





# **Trading Places**

# **Intercultural Communication in Business**

Snapshot of attitudes of people living and working in Kraków, Poland

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# **Executive Summary**

#### Introduction

'Trading Places' aims to explore the significance of intercultural issues in business, drawing on the practical experience and observations of business people living and working in the Polish city of Kraków.

In the space of one month, face to face interviews were conducted with nearly 50 businessmen and women from 13 different nations, representing companies from 11 different countries.

The resulting report aims at the following:

- a taxonomy of intercultural issues in business
- an analysis of the positive and negative impacts of conducting business in an intercultural environment
- a proposal for best practice in navigating cultural difference
- an understanding of the specifics of conducting business in Poland
- a view of what may be learnt from the experience of business in navigating intercultural issues

#### Motivation

Globalisation is something like the two-headed llama in Dr. Doolittle. As people are pushed and pulled towards more economically developed areas, so business increasingly seeks out areas less developed. Via the internet the process takes place virtually. In all cases, the effect is that people from different cultures increasingly come together to do business.

Poland is a particularly interesting location to observe this effect of globalisation. Throughout history, Poland's borders have shifted and changed, a process which began again in 1989 with the fall of Communism and continues apace with accession to the European Union and integration into the global economy. Fifty years behind the Iron Curtain, Poland now finds itself within a border-less, free-market European Union and at the same time the Union's border with the East.

As Poland has emerged as the Eastern border of the Western world, so Western capital has flooded into Poland, looking to colonise new markets and to capitalise on cost differentials. At the same time, vast numbers of Polish people have migrated from Poland to seek opportunity in the West and, around the corner, Poland itself can expect increasing numbers of migrants to arrive from the East, looking to take advantage of the country's relative prosperity.

It is against this backdrop that the research for this report takes place and as the first report of its kind to be conducted in Poland it can be considered very timely, if not overdue.

#### Taxonomy of intercultural issues in business

The report provides a comprehensive catalogue of areas where intercultural issues are at play in business, looking at areas such as language, perceptions of time and space, norms and values and ways of acting. It also explores the influence on intercultural communication of aspects of culture such as age, gender and education and how these play in relation to corporate culture. All of these are shown to be areas requiring cultural sensitivity.

The report suggests that aspects of culture (age, gender, education), often deeply embedded in a given culture, need to be given careful consideration, especially where the assumptions of corporate culture (about merit, equality and diversity) may be at odds with the assumptions of the local culture (authority of age, tradition, class and education; division of responsibilities by gender; extended trust networks).

Aspects of culture, therefore, provide the area of greatest potential conflict in intercultural communication. It is in this arena that we most clearly see local culture in transition, under pressure from new influences and pushing back against these influences. On the one hand, we see instances where individuals from the local culture are pitted against their own culture; on the other hand, we see skepticism towards corporate mantras of diversity and equality, which may be interpreted by the local culture as shallow and self-serving.

Language is another area which the report suggests worthy of careful consideration. The report unsurprisingly confirms the progress of English as the corporate lingua franca, whilst at the same time, and equally unsurprisingly, confirming that language and culture are inextricably entwined. In terms of intercultural communication, it is therefore a convenient fiction that we speak the same language and an inconvenient truth that we do not.

Expatriate managers make play of learning the local language, but truthfully this is no more than local colour, generally quickly discarded in favour of more pressing concerns. At the same time, companies wanting to do business in the local environment need to rely on those fluent in the local language in key functions relevant to the business they are in (be it in operations, marketing and sales or public affairs).

In fact, the common language of business is numbers and processes. International English is like Esperanto, an artificial language to ease the 'process' of communication. The report suggests that business people should bear this in mind, especially native English speakers who seem most prone to confusing language and culture.

The report identifies two other key areas for special consideration:

Firstly, the propensity of international business to assume the language of futurity, thereby locking local culture into the language of the past.

Secondly, the report's findings support French philosopher Guy Sorman's proposition that Asia is a European or Western concept. In the context of intercultural communication, it can be observed that 'Asian' is often used to describe behaviour that we don't understand, behaviour that is 'other'. By giving it this name, this behaviour is placed beyond us. It is worth noting that this description is very often used by Polish respondents placing Polish culture in the Western camp, whereas Western respondents are as likely to describe Polish culture as 'similar to Asian culture.' Amongst our sample, other ways of addressing the 'other' are: 'Communist' - used by Poles and

non-Poles - and 'Corrupt'. The report suggests that 'name-calling' of this kind is used when communication or understanding has broken down.

As a final reflection - although beyond the scope of this particular report to expand on the subject - it is suggested that that there is a strong link between culture and ideology and that corporate culture needs to be aware of this in its interaction with local cultures rather than making the assumption that it is a culture beyond culture.

# Analysis of the positive and negative impacts of conducting business in an intercultural environment

Cultural difference is a potential barrier to effective communication and can lead to misunderstandings which cost time. Making allowances for cultural differences, trying to make sure that misunderstandings do not take place, can also be time-consuming.

In some instances, cultural difference leads to a complete breakdown in communication resulting in missed opportunity or conflict. Businesses which are not sensitive to local culture can be perceived as culturally imperialist.

Positive impacts of multicultural environments are stated as being increased creativity and innovation. It should be noted, however, that although these positives are stated in our sample they were rarely illustrated.

If business truly believes in the values of multiculturalism it needs to be able to clearly articulate the benefits, and to engage, for instance, in the debate about tolerance versus promotion of difference.

#### Best practice in navigating cultural difference

The report identifies two key approaches to navigating cultural difference.

The first, not surprisingly, is cultural awareness or sensitivity to cultural difference. In fact, this is less about understanding the other culture per se than it is understanding one's own cultural assumptions and the fact that there is a bridge to be crossed to ensure effective intercultural communication. It is a version of romantic passivity, an awareness of the other and otherness and an opening oneself up to the experience of otherness.

The second, is the role played by cultural brokers, those with a developed sense of cultural difference, from expatriate managers with experience in intercultural environments to local employees operating in the space between the business and the local environment. The former, in particular, may be described as intercultural navigators. Although they may have no particular knowledge of a local culture, they do have an expertise in dealing with intercultural issues. The latter, on the other hand, have a particular knowledge of a particular local culture.

#### Specifics of conducting business in Poland

Whilst the report aims at a universal understanding of the subject, it also provides a snapshot of the intercultural issues at play in Poland and so may serve as a guide to doing business in Poland from the perspective of intercultural communication.

As referred to above, Polish culture is a culture in transition, responding to the forward pull of global capitalism. At the same time, as often the case with nations which have struggled for independence, Poles have a strong connection to the past and a strong stake in a fixed cultural identity. Companies operating in Poland need to be aware of this dynamic. In the opinion of corporate identity guru Wally Ollins this dynamic which he calls 'creative tension' can be a great strength of Polish culture.

Many and diverse elements go into the shaping of Polish culture. Foremost amongst these are a deep Catholicism, with 95% of the country practicing Catholics, and a history of oppression and occupation over recent history, preceded by a golden age in which the Polish Lithuanian Commonwealth was the largest in Europe.

Catholicism and the Golden age of Polish democracy place Polish culture - certainly from the perspective of Poles - in the mainstream of European culture and as a bulwark against the non-Christian East, a view which may seem outdated in a multicultural Europe. At the same time, the disappearance of Poland from the map for well over 100 years and its exposure to Communism over a further period of 50 years have bred a sometimes deep distrust of anything foreign. There is an undercurrent in Polish culture of betrayal by Western allies.

It is beyond the scope of this report to define this complexity of Polish culture, but it is apparent in many of the comments and observations made by respondents, for example in the prevalence of Polish trust networks of friends and family, loyalty to which may transcend the loyalty which companies may assume from their employees. Trust networks may be put to the service of the company or used against the company. In this context, it is worth noting that some businesses comment on the excellent performance of Polish teams in competition with teams in other locations, suggesting how trust networks can work in favour of the company when managed.

One aspect of Polish culture which may be of particular interest to business concerns the respect agenda. Something of an inferiority / superiority complex exists in Polish culture. This may show itself in feelings of inferiority towards Westerners, those more educated, older, wealthier and of higher status and on the other hand feelings of superiority towards those from the East, those less educated, younger, less wealthy and of less high status.

In this sense, Polish culture can be seen as a high respect culture - respect for education, for age, for tradition, etc. To Europeans and Americans, however, approaching the issue of respect through the prism of equality, Polish behaviour can sometimes be interpreted as low on respect. Examples cited include the 'bullying' behaviour of some Polish presidents towards their staff and Polish managers towards those reporting to them, as well as poor standards of customer service. This latter may be interpreted as a legacy of Communism where shop assistants controlled limited supplies and therefore had a relationship of power vis-a-vis the customer. By the same token, some respondents also note a tendency to view knowledge as power leading to the withholding of information from other members of the team.

It is worth noting that our respondents overwhelmingly favour young people rather than older people, suggesting that young people have a more open attitude, are more tolerant, harder working, more ambitious and so on. What they may be saying is that young people are less tied to their local culture or more determined to navigate cultural difference.

By the same token, public authorities are least favoured by our respondents. This is quite understandable in the sense that the public sector has been least exposed to the market economy agenda and is emerging from a system where government existed rather to regulate its citizens than to serve them. Nevertheless, rather than demonise public authorities (indicating a communication breakdown), the report suggests that business should focus on a partnership approach (focusing on developing channels of ongoing communication).

One final comment, observable from our sample, is the danger faced in removing one brick from the local culture and not understanding how this can impact on other areas. For example, in a hierarchical society, removing one boundary (a boss inviting colleagues to address him by his first name) may result in the displacement of other boundaries which were part of the same complex (this same boss may find he has lost the respect of some of his employees who expect a firm hand from their boss).

#### Learning from the experience of business in navigating intercultural issues

The forces driving global business not only bring people of different cultures together, but it's solutions and success oriented drive demands effective and efficient communication. The experience of business in navigating intercultural issues, tested daily in the market place, can provide valuable lessons for policy makers grappling with issues of multiculturalism in society at large.

#### **Results summary**

- Intercultural issues seen as both a problem and resource;
- · Misunderstandings seen as the main problem occurring in an intercultural environment;
- Different cultural context recognised as a major influence in conducting business internationally;
- · Very wide catalogue of cultural differences;
- · Specific attitude and skills as important factors for successful intercultural communication;
- Brokers key to starting and conducting business in a foreign country;
- Toolkit understood as practical information about a specific culture rather than a general outline of dealing with intercultural issues.

# Aims and background

The aim of this study is to learn about intercultural issues in business, taking as its point of reference one city in Central Europe which over recent years has experienced increased exposure to international business practice and international business people.

Business and money are very often important factors that bring different cultures together. Under the influence of globalisation this effect of business becomes ever more significant. In the European context, the effect is further influenced by the expansion of the European Union (taking in countries of the former Soviet bloc which previously had limited access to global markets), the free movement of goods and workers within the European zone and developments in industries such as IT and travel which have closed distances between cultures and locations.

Interculturalism is in fact part of the modus operandi of multinational companies, continuously seeking out new markets and new locations. For such companies, intercultural issues are part and parcel of their everyday activities, from preparations to enter new markets (learning about different legal environments, differences in business etiquette, different standards and levels of bureaucracy) to working with new employees (often speaking another mother tongue and with often different perceptions of work) to selling into new markets. These are issues that need to be addressed if the company is to function effectively and consequently multinationals tend to have a significant competency in their approach to intercultural issues.

Of course, not all business is done by multinationals nor interculturalism in business confined to multinationals. The opening up of new markets and the presence of multinational companies provides business opportunities for other categories of company, from domestic companies - acting as suppliers to the new multinationals, as agents and distributors for foreign companies or trading with companies and customers abroad - to a growing number of what may be termed international companies - companies which operating in one country have sought the opportunity to develop their business in a second country, perhaps relating to specific market opportunities in the second country, and often following in the footsteps of multinationals with whom they may have prior relationships. For these categories of company, intercultural issues may be something quite new.

Finally, there is a group of businesses, usually small and of the owner-manager type, established by foreigners that have settled in a second country, probably developing non-business ties to the country (e.g. by marriage, lifestyle change), who then go on to establish a business.

The business environment of Kraków, Poland is a rich area to research for several reasons. Since the fall of the Communist system and the opening up of the Polish economy in 1989, Kraków has experienced the trends described above to a very high degree, especially following Poland's accession to the European Union in 2004.

This research was commissioned by the British Council and is intended to inform the British Council programme Intercultural Navigators, which is aimed at supporting and facilitating 'young influencers' in developing the soft skills required in tomorrow's global economy. The research will also contribute to a proposed toolkit on intercultural issues. Both those aspects were widely covered in the research. Many respondents focussed on the potential of young people to navigate an intercultural environment and particular attitudes that are essential for successful intercultural communication. They also gave their opinion about the need for special training or toolkit for people or companies entering a foreign culture. The research describes a wide catalogue of cultural differences experienced by the interviewees.

The issues emerging from this report are based on practice, forged by acting in an intercultural environment. In this way one may believe that the information obtained in this study is related to real problems and successes connected with intercultural issues.

## International business environment in Kraków

#### Introduction

Kraków is one of the largest and oldest cities in Poland. With almost one million inhabitants, it is - after the capital city, Warsaw - the second largest city in Poland in terms of population. Additionally, another eight million people live within a 100 km radius of the city.

The city is located at the crossroads of historical trade routes between East and West and North and South and has traditionally been one of the leading centres of Polish scientific, cultural and artistic life. As the former national capital with a history encompassing more than a thousand years, the city is considered to be the spiritual heart of Poland.

This historical legacy is expressed today in 25 institutions of higher education, producing 30,000-plus graduates a year. The city is also a major domestic and international tourism destination, attracting seven million visitors annually - equal to Paris and more than Egypt.<sup>1</sup>

Research by the BBC indicates that among Europeans Kraków is the second most visited city in Poland for reasons of business (again, after Warsaw). It ranks in first place as far as spending free time is concerned.<sup>2</sup> This positive view of the city among foreigners has resulted in increasing levels of foreign investment across the region, supported by Poland's second largest international airport and good - by Polish standards - road and rail links.

#### **Business in Kraków**

In recent years, Kraków has proven to be an attractive place for foreign businesses to locate. Between 1989 and 2006, Kraków attracted USD 5.67 billion in foreign direct investment (FDI). This amount has been steadily rising, topping USD 1 billion in 2006 (the last year for which figures are currently available).

Kraków is the county town of the Małopolska province and the city's importance to the local economy can be measured in comparison with FDI figures for Małopolska as a whole which at the end of 2006 stood at USD 7.84 billion.<sup>3</sup> At the end of 2006, over 3,200 companies with foreign share capital were registered in Małopolska.<sup>4</sup>

In particular, Kraków has become the chosen European destination for many companies in the IT enabled services sector, so that increasingly the city justifies the tag of 'Europe's Service Capital'. Since 2004, 14,000-16,000 jobs have been created in the sector, with companies such as Shell, IBM, Cap Gemini, Hewitt, Affiliated Computer Services, Philip Morris, International Paper, UBS, HCL, State Street, HSBC and others locating Business Process Outsourcing and Shared Service Centres in the city. The growth of this sector is

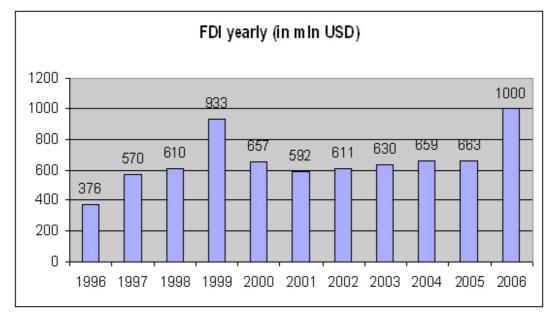
<sup>&</sup>lt;sup>1</sup> http://en.wikipedia.org/wiki/Krak%C3%B3w

<sup>&</sup>lt;sup>2</sup> BBC World report 'Poland: changing landscape', May 2006; after: http://www.krakow.pl/gospodarka/?id=badania\_BBC

<sup>&</sup>lt;sup>3</sup> http://www.malopolskie.pl/Gospodarka/Export/

<sup>&</sup>lt;sup>4</sup> http://www.malopolskie.pl/Gospodarka/Export/

reflected in demand for office space. Total modern office space in Kraków amounts to about 260,000 m<sup>2</sup> and in the years 2008-2009 another 180,000 m<sup>2</sup> will be added.<sup>5</sup>



#### Table 1 - Foreign Direct Investment in Małopolska, 1996-2006

Source: http://www.malopolskie.pl/Gospodarka/Export/

Other sectors include retail, banking, automotive, steel and hi-tech. Multinationals based in Kraków - or with a significant presence in the city - include ArcelorMittal, the world's largest steel company and single largest foreign investor in Poland; Tesco, which employs 28,000 people in Poland and is now the largest retailer in Central Europe; BP, Europe's largest company and top foreign petrol retailer in Poland. Other companies with a significant presence include Valeo, Delphi (automotive components manufacture); Man (automotive assembly); Google, Sabre, Motorola (software development); Philip Morris (cigarettes production); Can-Pack, Silgan Whitecap (packaging); RR Donnelley (printing); Pliva (pharmaceuticals); Fortis (banking); EDF (energy) and ECE (commercial property development).

'Poland's Top 500 Companies' prepared by the Polish business daily newspaper 'Rzeczpospolita' lists 21 companies from Krakow.<sup>6</sup> In addition to the larger companies already listed this includes smaller companies such as Premium Packaging Tiefdruck Productions (Austria), Nordkalk Group (Finland), Klèpierre SA (France), Royal Canin SA (France), Vesuvius (UK), Actaris Measurement Systems (Germany), Dresdner Fensterbau (Germany), Molteni Farmaceutici Polska (Italy), De'Medici Europe KZF Kraków (Liechtenstein) and others.

<sup>&</sup>lt;sup>5</sup> Poland Monthly No. 73 (March/2008)

<sup>&</sup>lt;sup>6</sup> http://www.krakow.pl/gospodarka/?id=inwestorzy

#### Table 2 - FDI by country of origin

Capital's origin	Number of investors	Capital's origin	Number of investors
1. USA	21	7. Austria	3
2. Germany	18	8. Israel	3
3. UK	11	9. Portugal	2
4. France	11	10. Belgium	2
5. Holland	5	11. Greece	1
6. Sweden	4	12. Croatia	1

Source: http://www.malopolskie.pl/Gospodarka/Export/

Different sectors bring different challenges in terms of intercultural communication. High levels of FDI do not necessarily equate to large numbers of foreigners: on average multinationals entering a country will employ 5-10 expatriates to oversee the set-up and development of the company over the first 2-3 years, who will eventually be replaced by local hires. Some such as ArcelorMittal employ upwards of 40-60 expatriates and some such as Philip Morris, companies which promote internationalism within the company, have a steady number of expatriates working in Kraków.

Nevertheless, foreign investments do in all cases lead to wide-ranging intercultural communication at the corporate level, between managers in Poland and colleagues abroad, as well, of course, introduction of other national and international corporate cultures.

IT enabled services provide another very interesting aspect to intercultural communication in that the sector is heavily focussed on serving clients abroad and the key skills required are hard language skills and soft skills around communication, including crucially intercultural communication skills.

The requirement for language competencies has had a knock-on effect in terms of cultural diversity in the city, leading to a very large number of language schools being present on the market, employing many native speakers.

The tourism sector also heavily influences the demand for languages and communication skills and there has been a dynamic development in recent years in business and academic tourism, and this is set to expand even further with completion of a Congress and Conference facility in 2010.

The expatriate business community, however, remains relatively small and can be measured in the size of Kraków's international schools. The city supports two schools with combined student body of approximately 250 students, of which approximately 20% are children of Poles that have returned from abroad.

# Methodology

Qualitative research methods were applied in this study.

Fieldwork consisted of two stages:

- Forty individual in depth interviews with senior managers, company owners, employees and freelancers both Polish and foreign
- Two focus group interviews (FGI) with HR managers from multinational companies with a focus on BPO.

Company type	Number of interviews	Foreign respondent	Polish respondent
Large multinational	13	10	3
Medium multinational	3	1	2
Medium international	4	2	2
Small international	12	9	3
Freelance	3	1	2
Education sector	2	2	0
Polish companies	2	1	1
Others	1	0	1
Total	40	26	14

The structure of the sample is presented in the table below:

#### Table 3 - Breakdown of respondents by category of company

Multinational company was understood as a company that operates in multiple countries. An international company was understood as a company operating in two countries.

Interviews were conducted by a team of eight interviewers, who were trained in respect to the interview guidelines, interview techniques and objectives of the research and instruction as to key definitions and other practical aspects. Interviewers were recruited from the Jagiellonian University in Kraków.

Focus groups were facilitated by an experienced coach. The first group consisted of five people, the second group comprised three people. The number of people in each group was smaller than in a normal focus group due to their experience as experts in the field (HR managers).

On average interviews lasted one hour and were run according to the guideline. Most of the interviews (38 out of 40) were recorded. For the two remaining, notes were taken after the end of the interview. Transcripts of the interviews were coded and analysed using Max QDA software. Codes were created in a deductive way at the beginning of the process.

This type of analysis does not allow statistical analysis and is not representative of the whole population of business people in Poland. It does, however, have other advantages which are very helpful for understanding intercultural issues. Qualitative research can be used to search for patterns in the data – it helps to understand the language of respondents and categories in which they see working and doing business in an intercultural environment. As an interview is much more flexible than a quantitative questionnaire it can be treated more like a conversation – a respondent can place greater emphasis on those aspects that are most important to him or her, additional questions can be asked to clarify understanding of different phenomena and a great variety of examples can be given to illustrate the topic. These benefits of qualitative research are particularly appropriate in the area of intercultural issues which deals with such a wide range of attitudes. Reducing / limiting the varieties of experience to categories imposed by a researcher can lead to unreliable results.

# Results 1 - Defining intercultural issues, culture and cultural difference

By way of introduction, respondents were invited to state their understanding of intercultural issues and who they consider to be of a different culture. The answers given provided a reference point for a more detailed discussion how differences in culture manifest themselves in business and at work.

Fragments taken from the interviews have been grouped to illustrate the range of approaches to the subject. Later in the report these fragments will be placed in context.

#### **Defining intercultural issues**

"Whenever behaviour can be explained by the answer: 'That's just how we do things'. Every time that you come up and ask: 'Why did you do that? – and the answer is, 'This is how we do things.'";

"...ways that people look at the world";

"different circumstances around culture, around ways of co-operating and around doing business somewhere, differences in culture, differences in doing things";

"connected with a lot of colours, religions, languages, ways of acting and tolerance";

"...the matter of personal experience and the possibility of meeting people from other countries";

"very important aspect for anybody who goes to a different country and intends to settle or establish a business";

"co-operation for a positive outcome similar to diplomacy, foreign policy and international affairs between countries but obviously between people as well; economic relationships, environmental relationships, global climate and so on are topics of intercultural relations";

"Intercultural issues are connected with intercultural sensitivity which is about being aware that other people come from different backgrounds to you";

"between different nations or within one nation";

"Intercultural issues can stem from different cultural heritages and upbringings, [even differences in] children's home environments";

"The biggest problem is when people take certain perceptions of a nation as reality, when it is hard to get along with people from different culture who speak a different language, problems when different cultures meet, problems with communication, some linguistic problems, also problems with religion, different habits, different lifestyles";

"can be a barrier to communication";

"a challenge when we have lots of miscommunication and misunderstanding";

"If intercultural issues are not being taken into account they can cause problems, things can go wrong easily. Because very often there are these tiny little things that you may accept as being obvious for everybody and they turn out not to be obvious for everybody";

"neither positive nor negative. They are just facts that exist simply, because of differences in culture";

"its a matter of personal enrichment when people get a different view on things";

"can be turned into something that is beneficial; enriching, a great opportunity"

#### **Defining culture**

Many of the respondents defined culture in terms of group identity. These were some of the definitions given:

"a collective way of being"; "a shared way of living"; "the thing which binds a particular group of people together"; "traditions that distinguish one group from another"; "values that you grow up with and attitudes that are accepted within a given country as normal behaviour";

Some emphasised the factors influencing culture:

"habits that are quite often connected with religion"; "influenced by everything: by geography, by the weather, by the political situation, by upbringing ..."; "nationality and language are probably the first two factors shaping culture";

Some stressed these factors already in terms of differences between cultures:

"different living conditions (e.g. coming from an isolated rural area)"; "differences in the way we are brought up"; "differences in how the societies in which we live have developed"; "different political and economic histories of each country"; "differences stemming from history"; "differences in religion – Protestant versus Catholic background - that affects everyday life, business, international personal contacts, everything";

Some stressed how culture manifests itself and its impact:

"something as simple as the time that I would have my main meal today"; "Culture goes deep through our all activities, behaviours, attitudes and values"; " an inherent part of our identity";

Culture results in:

"differences in mentality; different ways of approaching things"; "various distinct ways of reacting to different things"; "lifestyle - how people live, how they spend their time, money..."; "day to day behaviour on some things, e.g. magic, belief in miracles"; "in general the wealth of the general population and... possibly the qualities of education and things like that would all merge into an effect."

Different types of culture cited included: business culture, religious culture, social culture and predominantly national culture.

#### **Different cultures**

"Differences between cultures have existed ever since one village decided there is another village next to it and they were different from it; cultures can be distinguished by religion, by nation, by profession; it depends where you put the border."

Difference between cultures was also defined as a point when one person cannot understand someone else's behaviour on a given subject:

"A different culture is just a culture I don't belong to or understand. It could be linguistic, a business culture, a physical culture – like a geographic location, it could be a race with its cultural norms that I don't understand."

Examples of cultures that differ from each other were very often presented as a contrast between European and non-European, particularly Asian cultures:

"all Europeans and the majority of Europeans have to some extent a common background";

"Certainly most of Europe where I've been, I wouldn't say there's that much cultural difference. So there is a difference between European culture and Middle Eastern culture, Asian culture, South American culture; for 'totally different cultures' you go to places like China or India, even the US."

Some differences inside Europe were pointed out:

"Polish [culture] is very similar to other Northern European cultures. And Italians, Greeks, Spanish, Southern French are totally different from the rest of the Western Europe";

"people from former Soviet republics";

"in the West it's much harder, we have had many years of hard competition as a culture. You [Poles] have never had it really hard, ultimately hard. Only maybe you queued for bread or you queued for meat but you haven't had long sustained commercial pressures."

Also other, more detailed types of different cultures were described:

"it's Eastern European and Western European, it's old Eastern European and new Eastern European, it's black and white, it's Jewish against Arab, it's all of these different contrasts. And it could be as simple as a young Polish person working in a hotel and an old Polish person working in a hotel....You can have intercultural issues within one nation, because there's a cultural difference."

#### People from different cultures

Examples of people from different cultures varied from very general divisions for European and Asian cultures:

"People who are from European culture (I mean not only Europe but also Australia, South Africa, South

America – Chile, Argentina, Uruguay; United States) they are all Europeans in the sense of culture; a person from another culture is, for example Asian. Asian culture is different from European culture. In Asia there's a different tradition, [a different] history and therefore completely different manners and behaviour";

"an average Englishman wouldn't be seen by me as coming from a different culture, I've never talked to a real Arab man, but I presume that an Arab person, because of his different religion, and different habits would be seen as someone from a different culture";

through differences connected with nationality:

"I consider every person from a foreign country working with me as people from a different culture";

to the individual:

"well, really, almost everyone, including people from my own nationality and societies."

"if you look carefully everybody is from a different culture: me, you, her." (gesturing a person sitting at the next table)

"someone whose habits are so different from mine that it makes a difference."

"different culture means different people."

Although giving numbers is not meaningful in qualitative research, it is worth observing that intercultural issues were defined as a problem (8 out of 40 text respondents) much more often than as something positive (3 out of 40).

Opinions about positive and negative effects of intercultural issues were also given in a further part of interview where dangers and opportunities were more elaborated.

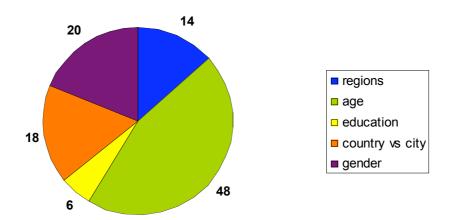
#### **Difference within culture**

The idea of culture was most commonly expressed in terms of national culture, but mention was also made to various subcultures operating within a culture. These related to things such as age, gender, education and region.

Corporate culture was also mentioned as a different kind of culture, both in terms of specific corporate cultures and in fact business culture extending across national cultures. Mention was also made to the culture of different professions extending across national cultures.

The chart over page shows how many text fragments were placed in each category of subculture.

#### Different understanding of cultural differences



#### Diagram 1: Different understanding of culture - code frequency

#### Age

Subcultures such as age remind us that culture is something in transition. This is nowhere more clear than in terms of generational differences, particularly in a country such as Poland which in the fifty years up to 1989 operated under a Communist rather than a Capitalist system.

Looking at age therefore throws light on subjects such as Communist legacy. It was widely commented that different age groups have a different relationship to the transition to a Capitalist system and that in older people the old culture is more prominent.

Generally respondents divided Polish people into two categories: i) those growing up in a Communist system, and ii) those whose first professional experiences were in a Capitalist system. One respondent divided this group into three generations, adding what he referred to as 'the lost generation':

"They were 20 - 25 [years old] when it changed, so they grew up with the old values and system of thinking, but by the time they were ready to apply it, the whole thing had changed and they came to a world they didn't understand. These people are completely lost. They understand that Communism wasn't the right way, but they don't feel Capitalism." (small international, Dutch, In Poland for 8 years)

Comments about older people in relation to business were generally consistent across the group. Firstly, it was felt that older people don't have the same work ethic as younger people. It should be pointed out that we are talking here of work ethic in relation to working in a company.

"Older people are more set in their ways and also corrupted by Communism and don't have the work ethic. They expect to do very little and get their pay at the end of the month, steal things when they can. Generally speaking, they're taking profit from the fact that they're employed but actually not doing very much." (medium international, British) This comment restates the commonly held opinion of the Communist system that people were paid to be in work rather than to work. It also raises the question of employee loyalty and honesty in dealing with the company.

It should be remembered that even before Communism, Poland experienced a long and difficult history in which for 123 years it disappeared from the map of Europe, enjoying a brief period of independence between the first and second world wars. Polish culture, therefore, has an uneasy relationship towards those in power and very often trust was invested in tight networks of family and friends. Loyalty is rather to this trust network over and above - and possibly at the expense of - other groups or, in the context of this study, the company one works for.

Conservatism of age is also something worth mentioning, since this conservatism is at odds with the openness generally considered of key importance in navigating cultural difference. It should also be noted how homogeneous Polish society is, and has been since 1945, so that in the fifty years up until 1989 and really up until 2004 and European Union accession, Poles in Poland had very little experience of people from other cultures, other than the foreign or foreign-influenced ruling elite and a limited number of visitors and students from other Communist countries.

Differences between ages also expresses itself in terms of levels of formality.

"People who are 40 and above are way more formal and the younger folks they're just not. They probably look to the West - they're just younger and more open – they like a more collegial kind of structure." (large multinational, American, in Poland since 2004)

The hierarchical nature of Polish society in relation to age can also impact the business environment and act as a barrier to diversity. One respondent noted that that when older and younger people are working together the older will dominate and the younger will accept this domination. In the interests of efficiency and team creativity he hires only younger people.

"Of course there are people who are older than 40 and can work. But the chances of hiring the wrong person are much higher. Better not to risk if it's not necessary. You will find plenty of people who are younger than forty. It sounds very cruel but you don't want to do it. Because the older person will start dominating the younger ones, because hierarchy of age is very strong. And he will dominate in the wrong way." (small international, British)

The relationship between young and old and the conflict that can arise out of cultural transition is highlighted by another respondent. The particular instance given suggests that traditionally work may be seen as less important than raising a family and this can create tension when work takes precedence:

"There's a big tension between what young people want to achieve and what their parents expect (...) the husband knows what we're doing and why we're doing it, but the mother, or if its a man his wife and her mother, have a different world view and this creates a certain tension." (small international, British, 10-12 years in Poland)

An older Polish respondent made a similar comment expressing this tension:

"From one point of view it's good to observe young people who are aggressive, ambitious, workaholics, wanting to achieve success. However for me such an attitude is sometimes very strange because I was taught something different." (medium international, Polish)

If young Polish people are generally preferred by business to older Polish people there are also some down sides, in that ambitions may be unrealistic.

"The fact that the country entered the EU opened the eyes of many people and created a lot of dreams for the people. They are always demanding more." (large multinational, Belgium, 3 years in Poland).

"It doesn't happen as far as older employees are concerned. The older work harder and they're not sick every two days." (large multinational, Belgium, 3 years in Poland).

Business in Kraków, as Poland generally, is experiencing high wage inflation (if admittedly from a low base). It has not been unusual for companies to implement two salary increases a year and these increases are in the region of 10-20%. Nevertheless, churn is very high in all sectors. One respondent commented on this situation regarding pay:

"it's interesting on salary for example. Whatever raise I give the response is usually, 'that's not quite what I was expecting.' They always negotiate the salary... I realise that salaries in Poland are less than in the U.S., the expectations for quality of life, costs are increasing. So it's different economy and that probably drives this attitude. But it's been interesting that I'll give somebody 25% raise and he'll say: 'I'm not happy about that.'" (multinational, American)

Finally, it may be noted in terms of equality and diversity issues, that Polish law although it does not overtly permit employers to discriminate in terms of age, gender, race, etc., does permit applicants to place all of this information on their CV, including a photograph.

"I remember looking at my first resume here in Poland. All that information in a CV would be illegal under New York law, particularly the photograph, the date of birth, the religion, the nationality of the person, whereas in Poland it's often listed, which is unusual to see because what's the person's age got to do with his job? And what's their religion got to do with the job? Also, marital status is usually listed on a Polish resume and again in the US that would be illegal. Obviously the US and particularly New York is much more diverse than Poland and there are many different religions and cultures within one organisation. So you've got to respect and understand differences and ensure that you can work with people and that you're not insulting them." (multinational, Irish)

#### Education

As mentioned earlier in the report, Kraków has 25 institutions of higher education producing over 30,000 graduates a year. In total there are approximately 170,000 students in Kraków and another 150,000 in neighbouring Katowice (less than 60 km down the A4 motorway). This large pool of educated young people has been the key driver behind recent investments in Kraków in business process outsourcing.

In this context, it is worth considering the status of graduates in Polish culture compared to established Western European economies. Generally speaking in Western countries 'graduate' simply denotes that someone has a degree, a qualification that may help them step onto the career ladder a rung or two higher than those that don't have a degree, but really nothing more; after that its about performance at work and everyone is on a level playing field.

In Poland being a graduate is more a matter of continuing identity. And so, for instance, older Polish people commonly use the designation 'Mg. Inz.' (Master of Engineering) as a prefix to their name on their business card. It is also worth reflecting that since 1989, every President of Kraków with one exception has been a university professor.

In some way the idea of an intelligentsia is connected to this. Whereas in Anglo-Saxon countries the intelligentsia doesn't exist as a class and there is generally suspicion of anyone calling themselves an intellectual, this is not the case in Poland. Indeed, the intelligentsia are generally considered to have kept the image of the Polish nation alive in thinking and professional life when the country did not exist on the map. This may partly explain the abiding importance to Poles of Katyn, when 2,000 or more of the Polish officer class were assassinated by the Red Army during the Second World War.

This attitude towards education has a direct impact on future prospects for the development of the BPO sector in Kraków and may explain why in spite of the sizable investments in the sector in the last few years, the sector is still viewed with some suspicion. BPO companies employ graduates in part because they can and also because graduates are the one group with the key hard skill which the sector needs, namely languages. Nevertheless, the jobs are generally quite menial. The implication, therefore, is that the jobs are not worthy of our graduates. The challenge for the BPO sector is therefore to develop higher value processes which are 'worthy'.

The same stress placed on education is also evident on attitudes within Poland towards the city and the country. A sense of the difference is perhaps communicated by the English word 'urbane' - urban therefore meaning educated and country implying uneducated. The word 'Wieśniak' (someone from the country) is commonly used in Poland as a term of abuse, perhaps similar to the English word 'yokel' but without the irony.

One respondent mentions this difference between localities:

"I think age and local cultures are big determinants - we do business in two places in Poland, and Kraków is way different than Kwidzyn [small town of 40,000 people in the north of Poland]. These are all Polish people but they think and act and do things a lot differently. And people in Kraków are less different from a Western European. Somebody from Paris and somebody from Kraków would have more

in common than somebody from Paris and Kwidzyn. So there are big local differences." (multinational, American)

#### Gender

Gender differences and attitudes to gender are also important aspects defining a culture. As referred to above, the view that a woman's place is in the home is still prevalent in traditional Polish culture and perhaps as a consequence of this women tend to be employed in administrative rather than strategic positions. They tend not to be employed in what may be considered more aggressive functions such as Sales:

"I've tried to employ clever and able women in the sales function and failed miserably, because most of the buyers are men and they will not accept a woman at a presentation. And I've found that the cultural expectation of the buyers meant that my women salesmen failed. Not because they were not good at it. They were. I worked with them. They were intelligent, able and more educated. But they could not succeed as there are preconceptions of the men in society.

Interviewer: And how did these preconceptions manifest themselves?

They didn't buy from them [chuckles]. They wouldn't buy from them. They wouldn't accept them as a business partner. Their opinion was, 'This girl should not be doing this, this is not her job. She should be a secretary or in Accounts, she should be in an administrative function. She should not be in a sales function where she is equal to me.' They won't accept them on the same level." (small international, British, 12 years in Poland)

Women are poorly represented in senior management positions in Poland - according to Lewiatan (the Polish Confederation of Private Employers) women occupy the top position in less than 4% of companies in Poland. They are much more strongly represented in politics.

Senior positions which women most often occupy in a company are HR, PR, CSR and Marketing, though it should be added that HR in Poland is still very often an administrative rather than a strategic function.

The situation also varies by sector. Steel and automotive are not industries where women are employed whereas in the newly emerging BPO sector women are in the majority.

Some effort is being made to address the issue. Poland is an overwhelmingly homogenous country in terms of race and religion so that diversity programmes where they exist tend to focus on gender equality. One multinational supports a nationwide diversity programme encouraging girls at high school level to study IT, traditionally a male profession.

At the multinational level, women among respondents interviewed were more sensitive to gender differences, though most often this was commented on tacitly in terms of something else, implied rather than stated overtly.

#### **Business as culture**

Corporate culture was also mentioned as a different kind of culture, both in terms of specific corporate cultures and more generally international business culture. Mention was also made to the culture of different professions extending across national cultures.

"I have experience with many French people that came here, and it's like in Poland, people are not similar to each other; everywhere we have different people. Maybe there is some age element, tradition in which you were brought up but I don't see it that way now. It's more about corporate culture and management culture than national culture." (large multinational, Polish)

"Lawyers have their own culture, doctors and so on, groups of people doing the same job." (small international, Polish)

#### **Expressing values**

In large companies, core values tend to be summed up in pithy phrases, e.g. "Treat people like you want to be treated"; "Do better than in the past"; "You need to do more, never less".

There were some differing views about the relationship between written statements of mission and values as opposed to values as lived by the company.

"If you put rules, for me it's procedure, not the culture. The culture for me is something that is not written. It's something that is the life of the company that you need to transfer. So there are no rules but it's just the way the people behave." (large multinational, Belgian)

In the case of some of the multinational companies that we spoke to, defining the corporate culture and the core values of the company is a significant internal project:

"The values were developed first in Britain and at the moment we are testing them internationally again, so we're reviewing them because the company has changed. But in Britain they were developed by asking every member of staff what they believed the values of [the company] were, in the stores, in the offices, in the distribution centres. And it was all brought up to the centre and the values were kind of drawn up with the two key ones remaining and some others underneath. So then we said: 'OK, so this is what you said, what we believe.'" (large multinational, British)

People working in smaller companies tended not to elaborate the company's values, but when asked were able to describe the company culture in terms of a person.

"Let's say... someone like Santa Claus, you know, known to everybody and quite open and friendly... Yeah, open, friendly, supportive, very supportive... I'm reminded now of a phrase: 'Think globally and act locally'. Our company is very much based on thinking as a corporation, but acting personally." (small international, Irish) "Someone like Patrick Swayze, someone who goes through life, who does their best, who's open to anything, tries everything, who improves the people around him. (...) And this is what we try to have – that nobody has anything bad to say about us, we try, we cater to everybody, we do it with a smile. And, you know, if we make a mistake, we apologise and we say it won't happen again, tell us how to correct this. (small international, American)

# Impact of intercultural environment in business

#### Main problems stemming from cultural difference

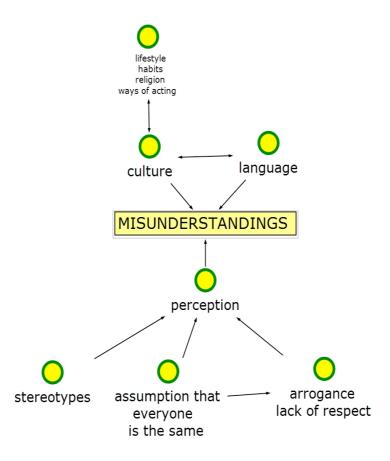


Diagram 2: Intercultural issues as a problem

The most common problem indicated by respondents in terms of day-to-day business is misunderstanding. Misunderstanding is seen as a barrier to communication and a problem itself:

"improper communication causes misunderstandings and creates conflicts also" (medium multinational, Polish)

"It would be easier and quite good to find out more about culture, different circumstances around culture, around doing business somewhere and around way of co-operating with other people. It is necessary, because when you do not know these things, this is source of problems and misunderstandings." (small international, Polish)

Only two specific difficulties stemming from misunderstandings were directly named – wasted time and unwittingly insulting someone:

"A disadvantage is that you can have a period of misunderstanding. It's a waste of time when people try to figure out what everybody means." (large multinational, British)

"Some error that can be made because two people reviewing the same issue, the same problem understand the comment in two completely different lights. You could say something as a compliment, but it could be taken as an insult." (large multinational, Irish)

Misunderstandings can be caused by three main factors – language, cultural differences and certain perceptions of a situation. The diagram on the previous page illustrates the relationship.

Many respondents mentioned stereotypes about national character as difficult to overcome or set aside. These assumptions can get in the way of effective communication, especially if there is a history of conflict between nations e.g. Poland and Germany or Russia.

Less obvious, however, are the misunderstandings that can occur when there is an assumption that everybody is the same. When people do not take into account differences in cultures they can be surprised that things are done differently or take more time, leading to frustration and conflict.

"In my opinion if I'm entering any culture or any group that is multicultural, my first thinking is how they see the world, what are their values, their experience, just to find out before we start to co-operate what is shared and what needs to be talked over, analysed. I think this is the biggest problem – this anticipation that everybody is the same, that everybody shares my values. When we take account of the fact that different people in a group have different views, then any co-operation is much easier. (large multinational, Polish)

From the point of view of the local culture, the assumption that we are the same can be interpreted as arrogance or lack of respect and as a sign of cultural imperialism.

Openness is seen as a key requirement to be sensitive and in a position to show respect to a different culture.

"Be honest. When you arrive you say: 'I don't know how it is done here. Please explain this to me' instead of saying: 'this is how we are going to do it here', because you will get a resistance to that change. (large multinational, Irish)

Among Polish respondents working in multinational companies, one area of potential conflict mentioned was the special care and attention which some expatriates may expect from local staff in helping them to deal with day-today tasks not necessarily work related (finding a plumber, getting children picked up from school, etc.). Those who mentioned this suggested the assumption that my time is more important than yours can be a source of resentment. In this context, one respondent mentioned the attitude of some expatriate wives. This privileging of senior managers' time can exist in any organisation. In an intercultural context where the senior manager is foreign, it may be interpreted not in terms of corporate culture or individual behaviour but as a cultural slight. What can also be observed, however, is an attitude which says, 'Why are you my boss when you can't look after these simple things?'

On the other side, as it were, there were complaints about 'tourist pricing' (the fact that foreign companies are supposed to pay more for everything).

More generally, one respondent referred to the problem of emigration resulting from the fact that people would prefer to live in a more diversified environment abroad. This concern reflects the very large emigration of Polish workers to other parts of the European Union since Poland's accession, and perceived brain drain. More than one respondent expressed a concern about the uniformity brought about by migration of foreign capital.

#### Main positives of intercultural issues

Opinions about intercultural issues as a resource were rather similar. Respondents agreed that multicultural teams can provide a wider range of ideas and possible solutions to problems than monocultural teams.

"The more people we involve, the more ideas we get. I come with the set of ideas of something and somebody else with a different upbringing comes with a different set of ideas, versions that aren't necessarily wrong or bad. And bringing that together leads us to a result." (large multinational, American)

"sometimes if I see that finally the way of acting could be interesting for me or for my family to solve the same problem etc...if I understand I take it." (large multinational, French)

It was also mentioned that companies operating in an intercultural environment develop a culture which can also help them understand customer needs in the host culture and in different cultures generally, helping them to tailor their services to that culture and providing the opportunity for wider development.

Personal benefits were also mentioned, including personal enrichment and opportunities for children of expatriates to attend international schools.

"At the beginning I wanted to go out and see the world .... I would have been very disappointed if I would have only found Germans, German behavior... you always have enrichment by being exposed to another approach." (large multinational, German)

At least one respondent questioned if people were prepared to take advantage of opportunities presented by diversity:

"I think that multicultural groups or having contacts with different cultures is a great opportunity and people don't see how many advantages and benefits they could take from that. Because the natural

tendency of people is looking at something which is similar because if people find similarities, they feel safe. (large multinational, Polish)

It is interesting to observe that both positive and negative sides of intercultural issues pointed out by interviewees were stated in very general terms. Only a few chose to name them directly and almost no examples of situations were given. It may be that people do not want to talk about their failures in intercultural communication or embarrassing situations in which they have found themselves and are reserved in describing their successes. It is as likely, however, that they do not express these situations in terms of intercultural communication.

#### Impact of intercultural environment on business

Some examples of the impact that intercultural issues may have on a business will help to illustrate their importance and direct influence. These examples can also be treated as an introduction to the next part of the report which will catalogue cultural differences observed by business people in Kraków.

Respondents spoke of the importance of understanding the cultural context connected with business in general and in terms of everyday work routine. The quotation below describes the situation within a British company:

"For those who work in construction, things aren't done in the same way. With an English person you don't necessarily have to be so clear in the instructions because the English person will understand the sense of what you're doing, whereas the Polish person, even if their English is good, doesn't necessarily understand the sense because they haven't worked in the same context as you in the UK. So there are differences and you need to be aware." (medium international, British, 9 years in Poland)

The particular context of a given sector is one thing to be aware of, but there is also a more general cultural context which has direct links to business. One of the interviewees gave an analysis of this phenomenon:

"When it's somebody from Scandinavia – cold in behaviour, communication – be prepared. Arabic countries are also very different from Europe. We say there are 'high context cultures' and 'low-context cultures'. 'High context cultures' are Arabic countries, South European countries. It means that it's not direct communication, but the context around is important: familiarity, friendship, partnership, clans of families. In the 'low-context cultures' like Germany and I think partly Poland, England, Holland, there is more direct communication about the issue. For me it's better, because the situation is clear. (medium multinational, Polish)

This observation points out that things which at first sight do not have any relation to business cannot be ignored. They create the background to negotiations, influence the hierarchy in an organisation and day-to-day working environment, as well as such things as perception of time.

The context can also be shaped to some extent by the legal framework of a given country, elaborated later on in the report.

The notion of cultural context is important for international schools, which are an important element of an international business community. Schools are aware of the issues connected with different backgrounds and try to introduce them into their operations:

We have children of different religions: we have Christians, we have Muslims, we have Jews. We probably have some Buddhists as well, because we have some Japanese children here. So the four major world's religions – we have children representing each of those cultures. And that's important, because that affects day-to-day routine. In Ramadan it's very important to mess around with the times, because the Muslim children are not going to be eating at lunchtime and that affects just the way that we manage how we eat lunches, because we try to make sure that we don't eat lunch in front of them, so they have to go somewhere where they don't observe other people eating. And these things are basics of life inside school. And then, of course, there are festivals. So it's important that these festivals are recognised in the school, even if it's not sort of celebrating those festivals, at least we know that somebody in our class is celebrating something at the moment. (education sector, British)

Another aspect that was underlined is the fact that in business one is 'forced' to co-operate with people that one would not necessarily have chosen to associate with:

"I was thinking about 'business' life because in 'normal' life you don't have so many occasions where you are, as it were, 'forced' to co-operate. There, you have more freedom to decide about the quality and the shape of one's contacts. In one's business life sometimes you're forced to work within multicultural groups and then people neglect these differences, they don't want to see them. After a while they find themselves in trouble because it appears that something doesn't work and it doesn't work not because people have bad will, they don't want to do something, etc., but rather because we don't understand what are our different behaviours, attitudes and beliefs are." (large multinational, Polish)

Following this thread, its main sense is to be cautious about the implications of one's actions as they may be understood as something much more meaningful than intended. The fragment below shows an example of this kind of situation:

"Other small cultural things – we hire people to speak French or Spanish or English or German and say, "While you're in an office, just speak French or Spanish, English or German' and they'll say 'No, I'm Polish. When I'm on the phone or doing my work I'll be happy to speak the language that you hired me for. But when I'm not, I'm going to speak Polish.' This is fine, but for me to speak the professional language was a way of practicing whereas people thought as me trying to restrict their Polishness, which wasn't my intention at all." (large multinational, American)

This kind of misunderstanding can stem from the fact that one does not perceive the culture he or she is entering as different. It was said that common mistakes that can result in a company failing in a new market, come from ignorance:

"(...) cultural differences once they go wrong are hidden ones, ones you don't see. For example, a Dutch company that goes to China is already careful, because it's: 'I'm going to China, this is on the opposite side of the planet, there are Chinese there, they are VERY strange people, they eat frogs and snails and do everything differently. I must be very careful, I must prepare very well.' When they come to Poland

they think, 'We're in Europe.' They fly around, they go to Warsaw, Krakow, wherever. For example, Warsaw: they fly into Okęcie [Warsaw Airport], they go to the city centre, they see high-rise buildings, they see all the big modern European shops, they see normal, 'white' people - let's put it that way - Northern Europeans. They think, 'It's Europe. It's easy.' And they go in the Dutch way. And that's where they go wrong." (small international, Dutch)

For many of the respondents, but predominantly Polish respondents, the archetype of a different culture is something very far and distinctively different – as China, Japan or India. Meaningful differences influencing business life can, however, be seen even within one company:

"We have 27 heads of staff globally... If you have that amount of the people in an organisation, the organisation itself will develop a culture and there will be cultural differences between units and divisions within that organisation. And that's why we focus on that a little bit more. You could have a senior management in one division that will not be understood in another division. There would be no understanding of what they do. There would be some resentment towards what you are asked to do because they have to make difficult decisions sometimes. There would be a lack of communication. And that's only within one organisation." (large multinational, Irish)

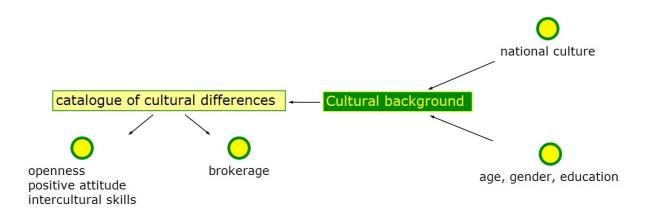
Although almost everyone claims that intercultural issues have direct impact on their business, some of them say that however big the gaps may be there is always a single common objective – making money.

"In business life there are not so many differences, I can say, because people want to make a good deal, make money and this is what business is. So I think, at this level, it's almost the same everywhere." (small international, Polish)

# Results 2 - Framework of intercultural issues in business

In this section the general framework of operating in an intercultural environment will be examined.

The diagram below shows the main relations between cultural background and successful handling of intercultural issues emerging from analysis of the interviews:



#### Diagram 3: Framework of intercultural issues in business

At the centre of this framework is the catalogue of cultural differences. Some aspects like time, space, norms and values, etc., were suggested by the guidelines, but respondents also gave many examples from their own experience.

Differences stem from the different cultural backgrounds of people who work or do business together. The cultural background can be seen in terms of national culture (specific norms and values, upbringing, lifestyle, etc., typical for a given country) or in terms of other factors such as age, gender, educational background and rural / urban upbringing.

The fact that differences are observed is not the end of the process. One must be able to handle them in order to be able to run the business effectively. The report identifies two key aspects to dealing with cultural differences. Firstly, an individual's own attitude and intercultural skills: successfully entering a new culture requires being open to it, sensitive and ready to accept different ways of acting. Secondly, the role of cultural brokers.

Brokerage can be understood in many ways and applies at many different levels across the range of intercultural challenges faced by international businesses. It embraces both individuals and companies, and covers both entering a new culture and operating in that culture.

#### Catalogue of cultural differences

Having identified brokerage as essential for success in an intercultural environment it is worth focussing on cultural differences. Looking at the full range of areas where cultural differences can become apparent suggests the need for a wise and sensitive approach to different cultures at work.

The story below may serve as an introduction to the topic. It was told by one of the respondents about how the issue of diversity was first introduced into her company.

"...she is French and she was introducing the issue of diversity within [the company]. For the first time she was introducing this to some guy from the company, she was almost dying from nervousness and she spent two hours with him, about how important it is to understand different cultures, about differences between women and men, different cultures, different religions, and the sheer diversity of people you can meet within a company having over one hundred thousand employees. She talked about how to create a company that treats all of these people equally, how to be honest to everyone. She was talking two hours and after that the guy said: 'I am convinced but now your job is to convince the board....' She arranged the meeting with 25 board members, top guys within the company, they were all men, and she was the only women. She entered the room: there were only men, all English speakers, she was French and the woman... she said: 'Bonjour' and then for ten minutes she spoke French. Some of them understood, some of them not, but after five minutes they were getting nervous. She stopped and then she said: 'Now you know how I feel being among you'." (large multinational, Polish)

In the guideline cultural differences were seen as different approaches towards time, space, norms and values, ways of acting and language. Respondents spoke about all of these aspects at length, but – moving beyond the framework of the guideline – were also keen to discuss an additional element, namely national character.

National character was very often introduced by dismissing the notion of national stereotypes; nevertheless, references to 'typical' Italians, Germans, Spaniards and other nationalities were made in several interviews.

"If you know those stereotypes, you cannot avoid matching people with them. I would like to do a test and swop the passports of new people joining our company so that we would think, for example, that the Czech guy is Estonian. We would probably think: 'Oh, he is a typical Estonian'. I think there are nationalities that are much easier to stereotype, I mean Italians – if you see an Italian, it cannot be anybody else. Also Portuguese, Spaniards are very recognisable; maybe Germans..." (medium international, Polish)

Several types of cultural differences will be described below.

## Language

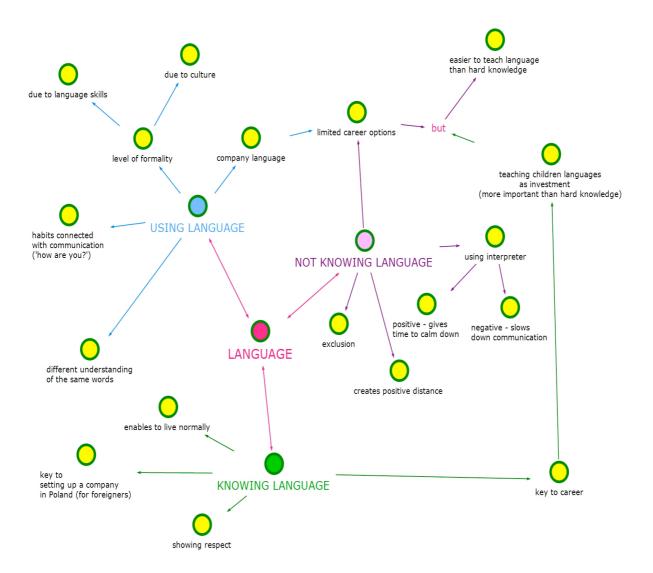
Language was seen as one of most important factors in intercultural communication. It is the first and most visible barrier to be overcome and can draw attention to cultural differences. On the other hand, the fact that everybody speaks a common language (most often 'international English') can be misleading in that it conceals other differences.

Remarks about language can be divided into two groups:

- 1. knowing (or not knowing) the host language and its implication;
- 2. knowing (or not knowing) the common language used in the company and its implication;
- 3. ways in which language is used.

The diagram below illustrates the complex relations connected with knowing language and using language in an intercultural environment.

#### Diagram 4: Knowing and using language



#### **Knowing language**

Issues connected with knowing language differ in respect to foreigners coming to Poland and to Poles working in an intercultural environment.

#### Knowing the local language

Expatriates working in multinational and international companies do not experience language barriers at the corporate level, but the lack of local language can effect communication at the operational level, especially communication with junior staff. Not speaking the local language also influences everyday life out of work and less formal contacts.

Every non-Pole in our sample considered learning the local language as a matter of showing respect for people and their culture.

"It's a respect issue. In the company, if I can say 'good morning' in Polish rather than English, that's actually quite nice, but also life around town, you go to a restaurant, you're able to order a beer in Polish rather than English, it's just a respect issue." (large multinational, British)

"I took private lessons in Polish when I arrived here, just to learn how to pronounce people's names and places... so that when you're at a meeting with your colleagues you can pronounce their names and cities or company names and the project is going ahead. That is important." (large multinational, Irish)

On the other hand, in spite of good intentions, learning the local language almost always takes a back seat under pressure of work:

"I can't speak Polish. I mean, I would love to but it's one of those things that you don't have to." (medium multinational, British)

Although the general opinion was that some basic knowledge of the local language is helpful, there are also benefits of not being able to speak it properly:

"So when I went to Korea, I didn't want to learn Korean because the language of the group is English. By not wanting to learn Korean or Polish, local people can't come to me and say that they need to break the internal control rules because of the local country culture, their approach to internal control that may be different, etc. And I believe that here [in Poland] they all understand, in Korea they had to understand, that culture - in terms of internal control - has no place. We have rules and roles and we know where we are." (large multinational, French)

Business people who cannot speak the local language obviously need to use interpreters in certain situations. Sometimes it is seen as a positive thing:

"Yesterday an HR Director told me: 'I was so happy that we had an interpreter during the negotiations with the trade union – everybody in Poland wants to avoid interpreters, they'd like to organise a meeting just to talk in Polish, and she said – I was so glad that we had the interpreter because the unions needed

to stop for a while to be interpreted, then the emotions went down a little bit so we had some time to prepare ourselves to answer, so it was really helpful.' So it was another look at these language issues, that it sometimes helps that you have these barriers and it can help to create more professional relations." (large multinational, Polish)

For short-term expatriates, learning the local language is a respect issue; they do not aim for fluency in the local language but rather to be able to say a few words and to show willing. As such, their motivation is rather limited. For longer term expatriates, those that have settled in a country, learning the local language tends to be more important. They tend not to have the support systems afforded to short-term expatriates, who are more likely to work in multinational companies. They also tend to interact more closely with the local culture, whereas those working in multinationals are, in fact, largely focussed on processes.

#### **Knowing English**

For local people, knowing the language means knowing English. English is seen as a key factor in a developing one's career path and lack of English language skills is seen as a significant obstacle:

"When we are in our talent spotting process identifying managers who have a potential within our organisation, one of the questions is, 'What's your English?' and if you have a problem with communicating in English and you would like to move up in your career – 'Sorry, you have to develop your English'." (large multinational, Polish)

This is especially true at the corporate level:

"...the Polish role is still too small. It isn't a matter of the technical competence people have, but simply they're not able to make their point, because of interpreting and then answering back." (large multinational, German)

For some, learning languages is perceived as even more important than hard skills and a university degree.

"So I always said to my children, you don't need to be such a good engineer or 'magister' [Master of Arts or Sciences] or whatever, but you have to be skilled in English, to communicate. I sent my son to a school with extra English and some lessons in English. And also my daughter was in a similar school, but with French. Already, I can see the profit from this. Because without fluent language skills my son wouldn't have been able to find such an attractive job as he has, and also my daughter is using her language skills in her company." (medium international, Polish)

Such is the competition on the labour market for language skills that some employers are forced into a position of recruiting people without language skills and providing in-house language training:

"We needed a knowledge of automotive and good English skills, but after a while we found we would find people with no automotive knowledge but good English or people with good automotive knowledge and no English. So we sort of thought, we'll try picking some people with very limited English skills but with good automotive knowledge. So we employed three or four. We started English classes two times a week. Because we thought it would be easier to teach people English skills and that they would be more receptive to that because they'd be learning English language. That would be easier than to teach them automotive skills. It has worked quite well." (medium multinational, British)

## Using language

Across the sample English was used by multinationals as the universal company language, especially at the corporate level. At the operational level, the local language may be used.

Certain problems may arise from the use of English. As illustrated in the diagram, there are three main areas where difficulties may arise: level of formality; habits connected with communication and different understanding of certain notions.

## Level of formality and register

In respect of Polish business culture, almost all respondents observed a high level of formality, seen not only in procedures and bureaucracy but also in language:

"I've learnt the difference between 'dzień dobry' [Good morning / Good afternoon] and 'cześć' [Hello]. Well, it's interesting that in English 'Hello' is 'Hello' whereas here there's a kind of formality just in that simple difference... I don't speak Polish, but when I listen, I hear them say 'Pani' and 'Pan' [Mr and Mrs, used in Polish to address someone rather than using their first name or less formally used before the first name]. I know this is a kind of quite respectful term which in Britain we don't do so much." (large multinational, British)

The formality of communication can sometimes become a barrier to doing business, something which interpreters are sensitive to:

"There is a clear difference in register, because Poles put their register very high, very formal and not very polite, I would say..... maybe it is not impolite, but if you look from the point of view of an English person it can be taken as impolite. Certainly, there is a difference between the very formal register in some correspondence on the Polish side and rather informal register on the international side. In my work, I specifically try to bring them together. Very often when I translate Polish letters into English letters I change the register and I very often also do that in meetings with customers who trust me and I know what they are doing. I have had many meetings in Kraków where a public body was dealing with international contractors and they completely missed each other in terms of register, what they wanted and how they wanted to go about it. I remember working hard to bring the quite pompous statements on the Polish side to a digestible level for people from other countries. In this way I think I try to create some sort of dialogue rather than misunderstanding, puzzlement or offence." (freelance interpreter, Polish)

Getting the register wrong can also be a matter of language skills rather than business culture:

"So they are more formal with Polish colleagues than with me, which occasionally is due to the fact that they wish to be more friendly to me and that is an advantage, perhaps, that I'm speaking a foreign language. Or maybe due to their language skills. They never actually learn formal English, so they're stuck with calling me a 'guy' or using informal words: 'What's up' or 'How are things?' rather than 'How are you doing?'." (small international, Irish, in Poland since the late 90's)

#### Phatic and non-phatic communication:

Habits connected with communication can sometimes create fixed forms in a language. What is invisible for people inside a given culture may be unfamiliar or alien to those who just have learnt the language.

"When I ask, 'How are you?' my Polish colleagues who've learnt English say, 'I'm okay' and they laugh because, of course, that is not a Polish answer; for them to be asked how are you really means, how are you. It requires a serious answer." (large company, British)

#### Cultural assumptions and meaning:

Another aspect of cultural differences within language is connected with meaning. English, although it has become a universal business code, can be understood differently by different nations or different individuals.

"...what's the difference between a double bed and a twin bed? And even if you ask my receptionists, they can't tell you the difference. So a couple comes in and they've ordered a double bed, but my receptionists have interpreted it, and the couple come down and say: 'Why do we have two beds? We want to sleep together.' Then, we've also had a few times where there was a double bed ordered and two women came in and the girl says: 'OK, there must have been a mistake.' So she gives them a room with two beds and they come back down and say: 'We want one bed.' So... you know, because they were a nice lesbian couple." (small international, American)

## Different kinds of English:

There are in fact different kinds of English: differences between American English and British English and also differences between native English languages and second language and international English. In some multinational companies using English as the language of communication there may in fact be no native English speakers. Non-native speakers from different countries may have less trouble understanding each other than they do understanding a native English speaker with a much wider vocabulary, more complicated use of tenses and syntax and idioms.

One respondent referred to problems understanding different kinds of English:

## "Do you experience language problems?

In Korea, yes, because people are not speaking English or they don't speak good English. They were not used to the French accent, French English. They were speaking good American English with an American accent, but in [our company] we use French English." (large multinational, French)

An American respondent pointed to differences (in fact, mistaken in the example he gives) between US and British English:

"You can say: 'OK, this e-mail is coming from the States so they mean this' or if it's coming from England – they mean that. For example, if you say 'half five; I'll meet you at half five' – so an American thinks 'half five; OK, I'll be waiting at 5:30' and the Englishman is waiting there at 4:30, because half five is half to five." (small international, American)

Other aspects of language in an intercultural environment mentioned by respondents:

- English is widely spoken in Kraków among young professionals (compared with smaller towns, where communication can still be a problem);
- Engineers and technicians lack fluency in English;
- Some foreigners feel their lack of fluency in Polish can be used as an excuse by Polish people (claiming later that they did not understand properly what was said);
- English was seen as a more direct language than Polish (sentences are shorter, letters more direct);
- It is essential to be precise.

## Time

The concept of time can be perceived differently in different cultures; certainly our respondents felt this to be the case:

"....visiting my husband's family in Egypt in the end I would just take my watch off and leave it at home. And in some of those Asian countries... yes, they definitely look at time differently.... It's a more fluid concept to them, whereas we... you know, I like when it's ten if it's ten." (large multinational, British, experience working in Asia)

Respondents mentioned this as being the case not only between countries but also between different regions in a country:

"If somebody in Warsaw says they want it immediately it means they want it in 5 minutes if not 5 minutes ago; in Krakow 'I'd like to have it immediately' means 'Maybe tomorrow morning if you've got the time." (Polish company, British)

"You can find it in every country: north is fast, south is slow. Italy: north is fast, very productive economically, south is... nothing is really happening there. The same thing in Spain: north is active: Madrid; south is just holiday. It always happens, I don't know why. It's there. Germany the same: north: Hamburg, Berlin, everything and south: Bavaria, yeah , Ia-Ia-Ia, beer fest, that sort of thing. Belgium the same." (small international, Dutch)

Respondents noted differences connected with punctuality and deadline keeping. In some countries it is essential to arrive five minutes before a meeting, whereas in others there is no problem with being half an hour late. Also working hours differ significantly. In southern Europe siesta is an important thing, in Japan it is normal to work till late evening. Differences can be observed also in respect of leaving work punctually as opposed to staying longer to finish work:

"The other thing I've found is that if you have a shift from 8 a.m. to 8 p.m., you're out of there at 8. And an American, I don't know, at least in my view, you know, maybe they'd stick around a little longer. 'OK, I didn't quite finish the project, so I'll stick around another half an hour, so I can finish it. So I'm not gonna leave the next person to read over all what I've done and to finish it, or continue tomorrow morning. I'm gonna stick around to finish it.' And somebody here would say: '8 o'clock – I'm gone. I don't care, if I've finished or not. I'm done at 8.' So this is a great difference." (small international, American, in Poland since the early 1990s)

## Space

Respondents referred to space in two main aspects: office space and distance between people.

## Office space

Office space was considered in terms of open versus closed space. The typical Polish office is normally divided into several rooms:

"In Poland there are a lot of doors.... doors everywhere, closed spaces. I know that it was meant to keep heat in smaller areas but I find it very odd." (education sector, American)

"I'm the President of the company but I leave my door open so that if anybody wants to come to me and talk, he can. I know that a lot of our Polish managers leave the door shut all day long and the only way of talking to them is if they go look for you and talk to you." (large multinational, American)

Mostly, foreigners try to rearrange the space and introduce a different approach. It usually takes some time for Poles to adapt to it, but new office buildings are built in this manner.

"The traditional Polish office is called the 'gabinet' [a word meaning office both in terms of a space and in terms of position], you have the four walls, you have a big desk, you have the radio there and you have the Polish manager hidden behind the desk. These were the kind of things I used to see when I was an auditor. We look more towards the open plan type of spaces, because it facilitates working in teams – because most of our people here are working in teams." (large multinational, Irish)

## Personal space

Interpersonal distance is known to be different in different cultures and this was confirmed in the research.

"When you are queuing for a coffee or a train ticket the person behind you will be very close to you and the line will be very close. You will be invading the individuals' personal space. When you are

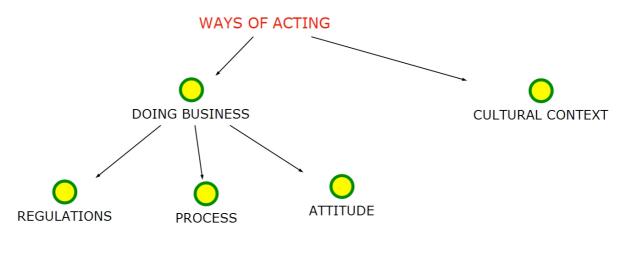
waiting in line in the US you would not be so physically close to the person in front of you and the line in the UK would be quite orderly. You do not skip the line. The norm is you wait in line and you have a space between you and the person in front of you. In Poland the queue is very tight, very packed and people will jump in at any opportunity. (...) But it's interesting that when it comes to ATM machines people keep their distance. The person behind you will probably be 2-3 metres away. For some reason, I don't know why, maybe because some private information could be seen, it is a very large space. When you go to the ATM machine you may not know where the line begins." (large multinational, Irish)

One more interesting issue that appeared in one interview is connected with the symbolic aspect of space. Changing space can be used by a company to communicate change.

"When I came here I saw all those chimneys, O.K. they were used. But now we have taken some money and said, let's demolish them to change the image, because demolition is also part of the change process." (large multinational, German, 3 years in Poland)

## Ways of acting

Ways of acting in the research were understood as standards and procedures for doing things – in terms of business process, business etiquette (greetings, exchanging business cards), and cultural context (such as eating lunch). The graph below presents different types of issues connected with ways of acting.



**Diagram 5: Ways of acting** 

There are two main genres of ways of acting. One is a general cultural context that influences business (habits connected with eating and drinks, treatment of women, level of service, etc.). The other type is directly linked with doing business. Standards and procedures in business seem to be based on three main factors – legal regulations, people's attitudes and the business process itself (keeping deadlines, organising meetings, solving problems, etc.).

## Context

One of the most interesting aspects of context is different attitudes towards women. Cultural regulations connected with this topic seem to be quite important for respondents. Issues referred to included the difficulties in understanding the situation in Arabic countries and the uniformity of men and women in US and Holland. There are also specific habits connected with etiquette in this matter – obvious for one culture but unknown for another:

"But still, a woman is still a woman, and you have to treat her like a woman, meaning: open the door, let her out from the elevator first - these kind of things. It's really stupid, but here it's normal that a woman goes out from the elevator first - obvious for all Poles. It's not obvious for Dutch people. So just imagine: top meeting, woman is there, top, high director, something like that. The Dutch guy, elevator door opens, the Dutch guy is closer. The natural thing for the Dutch guy is to get out. Yes? Whereas for the Polish woman, the natural thing is to get out first. Both of them collide in the elevator. Embarrassment for all the parties." (small international, Dutch, in Poland for 8 years)

Surprisingly an important issue that was underlined in several interviews was habits connected with eating lunch or drinking coffee.

"When it comes to even things as simple as going to an Italian student's house for coffee, finding that it's not as simple as pour water with Nescafe in a cup. Asking, you know, asking a Mexican: 'Would you like to go for a cup of tea?' and he says: 'No.' And when I was still shocked, the answer was completed: 'No, but I'll go for a coffee.' So obviously, for them the drink itself was a thing that was important." (education sector, Irish)

Examples were given where context can interfere with real business:

"(...) the Dutch airlines.... before they merged with Air France they were talking with Air Italia, the Italian airline. They had a lot of meetings, there was a lot of talking. And at one point it broke down. They said: we're not continuing this whole merging process. They just couldn't work with each other. Besides the real business issues - money, power, whatever - a huge problem was that the Dutch people got extremely irritated that Italian people kept calling on their mobiles during meetings. In Holland, this is absolutely not done. When you're in a meeting you switch off the phone. The Italians, they couldn't stand it that lunch in Holland is a cheese sandwich and a glass of milk. They wanted to have spaghetti, they wanted to have pasta, they wanted to have a lunch of two hours with a glass of wine. This is not done in Holland. So these cultural aspects, small things, they build up and build up until it's 'forget it, I don't want to work with these people.' So it's not even the business issues that cause it to break down, it's not even the money that's the problem. Cultural problems cause it to break down." (small international, Dutch)

## Regulations

Regulations influencing ways of acting in an intercultural environment stem from the legal framework of a country. They are very closely related to norms - in fact, they are norms imposed by the legal system.

Bureaucracy, safety regulations and labour law were the areas most often referred to in this section. Most of the respondents understood the level of formality as being directly related to Poland's Communist history; irrespective of their nationality - and including Poles - respondents declared that it was extremely difficult for them to act within this framework.

"In business one of the cultural differences between the USA and Poland is the level of administrative detail that is involved in doing things. In the USA I never had a work contract – no one does, so the idea that everybody has a work contract and virtually everything has a set of rules around that, you have to try to understand. To get our sign on the front of the building took 2 years, because we couldn't figure it out how to ask for it properly. That level of bureaucratic detail in Polish culture is sometimes confusing and hard to understand. (...) Another thing – the formality of signing. I've signed more documents in the last four years than I have signed in all rest of my life" (large multinational, American, in Poland since 2004)

Polish labour law was very often criticised by interviewees. They claimed that it is very employee oriented, making it more difficult for the employer, especially when it comes to replacing people.

"Imagine the situation that you're waiting up to 6 months before you can recruit somebody. That's an extremely long time. That's not flexible. In 6 months time things change, the economy changes, the market changes and we cannot wait 6 months. We had to learn how to deal with it here in Poland. In New York it's the opposite – 5 days notice. So there are situations that you can go on holidays for two weeks and come back and your colleague has just finished working." (large multinational, Irish, 3 years in Poland)

The fact that much private information can be legally included in a Polish CV was shocking for several respondents (particularly those with experience in US), though not all saw it as wrong:

"I look at your CV with your picture and say: 'Oh, that's a laski<sup>7</sup>' or 'OK, she's married' or 'He's an old guy' – I can't do that in the States, so it's a luxury here – you can perhaps choose better." (small international, American)

## Processes

Different ways of acting connected directly with doing business, types of situations and expectations, constitute the most diversified group in this category. In particular, research revealed differences relating to hierarchy, ways of addressing people, business etiquette and ways of solving problems.

There were several organisational aspects named by respondents (most of them with reference to Poland):

## **Decision-making**

"Taking responsibility and making decisions - generally I can say that Brits are, or they want to be seen as, more brave in making decisions. I think it is rather unlikely for a British businessman to say: 'I don't

<sup>&</sup>lt;sup>7</sup> Laska – Polish colloquial word describing an attractive woman

know' or 'I don't know what decision to make.' They try to say: 'I'm very good.' Americans say: 'I'm an expert. I'm very good, I know what to do, I know how to solve this problem.' So I think that generally Brits are more keen to be bosses. I have observed that a lot of Poles are afraid of making decisions." (medium international, Polish)

#### **Keeping deadlines**

"Keeping deadlines is almost unheard of. (...) It's a bit like in the Middle East, where when they say that they'll give you something tomorrow it always has the suffix of 'inshallah' which means 'God willing.' So they say, 'I'll have it done tomorrow, God willing.' 'God willing' in Poland is not mentioned but it's obviously there. They say they will do something but it never happens." (medium international, British, 9 years in Poland)

#### Agreements and negotiations

"We certainly find that in Poland the negotiating doesn't finish until the contract is signed. Very often in England if an agreement is reached, the signing of the contracts is on the basis of the verbal agreement which is reached. But I think in Poland we often find that things can change right up until and during the meeting in the notary's office." (small international, British)

#### **Planning projects**

"The other difference is that in Nordic countries they work by consensus, they base all decisions on consensus. It means that before they take any decisions the bosses discuss everything with other people, they try to involve as many people as possible; it may be irritating for people coming from Poland or from other countries because they think that they waste their time. People in Poland are used to it that somebody says, 'OK, so do that and that' and they just start doing it." (small international, Polish)

#### Solving problems

"We have a complaints procedure inside this school, which is first you talk to the teacher, then you talk to the head of department and then, if necessary, you talk to the Head and then, if it's necessary, you talk to the owners if I haven't done what I should do. I regard that as normal. It's very clearly spelled out how to handle a complaint. Not all parents would see that as normal, though. Recently we've had a case where one parent got up what I would describe as a petition about an issue in school where she emailed all the other parents in the class and asked them to sign a letter. I regard that as quite hostile, because if you're getting up a petition, you're getting other parents to group all of a sudden... I felt quite threatened by it... as a manager. 'Why are they doing it?', you know, this is a complaint written on a piece of paper. In her mind she saw that as normal and she maintained that in her culture, in Italy, this would be a normal thing to do." (education sector, British)

#### Hierarchy

The instance above refers to a company - customer relationship, but attitudes towards hierarchy within companies was very often referred to. Among 'foreign' respondents, the 'short way to the director' is perceived as

being of great value. In terms of this research it was suggested that Poles and Japanese have difficulties in adapting to it (according that is to other nationalities).

"if somebody has a problem, I'd like them to just come and talk with me about it, but they don't sometimes, because maybe they think that because I'm the Director I'm not accessible, you know." (large multinational, Irish)

Hierarchy is also visible in the ways that people are addressed. The research suggests that the flatter the company structure the more direct the communication, but this can be perceived as being rude in a more hierarchical and formal culture. In Poland, as referred to above, it is assumed that people will address each other as 'Pan' or 'Pani' until the older person or more senior person of the two suggests otherwise.

## Familiarity

In some countries there is a lot of incidental conversation at the beginning; in others, conversation takes place after the deal has been done.

"A very simple example of what is wrong with Dutch people always, is Dutch directness. The Dutch are very fast, very direct. But this Dutch directness is perceived by the Poles with no experience of Dutch people as just being rude. (...) So when they come here I tell them, 'Try not to be too Dutch. Go slow. Don't go direct.' Poles, when they come, when there's business at hand, they want to talk first. They want to find out who you are, what you're doing, find out about your wife, kids, family, life... background. This kind of talk can take up to 20 minutes. Just social talk, finding out about each other. When this is fine, when the temperature is fine within a conversation, at that point they come to business." (small international, Dutch)

## **Business etiquette**

Many respondents claimed not to have any problem with differences in business etiquette; others did observe differences and declared that it is best to be cautious in dealing with other cultures:

"shaking hands, kissing on the cheek, three times, one time... I'm quite happy just to say, 'Hi.' I'm okay not to have the shake... Here in Poland you have to shake everybody's hand every time you see them." (large multinational, British)

"The next issue was, of course, presentation – how the Japanese take a business card, because they take it with both hands and they're reading it." (medium multinational, Polish)

## E-mail

The survey revealed a clear business etiquette in larger companies in relation to use of e-mail. At the corporate level e-mail is rather about process and quick answers. One senior executive mentioned that failure to respond to an e-mail within half a day meant you were 'not in the game'. The same executive also suggested that the telephone was just for 'gossiping'. Before e-mail is used as a method of communication, ideally people should already be acquainted; it is not considered an appropriate means to develop a relationship.

"You never get to know the people if you're only communicating via e-mail." (large multinational, German)

In terms of cultural differences in communicating via e-mail, some respondents pointed to the different levels of precision in writing e-mails according to nationality. Germans and Dutch were said to be very precise in expressing their thoughts in e-mail, whereas Turks and Italians were identified as being less precise. Poles were said to belong rather to this second group:

"I think that Polish people are not precise in their use of language. We can say that sometimes there's a lot of information but it's very difficult to find what is really said, what the matter is. That's an area for improvement in the Polish education system." (medium multinational, Polish, 35-50)

At the level of intercultural communication, it was observed that one can wait some time for an e-mail response from Poles. Knowledge about cultural differences can also be helpful.

"You can say: 'OK, this e-mail is coming from the States so they mean this' or if it's coming from England – they mean that." (small international, American)

## Meetings

Poles were felt to have a different approach to meetings based on an autocratic management style – the expectation being that the boss talks and other attendees listen and make notes. This was contrasted with a more collegiate international approach of foreign managers where attendees are given the opportunity to present their point of view and decisions arrived at through discussion.

"Using meetings - I'm used to running a meeting, let's say once per week where issues are discussed, certain solutions described, meaning what has to be done. And then the meeting finished. And for sure later you've got the summary of the meeting. If you want a meeting like this in Poland nothing will happen. You have to break it down to tasks per person, per department and when you have these steps in place only then will people start to work." (large multinational, German)

Respondents noted obstacles to conducting meetings in such a way in Poland. Firstly, a reluctance to put forward a point of view in an open forum:

"Sometimes it's the language reason. But at other times maybe it's a cultural thing where people don't really push forward their point of view when they're faced with people from another type of culture." (large multinational, Irish)

Secondly, the suggestion that Poles are not good listeners and have a tendency to interrupt in mid sentence.

"Everybody interrupts everybody. They are talking all the time together. Its like being in a beehive." (medium international, Polish)

Thirdly, a manager who listens to others may be seen as weak:

"Polish people perceive that as a boss who doesn't know anything, who can't make a decision." (small international, Dutch)

Paradoxically, meetings in Poland are seen as being more formal but also less to the point, lasting longer then they should.

"The first hour of the meeting is very general. 'Nice to meet you' and so on. Whereas in the US you wouldn't do that general chit-chat, you just get to the point very quickly and say what can be solved. The culture here says more like 'Take your time'.... On the other hand, when it comes to difficult situations that you have to deal with in Poland it can go to formality very quickly, whereas in the UK and Ireland you would be much gentler and softer while giving the customer some bad news, advising them informally." (large multinational, Irish)

#### Taking notes during meetings:

"So each engineer had his bible, his diary, whatever meeting was taking place, always the first thing, they opened them and then were making notes. They got through a few of these bibles a year. And we, Polish people were not used to it. And they were asking: why don't you use them? They're so helpful, and you don't remember what you were talking about after 3 months, after 3 years." (medium international, Polish)

#### Attitude:

The last aspect that influences differences in ways of acting among cultures is people's attitude. Issues such as trust, level of confidence and openness are meaningful when it comes to doing business. The situations described below give a picture of what these differences can be about:

"I know a story about a Swedish professor who explains the situation in differences between cultures using the example of a Swedish guy from Ericsson who was sent to China. The Chinese businessman to whom the Swedish guy was sent, had three questions: 1) Do I know you? No. 2) Do you know me? No, 3) Do I know somebody who you know? No. So it means 'Thank you very much. There's no opportunity to do the business.' He didn't even talk about the main subject – mobile phones." (medium multinational, Polish)

"You want to go to France and you want to do business in France and you don't speak French – you're finished. Go home. My colleagues who have an office in Lyon in France, and my friend from Lyon had the same situation. Presentation, Dutch investor, room, 3 or so French managers and the General Director. Presentation, the Dutch director starts in English and from the back the General Director says in French: we are in France. If you can't do the presentation in French, I'm leaving now. They couldn't do it in French, end of presentation. Goodbye. Cultural differences." (small international, Dutch)

This situation may not exist to such an extreme in Poland, but more than one non-Polish respondent mentioned Polish trust networks. Trust networks consist of friends and family and as one respondent described it, if a plumber comes through a trust network you will be treated differently than if he comes out of the phone book. In

the first case, you can guarantee he will be helpful; in the second case, he won't be as helpful, he may not do a good job and he will charge you much more.

## Norms and values

Norms and values are an important element of each culture – understood both as regional and business culture. On the other hand they are very often internalised so it may be hard to think of it and explain in an interview. It is good to be conscious of this limitation while reading this section.

The observations below refer to the individual experience of interviewees. Information about norm and values in respect to corporate culture can be found below. Many of the issues around norms were related to legal regulations, discussed above (see: ways of acting). In this section the other issues connected with norms will be described.

Religion and the impact of religion seems to be quite an important factor in terms of norms and values connected with business:

"Work has some other value for people from Protestant countries because for a lot of these people work is the most important thing – not family. In Catholic countries, family is the most important and work is just something that you need to do because you have to make some money. And that's not the way they think. In Nordic countries they try to realise themselves through work... of course family plays a very big role as well but it's not as important." (small international, Polish, experience of working in Nordic countries)

## **Corruption:**

In the context of Poland, corruption tended to be interpreted by both Polish and non-Polish respondents as a legacy of Communism. No one referred, however, to direct negative impact on their own business from corrupt business practice.

"(...) there was a contract and there were four pharma companies interested in selling us their products. Very similar product from each. Of course incentives started to be offered, and now my attitude is fairly hard line so I, unknown to the representatives, agreed a meeting with all four of them on the same day and at the same time, put them into a room, gave them coffee, told them that their products in my esteem were all comparable and that I will come back in half an hour and the one with the cheapest price wins. Two of them left immediately saying that's not how they did business and the other two came to an agreement and we split the contract 50-50. However after that my reputation as a hard negotiator stepped up a few notches, it wasn't the way one does business. It was a very informal way of doing something that is completely natural, to put something on an open agenda, on very open, natural principles." (Polish company, British)

Corruption seems to be sometimes perceived as something that needs special regulation. Company norms and values will be discussed elsewhere but one example of a company standard procedure in dealing with gifts shows the care multinational companies take to avoid misunderstanding in this area:

"Within our [company] world we have a set of values, a code of conduct and we just have to follow the rules. But I remember the paragraph about corruption. It was very nicely written in English, that corruption is forbidden unless it is the part of culture of some region. When I asked 'what does it mean?', I got the answer: 'Normally, we know that we cannot accept a gift. For example, you are in the middle of a negotiation, it lasts a week and then your business partner offers you a certain kind of gift. You are not permitted to accept the gift, also after the negotiation.' But in some regions of Africa not accepting the gift would be very rude. You have to accept the gift. So these were little things we needed to follow. Now it has changed – if you get a gift that costs more than 50 złoty [around £10] you have to write it down, you have to make it clear." (large multinational, Polish)

Respondents also referred to personal contacts and connections used in doing business. Though not perceived as negatively as corruption, they were perceived as a barrier for foreigners doing business in the local environment. In this context, it is worth noting the policy of embassies. As with multinational companies, diplomatic postings are usually short-term, but the reasons behind this are not to move the position to a local hire, but rather to avoid the issue of 'going native', meaning becoming compromised by the local culture. It is interesting to note that embassies often appoint local people as long-term Honorary Consuls, who have the task of negotiating the local environment.

## Asia versus Europe

The overwhelming majority of people participating in our sample identified themselves as coming from Western culture. Very often Asian culture was held up as the opposite of Western culture, and social organisation in countries such as Japan, China and Korea was described as being ruled by quite different norms and values from those identified by the respondents as natural to them. Lack of individualism, 'tribal solidarity' and more rigid hierarchical structures were some of the features referred to in Asian culture as being quite alien to Western culture.

"If we want to put some models on the things I will say that Korea, Japan it is more a Weber model, with unicity of commands, an 'army' model. In Europe, the approach is more as described by Bourdieu, with more interactions. And both are working." (large multinational, French, 6 months in Poland, previously in South Korea)

"...for a Chinese person there is no 'You'. You are part of everything. There is no individual person, there is no me, there's only me as a part of the rest. It's more like one ant in an ant colony; one ant means nothing ...and this is something that is really, really different and I understand the intellectual process behind it, I understand the concept, but I can never feel it." (small international, Dutch)

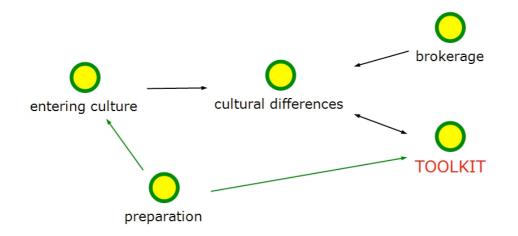
Asia in the sample was often held up as something other than ourselves. It is worth noting that non-Poles sometimes compared aspects of Polish culture to Asian culture, i.e. other. Poles most often grouped Polish culture as mainstream European as distinct from Asian.

Some other areas mentioned where differences in norms and values can be observed are listed below:

- Verbal agreements treating something that was said as obliging;
- Respecting national holidays;
- Talking (or not) about income;
- Expecting performance bonuses as a motivation factor (one of the respondents mentioned how after the ownership of his company changed, the employees were disappointed that the motivation bonus present in the corporate culture for many years was done away with);
- Attitude towards taking risk (some cultures are more risk oriented, others are more afraid of making mistakes);
- Competition versus friendly co-operation at work.

# **Results 3 - Navigating cultural difference**

A key element of the research was to understand what role might be played by an intercultural toolkit in overcoming cultural barriers and maximising benefits presented by cultural difference.



#### **Diagram 6: Navigating a different culture**

## Intercultural skills

Respondents were asked in the research what factors have shaped their intercultural literacy. For some, upbringing was seen as playing a key role (in some cases, growing up abroad), for others, travelling or work experience.

## Upbringing:

"I spent two or three years in Germany, as a child and as a young boy. Then, I was studying in Germany and Austria. My parents were always very open. To our home were coming people from different nations: Germans, Spanish, British, we had always a lot of friends from different countries. When I became older I realised it is normal for me, it is not a problem, not a strange thing and I could speak languages because of that." (small international, Polish)

A number of respondents referred to their own experiences of being in a minority, e.g. the only white child in a classroom or a member of ghettoised foreign community.

"As a child I left Great Britain and I went to live in the Bahamas for eight years. So I had this experience of being one of two white children in a class of black children, for instance. And that shaped the way

that I see the world I'm sure, and I suspect that quite a few other people in my position have quite the same thing." (education sector, British)

"I went to an international school in Brussels, most of the Americans lived in a town called Waterloo, which was known as a ghetto because all the Americans lived in Waterloo. And so after school all the American kids would play with each other and they had no contact with the local Belgians. But I lived in Brussels, so my neighbours were local Belgians, Dutch and French, and also English and Germans from the international community, since they weren't ghettoised in the same way as the Americans." (small international, American, in Poland since the early 1990s)

Going abroad to work, study or travel is usually quite influential. People experience different situations than those they are familiar with and meet different people.

"(...) for example, I did not know any people with black skin, I had just seen them on the street, but not too many. And it was the first very visible difference I could see. I remember one occasion: I worked in a restaurant, in a bar, it was a very dark night, I was preparing coffee for clients. I knew that there was going to be a change of management, we had a British manager, who was not very nice to the staff and who was not a good manager either. Someone else was supposed to come. I was preparing the coffee and I someone say: 'Hi, my name is Stanley. What is your name?' I looked and I did not see anything but white teeth, nothing! Then I looked closer and he was very handsome, very polite and the next thing he asked was: 'How can I help you? Is there anything I can do as the manager?'" (large multinational, Polish)

One doesn't necessarily need to go anywhere to experience situations shaping intercultural skills. This was especially the case for respondents having grown up or lived in large multicultural cities, such as London with its 140+ first languages. There are also several other, more personal challenges that build intercultural experience:

"Two big things. One thing's being married to a Pole, which is a challenge. It's a challenge for both of us, because what's obvious to her isn't obvious to me and vice versa. Some things just aren't obvious, surprising things. And the other is working in especially challenged social groups. In Scotland, one of those social groups was people with learning disabilities. They had all kinds of social problems and, as a result of that, resentment at the world, anger at the world plus a lack of habit of taking a distance to the world, a lack of habit of not being judgmental with things. That was a challenge, because of course you have to think very, very carefully not to blow someone's head off, very, very, very carefully about how what you say is gonna be received." (freelance musician, British)

Language can be the starting point for exploring an intercultural environment. On the one hand, it can be essential for communication, but it can also stimulate interest in a different culture.

"I started learning English as a kid – before my elementary school. Friends of my parents were speaking English very fluently, because they lived abroad all over the world. That is how I got interested in language. Then, I got some private education in English, not a lot of it, but it was very good quality. I never learned English at school, at all. English culture seems very interesting to me and it was not a problem for me to learn English because of my interest in the culture." (freelance interpreter, Polish)

Above all, respondents suggested personality and willingness are the key features that shape intercultural literacy.

"Talking to people, talking to locals, going to the shops, going to Hala Targowa and trying to buy pieczarki <sup>8</sup> and just attempting." (small international, American)

Sometimes the experience of being abroad, learning new things and changing old habits is exciting in itself:

"I've been told I'll be extremely bored when I go back to the U.S. All of these challenges that I'm telling you will not be around and things may seem dull and boring. (...) So if they were to tell me tomorrow: we want you to move to Singapore, I'll be open to it." (large multinational, American)

## Brokerage

## Support for expatriates

Several of our interviewees identified themselves as career expatriates, working within multinational companies and moving from one country to another on short term contracts, assisting the company in a particular stage of its development in the foreign country.

Respondents in this category mentioned the importance of brokers in helping them to settle in a new environment and were appreciative of the role of people or companies who helped them to find a house and school for their children. This help came from a variety of sources, largely dependent on the size and experience of the company as a multinational: internally from predecessors or departments within the company or externally from relocation consultants, as well as international business associations, international women's associations and international schools.

"actually a big hand in my transition here was my predecessor, who was an Australian, he had gone through the experience and he really helped me - to find the house, he got me connected to the school." (large multinational, American)

"It is a blessing. They say really helpful things, somebody comes and takes you to see various places that you could rent for a day and you can choose the place you want to stay. And then it's being sorted out." (large multinational, British)

As well as help with organisational issues, explaining manners and habits is perceived as valuable:

"So I would like to be told what is acceptable or not. I would like to be told, for instance, when I go to a restaurant, is it acceptable to invite someone who is not my wife. In an Islamic country, in the majority of them, it is rather unacceptable." (medium international, Polish)

<sup>&</sup>lt;sup>8</sup> Hala Targowa – market place in Kraków, where fresh fruit and vegetables are sold, often by farmers who do not speak English; 'Pieczarki' - the Polish word for mushrooms

In this context, helping the whole family and establishing a social network is seen as important.

"it's more difficult not for the person that works but for the family of this person. So, I have to say I'm lucky, because my wife and my children they got used to the new environment very easily. Because me, I spend here ten hours a day fully busy and I enjoy what I do." (large multinational, Belgian, three years in Poland, previously in Brazil)

## International Women's Associations and International Schools

Short-term expatriates in Poland are generally men and men of a certain age - between 35 and 50 years of age, married with young children. That this group are generally men is a subject outside this report, but we are able to comment on age and marital status. One contributing factor is that for this group schooling is perceived as less important or less critical than for those with children in secondary school.

"We will probably be here four years or so and I'm happy about that. But there is an issue of being far away from friends and family and after this we will choose to go back to the U.S. My parents are getting older and I want to make sure I share my children's time with them. I think that's an issue if you move from Dallas to Houston or Kraków to Warsaw. I mean when you start uprooting teenagers there's a risk that it could affect their development, happiness, etc. I mean I went through the same things just moving around the U.S. and you never know what's going to be good or bad, it's just a risk. So, personally we would like to have our kids go to high school back in the US and graduate there." (large multinational, American)

In terms of Poland, what exists for wives and partners? Expatriate packages and standards of living which expatriate families enjoy is generally very high and includes private schooling and company-rented accommodation. Job opportunities in Poland for wives and partners are generally limited, and language places a barrier on voluntary or charity work. For this reason, Parent Teacher Associations of the international schools and the International Women's Association provide a social outlet. The situation may change with EU nationals no longer required to obtain work visas, providing more opportunities for partners.

Kraków offers a good quality of life in terms of restaurants, cinemas, concert halls, galleries, museums and festivals, though theatre is somewhat limiting in terms of the language barrier. It is also conveniently located in terms of mountains and proximity to other interesting cities, such as Vienna, Prague and Budapest.

The current size and maturity of international schools in Kraków may also seen as a barrier to inward investment, although the presence of two international schools in the city was mentioned in the Ernst & Young Investment Attractiveness report as a positive feature in terms of the city's attractiveness to foreign investors.

## Support for companies

The second aspect of brokerage relates to the business itself. Different kinds of broker may be involved, but the key brokers are generally local hire employees.

"I don't really know any foreign company that entered any market without hiring local people, so it means that any company coming to any country thinks about barriers up front, hiring local people to solve these possible barriers or to understand the local environment. Any foreign company entering a local market wants to know about the local customers, what they need, what their expectations are, and the best way is to hire good professionals from the local country. So, up front they're removing these barriers." (large multinational, Polish)

"We always have good consultants and we always employ local people, we do not come from London, USA or somewhere to the region and say: 'We do this and that'. We hire local people, we have local staff, helping us to deal with local problems." (large multinational, Polish, in the company since 1995)

In smaller companies, the brokerage role may also be undertaken by a business partner. One respondent suggested that without such a local business partner, it would be very difficult for a small company to succeed in Poland:

"small companies have to have a partner in Poland because otherwise they're not going to make it (...) they don't have money for hiring people with all their knowledge ..... so they have to find a partner ... it's difficult for small companies to start business abroad alone, build everything up - it's almost impossible." (small international, Polish)

#### International business networks

International business networks may also be considered as brokering links between international business and the local environment. In Poland there are many such chambers, although almost all are exclusively based in the capital Warsaw. Business networks support experience sharing and also act as a communication broker with local stakeholders and this latter point was mentioned by several respondents.

"If you try to do it all on your own, you'll never get in the door. So it takes having some groups like the South Poland Presidents' Club helping you get people together and then you can get a big group of companies together and people will listen to what you have to say." (large multinational, American, in Poland since 2004)

Business networks also provide business-to-business promotion, supporting commercial contacts between international businesses and also between foreign and local companies. Interestingly, this role of international chambers of commerce was not mentioned by any our respondents, which would suggest that in this respect Poland is no longer felt to be an alien environment.

Self-evidently, a broker can either come from the local culture or be a foreigner with experience of living in the local culture. In the first case, being inside the local culture is clearly the core of the value that the local person brings. In the latter, openness to cultural issues and expertise in seeing the different culture through a common prism are seen as most advantageous. Most often, the foreigner will be a representative of the same country as the newcomer.

#### **Expatriate Managers as brokers**

Whereas local employees often fulfill the role of negotiating the local environment on behalf of the international company, expatriates may be seen as brokering business practice and know-how.

One Polish respondent stressed the positive influence of foreigners on local culture:

"expats challenge local people to improve processes because Poles have an attitude like: 'Ok, but it's always been like that, we can't change it, we need to accept it.' And expats very often challenge local people and it creates new values because then local people are required to come out of the box to look for different solutions, and for the business it's very helpful." (large multinational, Polish)

## Intercultural training

Some people – mostly those working in large companies – have had some exposure to intercultural training. Both positive and negative opinions were given about training:

"We have a quite good two-day cultural training programme which talks about these things (...) But it's for everybody who's travelling abroad. So it talks about the matters of time, space and cultural differences and how it might feel to go into a new culture, how to think about these things, how to prepare yourself before going into a new culture and then when you come to the country you get sort of half a day with somebody in the country who talks to you about the things that are around your mind and let you know what's it's like in Poland or wherever. Before I went to Asia I think I managed to do it for a day. It was quite good really. And I got the same thing before I came to Poland. And I also was in the Czech Republic so I also got something before I went there." (large multinational, British)

"Frankly speaking, when we went to Korea we had what we call 'intercultural training' but in fact it was full of prejudices. And this for me was a weakness of the training. It was done only by French people who used to work in Korea and they had a French point of view on Korea." (large multinational, French)

"Let me just go through the things we do. So we have a software programme, which is a guide and a test for you personally; we have internal reports; if an expat moves abroad, they also get training if they want to - I had half a day training in India. And finally what we do is we run workshops. In London last year, we had one for 15 people – some moving to Poland and the others just involved in the project. Because when living in Switzerland or rather the US it's important to understand cultural sensitivities of working in Poland. So that was a big 4-day workshop with expats flying from Poland to do that. What we also do is for the clients we have abroad who we're doing work for, we actually do cultural workshops for them as well. So basically if they offshore the service to Poland, they know how to interact. Because it works both ways, it's not simply getting the Poles to talk the standard language of [the company]. It's also important for other parts of [the company] to understand how things work in Poland. So we do it both ways. We do these projects for the work that we're transferring here and then we do a lot of 'cultural awareness' events outside, softer things. So, e.g., we do an 'Indian awareness night', we do food; we do speeches; we talk about the Indian [operation], and we have one coming up in London about Poland in two months time. I'll do a presentation, so will my colleague from Warsaw... we have some expert talking about Poland as a country, we have Polish food and music.... it's open to all [the company's] employees, so they can just understand a little bit more about Poland." (large multinational, British)

"We actually do provide something similar to this... our company does run training for people who do business with other cultures. What I would like to see, eventually, is something at national school level, so there would be a semester based around intercultural communication. In fact, communication, because intercultural differences are an aspect of communication. There is a right way to say things and a wrong way, and a better way to say things and I don't see that that should be a secret. I mean, I'm making my career out of that... on foreign business and finding how to improve communication. I think that there are differences. And such a package would be able to prepare the user to be aware of essential differences and how to deal with that. So eventually, I'd like to see it on a national level, where people finishing high school would have come across learning that what's typical in Poland, may look different in another country and so you need to be aware that you can't just say: 'I hate that' – but you'll say: 'I have negative feelings', however you remain fair and social... To just take the other person into account more, to be more sensitive." (small international, Irish)

"They should come to us. They should just get and find us. Because it's really not that difficult to adapt, because these are small things, meaningful but small. Just give me half an hour with a company and I can prepare them to avoid the biggest traps, the biggest mistakes they can make in Poland and the rest will go fine. I only need 30 minutes and these 30 minutes can save a project of 10 million euro. That's all it takes." (small international, Dutch, in Poland for 8 years)

## Intercultural toolkit

Among respondents, the attitude to a toolkit largely depended on the size of company that the person worked for - those working in multinationals were more likely to be supportive of the idea of a general toolkit flagging up how to work in an intercultural environment. Smaller companies were more interested in a toolkit specific to doing business in one country and specific about legislative issues. This may be because, people working in these companies are by and large working in a bicultural environment. In terms of Poland, areas most often referred to were Polish habits and Polish bureaucracy.

The need for a toolkit was often contrasted with need for the right attitude. Openness, being aware of one's own culture and seeing similarities uniting all people were perceived as features essential in an intercultural environment. For some, this was a matter of temperament, for others something that can be learned.

Appendix 2 pulls together suggestions and perceived needs connected with the intercultural toolkit.

# **Results 4 - Corporate culture**

## Universal standards versus adaptation to the local environment

'Think Global, Act Local' is a mantra of companies operating in the global economy and the research sought to test to what extent this applies in terms of how companies approach intercultural issues.

Respondents were asked to discuss the role of corporate culture in relation to local culture. In terms of the coding employed in the research it is worth noting that the majority of text fragments related to this aspect come from people working in large multinational companies (22 out of 37 text fragments). This suggests that multinationals give the issue of adaptation versus maintaining a consistent identity most consideration.

Although everyone agreed that some respect for different cultural values and lifestyle is important, it was also stated that the company needs to impose a general framework that will help organise it and provide clear external communication.

"I think you can only develop when people with different points of view are coming together and try to discuss the project but in a structured manner. The structured manner must be given by the company; it cannot come based on the local or national culture." (multinational, German)

The comments below illustrate some of the reasons for imposing universal standards and some of the problems in doing so.

Universal standards may apply both in terms of values and in terms of processes. With processes, it was commonly agreed that there can be no compromise:

"Every company aims to standardise. There are the same processes in every country." (large multinational, Italian)

"It is very good not to stick with national differences when you have your own company culture. How the problem has to be solved, it's a clear catalogue and this is independent of whether you're coming from Kazakhstan or Brazil. And this is a change which we are bringing about here." (large multinational, German)

The case is less clear with styles of management:

"It's really difficult to come into Korea, for example ...and to say from today you have to change your behaviour, and you have to adopt the style of management of this new company. It doesn't fly." (multinational, French)

In terms of values, local managers play an important role in navigating cultural difference:

"... local managers are responsible to be like a clutch, to transfer the language of mission and vision to the local culture, to explain it to people so they are not confused or demotivated, but still motivated and

understand what is going on. This is a big rule. I think there's still room for improvement in preparing local managers to do this because it can be very stressful." (medium multinational, Polish)

In terms of selling into local markets it is quite clear:

"We always start by trying to understand what our customers want and then to give it to them. In any country that we've gone into we've always researched the market, found out what our customers want and then given them that. So we don't take what we've got in Britain – we give them what they want. And then building on that – the staff is always from that country, the managers are from that country, so all the people who are managing the stores in the country will generally be... will always be local people." (multinational, British)

The quote below sums up the sense of general opinions:

"You want a common set of values, everybody talking the same language, but you also want to respect the differences around the world." (large multinational, British)

## Employees

In multinational companies communication between employees with different cultural backgrounds may be an issue.

"There are some differences in communication. We need to take special care that the communication works in the right way there, because culturally how to communicate and how to deliver good news and bad news is very, very different in these countries." (large multinational, Irish)

Sometimes differences are very noticeable:

"Poles in some ways are different. My experience with Polish people is that they're not as open as English people and you know very little about their private lives, whereas in the UK you've got some knowledge about the private life of your work colleagues. And there's not a great deal of social interaction outside the office compared to the UK. So you have to bear these things in mind when you're talking to people." (medium international, British)

"In Poland people are more hierarchical than most Western Europeans and certainly Americans would be. If you have a boss, your boss has a boss and your boss's boss has a boss ...and they don't mix as well. In the USA the same structure exists but people don't pay nearly as much attention or place that much value on things like that. Me as the President of the Board I can go do things because I'm the President. In the USA that would never come up. You just have to learn to work through these kinds of things." (large multinational, American)

In some companies expatriate's generous remuneration packages compared to local employees can cause resentment, though this may be changing as salary levels even out.

"So there was the first league and the second league. I was observing that young engineers having a wife and two children they were keeping each złoty in hand before spending them, when Brits were able to spend hundreds without even thinking about it. Because they were richer. Such a situation does create bad blood. And it is probably the worst that can happen, worse than any other differences in culture." (medium international, Polish)

#### Employees with previous experience of working abroad

Respondents noticed many differences between employees who have previous experience of working abroad and those who haven't. It was perceived mainly as a huge advantage: people coming back have a different approach, they are better communicators, have more confidence and have more understanding how business operates.

"When someone is very rigid and they're very comfortable only with what they're used to - that can lead to problems. People who have lived abroad are typically less inflexible." (large multinational, American)

"Generally speaking people with international experience can better service international clients." (large multinational, Irish)

In respondents' opinion Polish people who have gone abroad will have a huge impact on the Polish economy when they return.

"They come back, they know what it means to work abroad, in a different environment. So they're bringing this experience and they're more open." (large multinational, Polish)

"They have broken through cultural barriers, they speak languages, they have seen other ways of working... they have new ideas, they have money. And they will play enormously important role over the next few years as they come back. We'll see that soon... you can see the first ones coming back, they have ideas, they have money, they will start new businesses. Poland will grow enormously. It's unstoppable." (small international, Dutch)

Experience of having worked abroad is generally considered beneficial, but is not the most important thing:

"The most important is individual culture, even if you do not have experience – you have culture and you accept people from different cultures." (large multinational, Polish)

"When you have experience from working abroad it is easier but it does not mean that you cannot work in an international company without this experience. You just have a better start." (small international, Polish)

"Foreign international experience doesn't really matter." (education sector, American)

#### Relative position of locally hired employees and expatriates in the company structure

Respondents noted that at the beginning when their businesses were established in Poland there were many people from abroad because they had knowledge how to set up those businesses. Now it's changing and more often expatriates are being replaced by Polish staff.

"For example, there's a Dutch mother company that wants a Polish branch. And obviously, there's a know-how that has to be transferred to Poland. This cannot be done by Polish people. So by definition you need the Dutch people in the beginning, to transfer know-how. But the people that are being sent out, their main duty is to teach Polish people, so at one point Poles can take over and they can go back home.... If it's in Poland it should be run by Poles, obviously. Because Dutch will always be Dutch, no matter how long he will be here." (small international, Dutch)

"When I observe our clients, they slowly, slowly say goodbye to so-called experts and they are replacing them with Poles. Firstly, Poles are cheaper, and they do not have packages like extra house, flights, whatever. Secondly, Poland is a nation of 40 million and it is good to speak fluent Polish. There are situations when talking through a translator is not sufficient. Thirdly, I think that Poles have a better feel for what can be done, what should be done, regarding habits in this country, i.e. how to speak to a local officer." (medium international, Polish)

## Recruitment

## Legal aspects

Respondents pointed to some differences in the recruiting process in Poland compared to other countries, in particular the time it takes to recruit someone.

"It takes a minimum of 3 months to recruit someone in Poland. If I was interviewing you today for a job and I offered you a job today in a normal situation it's a minimum of 3 months before you can actually start working. Because many job contracts and Polish law requires 3 months notice." (large multinational, Irish)

There are also differences in application documents:

"I remember looking at my first resume here in Poland. All that information in a CV would be illegal under New York law, particularly the photograph, the date of birth, the religion, the nationality of the person, because what's the person's age got to do with his job? And what's their religion got to do with the job? Whereas in Poland it's often listed. Also the martial status is usually listed on a Polish resume and again in the US that would be illegal." (large multinational, Irish)

## **Cultural aspects**

Usually cultural issues are not taken into consideration as far as the recruiting process is concerned, but there are exceptions:

"When I look - I've got a full set of applications on my computer at the moment – I don't look to see what nationality they are." (education sector, British)

"We need local people with knowledge of certain languages. That is the reason we hire Czech, Slovaks or Slovenians. We don't look at cultural issues." (medium international, Polish)

"We try not to hire people who have no clue about Poland. I always seek people out who are interested in working in Poland because they're already familiar with Poland." (education sector, American)

Some respondents said that their companies make special efforts to support integration:

"We do occasionally organise social events, such as sporting events – skiing or football. So we do try to organise cultural activities outside work, but it's not always easy. With a predominately young staff, who are now married and have young families, they tend to not to want to participate in these things; they'd rather be with their families." (medium international, British)

"Part of our induction is meeting with the rest of the company, the rest of the employees – maybe not everybody, but it does expose the new recruits to the rest of the company already and it's like everybody gets to feel where he is straight away." (small international, Irish)

"Certainly all new employees get taken through a presentation about the company by the managing director or another senior manager, and this has some important slides about our values, in which we emphasise that here... we don't have to like our colleagues, we don't have to love them, but you have to respect them and where they're from and, you know, listen to what they say, no matter if you're gay or straight, black or white, or Polish or non-Polish." (medium international, British, in Poland for 16 years)

In most cases, however, they haven't seen the need for special programmes to help employees from different cultural backgrounds to integrate with each other.

"I wouldn't say there's any specific strategy. It's just the way our work structure is organised. It just facilitates interaction." (large multinational)

## Interaction with the local environment

Communication with the local environment - with local authorities, government and governmental agencies, suppliers and the local community - can be one of the biggest challenges facing international business and a significant source of friction.

In response to being asked about communication issues with the local environment, respondents from small companies especially were keen to give their opinion of - and in some cases vent their frustration of - Polish bureaucracy and attitudes of civil servants. Respondents commented on the amount of red tape involved in getting things done, lack of transparency, inconsistency in decision making, unhelpful attitude of civil servants and even corruption.

"There's nobody who wants to take responsibility. There's a fear of being accused, because once you're accused of something, then you can be in all kinds of mess, even if you're innocent." (small international British)

"if it's state institution like the Tax Office or ZUS [Social Security Office], my favourite, or Poczta Polska [Polish Post Office], they are the top 3 on my hate list." (small international, Dutch)

"The time it takes to get the required permits is pretty difficult. We would like to have it speeded up. And it's a political problem, it's not just an administration problem." (small international, British)

"Amazingly, the decision of one person within a department may differ from the decision of somebody else in the same department." (small international, British)

Frustrations involved in dealing with bureaucracy lead some to conclude that government is corrupt:

"Don't make business with government because they will be corrupt..." ... (small international, Dutch)

"The processes are not transparent. We had lots of theft and corruption with the contractors, corruption with the Architect's Office in the City Office, stolen documents from the City Office. Any number of things. Our expectations for transparency are higher." (education sector, American)

"Most of the contacts I've had with government agencies have been OK, apart from a couple of private things with some stupid old Communist who thought that Communist tricks would work on me." (freelance musician, British)

Some felt that there was a particularly negative approach towards foreign investors and that problems in Kraków were worse than in other parts of the country:

"In Kraków its just awful. (...) they treat people as if they're liars." (small international, Polish)

"If you go outside of Kraków to the smaller villages and towns, it's two weeks and you get 'WZ' [permit required ahead of acquiring a building permit] and it's not much of a problem. Here there is a more specific problem of administration. Warsaw it's seems is quicker, Wrocław is quicker. But if you're patient, no problem." (small international, English)

The sharpness and severity of comments about bureaucracy and the legal environment suggests that this is the area where cultural difference is most keenly felt, where people feel most powerless in the face of something they don't understand. It is worth noting that the term 'Communist' was very often used by respondents to describe this situation of extreme cultural difference where communication completely breaks down (much in the same way that it has been noted that 'Asian' is used to describe a culture other than our own). It is perhaps understandable that the public sector has been slowest to adapt to change, in part because of the pre-eminent role of this sector under the Communist system and its subsequent lack of exposure to market forces.

In spite of their frustrations, respondents generally accept that government in Poland and those working around government work in a different way:

"Apparently it's just a part of the culture and the way it happens – every 'inspektor nadzoru' [building inspector] charges too much and you just have to get on with life." (small international, British)

Some bring their overall cultural awareness to bear in navigating a hostile environment:

"It depends who I'm talking to. If it's a young person I approach her differently than an old person. If it's an old woman I play my cute kid act. I 'worsify' my Polish, start behaving like a helpless kid. I'm addressing their mother instinct. And it works, it works fine. But it doesn't work with young people. It only works with older people, older women. So with young people I just do it in a more modern way, more concrete, smiling... " (small international, Dutch)

In large companies, it is local employees who bear the brunt of the difficulty, having to explain delays and procedures to international bosses.

"In the face of so many differences, especially concerning legal matters, obtaining permits, time taken up dealing with officials, people who come here from abroad must be taught all of this. There are barriers and you need to spend time explain these local characteristics, you need to explain why we have such a labour law, (...) building permissions - they completely don't understand why it takes so long in Poland, because in England it doesn't take so long." (large multinational, Polish)

Among Polish respondents, there was a sense of embarrassment at the ways of Polish bureaucracy. Foreigners attitude towards bureaucracy was seen as a chance to improve those things.

"Foreign managers' expectations create new values, because local people are required to come out of the box to look for different solutions." (large multinational, Polish)

Business support organisations are seen as useful in mediating between business and the local environment, both in terms of providing a forum and neutral space in which dialogue can take place, but also specialist skills in brokering communication.

# Appendix 1

## Experiences of entering a new culture

The table below describes selected experiences of entering a new culture, assumptions about the culture, preparations, first impressions, ways of negotiating difference and lasting impressions. It gives a flavour of some of the issues at play.

## Table 4: Entering a new culture

Respondent	1. Assumptions 2. Preparations	First impressions	1. Negotiating difference 2. Current impressions
Multinational, British - about China	"Because I've been married to an Egyptian for a long time, because I spoke Arabic, I thought that I was pretty used to being in a foreign culture. And I thought, 'This will be OK. I've lived in London, it will be fine.'" "We have a quite good two- day cultural training programme which talks about these things"	"I arrived in Hong Kong and it was OK - everybody spoke English, it wasn't too bad so I arrived in China and I was still 'It will be fine.' I went to the hotel. I had a conversation with the receptionist and I suddenly realised that they didn't speak English and I was in this completely foreign environment. And it was quite a shock actually. It was 'Oh my goodness, this is quite different!"	"I decided I was going to stick with the assumption that everybody is basically the same, and when I met my Chinese colleagues with the interpreter, actually I found that was true and I found that good manners worked and that actually you can have a conversation."
Multinational, French - about Korea	"My wife and I try to be as objective as possible, we listen, we look but we don't prejudge when we go somewhere. We went to Korea, really free of any idea of Korea."	"in Korea we had what we call 'intercultural training' but in fact it was full of prejudices. And this for me was a weakness of the training: it was done only by French people who worked in Korea so they had a French point of view on Korea."	
Small international, Dutch, in Poland for 8 years	"when I came here I didn't have any expectations, because I didn't have any frame of reference. I didn't read before I came I just thought I'll just go and I'll see."	"In the beginning you're not even in the boat, you're just in the river, and you're just trying not to drown."	"And then you learn how to swim and then you stop at the beach and figure out how to make a boat, then you get a boat and then you get a paddle and later maybe you get an engine or even a sail and in the end you're just controlling everything you just have to go through it."

Respondent	1. Assumptions 2. Preparations	First impressions	1. Negotiating difference 2. Current impressions
Medium-sized international company, British, 9 years in Poland, previously in Saudi Arabia, Middle East & France	"I knew very little about Poland and I had a negative image in my mind of what Poland and Eastern Europe might be. It was based on the period when Poland was in an Eastern Block and not too many people went to visit the Eastern Block during the holiday. So I imagined it to be dull, grey and miserable." "The company proposed that I came and visited Kraków before deciding whether I take the job or not."	"Having come to Kraków and found it wasn't grey and miserable, that it was a very beautiful city and at the time of the year I came – it was May, the weather was nice and it was hotvery pleasant. I was convinced that actually it wasn't a bad place to come."	"Nothing since has changed my mind, it was a good move. It's a wonderful place. I have been here for 9 years."
Small international, British, in Poland for one year	"We decided that we wanted to invest in Poland we liked the economy here and the location of Poland And so we met some local agents and started doing business."	"And I have to admit that it's the process of setting up a business, understanding the law and understanding what we are talking about right now the differences between the way that people approach problems. I think it's probably taken me two years to find my own way Well, it's my own company, so I was really out here on my own, finding my own way."	"The way I dealt with it was to find people that I trusted forming strong relationships with a small number of people I think the Polish core is the circle of trust or something like that and I try to create one for myself And I was constantly asking questions why people were behaving in the way that they were or why we were having problems in a certain direction."
Freelance, British / Polish, in Poland since 1989	"My mother was born in Poland originally I came here for a month, just out of interest."		"At the end of '90s I started to try to achieve Polish nationality it took me 6 years and it got as far as the Constitution Tribunal, that decided to actually give me Polish nationality and said that all of the bureaucrats that refused me Polish nationality for 6 years were wrong." "Originally I came here for a month, which turned into a year, which turned into a half of my life. And I still consider this to be an interesting place to be. Far more interesting than England."

# Appendix 2

# Attitudes to an intercultural toolkit

## Table 5: Attitudes to a toolkit

Positive opinions - need for a toolkit	Negative opinions - against a toolkit
Practical information	Not useful
"So I think if there was some sort of toolkit or a pack saying what you're supposed to know about doing business in Poland, these are the things you need to think about. You know, we didn't know about ZUS and the 'little books' you know, the insurance books that people have to have? There's lots of things you just sort of find out by accident. But if there was a checklist saying 'this, this, this and this – these are things you have to consider before coming to do business in Poland.' That would have been very useful for us. It doesn't need to be a massive thing – just bullet-points – 'this, this and this are the major things.' ()Things like NIP number, KRS, REGON – these sort of things just don't exist in the UK. Some basic information – you need this and this and what they are and what they're for.	"I don't think there is any case for spending government money in any way to address this issue, because I think it's a matter of common sense and, you know, the best way to prepare people to deal with foreign cultures is to prepare them for life, which is to teach them to think and take the initiative I think that it's a great mistake to think that institutions such as the British Council should be involved in this kind of thing If it were extremely well-done, by intelligent people, it might occasionally be useful. But given the sort of people who could benefit from it, they are intelligent enough to get this information free off the Internet and the sort of people who both fund and implement these projects tend not to be very talented. And the fact that people who could benefit will probably be too busy to participate. So I'm, you know, I'm against a toolkit." (medium
Another thing is when you send external e-mails, you have to have all your company information at the bottom of the e-mail. You have to write all those numbers and even the value of the company – that's something totally different to the UK. But again – we didn't know so we were sending e-mails here and everywhere. So you know little things like that that have to be done. Checklist or bullet-points." (medium multinational, British)	international, British, in Poland for 16 years)
"Foreigners are asking if the people speak English, because for them it's more useful if they can communicate in English with Polish people." (small international, Polish)	

Positive opinions - need for a toolkit	Negative opinions - against a toolkit
Administrative rules "If there were ways to look at some of the simple things like business rules and other stuff. Here's the way it's done in Poland, here's the way how it's done in other countries. Some of the administrative stuff that you can read. Let's say if you want to set up - this type of administrative process in Poland will take you 6 months but if you go to the UK it will take 13 days." (large multinational, American, in Poland since 2004)	People do not realise that it is needed "if they are ready to pay for this it's of course something they need, but the question is if they realise their needs and if they really think it is a problem because not many people realise that this is one of the most important issues." (small international, Polish)
Explanation of EU programmes "what's available, how you can get it, how you're going to apply how you're going actually to get it and how you can use it . And a toolkit like that, from a business side, would be a very useful thing. There's no one that can explain to you how these programmes work." (large multinational, American, in Poland since 2004)	<b>Too late – it's already there</b> "We are having this conversation too late because if we had talked 5 or 10 years ago then it would have been fine. But now everyone knows something about Poland. There are 2 million Polish people in the UK, and there is a considerable interest in Poland, there is business done with Polish people at the moment. There are many people that are sort of immersed in both cultures. There are people who are bilingual, who are bicultural, who are for example British nationals but understand Poland very well and they will share this knowledge with other British people. So I simply think that the toolkit is ready, it's something that's there. If you are a business person and if you haven't done business in Poland yet, you just have to contact the right person." (freelance interpreter, Polish)
Underlining similarities "I would point out the positive aspects, look for similarities. First, you have to look for similarities to be able to relate to a person. Then you can point out the differences. Be open because the basic needs of people are the same all over the world." (large multinational, Italian, 2 years in Poland)	

Positive opinions - need for a toolkit	Negative opinions - against a toolkit
General background to understanding culture "I think it would be more about understanding why people behave in the way that they do and understanding some of the history, I suppose, of the way things have worked. I think it ought to be Yeah, I'm always quite careful of trying to mould people to my way of doing things. I prefer to try to understand." (Polish company, British) "There should be a brief history of Poland, a brief history of the last fifty years, an explanation how people in different social groups perceive the changes in the last twenty years, how do they perceive the changes in the context of looking fifty years before that. I think there should be bullet-points of recent history which should not be touched upon or to be avoided when someone else raises them. I think there should be, for sure, the good version, the offensive version and the polite, sanitized version. And I think that those two extreme positions should be presented next to each other, so people are able to see and to choose their own information, two extreme positions put in context by someone else, described in an academic manner, in a completely non judgmental manner, showing the different ways differences can be perceived." (freelance musician, British)	Useful but not necessary "Certainly there wasn't a toolkit available when we set up here. We would have been interested in seeing it. But I think that at the end of the day wherever you go there are fundamentals that apply that you really have to kind of know them. You are going to somebody else's country, another culture, so you know you have to understand it, you have to know it." (small international, British)
<b>Bicultural</b> "Not universally. It might be useful bi-culturally for comparison or contrast." (education sector, American)	

Cultural differences in a given countryAttitude the most important thing"These cultural differences, that you shouldn't expect Poles to respect your space, that there's a different attitude to work and family. Poles are very family oriented, in England we're less so. The fact you have to be careful with Polish sensibilities. If you want to get the best out of them, you have to understand they don't see things the same way as you do. If you want to get the right answers, you have to ask the right questions in the right way." (medium international, British, 9 years in Poland)"No I'm not a great fan of toolkits or things like that. We are talking about some basic values or principles, about respecting the time, the ideas which we have to make space for. So I don't think some magical toolkit or training course or whatever will make the difference. I think what does make a difference is trying to understand the context in which the person you're dealing with operates. ()"There's the language related issue about addressing the people - although young people are far more tolerant then maybe the older generation. And it's a mark of respect, of how to treat people information on yes, the presence of corruption, and how to deal with this. The differences again in dealing with people in different regions in Poland." (British (now with Polish nationality), Polish company)Attitude the most important thing "I think aptionality), Polish (Polish, multinational NGO)	Positive opinions - need for a toolkit	Negative opinions - against a toolkit
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	company)	(Polish, multinational NGO)

# Appendix 3

# Kinds of corporate culture

In terms of what was said in the interviews, corporate culture can be roughly divided into three groups:

- Employee oriented
- Company operations oriented
- External communication oriented

The table below shows some particular aspects of these groups.

## Table 5: Kinds of corporate culture

Employee oriented	Company operations oriented	External communication oriented
Flat structure, access to the director, democracy, equality of staff	Business conduct guidelines, company glossary	Focus on what the customer wants, orientation towards customer
Team work	Punctuality	Trust for the product / brand
Trust in employees, empowerment	Meritocracy, partnership	Transparency
Every employee's voice is important	Dress code	Rules about corruption
Freedom to make decisions but taking responsibility for them	Simplicity (e.g. using brown paper rather than power point for presentations)	Being a good citizen (in terms of environment and engagement in local activities)
Flexibility and mobility inside the company	Speed and taking opportunities	Being nice and polite, smiling
Respecting colleagues – tolerance	Answering e-mails as soon as possible	Offering the right product of the right quality
Everyone important to the company	English as a company language	
	Working hard, being target oriented	
	Proactive approach, can-do attitude	

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