees. The management was not very professional, aims was short-term and set to quick gain. Culture of the transformation period in Poland originated from socialism and capitalism at the same time. That left an open door for many foreign businessmen to take over a lot of polish enterprises. Cultural conflicts were happening all the time back then. New owners, would much rather create the culture from scratch, employing young people, that can still be shaped.

The cultural changes were happening most rapidly around managing staff. Although in times of transformation they were rather passive, valuing formal authority, showing low knowledge in foreign languages. They were also presenting bad behavior such as: extinguishing enthusiasm, among talented employees (Rakowska 2007, p. 126-128; Rakowska, 2010, p. 198). These days, in times of dynamic changes we can surely admit, that polish managers cope with European market quite well (Rakowska, 2011, p. 5-18). Today, due to competition getting bigger and bigger, one of the bad sides of not only polish managers might be the tendency to treating employees like tools to be used. This makes them less willing to identify themselves with organizational culture. In addition we can observe major changes in values system, especially among young generation. For example, they don't tend to be loyal to their employers. The research in polish organizational culture after year 2000 lead us to

conclusion that, polish culture is very versatile (Sitko-Lutek, 2004, p. 155-171). But major, good changes have been made, mainly because of generational change of duty. Within many organizations the 'western' organizational model have been implemented. These changes tend to go slower in public sector where we still can hear echoes of the old system.

During the transformation process, the greatest research in Polish culture has been made (1989 – 2000). In that time, as J. Mączyński and D. Wyspiański say, Poland was a hierarchical society, where every worker knew his place and had his tasks stated clearly. The autocratic, centralized style of ruling was preferred. In T. Borkowskis (Borkowski, 1999, p. 133-134) opinion, changes in labor market back then (unemployment in a large scale) made the job to be a priced and desired value. The discipline, flexibility and productivity have increased. Unfortunately, as high as unemployment was back then, it contributed to objective and exploitive 'usage' of the employees.

Keeping in mind the measures, of Hofstede's model, in the '90s Poles tended to care about their own businesses, showed the need of independence, and wanted the promotion decisions to be made, based on competition criteria. While ten years earlier the research conclusions were totally reverse (individualism in culture) (Żakowska, 2007). They also showed that Poles were much more attached to personal contacts and particular bargains, than impersonal rules. In measurement of masculinity or femininity, polish culture in 90's was definitely more masculine. In spite of woman's "formal" role in society (polish- mother in socialistic system, first of all), it was men who played major role in society, like wielding power and authority. Women still experience discrimination on polish labor market; they get promoted less as well. Not much has changed in this case. Even today, in year 2014 women earn 20% less than men on the same position (Tryka, 2013). Research made in state- owned enterprises show, that women are far more satisfied about their jobs. On the other hand, polish organizational culture has a lot of feminine features, Hryniewicz says (Hryniewicz, 2004). During the transformation process, Poland's mostly valued qualities were safety, stable employment, and good relations with coworkers, modesty, support, and personal loyalty over formal. Research of Mączyński and others show similar effects (Mączyński, Jago, Reber, 1993). Hofstede's research from that time however, show that Poles are people who avoid uncertainty at very high scale and have large need to standardize their lives. They believe that they have to work hard, value precision and punctuality. Relatively low rate of pragmatism and optimism, and large respect to culture and tradition were also pointed out. R. Gesteland (Gesteland, 2000, p. 210-213) had very similar deduction and stated that good connections had a major impact towards success in business in Poland in the '90s. But at the same time, a lot of young businessmen tented to turn away from the correlational culture to go for more challenging goals. Latest research (Boguszewski, 2013) indicate large changes in Polish system of values. Respect to other people, making difficult decisions and just life seem to gain much bigger meaning, whereas deceptions like corruption or using your position for a personal gain meet more and more social opposition. During that time, we face growing liberalization, walking away from conservative values and bigger tolerance for other patterns of behavior and cultures.

Safety is the component that motivates societies with low uncertainty tolerance level. Because of a large safety decrease after year 2010, the meaning given to a career largely increased. Differences in value system between genders have also been noticed. As much as Polish women value education and health, the men much rather attach importance to wellness, wealth, patriotism and friendship (Boguszewski, 2013, p. 6-7). Increase of optimism among Polish people has been noted (70% of people asked, answered that they are happy about their living) (Kubik, 2014). Although despite of many positive signals, a there is no real generational shift and it is still possible to meet 'and old fashion manager' on occasion. But it's more likely to meet qualified and educated manager.

Although Poles may seem to be a ceremonial- liking people, Polish businessmen much rather prefer an open negotiation style. The measurement of feminism is increasing due to bigger role of women in public life and business. You might get a feeling they get to be treated slightly patronizingly, though (Gesteland, 2000, p. 210-213). In spite of Poles' awareness about how punctuality is important they tend to get late from time to time (so- called academic quarter). In verbal and nonverbal behavior area, you should pay attention to physical distance between interlocutors (25 to 40 centimeters). When it comes to negotiations, lot depends on how good your relations are. Polish businessmen tend to enter into contracts with "people representing the company", not some impersonal creation. Raising your voice during the negotiations and in public situations is not well seen, as well as touching each other more than a single handshake. Polish people like it when foreign business customers face round to person with a possibly highest position in the company. They also pay a lot of attention to clothing

around business meetings. It is recommended to wear official uniforms. You shouldn't face round to people by name in business talks unless it was stated to do so before. Poles like to invite guests to bonding events.

3. WHAT HAPPENS WHEN DIFFERENT CULTURES MEET

The managers' cultural preparation plays a major role in business contacts. Ignoring the cultural differences and generalizations may lead to misunderstandings and conflicts. Interpenetration of cultures is a global phenomenon, also in a business measurement. Lack of preparation to meetings can prevent from reaching the goal; there is a lot of evidence to that. Cultural barriers are one of the reasons why.

There are many international corporations working in Poland that originate from American culture. Usually, all the organizational units, created in another country tend to adopt procedures and common conceptions used in country they originate from. But yet, when to strong corporations out of different cultural areas, come to negotiate, results may vary. There are three model versions of intercultural interaction. Cultural dominance (which basically means, that one company imposes its partners its own organizational culture ignoring theirs). Cultural coexistence (trying to meet your business partners halfway). Cultural cooperation (assuming that, lasting cooperation might actually bring new values to organization, which will not limit any side of partnership). Starting a new branch, the firm might influent creation of new organizational culture at some point. However, in case of taking over a company, we also take over the cultural organization along with its employees (Koźmiński, Piotrowski, 2008, p. 607-610). This might actually lead to weakening its market position, or even to collapse of company.

Activity of the Japanese organization, located in a special economic zone, in Kujawsko- Pomorskie is a good example of cultural cooperation (Yoshimi, 2012). The research which was undertaken in this company revealed that way Polish workers may accept Japanese cultural organization model (Kraśniński, 2012, p. 97-100). It turned out, that Polish employees noticed first differences on recruitment level. Japanese tend to attach more importance to intellectual capital than professional experience, which makes a perfect chance for people who just finished their education. Another difference noticed was form of employment. In Japan, people with fixed term and commission contract are better paid, which originates from Japanese common conception that a person works his whole life in one firm. That brings us to another noticeable difference. The way employees see their duties range. Polish people feel larger need to progress their career. To get even more responsibilities, which makes them develop their abilities in a very narrow range of specialization. Japanese employer expects a lot of flexibility and multitasking from his workers. The difference in leading the business between Japanese and Europeans also has been noticed, whereas the Japanese system was more appreciated by Poles. It has been said, that Japanese managers have a good ability to estimate the situation in a rational way. They also emphasized how much they price honor and words given. It has been stated that there is a large difference in organizing office space. In all the Japanese companies (those in Poland located) there are no walls which helps workers to interact between them. That way, they can cooperate easier; it also improves their efficiency and builds solidarity. It shows a major measurement of collectivism in Japanese culture. Polish employees were very positive about Japanese being open to any proposals or opinions from any worker. They declared that they highly value gaining experience and knowledge in a multicultural organization, feel satisfaction in doing their job and that all the coworkers became to be sort of a family.

On the contrary, Daimler and Chrysler came to be a bad example of successful cultural relationship. German Daimler took over American Chrysler company that had as strong position on the market as he did (Jacobsen, 2012). The takeover was a globally known fact, it was called "Merger of equals" just few years later to be called "the huge fiasco". Main problem of combined firms was a big deal of cultural differences, starting from a formalization scale and a different firm philosophy, to end with completely different managing styles. It quickly came to their minds that German culture is the dominating one, which had a very negative impact on an organizational culture inside Chrysler. After year 2000 Chrysler group noted enormous losses and started dismissals on a massive scale. In 2007 Daimler decided to sell Chrysler to Cerberus Capital Management group.

4. SUMMARY AND CONCLUSIONS

Within 25 years, major changes in Polish organizational culture have been made. It recreated from “eastern socialistic” and came closer to “western” model. Nevertheless it does have specific features. For example, it is more individualistic than collective, rather masculine than feminine although, the feminine measurement keeps increasing. It is marked with moderate distance to authorities, which keeps getting shorter among young generation. Attitude to risk is variable and difficult to estimate. In attitude to time Polish business culture lies between cultures of Anglo-Saxon and southern Europe countries. Culture is moderately ceremonial these days, although with new generations showing up it becomes more pro transactional and open to new contacts at the same time. Polish managers become better educated and sensitive to other cultures over time. They tend to have better and better cultural competencies.

As we observe cultural slip-ups of major market players, we might come to conclusion that they still don't care to know their business partners' organizational and national culture enough. Managing in a multicultural environment is a great chance to get to know foreign markets and partners. That is why perfecting multicultural competencies is crucial to any manager.

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