

MANAGEMENT DECISION-MAKING IN THE CONTEXT OF NATIONAL CULTURE

R. Zuzák, P. Rymešová

Czech University of Life Sciences, Faculty of Economics and Management, Prague, Czech Republic

Geert Hofstede has carried out an extensive international research focused on the identification of cultural differences and their influence on behaviour and decision making. The Czech Republic was not included in this research. This contribution brings a comparison of the case study solution results achieved by French, German and British students in terms of attitudes towards uncertainty avoidance with those achieved by Czech students in the same type of case study. On the basis of the comparison of these results we may detect a development in managerial decision making on the part of Czech managers and provide them with guidelines for graduate education of Czech students at the Faculty of Economics and Management CULS.

managerial decision making; conflict solution; national culture; education system

INTRODUCTION

Acting and decision-making of managers is influenced by national culture and their background. For more than twenty years Geert Hofstede (1991) studied cultural differences in 50 countries around the world in three multicultural regions. He based his study on a rich collection of data gathered by surveying employees of IBM branches in individual countries. Czechoslovakia was not included in the survey, as at that time the company had not established its operation in the country yet.

On the basis of the survey, Hofstede (1991) has identified and subsequently analysed four dimensions of national cultures and their impact on the decision-making of corporate managers. The first dimension, i.e. social inequalities in the society and the relationship to authorities, reflects in the use of the authoritative or participative style of management. The second dimension is the relationship between an individual and a group in the society. The third is designated as masculinity and femininity of the society and determines the assertiveness or, on the contrary, the modesty of people. The last dimension – the avoidance of uncertainty – leads to the elimination of ambiguousness and search for structures ensuring more predictability and clear understanding of situations.

The first and fourth dimensions significantly influence the achievement of goals by the organisation while the second and third have an impact on the perception of people. Simultaneously, the fourth dimension determines managers' decision, behaviour and dealing with organisational issues.

OBJECTIVES AND METHODOLOGY

The objective of this study is to identify the impact of the Czech national culture on decision-making and subsequently to determine the requirements for education to help potential managers to eliminate shortcomings in their decision-making. The study is based on the presumption

that the majority of graduates will be, sooner or later in their professional career, promoted to managerial positions. To identify the impact of national culture on decision-making, professor Stevens' method has been applied. He used the method to identify the impact of German, French and British national cultures on decision-making. The methodology was published by Hofstede (1991) in his study.

Stevens assigned a simple case study to 200 students of an international MBA course that was attended by French, German and British participants. Within the scope of the study they were to deal with an organisational problem. The proposed solutions mirror the "power distance" dimension, in particular in the predominating managerial style, and the dimension of uncertainty avoidance.

To illustrate the assignment and the outcomes, below is provided an adapted text of the case study used to examine the impact of the Czech national culture. Simultaneously, it enables comparison on an international level.

West-European company CSGF Ltd. was a middle-sized factory manufacturing printed textiles that was constantly struggling for existence. The company imported fabrics from Asia and printed them with multicolour patterns according to the requirements of customers – i.e. companies producing fashion clothes for the local market. The company was led by the managing director and three subordinated specialised managers: design and sales manager, production manager and finance and personnel manager. The company employed approximately 250 employees.

The working atmosphere in the company was often agitated by conflicts between the production manager and the sales manager. The production manager, like the major part of all production managers in the world, wanted to ensure smooth production, to reduce changes and thus to minimise interruptions in the production process. He welcomed the opportunities for grouping customers' orders into large production batches since any change of dye or pattern required production interruptions and machine cleaning, which in turn led to production time losses and

increase in costs as the costly dye was wasted. The transition from dark to light shades was the most unpopular change since even the tiniest residue of any dark dye in the machine could destroy and decrease the quality of light-shade fabrics. Therefore the production planners attempted to schedule the production programme in a way to reduce machine cleaning to minimum, i.e. to start printing the light shades, while the machines were still clean, and then continue with darker dyes.

On the contrary, the main intention of the sales and design manager was to satisfy company's customers as it operated in a severely competitive sector. The customers, i.e. fashion clothes producers, were known to frequently modify their production plans at the last moment. This also determined their orders of fabrics that the company supplied in the so-called shortened delivery times. Although the orders were neither large nor significantly profitable, the manager did not like to turn them down. He was worried that the rejected customer could contact one of the company's competitors and that the company might, in the future, lose large orders he was hoping for. Such orders outside the planned schedule upset the production plan and the production manager was forced to print small batches of dark-colour textiles on beautifully clean machines that had to be thoroughly re-cleaned afterwards.

Both managers had frequent personal arguments whether or not such express orders should be included in the production. Apart from the conflicts between the two managers, there were numerous quarrels between the employees of both divisions – i.e. production and sales divisions – and both parties publicly challenged the skills and abilities of the other party. This triggered unpleasant consequences: despite their long-term relationship, workers from one division refused to sit next to those from the other in cafeteria.

The above-described case study was presented to 152 students in their final year of Master study programme at the Faculty of Economics and Management at CULS, together with an assignment permitting comparison of the outcomes of both surveys. These students possess sufficient theoretical knowledge in management, however, in contrary to the MBA students, lack the experience of managing the workplace. This fact might have partially influenced the outcomes of the survey.

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RESULTS AND DISCUSSION

At first, the students were asked to determine the causes of the occurrence of the problem. The most frequently identified cause was the inability of both managers to communicate (52.8% of the students). The students also referred to low professional level of both managers and their inability to reach a compromise. The conflicts were

also aggravated by the corporate culture. As a consequence, there was unfriendly atmosphere and conflicts were spreading to other workers. In this respect, the opinions of the Czech students were close to those of British respondents. The positive aspect of the attitudes of both managers was, according to the students, their intention to do their jobs well.

The second major cause of the problem, as perceived by the respondents (38.8% of the students), lay in different goals of both managers due to the functional organisational structure and division of labour. This resulted in favouring and isolation of the respective division, inability to conform to common goals, conflict of interests as well as poor delimitation of powers.

The third cause observed by the respondents was the non-involvement of the managing director (32.2% of the students). In this area, however, the French and Czech opinions differed. The Czech students criticised the director's non-engagement and his passive role in the conflict. Although he must have been aware of it, he let the conflict grow and thus failed to satisfy the requirements for the position of managing director. Similarly, the students pointed out the passive approach of the finance manager (12.5% of the students). They thought he should have analysed the costs of production programme changes, calculated the prices of orders and taken a more active approach.

The Czech students think that differences in goals of individual managers are closely connected with the absence of corporate goals and strategy (21.7% of the students). In this context they also mentioned insufficient informing of employees, absence of corporate priorities, etc.

The second task was to propose a solution. The majority of the Czech students identified communication as the main shortcoming. Their opinions mirror in the proposed solutions: 60.5% of the students suggested that communication between the two managers and also between the managers and the managing director be improved. 35.6% of the total number of the students recommended meetings, team work, workshops, joint non-business events (outdoor training, parties, training programmes) to rectify and support informal relationships between employees. They emphasised that not just managers, but all employees should be acquainted with corporate goals and referred to the moral responsibility of the arguing managers. 15.8% of the Czech students suggested that if the conflicts were to last despite the introduction of the above measures, one of the managers should leave the company.

As regards the frequency of solutions, 51.3% of the students recommended the development of rules for order acceptance while 25.7% suggested that corporate priorities be set. The rules should contain procedures for order acceptance and should be based on the analysis and calculation of costs. When setting priorities, the benefits for the company and customers' needs (to what extent should the customer's requirements be satisfied) should be reviewed. The analysis and calculations should be carried out with the help of the finance manager and his division (25% of the students).

The solution of the problem anticipates more intense involvement of the managing director (37.5% of the stu-

dents), in particular as regards the defining of corporate strategy and priorities, problem solving and settlement of disputes between the parties (arbitrator's role) and co-operation between the two managers.

The Czech students also proposed an interesting solution, not mentioned by foreign students, based on technology modifications. The students suggested that the company could, for example, install a new production line, divide the production to light and dark sections and thus solve the problems and conflicts (23.7% of the students).

Compared to the survey carried out by Stevens, a number of differences have been found that demonstrate the particularities of Czech culture. The majority of the respondents considered poor communication skills of both managers, i.e. interpersonal relations, to be the main problem. The opinions of the Czech and British students resembled. The Czech respondents, however, did not require a hierarchy-free structure and acting without fixed rules. In this sense their opinions were closer to the opinions of the German students. On the contrary, unlike the German students, they required setting of rules and responsibilities only to the extent given by the goals and priorities of the company. According to the Czech students, the rules should determine who has the last say in the decision-making process.

While the group of French students favoured the delegation of decision-making upwards (backward delegation), the Czech students gave preference to its active role in dealing with conflicts. In terms of egalitarianism and avoidance of uncertainty, the attitudes of the Czech respondents are comparable to those of the German and British students.

CONCLUSIONS

The survey carried out has revealed that the approach of students is historically determined by German thinking. This is primarily supported by the proposal to set rules for order acceptance. At the same time, however, there is a requirement for some freedom in acting and the delegation of powers. It is possible to say that the stronger emphasis on interpersonal relations and the less frequent uncertainty avoidance place Czech culture, as far as this dimension is concerned, closer to British culture.

A positive outcome is the emphasis that the Czech students put on communication between the managers. The ability to communicate forms part of emotional intelligence, the importance of which for management has been proven in Goleman's surveys (1998).

The survey has shown how important it is to exploit the positive aspects of national cultures and how they influence decision-making. This should be reflected in the university syllabus and students should be encouraged to use teamwork, improve communication skills and tolerance as well as to present their own ideas and to defend them.

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ZUZÁK, R. – RYMEŠOVÁ, P. (Česká zemědělská univerzita, Provozně ekonomická fakulta, Praha, Česká republika):

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Geert Hofstede provedl rozsáhlé mezinárodní výzkumy zaměřené na identifikaci rozdílů národních kultur a jejich vlivu na jednání a rozhodování. Česká republika do tohoto výzkumu nebyla zařazena. Příspěvek přináší porovnání výsledků řešení případové studie francouzskými, německými a britskými studenty ve vztahu k vyhýbání se nejistotě s výsledky řešení stejné studie českými studenty. Výzkum ukázal, že čeští studenti kladou důraz na mezilidské vztahy a tím se jejich přístup blíží britským studentům. Současně je české myšlení ovlivněno německým smyslem pro řád v jednání, ale v „měkčí“ podobě. Vazby na francouzskou kulturu nebyly výzkumem identifikovány. Z výsledků porovnání lze vyvozovat budoucí jednání studentů jako potenciálních manažerů a především povědomí důležitosti mezilidských vztahů pro úspěšnost podniku. Dále z výsledků vyplývá doporučení pro zaměření vzdělávání českých studentů nejen na Provozně ekonomické fakultě.

manažerské rozhodování; řešení konfliktů; národní kultura; systém vzdělávání

Contact Address:

Doc. Ing. Roman Z u z á k , PhD., Česká zemědělská univerzita v Praze, Provozně ekonomická fakulta, katedra řízení, 165 21 Praha 6-Suchbát, Česká republika, e-mail: zuzak@pef.czu.cz
