UNIVERSITY OF LJUBLJANA

SCHOOL OF ECONOMICS AND BUSINESS

MASTER'S THESIS

AN EMPIRICAL ASSESSMENT OF THE PERCEIVED IMPACTS OF NATIONAL CULTURE ON BUSINESS CONDUCT OF DUTCH AND SLOVENIAN MANAGERS

Ljubljana, July 2019   TIM FRANC ZUPANČIČ

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LIST OF ABBREVIATIONS

CCC – Cross-culture competence

IT – Information Technology

PRD – Personnel Research Department

SDBP – Slovene Dutch Business Platform

SFRY – Socialist Federal Republic of Yugoslavia

USA – United States of America

INTRODUCTION

Globalization trends have caused borders and barrier to gradually disappear, as it becomes easier for companies to expand abroad in order to take advantage of new markets and production capacity. These trends have several impacts, chief among which is an increasing number of expatriates who could be company's representatives to overlook overseas operations (HSBC Holdings plc, 2016). These expansions are often rather difficult due to the many factors such as remaining legislative and political obstacles, but also cultural differences which are often overlooked. In the past many companies have not given the foreign country's national culture a significant priority as a potential advantage or risk when it was different to the company's own organizational culture. Understanding and successfully adapting differences in national culture and the effects on daily operating can often turn out to be quite difficult as it requires a thorough understanding of cultural diversity, views, values, stereotypes and customs (Morden, 1999).

The effects of cross-cultural competence (hereinafter CCC) and international business have also been studied by a number of experts. There are numerous ways of in which a good or bad cultural understanding could have effects on a company. Studies show that companies in the United States of America (hereinafter USA) observes a high rate of failed expatriates which results in high costs to the company, lost opportunities, reduced productivity and damaged relationships (Johnson, Lenartowicz & Apud (2006). Key managers that are sent out as expatriate are often key employees within organizations which means their performance and success can have significant impacts on the company. Aside from expatriate successes and failures, problems as a result of the absence of CCC might result in poorly executed partnerships abroad, inefficient management of foreign mergers, acquisitions or joint ventures and poor understanding of local socio-cultural climate (Johnson, Lenartowicz & Apud (2006). Studies show that there internationally operating companies often fail due to managers who are not properly trained for CCC and therefore do not understand the local culture of overseas branch companies. Communications between the parent company and the representatives of the foreign subsidiary is often rather inefficient (Johnson, Lenartowicz & Apud (2006). In general most of the analyzed studies confirm that in order for managers to operate efficiently, especially international managers, it is vital to properly understand how differences in cultures can affect business in several measurable and indirect ways (Morden, 1995; Hofstede, 2001). Though there is an increasing amount of academic research performed in international business in different cultures, studies discovered that companies often seem to not train their managers for the international business environment (Johnson, Lenartowicz & Apud (2006).

As it became increasingly evident that proper understanding impacts of national culture in organizational settings is essential in order for a business to engage in international business, more research was performed into this field. Over time, several models were developed that

presented the studied results of elements of national cultures according to a number of dimensions. One of the most important researchers in this field is Dutch social psychologist and Geert Hofstede. Hofstede's well-known 6-dimensional model was originally developed following his survey research among global IBM employees between the years 1967 and 1973. According to Hofstede, national culture is "the collective programming of the mind distinguishing the members of one group or category of people from others" (Hofstede, 1980). The Hofstede scale includes six measures of cultural differences. The first dimension of the mode, power distance index, measures how less powerful individuals of an organization accept and expect that power is not distributed equally. This index measures in essence the perceived presence of a hierarchy and the distribution of power that comes with it. The second dimension, individualism vs. collectivism, measures how far individuals of a society are consolidated into groups. Societies that are more individually oriented feel less tightly connected to the groups they associate with which often only includes their direct family. The other end of the index are collectivistic societies who focus more on the "we" instead of the "I". They tend to feel deeply connected with extended family members and other associated groups of people. Members of such a society tend to be very loyal to each other and face challenges collectively. The third index, uncertainty avoidance index, measures to which extent people tend to avoid change, risk and unknown situations. The fourth dimension, masculinity vs. femininity, measures whether a society tends to strive towards achievement, heroism and materialism or more towards modesty, caring, cooperation and quality of life. The fifth dimension, long-term orientation vs. short-term orientation, measures how the past with national traditions and future goals are affecting the present decision making. A society with a low score in this index feels strong about their traditions with little significant changes whereas a high score would indicate adaptability and pragmatism towards future goals. The final dimension, indulgence vs. restraint, measures the freedom to be happy with regards to human desires. A society with a high score in this index is indulgence and its people are able to enjoy themselves whereas restrained societies are strict and have strong social norms which are regulated.

In the 1990s a new study was performed with the goal to replicate and further expand on Hofstede's research by testing several hypotheses that were mostly focused on leadership. The study was called GLOBE and it included 170 in over 62 countries and regions. During the research over 17.000 survey questionnaires were collected from middle managers in 951 organizations in three different industries (House, 2004). The GLOBE study also distinguishes between actual society practices and values as characteristics which a society strives to. The nine dimensions are Power Distance, Uncertainty Avoidance, Institutional Collectivism, In-Group Collectivism, Gender Egalitarianism, Assertiveness, Performance Orientation, Future Orientation and Humane Orientation (House, 2004). Three of these dimensions are almost exactly the same as in Hofstede's 6-dimensional model, namely Power Distance and Long-term Orientation. Hofstede's masculinity index is in Globe's study split into two dimensions, namely Gender Egalitarianism and Assertiveness. Similarly, the Individualism index is split into Institutional Collectivism and In-Group collectivism.

Finally, there are two completely new dimensions which are Performance Orientation and Humane Orientation that are not present in Hofstede's model at all (Venaik & Brewer, 2010). As the Globe model studies two separate aspects, actual practices and values, for each dimension the total number of dimensions in the model are 18. Alternatively, the Seven Dimensions of Culture model was proposed by consultants Fons Trompenaars and Charles Hampden-Turner and published in their book in 1997 named "Riding the Waves of Culture" (Magnusson, Wilson, Zdravkovic, Zhou & Westjohn, 2008). Trompenaars and Hampden-Turner identified the following dimensions: Universalism versus particularism, Individualism versus communitarianism, Specific versus diffuse, Neutral versus emotional, Achievement versus ascription, Sequential time versus synchronous time and Internal direction versus outer direction (Magnusson, Wilson, Zdravkovic, Zhou & Westjohn, 2008). Despite the differences in approach, all three of these models (Hofstede, GLOBE, and Trompenaars & Hampden-Turner) stressed the unique cultural predispositions of particular societies, and demonstrated how cultural values regarding leadership, hierarchy and time all have important effects in the business world.

While these models are important tools to analyze and further study different aspects national culture, they also have their limitations. Some scholars believe that these studies cannot properly measure national culture because survey questionnaires are not a good method of collecting data on national culture, instead national culture should be described from observations stretching over long periods of time (Sanderson, 2014). Other scholars believe that it is possible to measure national culture through survey questionnaires but they believe that Hofstede's study is based on a sample that is too narrow (Venaik & Brewer, 2013). They believe that the differences in results originating from middle managers of IBM's subsidiaries are not representative of the difference in the entire national cultures (Sanderson, 2014; Venaik & Brewer, 2013). Hofstede himself also expressed some limitations of the GLOBE model claiming that the study is too much focused on the United States of America and that the total of 18 dimensions make it hard to capture the targeted feedback from surveyed people (Hofstede, 2006). Another limiting factor of Hofstede's model is that there is a limited applicability of the results of all three models. This is because the questionnaires entries used in these studies are data means are correlated at the level of the entire society. This means that the results do not reflect characteristics of individuals or organizations and is therefore only useful to compare societies among each other (Sanderson, 2014; Venaik & Brewer, 2013). In addition, the models are all based on particular companies, and thus only tell us about broad national cultural differences and less about how they might differ within particular a particular country.

In my thesis, I will compare cross-cultural differences between Slovenia and the Netherlands. These two countries represent an interesting case for analyzing cross-cultural business operations for several reasons. First, bilateral trade between the Netherlands and Slovenia has been steadily increasing in both directions, which makes the countries more dependent on each other. As of 2016, the Netherlands is Slovenia's 9th largest import partner

claiming 3,4 % of all Slovenian imports (Rijksdienst voor Ondernemend Nederland, 2017). When we take a look at Slovenian imports from the Netherland over the last few years, we can see that the value has increased from € 793,4 million in 2014 to € 822,6 million in 2015 and to € 923,5 million in 2016 (Rijksdienst voor Ondernemend Nederland, 2017). Following this trend, we can conclude that the Netherlands is becoming an increasingly important partner. Not only are Slovenia's imports from the Netherlands increasing, they are increasing at a rapidly increasing rate. The Netherlands is currently on course to overtake France who is currently Slovenia's 8th largest import partner. When taking a look at the opposite perspective, we can see that Netherlands is Slovenia's 16th largest export partner claiming 1,6 % of all Slovenia's exports (Rijksdienst voor Ondernemend Nederland, 2017). Slovenia's value export to the Netherlands was € 425,1 million in 2014, € 467,5 million in 2015 and € 483,8 million in 2016 (Rijksdienst voor Ondernemend Nederland, 2017). We can therefore conclude that there is a strong increase in bilateral trade between the Netherlands and Slovenia over the recent years. In addition to trade, there is also a positive trend in the flow of foreign direct investment (hereinafter FDI) among the two countries. There has been gradual increase in Slovenian FDI into the Netherlands and an explosive increase of Dutch FDI into Slovenia from the years 2012 to 2015 (Rijksdienst voor Ondernemend Nederland, 2017). This trend together with the series of strategic acquisitions made by a few large Dutch companies such as the 2015 Heineken takeover of brewery Laško Union will likely mean that more Dutch manages will be sent to Slovenia to oversee transitions and lead key departments (The Heineken Company, 2015). We may also expect an increase in Slovenian managers of Slovenian companies relocating to the Netherlands. This is because Slovenian companies such as Cinkarna Celje, Adria Mobil, Gorenje and Bisol are recording prospective growth in the Dutch markets and are aiming to expand their organizational presence locally (Slovenia magazine, 2017).

The **purpose** of my thesis is to understand how national culture actually manifests itself in organizational contexts in the Netherlands and Slovenia. The results of Hofstede's model provide theoretical insight into different aspects of the two national cultures. By comparing the feedback of Dutch and Slovenian managers using empirical research with Hofstede's classifications, I will be able to see if align. The empirical findings will determine how certain cultural characteristics are perceived by managers in real organizational settings. With a complete theoretical and empirically tested framework, managers operating in these countries will be able to better understand the differences of these implications of national cultures inside their business environment.

The **goals** for my thesis are as followings: 1. To identify the key differences between Slovenia and Dutch societies according to Hofstede's model of national culture, 2. To empirically test these expected differences by collecting a significant sample of survey questionnaire results from managers in Slovenia and the Netherlands, 3. To compare the empirical results of the survey with the theoretical expectations of Hofstede's model, 4. To generate meaningful and relevant business implications from the comparisons

I believe that findings from this master thesis will help international managers understand differences of peculiarities and critical characteristics of national culture between the Netherlands and Slovenia. This would in turn help them establish the appropriate approaches and strategies towards their expatriates, foreign subsidiaries and other cross-cultural cooperation.

The **main research question** of my master thesis is therefore: *To what extent do the results of Hofstede's model of national culture align with the perceptions of managers operating in Slovenia and the Netherlands?* The **supporting research** question for my thesis is: *To what extent is there a difference in the perceived impacts of national culture within the countries? For instance, do the perceived impacts differ between international managers and local managers or across different industries?*

In order to establish a good theoretical framework to analyze the national culture and its impacts in business contexts, I will rely on the research done by Dutch social psychologist and professor Geert Hofstede. Hofstede's well-known 6-dimensional model that includes six measures of culture would help in classifying the two Dutch and Slovenian culture based on various characteristics. In order to strengthen the validity of my research and for the sake of objectivity I will also compare the findings of the GLOBE and Trompenaars' models that were in essence continuations of Hofstede's model. While these models will serve as a good theoretical framework to base my research on, they also have their limitations. Some scholars believe that these studies cannot properly measure national culture because survey questionnaires are not a good method of collecting data on national culture, instead national culture should be described from observations stretching over long periods of time (Sanderson, 2014). Other scholars believe that it is possible to measure national culture through survey questionnaires but they believe that Hofstede's study is based on a sample that is too narrow (Venaik & Brewer, 2013). They believe that the differences in results originating from middle managers of IBM's subsidiaries are not representative of the difference in the entire national cultures (Sanderson, 2014; Venaik & Brewer, 2013). Another limiting factor of Hofstede's model is that there is a limited applicability of the results of all three models. This is because the questionnaires entries used in these studies are data means are correlated at the level of the entire society. This means that the results do not reflect characteristics of individuals or organizations and is therefore only useful to compare societies among each other (Sanderson, 2014; Venaik & Brewer, 2013).

Data & methodology

In order to make meaningful conclusions, a large proportion of the thesis will rely on secondary data such as academic research papers, journal entries and books that explain the characteristics of national culture in business contexts are classified and how they are manifested in the Dutch and Slovenian societies. The main part of the theoretical framework in my thesis will be based on the models and research done by Geert Hofstede, especially

his research of how values of national culture affect the workplace and the 6-dimensional model.

The aforementioned limitations of this research and these models have encouraged me to perform my own empirical investigation in this field in the form of a survey questionnaire. The survey questionnaire would be spread among pre-determined managers in the Netherlands and Slovenia from my personal network in addition to SDBP members and partners. This empirical research would help me compare the perceptions of the current generations of managers of how national culture affects their organizations against the established results of Hofstede and other researchers.

It will then be possible to make conclusions on the empirical research in terms of how national culture would have manifested and affected the workplace and the attitude of these managers. Because of the fact that the questions would be targeting similar areas as Hofstede's 6-dimensional model, it will be possible to make a structured comparison between the theoretical classifications and the real perceptions of surveyed managers. I will then also be able to see which are elements of the culture that might be preferred by individuals or are more favorable or appropriate for international business settings.

1   NATIONAL CULTURE

1.1   How to define national culture

National culture is a widely studied phenomenon which is present in all societies and in all individuals in the world at least to a certain degree. Despite the vast research that has been done in this field, there is no universally accepted definition on which all experts agree upon. According to Hofstede culture is defined as "the system of shared values, rules, norms and institutions, most of them unwritten, socially transmitted, regulating the social life of groups" (Hofstede, 2018). Culture is transferred from individual to individual through observation, imitation, reward and punishment rather learning it in a text book or a company flyer. It is developed from a complex combination of biological, sociological and psychological factors. While culture itself is a complex phenomenon that can be relatively hard to understand, some of its manifestations are more tangible and easier to be understood. As can be seen in Figure 1, Hofstede identified the following manifestations of culture: Rituals, Heroes, Symbols and Values (Hofstede, 2018).

Figure 1: Manifestations of culture according to Hofstede (Hofstede, 1982)
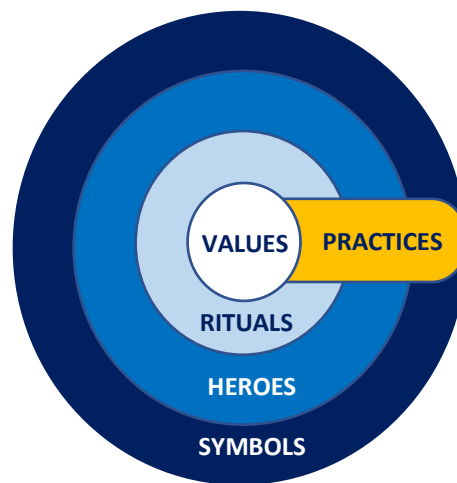
Source: Hofstede, Neuijen & Ohayv (1990, p. 291).

Rituals are mutual activities undertaken by individuals that can be considered excessive and non-essential in order to accomplish goals. However, rituals are considered essential from a social-cultural aspect. These activities include various social and religious ceremonies or greeting processes. Many businesses meetings take place with the appearance of having an exclusively rational reason but have nevertheless a ritual purpose. (Hofstede, 2018). Symbols are another important manifestation of culture that was identified by Hofstede. Symbols refer to the choice of language, gestures, objects or imagery that contain a specific meaning that can only be properly perceived in the right context by individuals who share the same culture (Hofstede, 2018). Everyday examples of these symbols are the words and expressions used in a language or a jargon of a particular organization. Symbols often also reflect an individual's status which could be expressed in the way of dressing and hair styles. As these symbols refer to a fixed and constant concept, new symbols are easily created and adopted quickly as the older symbols gradually disappear. It is also common that particular symbols from one culture are adopted by another culture as time progresses (Hofstede, 2018). Symbols therefore do not refer to a deep and lasting manifestation of a culture but are instead the most superficial or cosmetic layer. Another important manifestation of culture are the heroes. Heroes are individuals in a society that are could be either still alive or passed away, real or fictional, who have numerous attributes that are cherished and idolized by a given society. Founders of successful organizations, successful sports figures and artistic celebrities often become national heroes (Hofstede, 2018). Over the past recent years, in which mass media started to play a more dominant role, physical appearances have become an increasingly important factor to determine heroes (Berson & Oreg, 2008). When culture manifestations symbols, heroes and rituals are considered together as a whole, they are commonly referred to as a culture's practices. These practices are visible manifestations which means they tend to be clearly observed by individuals from other culture and outsiders. However, the deeper meaning is not necessary understood by outsiders as it is

established by the way individuals within the culture interpret these practices (Hofstede, 2018).

Contrary to common believe, culture does not only refer to these superficial practices of a society such as the way people dress, what type of sports, music or movies people like. Instead culture goes deeper and is expressed in underlying values which establish the meaning of the aforementioned superficial practices (Berson & Oreg, 2008). In contrast to rituals, symbols and heroes manifestations, values are manifestations of culture that are considered to be invisible. Values are powerful underlying emotions that lay deep in a culture's root and individuals. These emotions often consist of opposite ends of some manner of scale such as evil versus good, acceptable versus unacceptable, dangerous versus good and rational versus irrational. Values are one of the earliest things individuals are taught as a child and are taught in a subconscious way. As individuals learn these values at such an early stage in their lives, these values are stored in the individual's subconscious. These values are therefore rarely openly discussed and individuals are often not even aware of them. These values only emerge in the way individuals react in specific situations or under the certain circumstances. (Hofstede, 2018).

The aforementioned values are deep manifestations of culture that are not easily changed if it all. The reason for this is that this culture was unconsciously shared to them and are not aware of the presence of this culture (Hofstede, 2015). The culture that has been acquired during adulthood tends to present in a more conscious way to the individual and is therefore more susceptible to change. During the juvenile period of a person's life, he/she learns to adapt to society through culture. During this period the child rapidly learns certain social interactions manners such as differentiating and categorizing between people according to their societal status or social group and what the social meaning of rituals entails. Therefore, adopting culture is directly linked to group affiliation in a society that composes of multiple groups. It is therefore not possible for a human being to have no culture at all, which is why culture taught in a person's later years is referred to as the software of the mind. Language is a critical manner of expressing culture as it can display several characteristics about the individual such as their childhood environment. People often have not much control of their dialects or accents especially during emotional situations indicated that they are present subconsciously (Hofstede, 2015). Culture is expressed in the same manner as it draws even deeper in a person's subconsciousness as it relates to the person's unspoken communication, and perception of relations and groups.

According to sociologist Theodore Kemper, individuals almost always act in the common group interest over time. Newcomers in a certain group tend learn quickly obvious in-group culture characteristics such as habits and manners (Hofstede, 2015). These include the way how to speak in formal settings, how to greet others and whether or not to look people in the eye. This process of aligning to the group is a well observed phenomenon in which individual expect from each other that they behave in an acceptable manner. The most important drivers

for people to behave in such a way are status, affiliation, love and recognition. In organizational setting this becomes evident for instance when an individual wears a suit to work and consequentially receives a perceived status. Other individuals in such an organization tend to be more friendly, greet and smiled more during interactions (Hofstede, 2015).

1.2   The importance of national culture and its understanding

In this rapidly globalizing world in which companies are extending their business activities to other part of the world in order to take advantage of new opportunities. The possible intentions of an organization to expand abroad vary heavily from simplistic such as the purchase of cheaper components from foreign suppliers or much more complex such as accessing a new foreign market by establishing a subsidiary or through foreign direct investment (hereinafter FDI).

These rapid globalization processes have several direct and indirect consequences. One of which is the strong increase in the number in expatriates and overall movement of workers across borders that can be observed (UNCTAD Development Statistics and Information Branch, 2012). Such significant movement of cross-border workers also mean that new challenges and potential threads emerge along with the new opportunities. A major challenge is the difference of the two national cultures in which the worker is migrating between. As we know, each country has a distinct national culture that is clearly present in many segments of its society, values and every day habits. It has become apparent that a company has to properly understand a country's national culture in order to successfully expand its activities to that country. This is because of the fact that national culture has significant impacts on a wide variety of business situations. Studies have shown that companies that focus on maintaining a relationship between their corporate culture and the local national culture are often more successful in preventing imitation of a local brand that would otherwise have created a major competitive thread (Brewer & Venaik, 2008).

From a country perspective, cultural differences are also important to fully understand these differences and how to react to them. Studies have discovered a negative correlation between the magnitude of cultural differences and trust between businesses between those countries. In turn, they also discovered that there is a negative correlation between the magnitude of cultural differences and trade volumes (Contiua, 2012). Similarly, on the level of firm level, larger cultural differences generally also function as a deterrent for foreign investment.

National cultures can manifest themselves in countless ways in organizational contexts. An important factor of national culture in the workplace is the distribution of decision-making power. This factor can be analyzed through various aspects, one which is an organization's hierarchy. A hierarchy shows all the organization's employees in the shape of a pyramid in which it is implied that the lower layer of employees reports to next layer until the individual

on top who is often the chairperson or CEO of the organization. Therefore, the higher up the hierarchy an individual is, the more responsibility that individual carries which is usually rewarded with a higher salary. However, hierarchies can be present in many different shapes, structure and importance. In some organizations there the hierarchy is very present and directly affects how employees communicate, interact and feel towards each other. In such organizations the salary an employee receives is often directly correlated to his/her place within the hierarchy. These organizations tend to have a steep hierarchy in which there is clear order of responsibility and authority that is reduced from top to bottom.

In other organizations, job titles are not often referred and are often similar among different groups of employees. These are characteristics of a flat hierarchy in which decision-making power, responsibility and salaries. Employees in organizations in which hierarchies are playing a background role rather than a present one, often use informal communication and feel more associated to each other even those that they report to. Mangers in such organizations are still responsible for their subordinates, however they tend to see them more as equals. Issues or tasks are discussed by the manager and the employee rather than being simply instructed. These managers are often interested in the point of few of their subordinates and would encourage them to contribute and do some of the problem solving in their own way.

There are countless long-term consequences that could occur due to an improper understanding of other cultures for companies operating globally which are often difficult to comprehend or measure. However, some of the undesired consequences are easier to understand and can be measured as a clearly defined cost. Studies have shown that each year the United States of America sends out over 100.000 expatriates overseas. The rates failure of these expatriates is relatively high and ranges from 40 % to 55 %. Estimated costs of a failed expatriate for a firm range between 250.000 EUR and 1 million EUR depending on the level of manager and the company's ability to replace the manager. The indirect costs that often follow a failed expatriate's exit include lost opportunities, reduced productivity and damaged relationships (Johnson, Lenartowicz & Apud (2006). Further potential harmful consequences might also arise when ineffective expatriates do not return to their home country and continue to do damage to the firm. As expatriate are often key employees and managers of important segments of a company, their ineffectiveness can have serious and lasting impacts on the company. There are also other problems that could occur as a result of poor CCC. These include bad candidates for local partnerships, inefficient management of foreign mergers, acquisitions or joint ventures and poor understanding of local socio-cultural climate (Johnson, Lenartowicz & Apud (2006). Various studies have been performed in the role of CCC in international business. The general definition of CCC in international business is an "individual's effectiveness in drawing upon a set of knowledge, skills, and personal attributes in order to work successfully with people from different national cultural backgrounds at home or abroad".

Different experts have opposing views however it seems that most of them agree that that the processes involved with CCC involve awareness, knowledge and skills. Hofstede believes that CCC can be learned, however personality factors play an important role in an individual's ability to learn them. In the models created to analyze the effects of CCC in international business, one of the most interesting dimensions is the knowledge dimension (Johnson, Lenartowicz & Apud (2006). This dimension shows that there are in types of cultural knowledge namely, culture-general knowledge and cultural-specific knowledge. Culture-general knowledge shows an individual's focus on awareness and knowledge of differences among cultures. Important determinants of this type of cultural knowledge includes an individual's own characteristics and awareness of the differences of these characteristics. As this type of knowledge shows how to work appropriately in cross-cultural climates rather than adjusting to a specific culture. This type of knowledge is particularly important for managers and other expatriates who work on limited time or project-based in different cultures. These managers have to be able to quickly understand cultural differences and learn to adapt quickly in order to work efficiently in the new cultural environment. Culture-specific knowledge is knowledge that has a focus on particular characteristics of other cultures. These characteristics include desired and undesired characteristics in terms of geographical, economical, legal, historical and other aspects of cultures (Johnson, Lenartowicz & Apud (2006). Training for cultural-specific training goes far beyond the cultural-general knowledge and often includes some level of studying of the culture's language. Proper training of culture-specific knowledge is especially important for managers and other expatriates that are located in a new culture for a longer period of time. The skill dimension includes the behavior segment of the CCC. These skills deal with an individual's abilities such as foreign language competence, integration of local behavioral norms, attitudes to potential conflicts (Johnson, Lenartowicz & Apud (2006).

Studies have also discovered that a factor that often reoccurs with failing companies in international business include managers who are not able to comprehend the local culture of overseas branch companies and the failure to interact efficiently with their foreign counterparts. These studies confirmed that the lacking CCC created more obstacles to success compared the actual technical aspects of their job. CCC can be considered to be an additional set of ingredients necessary to be successful in the international environment. No matter how successful a business and its managers are in a given domestic culture, they might still fail in internationally due large cultural differences and poor CCC. Though there is an increasing amount of academic research performed in international business in different cultures, studies discovered that companies often seem to not train their managers for the international business environment (Johnson, Lenartowicz & Apud (2006).

1.3   Distinction between national cultures and organizational cultures

The term culture does not exclusively refer to national culture, instead culture is used in various settings and the characteristics. An individual is often part of multiple groups at the

same time. These groups each carry some layer of culture with them, these layers can be national culture but also organizational or corporate culture.

National culture and organizational culture are two separate concepts with significant differences. When we speak about organizational culture, the category of observation is one organization in comparisons to other organizations. As being part of an organization is often a partial and voluntarily membership which is contrast to membership of a national culture in which an individual becomes associated with on a permanent basis from his/her birth onwards. Differences between national cultures and organizational cultures stem from the different combinations of values and practice they consist of. Studies have shown that he found out that variations among national cultures can be mainly observed at the values level. However, in variations among organizational culture are more cosmetic and are expressed in the symbols, heroes and rituals elements of the (culture Hofstede 1980; Hofstede et al. 1990). It is therefore not logical that an organizational culture would dominate an individual's national culture. When studying national culture, variations are compared among similar individuals that are working in similar organizations in different countries. Studying organizational culture measures different organizations in the same countries (Berson & Oreg, 2008).

1.4   Background of the selected countries for the analysis

Before analyzing a country's national culture, it is crucial to be aware of relevant parts of the country's historical background. Certain historical events and contexts often can help to understand various aspects of a country's national culture in full context (Hofstede, 2015). Studies have discovered that values endure and remain relatively stable as time progresses. Despite in rapid change and convergence of people and cultures, values at the level of whole societies are continuous. It is believed that the reason for this is the way that culture is learned by individuals which is by observation, imitation, reward and punishment rather learning it in a text book or a company flyer. Culture is developed from a complex combination of biological, sociological and psychological factors.

1.4.1   Slovenia

Since gaining its independence in 1991, Slovenia has been rapidly changing in a large number of aspects. Prior to 1991 Slovenia has had a long history of foreign control over its politics. In the distant past, Slovenia has like most nations in that region been part of the Austro-Hungarian Empire for a long period of time. After the gradual collapse of the Austro-Hungarian empire, Slovenian was part of the Kingdom of Yugoslavia (1929–1941) and after Second World War part of the Socialist Federal Republic of Yugoslavia (hereinafter SFRY) until its independence (Stanojevic, 2018). This historical background is a crucial aspect when analyzing the national culture of Slovenia as it is still an important affecting factor. For instance, it believed that Slovenians feel relatively distant towards politicians and

authority. This would be a logical consequence of the fact that Slovenians have rarely had the authority over their own land and people. Another factor that plays a major role in Slovenia's culture is the socialist system during the time they were part of the SFRY. Studies show that the various aspect of national culture, in particular in business settings, can been significantly impacted by the socialist system. However, SFRY was not a completely isolated country and had numerous interactions with western markets. Slovenia was the country that was the republic that which had the most intense contact with these markets (Stanojevic, 2018). Slovenia was therefore in a unique intermediary position between a relatively strongly protected socialist federation and the western world which allowed for strong dynamic development. Due to the specific form of liberalized or marker-socialism that SFRY and therefore Slovenia followed, meant that there was relatively high power of managers. Studies found out that managers of companies that had stronger connections with western markets were able to enforce their influence better. Due to the fact that Slovenia had a significantly higher share of companies that were connected to western markets compared to other Yugoslav republics, Slovenian manager were able to create an independent and powerful interest group (Stanojevic, 2018 and Zapp, 1993).In turn this power and influence accumulation also created the base for the reformist faction of the Slovenian key political figures. As time progressed and the SFRY started to fall apart and Slovenia gained its independence, the reformist movement in Slovenia started to strive more for a completely open, market-orientated system and for the country to join the European Union. In year 2004, Slovenia was finally able to join the EU and after three years adjusting the economy to the European Monetary Union conditions, Slovenia was also joined the eurozone.

1.4.2   The Netherlands

The Netherlands is North European that has a significantly longer history as an independent nation compared to Slovenia. During these centuries of independence, the Netherlands has also set the groundwork for the Dutch culture of today. Following the age of discovery, the Dutch who were excellent ship builders, decided to explore the world in order to take advantage of possible opportunities. This decision had major impacts on the Netherlands as a whole, the peak of which took place in the 17th century (which is still referred to as the Golden century) during which the Dutch became a global power in terms of trade, science, military, and art. It was during this time Dutch East India Company was established as one of the first multinational companies and principal of a public company was created. This history shows that the Dutch society are fundamentally risk takers when opportunities emerge (Remery & Schippers, 2003). Due to the Netherlands imperialistic past and relatively high standards, there was a significant inflow of migrants from former colonies over the last century who each had their own national culture. This influx meant that national culture was slightly widened and made more complex while individuals became more adaptive and understanding of a society with multiple cultures (Remery & Schippers, 2003).

1.5   Hofstede's research and 6-dimensional model

As the need for a thorough understanding of national cultures and the implications within business contexts became increasingly evident, increasingly more researchers started to explore this issue. Gerard Hendrik (Geert) Hofstede who is a Dutch social psychologist, was the pioneer who researched how culture affects the management of a corporation. While working at computer manufacturer IBM International as a management trainer and manager of personnel research, he created managed Personnel Research Department (hereinafter PRD). The PRD was meant to collect opinions and feedback from employees of the more than 70 national subsidiaries of IBM worldwide. While travelling the world to visit different IBM subsidiaries, Hofstede collected over 100.000 answered questionnaires (Brewer & Venaik, 2008). The respondents were from seven occupation categories from which there five non-managerial and two managerial categories of IBM employees. By 1971 Hofstede's collected results amounted to one of the largest cross-national databases that existed at the time. However up that point he had not been able to perform a significant amount of research analysis of the data due to time restraints of his daily job (Brewer & Venaik, 2008). However, he could immediately conclude that there were quite significant differences in the culture in different national subsidiaries. While taking a two-year leave from IBM, Hofstede became a lecturer at International Institute for Management Development in Lausanne, Switzerland. During his classes he gave his students who were managers from 30 different countries the same questionnaires he had used for the IBM employees (Brewer & Venaik, 2008). To his surprise, he received very similar results for each country which indicated to him that the differences in culture are not only present in within the corporate environment of IBM. After being denied the opportunity to thoroughly research the collected data at IBM, he accepted two concurrent part-time jobs at two schools namely, European Institute for Advanced Studies in Brussels, Belgium and the INSEAD Business school in Fontainebleau, France. It was during this period between 1973 and 1979 during which Hofstede could thoroughly work on the data and analyze it properly in different ways. He also connected his own findings with existing findings of experts in the fields of psychology, sociology, political science and anthropology (Brewer & Venaik, 2008). His final conclusions were presented in his book Culture's Consequences which was published in 1980 which laid the foundations of this specific field of study. Hofstede's research was a major advance in field of cultural studies, especially because of the innovative dimensional approach.

The dimensional model Hofstede was created to make national culture more tangible and easier to represent. The model consists of six dimensions that each summarize a few key characteristics of a national culture. These dimensions are 1. Power Distance, 2. Individualism, 3. Masculinity, 4. Uncertainty Avoidance, 5. Long Term Orientation and 6. Indulgence. The Power Distance dimension measures to what extent in a given culture, it is accepted and expected that power is distributed unequally among different ranks in an organization. In a culture with high power distance there is often a clearly defined hierarchy that is playing a dominant role in daily activities and interactions. Responsibility often lies

primarily on top level individuals in the organization who often also earn a considerable amount more than their subordinates (Hofstede, 1980). In such a culture subordinates are often also expected to rely closely on instructions set by their superiors making them relatively dependent on their superiors. In contrast, organizations in a culture with low power distance often have very flat hierarchies that are often not playing an important role in daily activities and interactions. Responsibilities and decision-making power are distributed more equally and consequently salary ranges are often shorter. The Individualism dimension measures to what extent individuals in a society perceive themselves as actively integrated into groups. Cultures with a high score are more individualistically oriented, meaning there is more individual independency and there are loose ties between members of the society or organization. Individuals are expected to look after themselves and their immediate family. On the other side of the scale are collectivist-oriented cultures. In such cultures, individuals are often from early age on strongly integrated into groups which often consists of their extended families, classmates and sport associations. There is often a deep sense of belonging and loyalty from the individual to the groups and vice versa. The Masculinity dimension indicates whether a culture has more elements of masculine characteristics or feminine characteristics. A culture that scores a high score in this index means that a culture shows masculine characteristics such as an urge for achieving goals and receive material rewards for doing so. On the other side of the scale, cultures can be found that have predominantly feminine characteristics. Such characteristics include cooperation, quality of life, taking care of the less fortunate people and modesty. Society in such a culture tends to strive for building consensus when it comes to making crucial decision. The Uncertainty Avoidance dimension measures to what extent individuals of a society feel about new, unknown and unstructured situations. A culture with a high score in this dimension would rely heavily on current norms and general way of doing things. Individuals are expected to resist to implement change even when it is necessary and would be very hesitant to take risks. The Long-term Orientation dimension measures to what extent a society puts emphasis on activities that ensure future rewards or goals. Therefore, cultures that score very low on this dimension are short term orientated societies that who stand focus on things that ensure positive consequences for the present. The final dimension is the Indulgence dimension which measures to what extent a society allows individuals to freely exercise their drives for their personal desires in terms of having fun and enjoying life and having fun. Cultures on the lower side of the scale have restraint societies and place much more emphasis on doing one's duties and hard work rather than pleasures of life.

Studies have discovered that two of Hofstede's dimensions have showed the highest correlation between national culture and workplace characteristics, these are the power distance dimension and the individualism dimension. When there is a high degree of power distance it often means that there is significant differentiation in the work place due to the organization hierarchy. These hierarchies are often more visibly present in such organizations. Power distance can become evident by the approachability of managers and the ways management's office space and privacy are handled (Plijter, Voordt & Rocco

2014). The study has also found out that power distance is gradually becoming less observable as a result of emerging flexible and transparent workplace concepts.

The individualism dimension affects the workplace in such a way that highly individualistic cultures prefer cellular offices and high collective cultures prefer group offices. Office spaces in cultures that are highly uncertainty averse would often be more flexible such as shared seating arrangements rather fixed places. Other researchers hypothesized that that the dimensions long-term orientation and masculinity would have a relationship with physical workplace characteristics. They believe that workplaces in feminine societies would be often be designed in cozy and open setting in which it would be easier to cooperate. However, there has been no empirical results that would confirm these hypotheses (Plijter, Voordt & Rocco 2014). Figure 2 shows the results for all 6 dimensions for the Netherlands and Slovenia.

Figure 2: Hofstede's 6-dimensional model results for Slovenia and the Netherlands
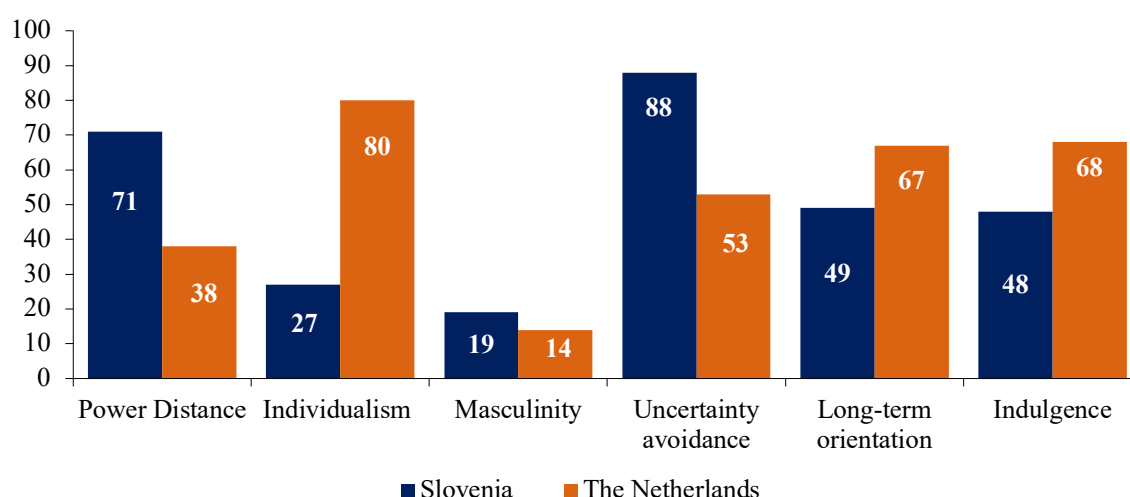
Source: Hofstede Insights, (2018).

1.5.1   The Power Distance for Slovenia and The Netherlands

When taking a closer look at the Hofstede's results for the Power Distance dimension in the case of Slovenia and the Netherlands, a significant difference can be observed. First of all, it can be clearly seen that the Slovenian society has a relatively high level of power distance. It is believed that the reason for this high level of power distance lies in Slovenia's recent past when it was part of the Socialist Federal Republic of Yugoslavia (hereinafter SFRY) (Hansen, 1996). As the SFRY was a single party state in which political opposition did not exist, it is not surprising that Slovenian culture still shows traits from that era. Subordinates in Slovenian organizations expect to be told what to do and how to do it in order to complete a task. Strict guidelines and constant approval by superiors are seen as a necessary way to

operate (Dulk, Peper, Mrčela & Ignjatović 2016). Studies have shown that important and strategic decisions made in Slovenian organizations are almost only made on the basis of manager's decision only (Sanyal & Guvenli, 2004).

The Netherlands on the other hand, has a relatively low level of power distance (Van der, 1996). In the Netherlands, power is generally more equally distributed throughout different levels of the hierarchy. However these hierarchies are much less visible and do not play an important role. Instead Dutch managers tend to create egalitarian communities within the company or departments in which management and employees work together on a relative equal basis (Waal, Heijden, Selvarajah & Meyer, 2012). Studies have found out that the Dutch society is generally aware of a given individual's rank and status, however this awareness does not seem to create huge implications towards individuals' attitudes. Major political and corporate figures and even the royal family maintain a relatively low profile and prefer to be seen as usual citizens (Benedict, 1944). Overall the Dutch society can be classified as moderately egalitarian where nobody should dominate the others in terms of decision-making power or wealth. The less powerful segment of its population is well protected and more the more powerful segment should behave in an ordinary fashion. (Van der, 1996). The result of these characteristics is that there is a low level of envy and perceived distance between different levels of the society, instead the culture allows for an environment in which individuals can learn from each other by sharing experiences freely. (Dai, & Zhao 2008). Studies also confirm that these characteristics are present in the Dutch culture. These studies also claim that employees in organizations in the Netherlands can often ignore authority from their supervisors when it was deemed necessary. It is believed that employees in the Netherlands are much more flexible to operate independently and make crucial decisions for their tasks. In such a society there is a low dependence of employees on their managers, but instead there is a type of interdependence between them on the bases of mutual consultations and exchange of ideas (Ripmeester, 2012). We can also see further evidence of this low level of power distance in the fact that communications within an organization in the Netherlands is often very informal. When approaching any type of co-worker or direct supervisor, strictly first names and the word "je" (the informal word for "you") are used. When there is a significant level of rank and age difference, a lower level employee will approach the his superior with "sir or madam" and with u (the formal word for "you"), though it often happens that even such communication is quickly deformalized on request of the superior (Ripmeester, 2012). Figure 3 shows the results for both Slovenia and the Netherlands for the Power distance dimension.

Figure 3: Results for the Power Distance dimension
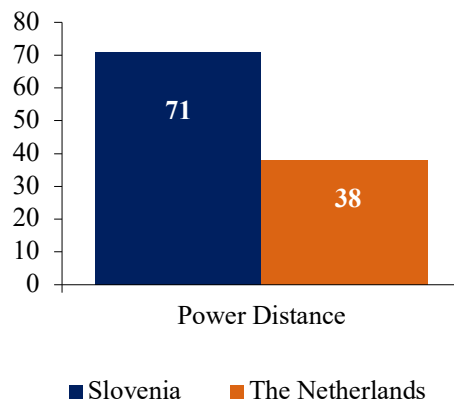
Source: Hofstede Insights, (2018).

1.5.2   The Individualism dimension for Slovenia and The Netherlands

An even more significant difference can be observed, when taking a closer look at the Hofstede's results for the Individualism dimension. First of all, it can be clearly seen that both countries score on the extreme sides of the scales but on opposite poles. The Slovenian society has very low score on this dimension indicating a society strongly in favor of collectivism. This result is not very surprising as the country has until recently been part of the Socialist Federal Republic of Yugoslavia. The general goal in this previous system was brotherhood and unity in which the society was seen as one and where everybody should be equal and working towards a common goal (Sanyal & Guvenli, 2004). In organizations this meant that workers had relatively much power in the governing bodies called worker councils (Zapp, 1993). As this system has only been abandoned since the Slovenia's independence in 1991, many elements of this system tend to be still present in many organization contexts. In strong contrast, it can be seen that according to the Hofstede's results the Netherlands has a very high level of individualism. It should be noted that studies have discovered due to a variety of factors, more economically developed countries with more modern industries tend to be more individualistic (Ripmeester, 2012). Studies have shown that the Dutch society is more self-oriented rather organization-minded. Dutch managers tend to encouraged to take individual initiatives and to fully utilize the decision-making power given to the employee (Waal, Heijden, Selvarajah & Meyer, 2012). Other studies have found out that in western societies that are highly individualistic such as the Netherlands, tend to establish their identity as an individual rather than the group of individuals around themselves (Hampdern-Turner and Trompenaars, 1993). This can be observed in the Netherlands in which individuals tend to be focused on their privacy and their own lives with their immediate families rather than being deeply involved with

extended family members (Benedict, 1944 and Dai, & Zhao 2008). Figure 4 shows the results for both Slovenia and the Netherlands for the Individualism dimension.

*Figure 4: Results for the Individualism dimension*
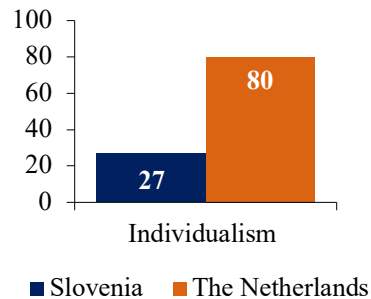
Source: Hofstede Insights, (2018).

1.5.3 The Masculinity dimension for Slovenia and The Netherlands

Such major differences cannot be observed in the results for the Masculinity dimension for Slovenia and the Netherlands. As can been seen, both countries score a very similar and very low score on this dimension which would indicate that both societies tend to display predominantly feminine characteristics over masculine characteristics. Studies have shown that the Netherlands is the third most feminine society in the world. (Hofstede, 1980). These feminine characteristics can be clearly observed in many aspects of the Dutch society. As in many North-West European nations, the Netherlands tends to have a rather well-developed social structure with a large public sector, with a good healthcare system where generally weaker parts of society are well taken care of. Individuals in the Dutch society tend to vigorously protect the weaker parts of society such as poor, undereducated, disabled or sick individuals Feminine characteristics in the workplace generally resemble many of this societal approach on a country level. (Dai, & Zhao 2008). Studies show that the Dutch managers tend to evaluate an employee's performance using comprehensive approaches in which the employee's well-being is considered as well (Waal, Heijden, Selvarajah & Meyer, 2012). Managers in the Netherlands are mostly good team players and try to seek consensus when taking major decisions. While free flow of ideas and opinions are encouraged, manager in the Netherlands tend to avoid conflict when possible (Waal, Heijden, Selvarajah & Meyer, 2012). The result for Slovenia is not very surprising either as many of these feminine characteristics are somewhat in line with the aforementioned previous socialist system that country was part of. Studies show that in the previous system organizations were governed by a self-management approach in which workers had significant power through worker councils. As managers were indirectly elected by the workers, a deep cooperative and personal connection between workers, managers and their organizations developed. After gaining independence and change of systems, these characteristics seem to have lingered on

(Zapp, 1993). These feminine characteristics play also an important role for managers and their requirements as studies have shown that managers in Slovenia ranked communication skills and ability to work with others among the top three most important managerial characteristics (Sanyal & Guvenli, 2004). Figure 5 shows the results for both Slovenia and the Netherlands for the Masculinity dimension.

*Figure 5: Results for the Masculinity dimension*
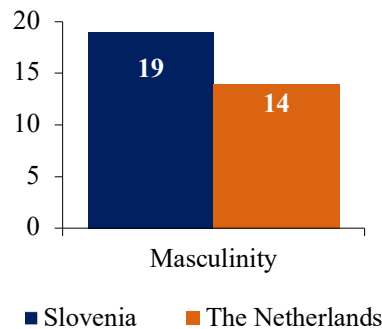
Source: Hofstede Insights, (2018).

1.5.4   The Uncertainty Avoidance dimension for Slovenia and The Netherlands

When taking a closer look at Hofstede's results for the Uncertainty Avoidance dimension, once again some major differences can be observed. As can been seen, Slovenia scores an extremely high score indicating a society that is very uncertainty and risk avoiding nature of the Slovenian society. On the other hand, the Netherlands scores a medium score on the uncertainty avoidance dimension. This would indicate that the Dutch society would be less skeptical and hesitant when it comes to taking risk and taking critical and strategic decisions (Dai, & Zhao 2008). Studies show that managers in the Netherlands tend to rely on formal planning processes, rituals and clearly-described objectives when taking critical decisions. These processes avoid the hesitant and feelings that often associated with uncertainty but also reduce flexibility and adaptability (Waal, Heijden, Selvarajah & Meyer, 2012). Employees in societies that score on the lower side of the uncertainty avoidance dimension tend to be evaluated more frequently and with less bias as objectivity reduces uncertainty (Waal, Heijden, Selvarajah & Meyer, 2012). Figure 6 shows the results for both Slovenia and the Netherlands for the Uncertainty avoidance dimension.

*Figure 6: Results for the Uncertainty Avoidance dimension*
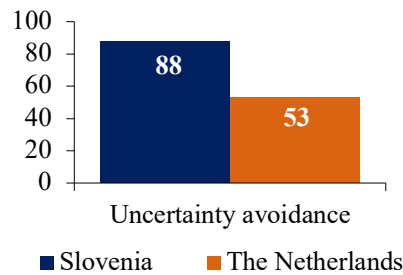
Source: Hofstede Insights, (2018).

1.5.5   The Long-term Orientation dimension for Slovenia and The Netherlands

Taking a look at the results for Long term orientation, it can be seen that Slovenia scores an almost perfectly balanced score. This would indicate that the Slovenian society places almost equal importance on current issues and concerns and long-term goals. Studies see parallels with this result as managers were asked to rank 23 attributes necessary to be a successful cluster leader in Slovenia. The results show that strategic thinker was ranked only 11th in the which is in the middle as well (Zagoršek & Marko, 2008). The Netherlands on the other hand, scores higher by a significant margin. This would indicate that the Dutch society places much more importance on long-term goals and the future state of things. Studies have shown that the Netherlands, with its average score for long-term orientation, is an outlier in terms of the long-term orientation dimension, as most western societies tend to be more short-term oriented. Long-tern orientation is especially dominant among far Eastern countries such South-East Asian countries, which is why some cultural researches have called the Dutch "the Chinese of Europe" (Hofstede and Soeters, 2002). A good example of where this long-term orientation becomes evident is the Dutch culture's tendency to save a stable proportion of income for the future which is a pattern that has been observed for centuries in the Netherlands. According to Benedict, the Dutch society is generally prudent, economical and never reckless (Dai, & Zhao 2008). Other studies have found that managers and employees in the Netherlands tend to be more fundamentally motivated and strive to continue to learn after completed their formal education. Management in the Dutch organizations tends to place high importance on the strategic level of strategy planning while maintain to be adaptable and flexible (Waal, Heijden, Selvarajah & Meyer, 2012). Managers in the Dutch culture generally seem to be successful and respected when they strive for long-term success through visionary leadership rather than quick profit. Successful Dutch managers need to see patterns and scenarios even times of crisis and risky ventures (Waal, Heijden, Selvarajah & Meyer, 2012). Figure 7 shows the results for both Slovenia and the Netherlands for the Long-term orientation dimension.

Figure 7: Results for the Long-Term Orientation

Long-term orientation

■ Slovenia   ■ The Netherlands
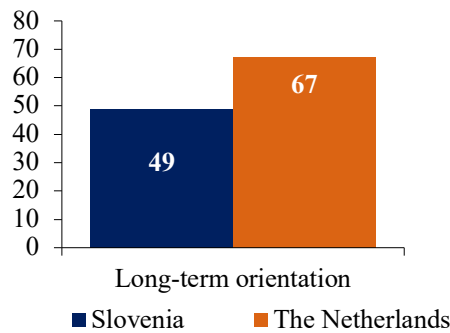
Source: Hofstede Insights, (2018).

1.5.6   The Indulgence dimension for Slovenia and The Netherlands

Finally, going over the last dimension, Indulgence, we can see Slovenia again scores an almost perfectly balanced score. This would indicate that the Slovenian society is neither particularly indulgent or restraint. Individuals in the Slovenian society are expected to fulfil their satisfaction however with relative restriction as they want to be perceived as a good citizen or employee. The Netherlands on the other hand scores relatively higher which would indicate that the Dutch society is more indulgent and thus places a higher importance on personal satisfaction and enjoying life (Dai, & Zhao 2008). Figure 8 shows the results for both Slovenia and the Netherlands for the Indulgence orientation dimension.
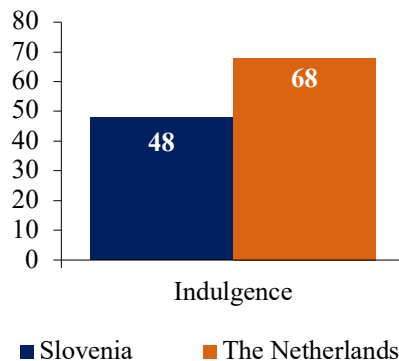
Figure 8: Results for the Indulgence Orientation dimension

Indulgence

■ Slovenia   ■ The Netherlands

Source: Hofstede Insights, (2018).

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1.5.7   Limitations of the model

The studies done by Hofstede and their results have received numerous critical responses from multiple directions. The most recurring criticism of Hofstede's approach stems from fact that the surveyed subjects were all from the same company, namely IBM. However large, diverse and international this company may be, critics find that such a sample cannot represent entire national societies in which a company operates (Shaiq, Muhammad-Sufyan, Akram & Ali, 2011). This is because within a certain organization there might be a very persistent and deeply engraved organizational culture that may have large effect on how individuals and groups of individuals behave within the organization. It also believed that focusing exclusively on a single company in a single industry significantly limit the sample in terms respondent's variability (Shaiq, Muhammad-Sufyan, Akram & Ali, 2011).

Other critics think that the data, which has been collected nearly 5 decades ago, has been outdated and does not resemble the national cultures of today. This is because national culture is considered to be a dynamic concept which will gradually continue to change over time. A good example of this are rapidly emerging countries such as China which have undergone a radical reshaping of its society and therefore its national culture. It is believed that even societies that are not rapidly have dynamic national cultures due to major forces such as globalization and convergence of countries. Therefore, taking a snap shot on a particular time does not represent the culture as time progresses (Shaiq, Muhammad-Sufyan, Akram & Ali, 2011).

1.6   Opposing views and alternative models of national culture studies

1.6.1   The GLOBE model

The Global Leadership and Organizational Behavior Effectiveness (hereinafter GLOBE) model was part of larger GLOBE project which was an academic effort by a team of researchers that was entirely focused on exploring differences among cultures under the leadership of Robert House. The GLOBE dimensional model functions in its essence quite similarly to Hofstede's model in which different aspects of a national cultural aspects are broken down into dimensions so that they can be compared and analyzed. However instead of the five dimensions used by Hofstede, the GLOBE model uses nine dimensions. Dimensions Power Distance and Uncertainty Avoidance are identical in both models whereas Long Term Orientation is referred to as Future Orientation. The dimension Individualism was divided into Institutional Collectivism and In-Group Collectivism. The Masculinity dimension was replaced by four other dimensions, namely Assertiveness, Performance Orientation, Gender Egalitarianism and Humane Orientation.

In contrast to Hofstede's research, the sample of respondents were middle managers in different local companies rather than the same company. These nine dimensions were tested with a total of 39 questions that all relate to the respondents' society and working environment. Figure 9 and Figure 10 show the results for these dimensions for the Slovenia and the Netherlands, respectively. Another important difference between the GLOBE model and Hofstede's model is that GLOBE's nine dimensions were tested in two different contexts, namely "as it is right now" and secondly "as it should be". Due to this additional distinction, the GLOBE model therefore produces a total of 18 different aspects for each society. The "as it is" situation resembles the society's practices and the "as it should be" situations resembles the society's values. Going over the results for all countries, there is a general a persistent negative correlation between the "as it is" and the "as it should be" per dimension. The exception were Gender Egalitarianism and In-Group Collectivism dimensions for which the results were in general positively correlated. This might be because these two dimensions are very relatable as they tested the issues related to the basic human relationships, which is probably why the subjects took aligned the actual situation with the society's norm. Another important difference is that the GLOBE study only used managers as respondents whereas Hofstede used both managerial and non-managerial employees (Hofstede, 2010).
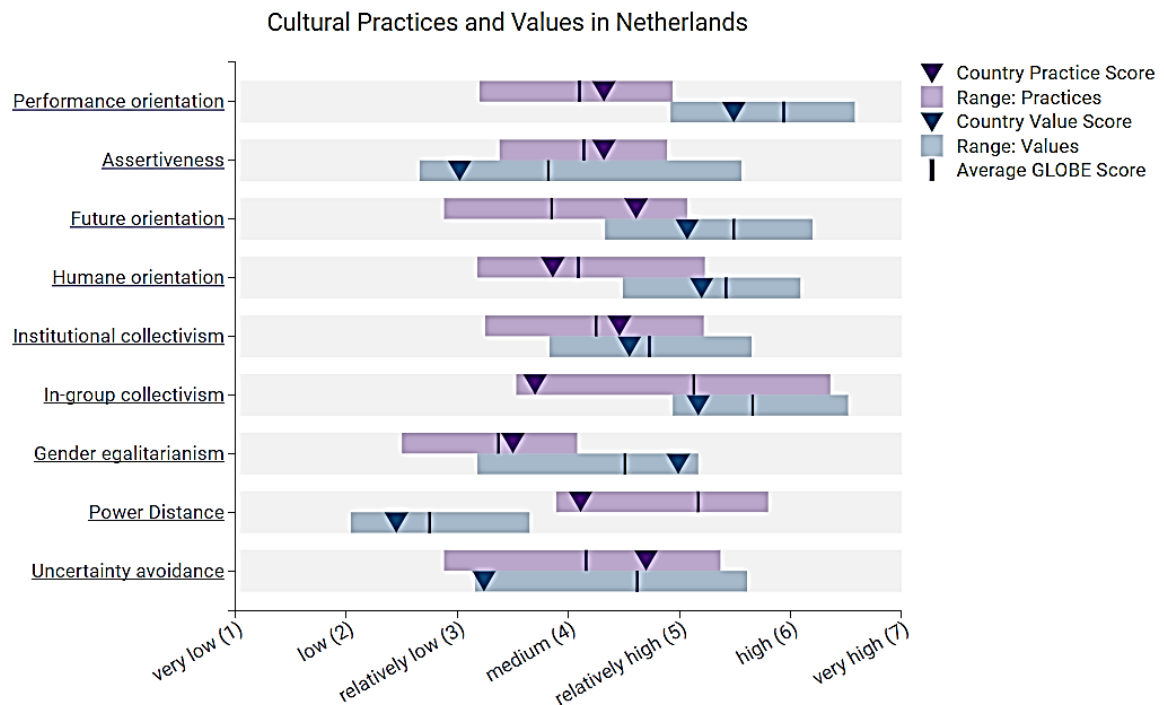
Figure 9: Results for Slovenia according to the GLOBE model
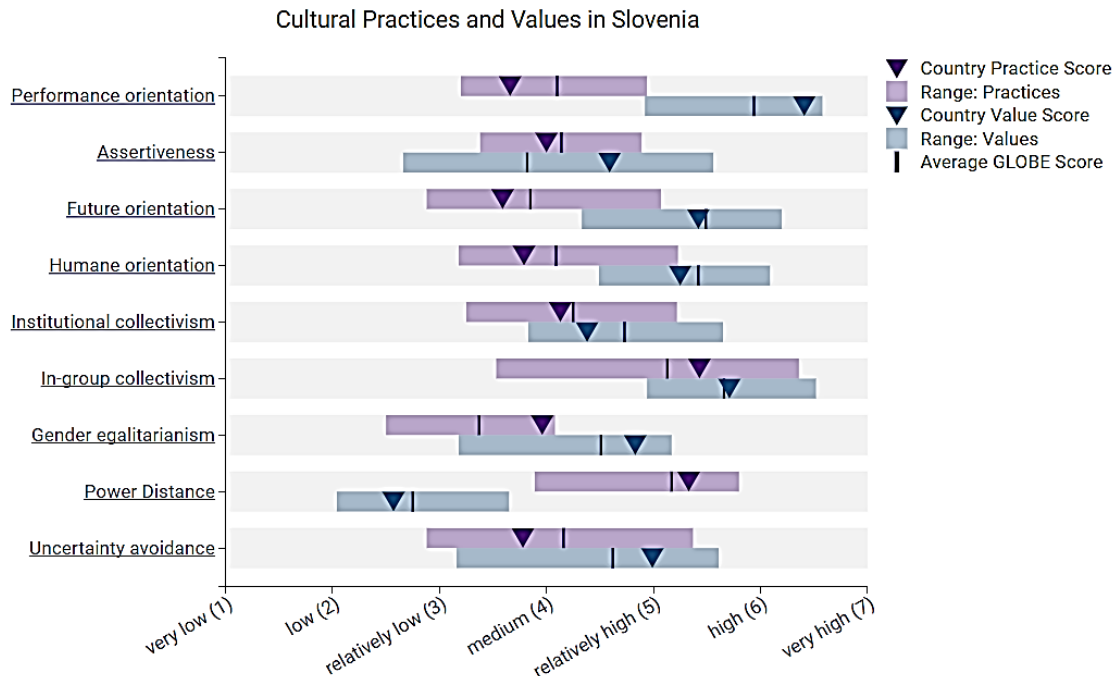
Source: GLOBE Foundation & Ali Dastmalchian, (2004).

Figure 10: Results for the Netherlands according to GLOBE mode

Source: GLOBE Foundation & Ali Dastmalchian, (2004).

Taking a closer look at the results from the GLOBE model for both the Netherlands and Slovenia a number of interesting characteristics can be seen. There many patterns that closely follow the results of Hofstede's research but also numerous patterns that show different tendencies of the two cultures. First of all, when comparing the Performance Orientations dimension can see that in both cultures there is an enormous difference between Slovenia's practices and values. In both cultures it seems that they place their values relating to performance significantly higher than their current practices. It must be said that the performance value score for the Slovenian culture is extremely high. When it comes to Assertiveness, we can see that both cultures have a medium score for their current practices. It can also be seen that both societies have a wide range distribution of assertiveness values. However, the actual score of assertiveness values of the two cultures are in opposite direction. According to the model, the Dutch society tends to see its society's norm much lower than their current practices in terms of assertiveness. The Slovenian respondents believe that the society's norms should be slightly higher than their current practices level of assertiveness. Taking a look at the results for the Future Orientation dimension a similar pattern can be seen. Whereas the ranges for both cultures are very similar for both current practices and culture values in this dimension, the actual scores differ. In the Slovenian culture the actual current practice score seems to be much lower and below the medium point whereas in the Dutch culture this score was at the relatively high mark. The actual score for

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the values relating to future orientation for both cultures are very similar and higher than their current practice scores. However, because of the fact that Slovenia's current practice score was so much lower, it seems that the difference in values and practices is significantly high.

When it comes to the Humane Orientation dimension, the results of the model are almost identical for both cultures. Both cultures seem to score a balanced medium score for their current practice. The values ranges are higher for both cultures with their actual value scores significantly higher. Similarly, as with the Institutional Collectivism dimension, it can be seen that the results of for both cultures for the Humane Orientation dimension results are almost identical. Both cultures have their current practice scores slightly above the medium mark and both cultures also have their value score slightly above the current practice score. Significant differences can be observed when taking a closer look at the results of In-group collectivism dimension. Though the ranges for current practices are very wide for both countries, we can see that actual score for Slovenia and the Netherlands are almost at opposite sides of the scale. It can be seen that Slovenia's practice score is very high whereas the practice score for the Netherlands is very low. The ranges for the values and actual values score for both cultures are similar and quite high, however both are relatively higher in the case of Slovenia. The results for the Gender Egalitarianism dimension, seem to indicate that the Dutch and Slovenian culture are quite similar in this regard. The current practices ranges are low for both cultures, however the actual scores for Slovenia is well balanced whereas the actual score for the Netherlands is leaning towards the lower side. The ranges for the values are relatively wide for both cultures and the actual values scores are leaning towards the higher side. When it comes to the Power Distance dimension, we can see that both cultures have a large difference between the value score and the practice score. The difference for the Slovenian culture is enormous, as the results indicate that the current practices are relatively high and culture's power distance values low. The difference for the Dutch culture is less significant but still very present also indicating a low level of power distance values. Lastly, when it comes to the Uncertainty Avoidance dimension, we can again see quite significant differences among the two cultures in almost every aspect. The current practices in Slovenia seem to indicate level of uncertainty avoidance of just below medium whereas the Netherlands seems to be slightly above medium. However, the values scores are on complete opposites of the scale, where in Slovenia the value score is relatively high the result for the Netherlands is relatively low. This is peculiar because the cultures show opposite tendencies of their society's norms with regards to their current practices. Namely, the Dutch respondents believe that society should be much less uncertainty avoidant and the Slovenian respondents believe that society should be much more uncertainty avoidant.

1.6.2   Fons Trompenaars and Charles Hampden-Turner model

In 1997, management consultants Fons Trompenaars and Charles Hampden-Turner published their book "Riding the Waves of Culture". In this book they presented their views, research and developed model on culture (Trompenaars & Hampden-Turner, 2015). Riding the waves of culture: Understanding diversity in global business. London: Nicholas Brealey Publishing. The model was built on over on the results of 10-year lasting research of analyzing the preferences and values of over 46.000 individuals from 40 different countries (Trompenaars & Hampden-Turner, 2015). Trompenaars and Hampden-Turner concluded from their data that various cultures do not just randomly differ from each other. In fact, the differences are very specific and often even predictable as they directly rely on the culture's way of thinking, its values and beliefs. Their model consists of seven dimensions which are 1. Universalism versus particularism, 2. Individualism versus communitarianism, 3. Specific versus diffuse, 4. Neutral versus emotional, 5. Achievement versus ascription, 6. Sequential time versus synchronous time and 7. Internal direction versus outer direction (Trompenaars & Hampden-Turner, 2015).

2   METHODOLOGY OF THE EMPIRICAL RESEARCH

For the purpose of this thesis, different methods of empirical research were considered. As the subject of investigation are managers in Slovenia and the Netherlands, interviews were considered as a good method in order to fully utilize the perception of the managers. However due to the fact that performing enough interviews for a statistically large enough sample would not be realistic in the given timeframe and the busy schedules of the managers in question, conducting all these interviews would not be possible. The second-best alternative would be a comprehensive and well-structured survey questionnaire. Having selected the survey questionnaire method for the empirical research of this thesis, the main structure and goals had to be established. The survey questionnaire's main part was to be structured in blocks. These blocks were selected according to the 6 dimensions of Geert Hofstede's dimensional model of culture in order to make the results more comparable to the theoretical part of the thesis.

2.1   Description of the structure of the survey questionnaire

The first few questions of the survey questionnaire would be dedicated to classification of the managers according to demographical and occupational data. The respondents were asked which country they currently work in and in which country they worked the majority of their career. This was done so that respondents could be classified for the right sample or could be eliminated in case the answer would be neither Slovenia nor the Netherlands. In the next few questions respondents were asked to indicate their company's size in terms of

employees and industry in which their company operates in. The last of the classification question asked how many individuals report to the manager.

The first block was named "measuring Power Distance", this block consists of several Likert statements in which respondents indicate to what extent they agree or disagree with the statements that would express the level of perceived power distribution in their organization. Aside from these Likert statements, numerical inputs were asked in several questions. In the first question, to make an estimation of the level of power distance in their organization from a level 0 (perfectly distributed power organization to a perfectly unequal power distribution). In the last of these questions of this block the respondents were asked to what extend they believe the level of power distance in their organization has been impacted by national culture.

The next block was dedicated to measuring individualism in the respondent's organization. A similar structure was used as in the previous block in which respondents were asked whether they agree or disagree with several Likert statements. Also similarly as with the previous block, there were also several numerical input questions. The first of these asked whether the respondents believes that the organization's management tends to be more individualistic or in favor of collectivism. The second asked the same question but this time for non-managerial employees. The final question in this block asked the respondents to indicate they believe that national culture has impacted the attitudes regarding to individualism in the organization.

The third block was dedicated to measuring level of short and long-term orientation in the respondent's organization. Respondents were asked again whether they agree or disagree with several Likert statements. There were also several numerical input questions for this dimension too. The first of these asked whether the respondents believes that the organization's management tends to be more short-term orientated or long-term orientated. The second asked the same question but this time for non-managerial employees. The final question in this block asked the respondents to indicate they believe that national culture has impacted the attitudes regarding to long-term orientation in the organization.

The fourth block was dedicated to measuring whether individuals in the respondent's organization display feminine or masculine traits characteristics. Respondents were asked in a series of Likert statements in which several specific feminine and masculine are described to what extent they see resemblance in their organization. In two numerical input questions the respondents were able to differentiate between characteristics of non-managerial employees and managers. The last of these questions asked in this block asked the respondents to indicate they believe that national culture has impacted the level individuals in their organization displays these characteristics.

The fifth block was dedicated to measuring attitudes towards uncertainty of the individuals in the respondent's organization. Respondents were asked to what extent they agree or disagree with a series of Likert statements about various forms of uncertainty such as change and risk. In two numerical input questions the respondents were asked to indicate the level of uncertainty avoidance of non-managerial employees and managers in their organization. The final of these questions asked in this block asked the respondents to indicate they believe that national culture has impacted the level individuals in their organization displays this level.

The sixth block was dedicated to measuring the level of indulgence of individuals in the respondent's organization. Respondents were asked to what extent they agree or disagree with a series of Likert statements about various forms of indulgence (and restraint) such as breaks, leisure, and working over hours. In two numerical input questions the respondents were asked to indicate the level of indulgence of non-managerial employees and managers in their organization. The final of these questions asked in this block asked the respondents to indicate they believe that national culture has impacted the level individuals in their organization displays the level of indulgence.

In the final block respondents were asked about various interactions and attitudes of individuals in the organization that could not directly be placed in one of Hofstede's 6 dimensions. These questions included whether the management of the respondent's organization tends to trust employees to work from home by prioritizing task completion over physical hours worked at the office. Another question asked whether employees' development is an important factor (such as training, physical activities, etc.). Respondents were also asked whether it is important for management in their organization that employees are aware of other business processes that do not directly fall under their responsibility. Respondents were also asked to what extent management is involved in the employee's life outside the workplace (for example major life events such as weddings, graduations, birth of a child, etc.)

2.2   Description of the used sampling methods

As my empirical research would be performed on two samples, namely managers in Slovenia and managers in the Netherlands, selecting the right samples would be especially critical for the validity of the results. Before sampling, I create a large list of possible respondents who were managers from my family's network, SDBP members and other acquaintances or partners. As these managers were mostly already known to me, I classify most of these mangers according their demographics. During the first stage of the sampling process, the stratified sampling method was used. Using this method, the managers from the compiled lists were divided according to industries, company sizes, level of manager, etc. industry of their organization, gender of the manager and the organization's size in terms of employees. This was possible because the identities and backgrounds of the manages were well known

prior to the sampling process. This was an essential step in the process as the list of compiled managers contained a significant number of managers that belonged to specific demographic or organizational groups. For example both lists included mostly male managers and in Slovenia the organizations were relatively small companies. The goal was to make sure that the sample would include at least one manager was selected from each identified subgroup. Using this method, the accuracy and representativeness of the result would be significantly higher due to the reduction of sampling bias.

In order to increase the sample size and thus the quality of the conclusions, the snowball sampling method was used in the secondary stage. This method is commonly used when researching groups that are hard to reach or to convince to cooperate. Managers that filled in the survey questionnaire were asked to recommend additional managers who they are acquainted with. As existing managers recommended additional new managers the metaphorical snowball started rolling and the sample started to grow. A major drawback of this method is the risk of selection bias that is created as the selected managers were often friends, acquaintances or business partners. The possible selection bias could result in a sample that contains a large quantity of individuals who have similar characteristics and perceptions as the original subjects.

After the data had been collected, there were still numerous filled in survey questionnaires that I was not able to use due to incompletion. From the valid surveys, I also had to exclude several respondents as they did not have managerial roles or were not working in either Slovenia or the Netherlands. After this thorough cleaning of the data and excluding process, the remaining useful subjects was 55 from the Slovenian sample and 52 from the Netherlands.

2.3   Reliability and validity of data

2.3.1   Cronbach's Alpha test

In order to find out the reliability of the two chosen samples the Cronbach's alpha test method was used. The Cronbach's alpha test measures internal consistency by comparing how related a set of items are as a group and is therefore a good measure of scale reliability. As a rule of thumb, a reliable sample is believed to have a Cronbach's Alpha score of 0,7 or higher.

Table 1: Cronbach's α values for both samples

The Netherlands	Slovenia
0,7018	0,7019

Source: Own work.

As can be seen in Table 1, both samples had a Cronbach's Alpha value of above 0,7 it can be concluded that both samples are scale reliable and internally consistent. However, it

seems that the score for the Slovenian sample was far higher which would indicate that the Slovenian managers found the questions testing very similar things.

2.3.2 Chi-square test

In order to find the fit of the Likert statements that were chosen, the Chi-square test was used. The Chi-square tests measures how well the observed distribution of data fits with the distribution that is expected if the variables are independent. The resulting Chi-square statistic indicates how likely it is that an observed distribution is due to chance.

Table 2: Chi Square test results for all Likert statements

Statements related to Power distance					
	1	2	3	4	5
The Netherlands	0,21	1,11E-07	4,84E-07	2,53E-08	3,74E-02
Slovenia	5,26E-02	5,73E-07	9,40E-09	4,71E-09	3,42E-06
Statements related to Individualism					
	1	2	3	4	5
The Netherlands	4,53E-09	0,60	2,96E-07	3,67E-06	9,76E-06
Slovenia	3,86E-06	0,54	1,01E-08	1,25E-07	9,72E-06
Statements related to Long-term orientation			
	1	2	3
The Netherlands	0,88	1,29E-06	2,38E-05
Slovenia	0,26	2,10E-06	6,02E-05
Statements related to Uncertainty Avoidance			
	1	2	3
The Netherlands	0,10	6,55E-01	0,52
Slovenia	0,42	8,76E-01	0,37
Statements related to Masculinity			
	1	2	3
The Netherlands	5,73E-07	1,56E-04	1,50E-01
Slovenia	9,49E-07	9,55E-06	7,05E-02
Statements related to Indulgence			
	1	2	3
The Netherlands	1,00	7,71E-02	2,72E-09
Slovenia	0,50	0,59	1,54E-05

Source: Own work.

From the Chi-square test results shown above in Table 2, it can be seen that the chosen Likert statements were generally chosen really well. The statements relating to power distance have very low percentages of probability that the obtained results could have been caused by chance. Chi-square results for the data from the statements that related to individualism also show that there is generally an extremely low chance that they were caused by chance. The

exception is the second statement, "When it comes to hiring new employees, my organization takes into account the candidate's in-group status or personal relations with existing employees". Possible reasons for a this distribution could be that respondents in both countries seemed to have different perception on this statement, in addition to the relatively high number of neutral responses. The statements relating to Long-term orientation also have low Chi-square statistics, with the exception of "Individuals in my organization tend to focus on short-term objectives and quick results" for which the Dutch distribution of responses show that there was 88 % probability these results were caused by chance. Chi-square statistics for the Likert statements related to both Uncertainty Avoidance and Masculinity are low enough. However, the first of the statements related to Indulgence has a problematic distribution in the Dutch sample and a relatively high Chi-square statistic. The statement goes as following: "Individuals in my organization tend to indulge themselves during working hours when possible (cigarette breaks, coffee breaks and other non-working activities)". It seems that the attitudes towards indulging during working hours significantly vary among the perceptions of Dutch managers which resulted in a perfectly equal distribution of agreeing and disagreeing answers. In the Slovenian sample, the second statement "Individuals in my organization tend to prioritize rules and norms over their own personal desires. They are highly concerned about their image as a citizen / employee" also obtained a fairly equal distribution which resulted in a 59 % probability that results were caused by chance.

2.4   Analysis of the demographic and classification characteristics

Analyzing the raw data obtained from the survey questionnaire that consisting of managers from both Slovenia and the Netherlands, it can be seen that the samples were very well balanced in terms of size. As we can see from Figure 11, the split of total number of valid filled-in questionnaire survey 52 worked in the Netherlands during the majority of their career and 55 in Slovenia. However, despite the individual targeting of survey subjects, there were still a considerable amount of entries of managers that currently do not work in either Slovenia or the Netherlands. As per the research scope of this thesis, these 11 of other entries were excluded for further analysis. In the following analysis, the data will be divided in two samples of managers who currently work in the Netherlands and managers who currently work in Slovenia.

*Figure 11: Countries respondents currently work in*
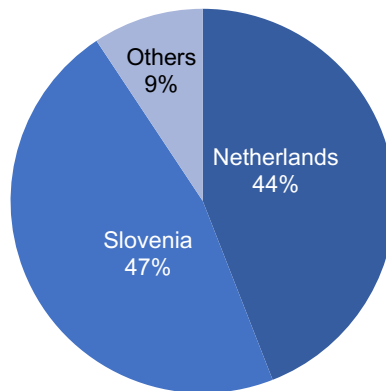
Source: Own work.

2.4.1 Demographic and classification characteristics of the sample from the Netherlands

Demographic data from the sample with managers from the Netherlands show a number of patterns. First of all, it can be seen that the sample was well-balanced in terms of type of manager which were defined as low-level for non-executive managers, medium-level who are directors and top-level managers who are CEOs and presidents of boards. As can be seen in Figure 12, top-level managers are the most represented in the sample as they make up 30 % each of the sample from the Netherlands. They are followed by medium-level managers who make up 33 % of the sample and low-level management who account for 28 % of the sample. It must be noted that respondents manually entered several other managerial titles that were objectively classified in any of the three categories.

As can be seen in Figure 13, managers' classifications regarding the number of their subordinates yielded the following the results for groups less than 5 employees, 6 - 10 employees, 11 - 25 employees, 26 - 100 employees and 101 or more employees amounted to 16 %, 25 %, 21 %, 21 % and 17% respectively. As can be seen in Figure 14, the split of managers with regards to the industry of their organization it can be seen that the sample is relatively less balanced. Though managers operate in a large variety of sectors, the proportions per industry vary quite a lot. Managers from the information technology (hereinafter IT) are overrepresented whereas managers from consumer staples, healthcare and pharmaceuticals are underrepresented. Having analyzed the sample according to size of the managers' organization, it can be conclude that the majority of the respondents manage large organizations. Of the sample 59 % of respondents were managers in organizations that have over 251 employees. Only 31 % of respondents are managers that work in organizations that have between 10 and 250 employees and the remaining 10 % of respondents are organizations with less than 10 employees which can be observed in Figure 15.
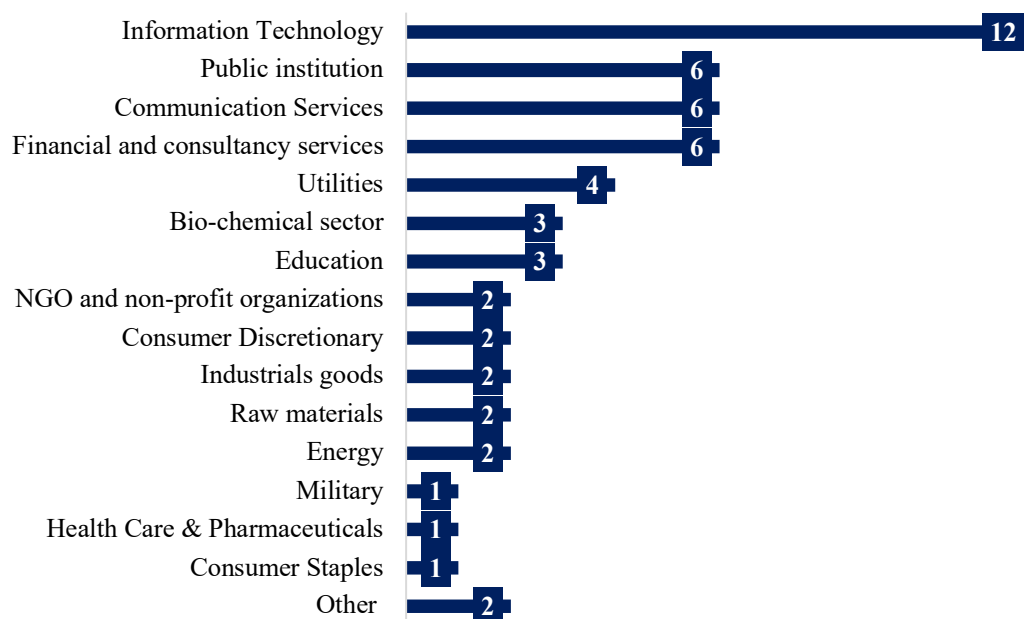
Figure 12: Split of managerial functions
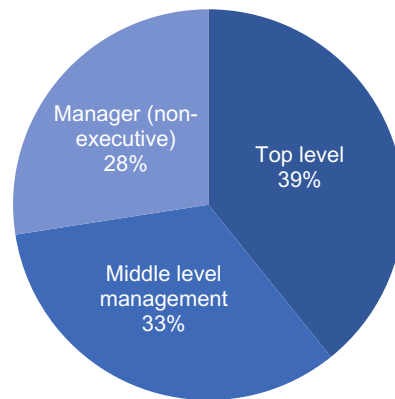
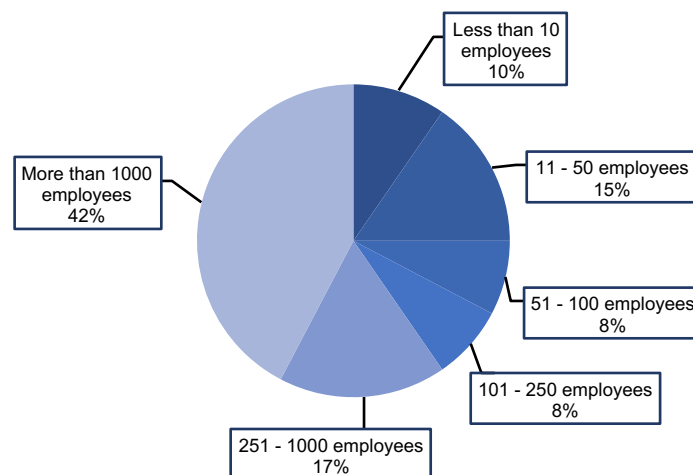Source: Own work.

Figure 13: Number of managers' subordinates
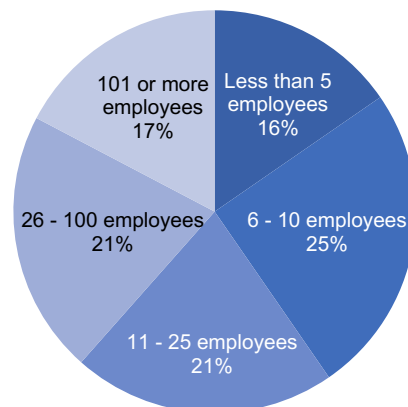
Source: Own work.

Figure 14: Industries of managers' organizations (N=52)

Source: Own work.
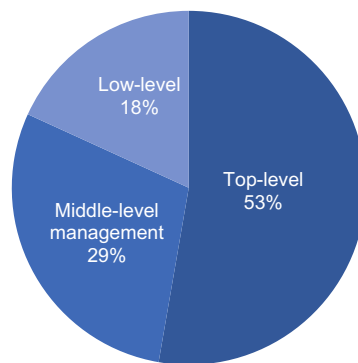
Figure 15: Size of the managers' organization

Source: Own work.

2.4.2   Demographic and classification characteristics of the sample from Slovenia

When taking the same approach as before to analyze the demographic data for the sample from the Slovenia, different patterns can be observed. First of all, it can be seen on Figure 16 that the sample was much less well-balanced in terms of type of managers. The 29 top-level managers account for over half the sample, whereas middle-level managers and low-level managers account for only 29 % and 18 % respectively. Figure 17 shows that Slovenian managers' classifications regarding the number of their subordinates yielded the following the results for groups less than 5 employees, 6 - 10 employees, 11 - 25 employees, 26 - 100 employees and 101 or more employees amounted to 31 %, 27 %, 20 %, 9 % and 13 % respectively. Figure 18 shows that from the perspective of the managers' industries, the Slovenian sample is better balanced compared to the Dutch sample. Though the 10 managers from the public sector account for a large proportion of the sample and real estate and communication services a very low proportion, the differences among groups are not as significant. In strong contrast to the sample from the Netherlands, the majority of Slovenian managers work in organizations that much smaller. Figure 19 shows that the 55 % of the surveyed managers work in organizations with fewer than 50 employees. The remaining classes of 51 - 250 employees make up 21 %, 251 - 1000 employees 13 % and over 1000 employees 11 %.
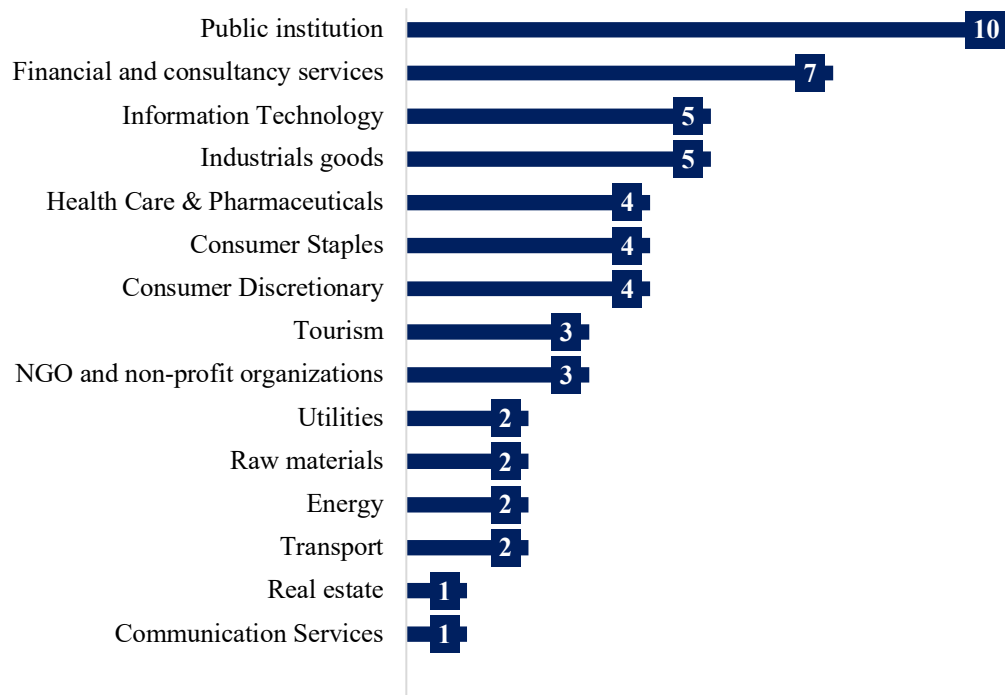
Figure 16: Split of managerial functions

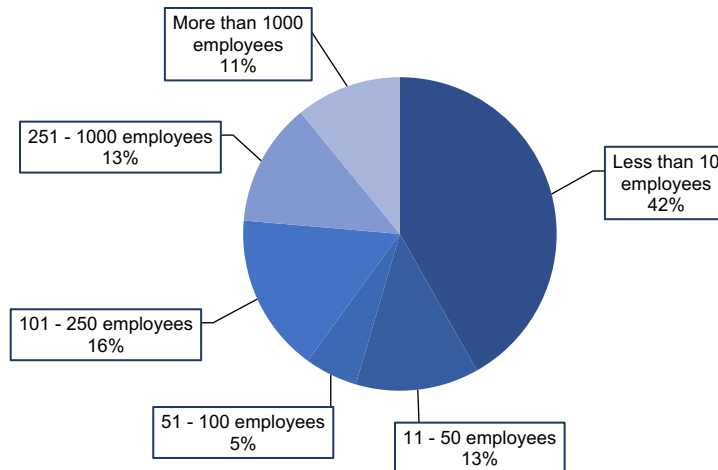Source: Own work.

Figure 17: Number of managers' subordinates
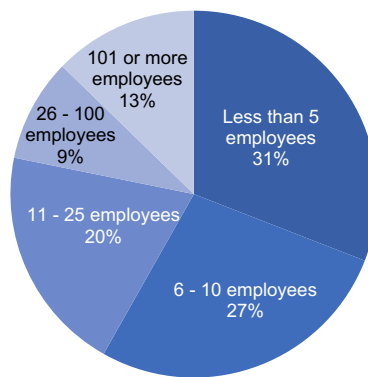
Source: Own work.

Figure 18: Industries of managers' organizations (N=55)

Source: Own work.

*Figure 19: Size of managers' organizations*

Source: Own work.

3   RESULTS AND FINDINGS

3.1   Main empirical findings

After the data from the survey questionnaire was filtered, processed and verified for statistical relevance and validity, the data could be thoroughly analyzed. As mentioned earlier, the questions on the survey questionnaire were formulated and structured in a way so that the results would be easily comparable to the established results of Hofstede's results from the 6-dimensional model. This means that several anticipated patterns could already be identified in the early state of data processing. However, several surprising patterns revealed themselves as well in the form of deviations from hofstede's established results. Each segment of the survey questionnaire that corresponds to one of the dimensions of the 6-dimensional model will now be separately analysed and described.

3.1.1   The Power Distance dimension

Figure 20: Likert statement feedback for the Power Distance dimension
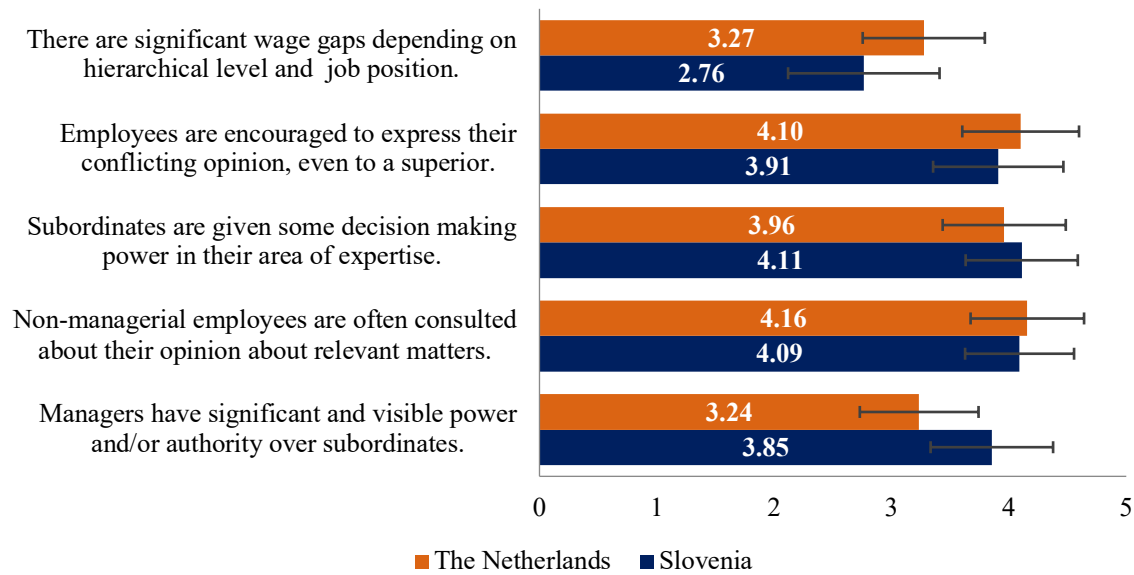
From Figure 20, it can be seen that managers from both the Netherlands and Slovenia are believe that wage gaps are neither small or large in their organizations. However, the data indicates that managers from the Netherlands are slightly above the neutral mark and Slovenian managers slightly below it which would mean slightly larger wage gaps in the Netherlands. Managers from both countries believe that employees in their organizations are encouraged to share their conflicting opinion even to superiors, though the scores indicate that subordinates seem to have more freedom in the Netherlands in this regard. Managers from both countries seem to have indicated that there is a fairly high degree of decision-making power that is given to subordinates for their daily activities, though Slovenian subordinates seem to have slightly more decision-making power. Feedback from the fourth statement show that managers from the Netherlands and Slovenia all believe that subordinates are consulted frequently, slightly more so in the Netherlands. The final statement is the most important question item for this dimension and also shows the largest difference. Managers in Netherlands generally feel that managers neither do or do not have significant power over their subordinates, whereas manages in Slovenia feel that the power and authority of mangers is much more visible. Overall, we it can be concluded that managers in Slovenia perceive relatively higher power distance compared to managers in the Netherlands.

Figure 21: Perceived degree of power distribution
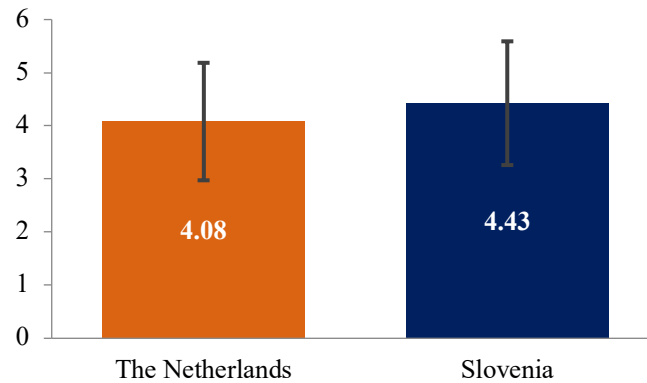
Managers were asked to answer the following question: "How significant is the level of power distance in your organization?" using a numerical input question. Figure 21 shows that the results where the minimum end of the scale (0) end of the scale would indicate a perfectly equal distribution of decision-making power and the maximum end of the scale (10) would indicate an extreme unequal power distribution. This would give managers the possibility to directly share their perception about power distribution in their organizations. When taking a closer look at the results, it can be seen that both managers in Slovenia and managers in the Netherlands believe that there is a moderate to moderately low level of power distance in their organizations. However the level of perceived power distance seems to be slightly higher in Slovenia compared to the Netherlands.

3.1.2   The Individualism dimension

Figure 22: Likert statement feedback for the Individualism dimension

New employees are hired according to described requirements and candidates' skill sets. — The Netherlands: 4.14, Slovenia: 3.78

New employees are hired according to candidate's in-group status or personal relations. — The Netherlands: 3.02, Slovenia: 3.15

Individuals tend to build long-lasting and personal relationships with the coworkers. — The Netherlands: 3.96, Slovenia: 4.00

Individuals tend to adapt to the organization by becoming one with the brand and culture — The Netherlands: 3.75, Slovenia: 3.89

Individuals tend to develop a feeling of deep association with the organization beyond work. — The Netherlands: 3.75, Slovenia: 3.94

■ The Netherlands   ■ Slovenia

Source: Own work.

From the Figure 22 above, it can be seen that there is a significant difference between Slovenia and Dutch managers' with regards to the way new employees are hired. In the Netherlands the requirements of the open job position and the candidate's skill sets seem to play a far more vital role than in Slovenia. In Slovenia, the candidate's personal relations with existing employees and in-group status seem to play a more crucial role. The respondents' feedback on the other 3 questions in this dimension show that Slovenia's managers indicated that individuals in their organization have a slightly more collective attitude towards coworkers, the organization they work for and its brand compared to the Netherlands. However employees in both countries are likely to build deep relationships among themselves and to feel associated with the company and its brand.

Figure 23: Perceived degree of individualism
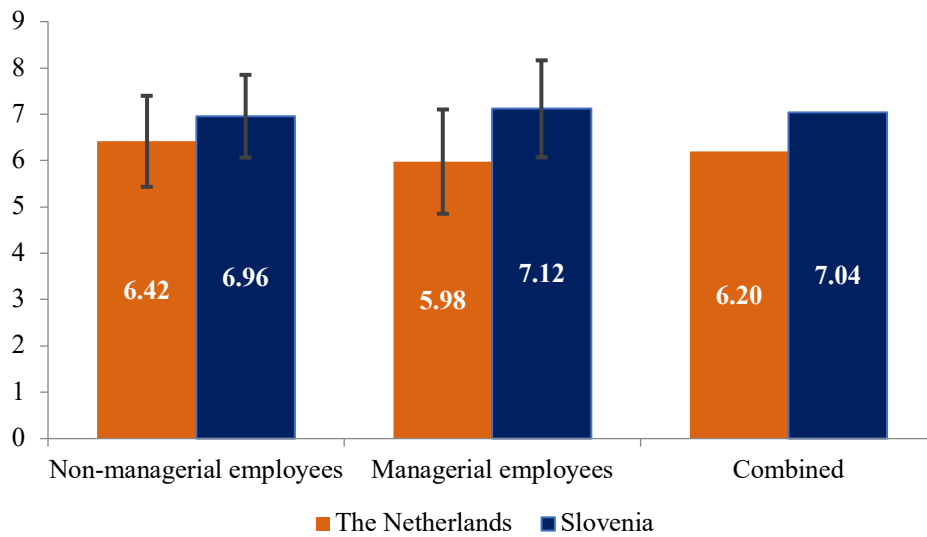
Source: Own work.

Managers were asked to indicate to what degree they believe managerial and non-managerial tend to be more individualistic or collectivistic. The minimum end of the scale (0) end of the scale would indicate a perfectly individualistic tendency and the maximum end of the scale (10) would indicate a tendency for collectivism. As Figure 23 above indicates, it can be seen that managerial and non-managerial employees in Slovenia are more in favor of collectivism compared to the Netherlands. The difference is especially evident for managerial employees. A contrasting pattern could be observed as managerial employees in the Netherlands tend to be more individualistic compared to non-managerial employees, whereas managers in Slovenia seem to be less individualistic than Slovenian non-managerial employees. Comparing the combined score for both types of employees between the two countries confirms the findings from the Likert statements that employees in Slovenia are significantly less individualistic compared to those in the Netherlands.

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3.1.3 The Long-term orientation dimension

Figure 24: Likert statement feedback for the Long-term orientation dimension
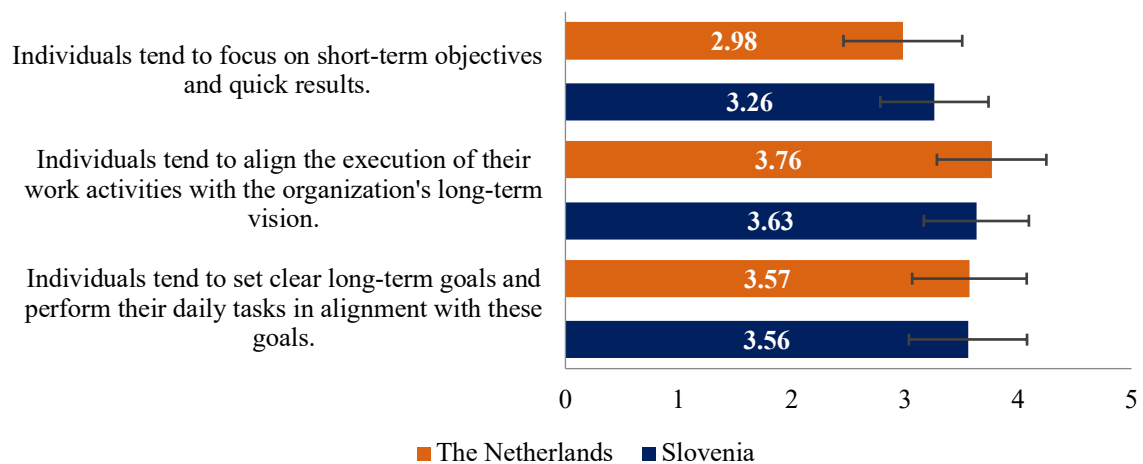
Analyzing the data obtained from the Likert statements, it can be seen that managers from the Netherlands believe that quick results are neither particularly important or not important in their organizations. Slovenian manages on the other hand believe that quick results are more important in their organizations. As can be seen from Figure 24, managers from both countries seem to believe that individuals in their organizations generally are aware of the organization's long-term vision and adapt their work approach accordingly, the Dutch managers felt slightly stronger about this. Employees from both countries seem to likely to set long-term goals and work towards those goals.

*Figure 25: Perceived level of Long-term orientation*
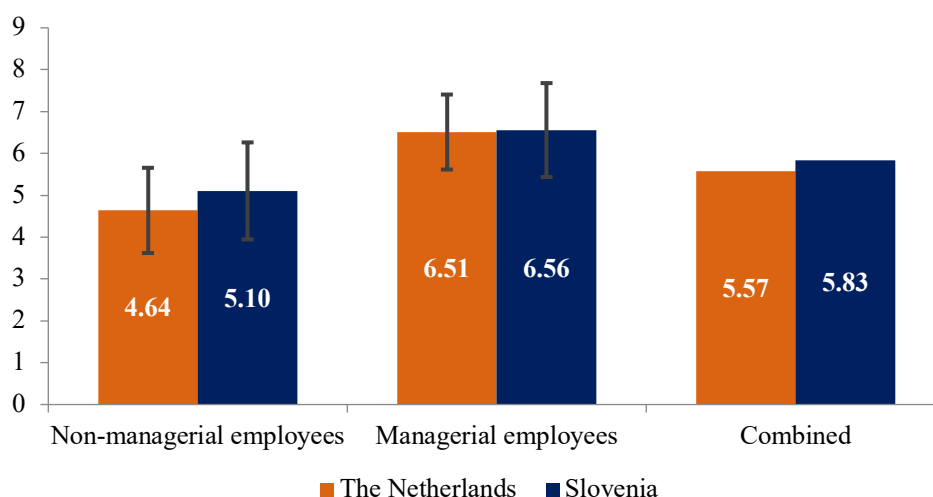
The results shown in Figure 25 originate from the managers' numerical assessment of their perceived long-term orientation of managerial and non-managerial employees. When taking a closer look, it can be seen that non-managerial employees in Slovenia are slightly more long-term oriented and that the difference among countries for managerial employees is negligible. However, the most significant observation that can be from these results is that in both countries there is a significant difference between managerial and non-managerial employees. Surprisingly, managers from both countries seem to indicate that non-managerial employees are fairly neutral and therefore neither particularly short-term or long-term orientated which align with the conclusions made on the basis of the Likert questions. However, managers from both countries seem to have indicated that managerial employees are leaning more towards long-term orientation. The combined scores for both types of employees show more difference between individuals between the two countries, namely Slovenia seems to be slightly more long-term orientated.

### 3.1.4   The Uncertainty avoidance dimension

Figure 26: Likert statement feedback for Uncertainty Avoidance
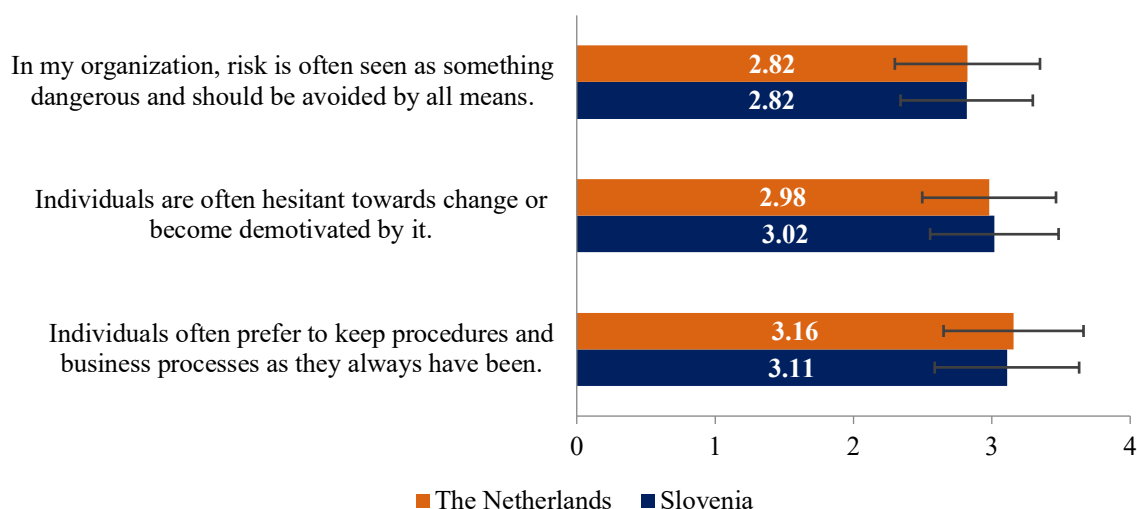
Source: Own work.

As can be seen in Figure 26, managers from both countries seem to believe that individuals in their organizations are neither particularly comfortable with uncertainty or uncertainty averse. The average scores for the first statement are slightly below the neutral mark which would indicate that managers do not view risk as something exclusively dangerous and that it cannot be avoided at all times. Similarly, scores for the last statement are slightly above the neutral mark which would indicate that individuals in the managers' organization indeed would like to keep procedures and business processes unchanged.

*Figure 27: Perceived level of uncertainty avoidance*
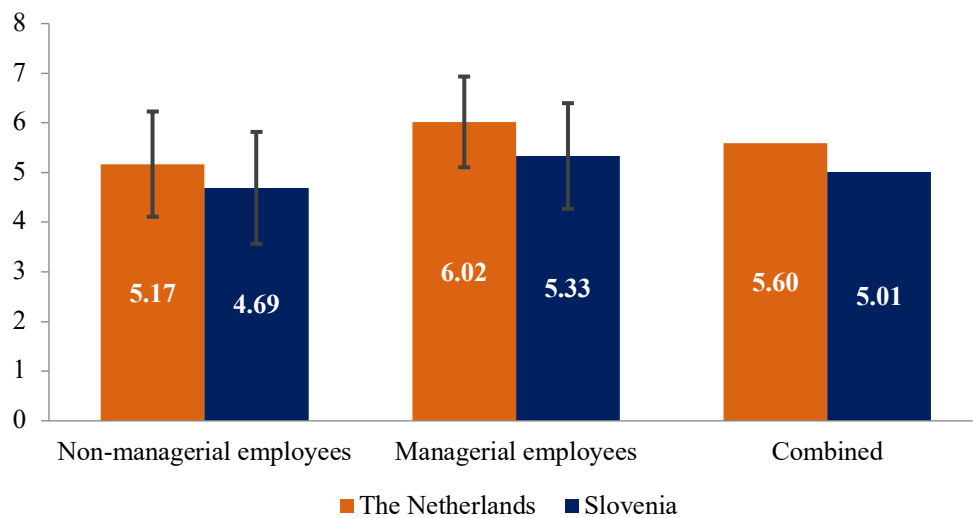
Source: Own work.

Again, managers were also asked to differentiate the degrees they believe that non-managerial and managerial employees tend to avoid uncertainty or whether they are comfortable with it. The minimum of the scale (0) would indicate a culture that is extreme risk and uncertainty avoidance and the maximum of the scale (10) would indicate a society that is very comfortable with it. What can be seen from the results shown in Figure 27 the Netherlands for both types of employees have significantly more comfortable with risk and uncertainty compared to Slovenian employees. Managers in both countries believe that managerial employees is more comfortable with risk compared to non-managerial employees. Slovenian managers on average perceived their non-managerial employees to be slightly risk and uncertainty avoidance whereas their managerial employees seem to be moderately comfortable with it. Interestingly, using this numerical assessment managers from the Netherlands seem to indicate a degree that individuals are more comfortable with risk compared to the previous Likert statements. This can be clearly seen from the average scores for the combined types of employees which show employees in the Netherlands are significantly more comfortable with uncertainty and risk compared to employees in Slovenia.

3.1.5   The Masculinity dimension

Figure 28: Likert statement feedback for the Masculinity dimension
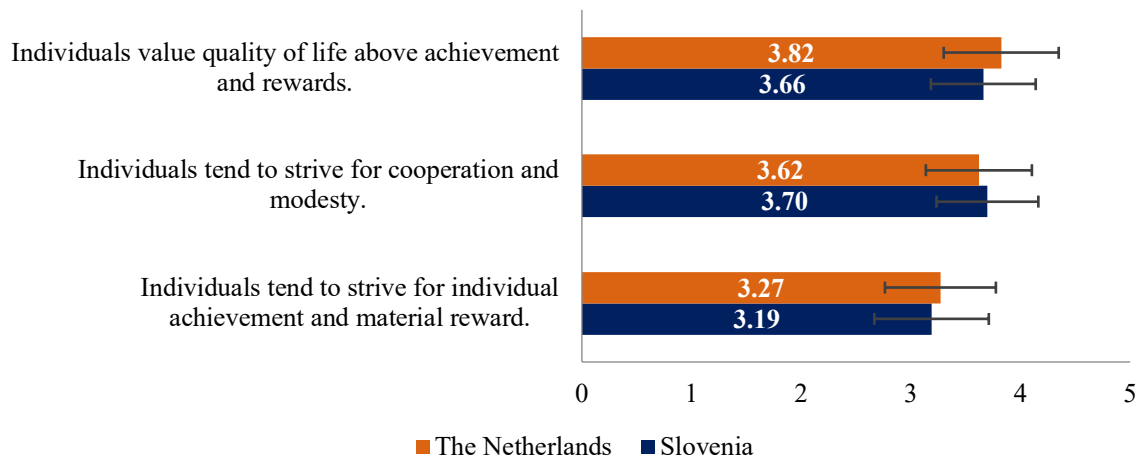
Source: Own work.

As results in Figure 28 indicate, managers from both countries indicated that individuals in quality of life above achievement, however Dutch managers seem to feel more strongly about this. The average scores for the importance of cooperation and modesty are virtually identical and are seem to play an important role. Overall, this would indicate that both countries show predominantly feminine characteristics however the Netherlands seems to be a slightly more feminine society compared to the Slovenian one.

Figure 29: Perceived level of masculinity
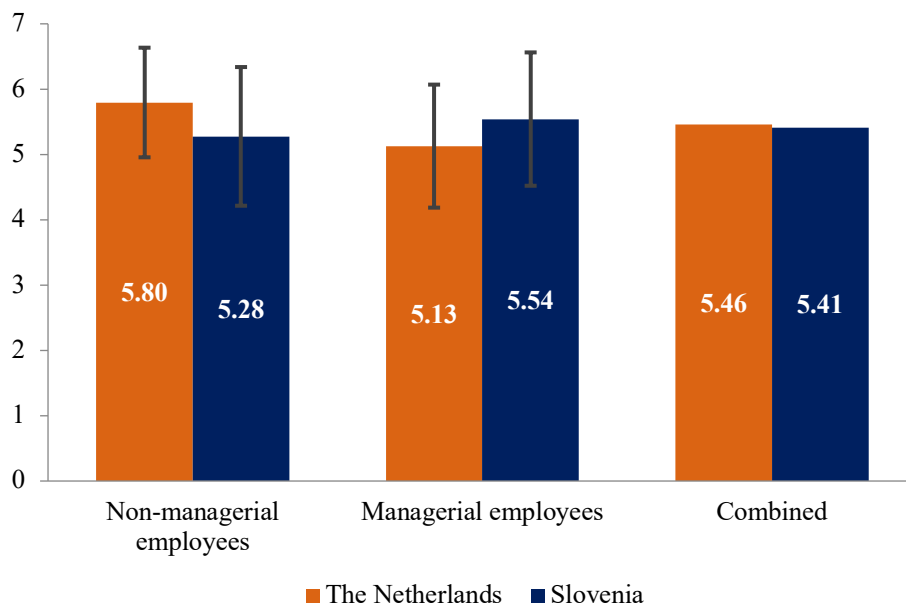
Source: Own work.

The managers were also asked to what degree they think non-managerial and managerial employees tend to show predominantly masculine or feminine characteristics. The minimum of the scale (0) would indicate a culture with exclusively masculine characteristics and the maximum of the scale (10) would indicate a culture with exclusively feminine characteristics. According to the results shown in Figure 29, it can be seen that non-managerial ion the Netherlands display more feminine characteristics compared managerial employees. However, this pattern does not hold for the results from Slovenia that show that that non-managerial employees show more masculine characteristics than management. Overall, we can see all four classified groups are fairly neutral with the exception of non-managerial employees in the Netherlands who seem to be displaying more moderately feminine characteristics. The combined scores for both types of employees show that there is very little difference among the two countries, employees in the Netherlands nevertheless show slightly more feminine characteristics compared to employees in Slovenia.

3.1.6 The Indulgence dimension

Figure 30: Likert statement feedback for the Indulgence dimension
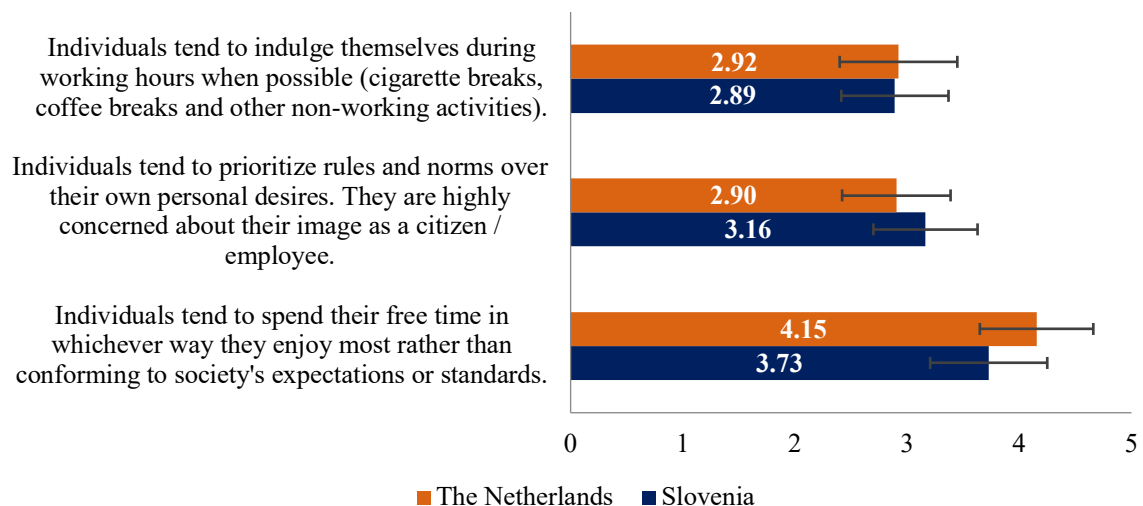
Source: Own work.

Results shown in Figure 30, managers from the Netherlands and Slovenia indicated that they feel that during working hours individuals neither indulgence themselves excessively or restrict themselves. However feedback on the second statement indicates that Slovenian employees seem to be more concerned with their image as a citizen or employee and restrain themselves accordingly. The large difference in the last statement confirms that employees in Slovenian would rather conform to societies expectations and standards whereas employees in the Netherlands would like to spend their time whichever they enjoy most.

Figure 31: Perceived level of indulgence
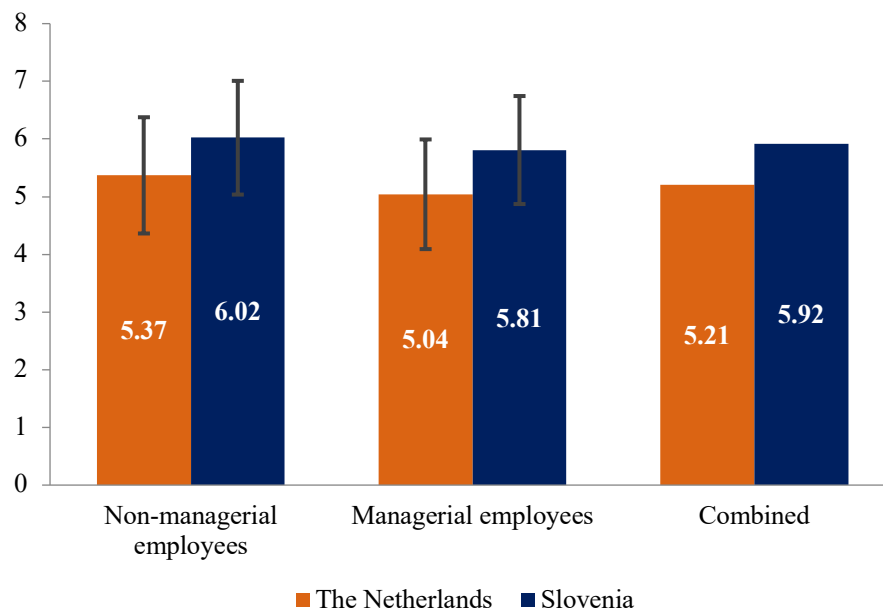
Source: Own work.

The managers were also asked to what degree they think non-managerial and managerial employees tend to be more restraint or indulgent. The minimum of the scale (0) would indicate an extremely restraint culture and the maximum of the scale (10) would indicate an extremely indulgent culture. From the results shown in Figure 31, it can be seen that managers believe that both types of employees seem to be more indulgent in Slovenia compared to the Netherlands. When the two different types of employees within the countries, it can be clearly seen that managers from both countries believe that management are more restraint compared to non-managerial employees.

3.1.7   Perceived impact of national culture

Figure 32: Perceived impact of national culture by dimension
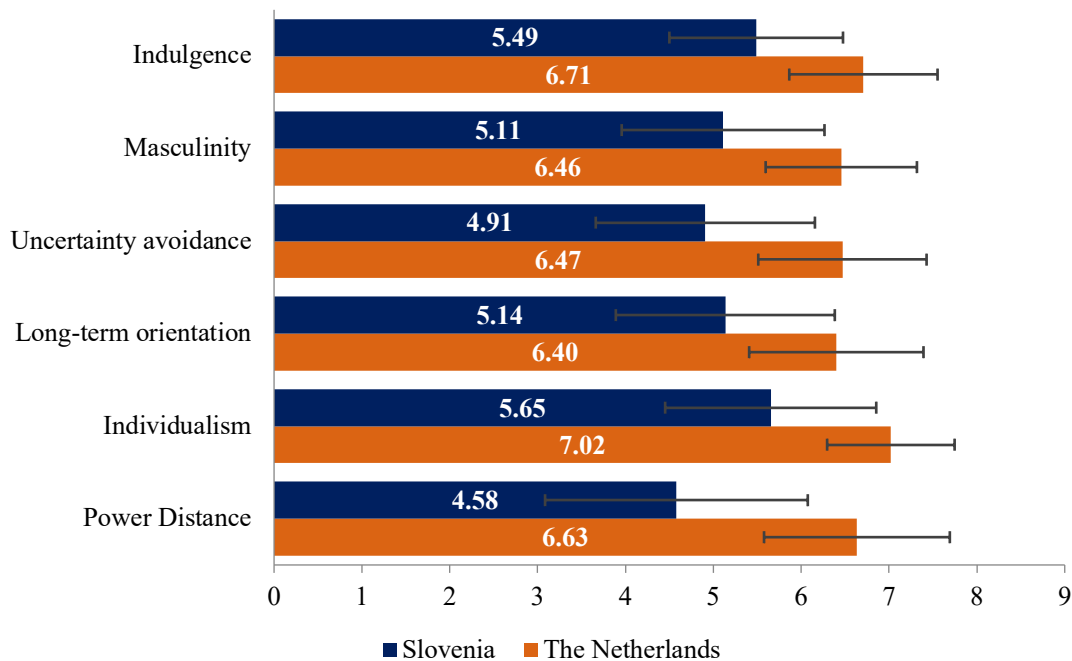
Source: Own work.

Aside from their perceptions on various characteristics that relate to the previously discussed dimensions of national culture, managers were also asked to what degree they believe that characteristics in the corresponding dimension have been affected by national culture. The results shown in Figure 32 indicate that overall the managers from the Netherlands feel that these attitudes and interactions have been much affected by national culture much more strongly compared to the Slovenian managers. Power distance and uncertainty avoidance were identified to be least impacted by managers from both countries in comparison to other dimensions. Indulgence and individualism were identified by managers from both countries to have been impacted the most by national culture.

3.2   Relevance to the thesis and applicability

3.3   Limiting factors and errors

There are a number of possible reasons why Hofstede's results and my empirical findings vary in such a way. The different drivers of error mentioned in the methodology chapter of this thesis, especially the relatively small sample size of this thesis could result in these deviations. Another reason could be that Hofstede's results of his research which date back a few decades already, have since been outdated. National cultures tend to change rapidly which is especially the case for Slovenia that has gone through some major transformations since the time that Hofstede's original research was performed.

The research methods and sampling processes used would make sure that the results would be as relevant and valid as possible. According to the calculated level of Cronbach's Alpha for both samples, the samples were indeed internally consistent and therefore reliable to use for scale. Chi-square statistics have shown that the Likert statements were generally really well formed as the probabilities that the results were caused by chance were extremely low. However, as with any research there still remained numerous factors that could result in some errors.

The most major factor of error in my empirical research is the fact that there are several drivers of attitudes in an organization other national culture. The driver that would have the most significant impact would probably be corporate / organizational culture. Organization culture can be an especially important factor in large, older companies or companies that have had the same leadership for a long period of time. Moreover, subsidiaries of large multinationals are often strongly and deliberately influenced by their parent companies through internal workshops, training of key employees and intercompany compliance oversight. Studies found out that in national culture and organizational culture are different concepts that each manifest them in different ways. However, organizational culture cannot easily diminish the effects of local national culture of the employees. Elements of organizational culture that are in contrast to the some of the characteristics of the local national culture could have large negative consequences (Plijter, Voordt & Rocco 2014).

Other drivers of error could originate from the data and sample composition itself. Managers from the public sector were present in the Slovenian sample or managers from the IT sector in the Netherlands were in high relative numbers and could have dominated the sample with some characteristics that are typical of these organizations. There was also a significant higher proportion of managers from the Slovenian sample manage smaller organizations whereas managers from the Netherlands were mostly from larger organizations. Studies have shown that the size of an organization can have some influence on the way individuals behave and interact in that organization. If this phenomenon would have affected the data it would be another driver of error.

4   POSSIBLE AREAS OF CROSS-CULTURUAL LEARNING

4.1   Overall comparison of theoretical classifications and empirical

After having performed thorough theoretical research into existing findings in the field of national culture and its effects in business and organizational settings, a strong theoretical framework was presented in the first section on the thesis. The subsequent empirical research into the perception of managers on the manifestations of national culture in the workplace across different industries and sizes of organizations. To make sure that the theoretical research and empirical research would be comparable, similar angles were taken. As Hofstede's 6-dimensional model played a vital role in the theoretical framework, most

questions in the survey questionnaire were questions that had roots around these same 6 dimensions.

When comparing the empirical findings of this thesis with Hofstede's research a few distinctions can be made. Empirical results show that Slovenia's national culture has a higher power distance than the Dutch national culture. Though this is in line with Hofstede's results, the extend of the difference among countries in the empirical research, 32,4 %, was considerably lower than the difference according to Hofstede which was 86,8 %. A similar pattern can be observed when comparing the empirical results for the individualism dimension with Hofstede's results. Both results prove that the Netherlands is an individualistic society, though my empirical results show a less extreme extend of individualism. However whereas Hofstede has proved that Slovenia is a highly collective society, the empirical results in this thesis indicate the opposite. According to the empirical results, Slovenia seems to be a slightly individualistic society as well. As a consequence of a less extreme individualistic results in the Netherlands and significantly fewer collective results for Slovenia, the net difference on this dimension among the two societies has become minor. Hofstede's show that the Dutch society is slightly more long-term oriented compared to the Slovenian society. However, my empirical results show that managerial employees in both countries are both equally moderately long-term orientated. The results also show that non-managerial employees in the Netherlands are slightly short-term orientated whereas non-managerial employees are slightly long-term orientated. Hofstede's results and my empirical results show different results for the masculinity dimension. Hofstede's proved that both societies are similar and extremely feminine, whereas my empirical findings show that though the societies are indeed very similar in this respect, they are only moderately feminine. Both Hofstede's results and my empirical results show that the Dutch society is more comfortable with risk, however the countries seem to be relatively closer according to my empirical results in this regard. The Netherlands scored on average 11,8 % higher than Slovenia on the long-term orientation scale whereas Hofstede's results accounted for a difference od 36,7 %. Empirical results received from the Dutch and Slovenian for the Indulgence dimension show patterns that are in contrast to Hofstede's findings. Whereas Hofstede proved that the Netherlands society is more indulgent compared to slightly restraint Slovenian society, my empirical results show that both countries are moderately indulgent. Furthermore, according to my empirical results Slovenia is actually more indulgent than the Netherlands.

4.2   Chatacteristics that might be more (un)favorable for international business

It is difficult to point out exactly which characteristics of national culture are favorable for for success in international business. This is mainly due the large differences of customs and habits among different national culture. However as can be imagined, there are certain extreme scales of some of Hofstede's dimensions that could actively obstruct business operations and projects from being conducted effectively (Venaik, & Brewer, 2010). For

instance, an extreme low level of the uncertainty avoidance dimension would mean that individuals generally do not take any risk. This means that a company's potential growth might be limited by managers' hesitation to make decisions that might seem risky such as innovation of products, potential mergers and other overseas projects. In the long-run the lack of change and innovation can make a company relatively less competitive (Venaik, & Brewer, 2010). According to Hofstede's research, the Slovenian national culture had a relatively high level of uncertainty avoidance. However, my empirical sugges that this might not be the case anymore as the uncertainty avoidance seems in the Slovenian culture seems to more moderate. The opposite end of the uncertainty avoidance scale is also not favorable for business contexts as engaging in numerous risky ventures can result in vulnerable positions if such ventures fail.

For other dimensions it is more difficult to determine whether they are favorable for international business without furher conext. This is because of these differences in national culture and their habits and societial expectations, make it impossible to identify a set of points on these dimensions that would be globally deemed favorable. For instance, it could be argued that if cultures and individuals have a relatively low level of power distance it would be favorable for business as it would avoid time as employees could utilize their own abilities more effectively without wasting time that would spent for constant reporting to superiors. However, if such individuals were to function in organizations that have a very high level of power distance such as Slovenia and China, tensions may arise if the individual has assumed too much autonomy. Characterstics of national culture that are related to the individual dimension could have similar consequences, for instance if a company in a culture with high levels of individualism would like to establish a subsidiary in foreign market which has a has a very low level of individualism such as Slovenia. For such a company it is of vital importance to provide some ways employees could bond among eachother and company's brand such as team building excises or cooperative design of work spaces. In addition, highly-masculine cultures and individuals migh appear not-caring or materialistic in the perception of highly feminine cultures such as the Netherlands and Slovenia while individuals in the opposite extermes would feel threatened in their privacy from overcaring coworkers. Large differences between the levels of long-term orientation between cultures of foreign business partners could result in difficulty in establishing or complying to goal setting and targes.

CONCLUSION

The original purpose of my thesis was to understand how national culture actually manifests itself in organizational contexts in the Netherlands and Slovenia. I intended to find out how managers from Slovenia and the Netherlands perceive characteristics of national culture in their organizations and how these perceptions would align with the results of Hofstede's research using empirical research. With the combined theoretical framework and empirical, managers operating in these countries would be able to better understand the differences of

these implications of national cultures inside their business environment. I believe that this purpose has been fulfilled as the theoretically framework with its existing findings as well as my own empirical findings have been thoroughly analyzed in their own contexts and comprehensively compared to each other.

Overall, my empirical research has shown that Hofstede's research of national culture and its characteristic in business settings is still relevant today. The research has generally confirmed that managers' perception on characteristics of national culture are in line with Hofstede's results. However on the dimensions in which the societies from the Netherlands and Slovenia differ much, such as power distance individualism and uncertainty avoidance, the difference in my empirical findings was significantly lower. In fact the Dutch and Slovenian cultures seem seem to be very similar on almost all tested characterstics of characsitics of national culture in the workplace. The Indulgence dimension was an exception, as my empirical findings have found out that Slovenian managers believe more strongly about their employees being indulgent compared to the Dutch managers which is the opposite as indicated in Hofstede's results.

The **main research question** of my master thesis was: *To what extent do the results of Hofstede's model of national culture align with the perceptions of managers operating in Slovenia and the Netherlands?*

Though this research question is thoroughly answered in chapter 4.1, it can be simply concluded that the results of Hofstede's model of national culture generally does align with current generation of managers in Slovenia and the Netherlands. However, the dimensions which showed large differences among the two societies such as Individualism and Uncertainty Avoidance showed that these differences in the empirically tested findings of this thesis were much smaller. However, empirical findings of this thesis found out that Slovenia is slightly more long-term orientated compared to the Netherlands which contrasts with Hofstede's results. Unfortunately, the collected data did not reveal statistically significant patterns that would allow me to answer the supporting research question. As the original samples of managers were relatively small, a secondary classification of managers according to industry groups within the samples would create a far too small sample to base meaningful conclusions on.

It is not surprising that my empirical research has found several inconsistencies with Hofstede's research due to the aforementioned sources of errors in my research. However as mentioned before, cultures are dynamic concept and it can therefore be expected that some of Hofstede's findings are outdated and not as valid anymore due to the fact that original research started over 50 years ago. With continued high rates of globalization, a proper understanding will be increasingly important in international business. Studies confirm that significant competitive advantages can be created as a result of proper cultural knowledge and foreign languages proficiency for internationally operating companies (Grosse, 2004).

Though increasingly more academic research is done in the field of cultural understanding and new models are developed, more research is necessary in order to fully understand the tacit effects in real-life business situations.

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APPENDICES

Appendix A: Povzetek (Summary in Slovene)

Zaradi nenehnih trendov globalizacije in izginjanja ovir je podjetjem vse lažje širjenje v tujino in zaposlovanje tujih delavcev. To pomeni temeljno spremembo v načinu in obsegu medsebojnega delovanja posameznikov iz različnih kultur. Podjetja, ki delujejo mednarodno in pričakujejo interakcijo z organizacijami in posamezniki iz drugih kultur, morajo zato razviti niz posebnih spretnosti za svoje zaposlene, da lahko učinkovito delajo z ljudmi iz različnih nacionalnih kultur (Johnson, Lenartowicz & Apud, 2006). Ta znanja in spretnosti lahko uporabijo tako v tujih državah kot tudi v njihovih matičnih državah, na primer kadar povabijo potencialne tuje poslovne partnerje. Te tako imenovane medkulturne sposobnosti so se izkazale kot pomemben dejavnik pri določanju uspešnosti podjetja pri mednarodnem poslovanju. Ustrezen razvoj takšnih spretnosti in usposabljanje zaposlenih se lahko zdi drag podvig, vendar je pogosto nujen, ker sicer lahko pride do različnih direktnih in indirektnih stroškov. Raziskave kažejo da mednarodno delujoča podjetja pogosto zaznajo relativno visoko stopnjo neuspešnih izseljencev, kar ima za podjetje za posledico visoke stroške, izgubljene priložnosti, manjšo produktivnost in poslabšane odnose (Johnson, Lenartowicz & Apud (2006). Managerji, ki jih podjetja pošljejo v tujino, so pogosto ključni zaposleni v organizacijah, kar pomeni, da lahko njihova uspešnost bistveno vpliva na podjetje, posredni stroški pa se lahko pojavijo tudi, kadar se tuja partnerstva slabo izvajajo ali če so tuje združitve neučinkovito upravljane (Johnson, Lenartowicz & Apud (2006).

Ker se je pojavila potreba po temeljitem razumevanju nacionalnih kultur in posledic znotraj poslovnih kontekstov, se je pionir Geert Hofstede lotil raziskav z analiziranjem značilnosti različnih vrst zaposlenih v globalnih podružnicah IBM-a. Do leta 1971 je zbral več kot 100.000 odgovorov, kar je postala ena največjih mednacionalnih podatkovnih baz v tem obdobju (Brewer & Venaik, 2008). Rezultati teh raziskav so postavili temelje tega specifičnega študijskega področja, kar še danes tvori vodilni okvir na tem področju. Za lažje razumevanje je Hofstede združil različne značilnosti nacionalne kulture v šest dimenzij: 1. razdalja moči, 2. individualizem, 3. moškost, 4. izogibanje negotovosti, 5. dolgoročna usmerjenost in 6. popustljivost. Razdalja moči meri, v kolikšni meri je v dani kulturi sprejeto in pričakovano, da je moč neenakomerno porazdeljena med različnimi vrstami v organizaciji. Dimenzija individualizma kaže, v kolikšni meri posamezniki v družbi sebe dojemajo kot aktivno vključene v skupine. Dimenzija moškosti označuje, ali ima kultura več elementov moških značilnosti ali ženskih. Razsežnost izogibanja negotovosti meri, v kolikšni meri posamezniki v družbi mislijo o novih, neznanih in nestrukturiranih situacijah. Dolgoročna usmerjenost meri, v kolikšni meri družba poudarja dejavnosti ki zagotavljajo prihodnje dosežke ali cilje. Šesta dimenzija je popustljivost, ki meri v kolikšni meri družba omogoča posameznikom, da svobodno uresničujejo svoje potrebe in osebne želje v smislu zabave in uživanja v življenju in zabavi.

Kljub temu da se Hofstedejeve raziskave in modeli uporabljajo po vsem svetu in da se dojemajo kot eden ključnih okvirov, je bilo tudi nekaj kritik. Ker raziskave, ki jih je opravil

Hofstede, temeljijo na podatkih, ki izvirajo izpred nekaj desetletji, so lahko rezultati v zadnjih letih postali manj veljavni, saj se kulture še naprej spreminjajo. Za empirično testiranje teh rezultatov sem se odločil, da se osredotočim na mendžerje v Sloveniji in na Nizozemskem, saj ti državi med seboj povečujeta dvostransko trgovino in naložbe (Rijksdienst voor Ondernemend Nederland, 2017). Raziskovalno vprašanje v tej nalogi je torej: »V kolikšni meri so rezultati Hofstedovega modela nacionalne kulture skladni z zaznavanjem menedžerjev, ki delujejo v Sloveniji in na Nizozemskem?«. Z dobro strukturiranim vprašalnikom sem preveril dojemanje 55 menedžerjev v Sloveniji in 52 menedžerjev na Nizozemskem. Ti menedžerji delujejo v različnih panogah, v organizacijah različnih velikostih in imajo različne vodstvene položaje.

Na splošno so moje raziskave pokazale, da Hofstedejeva raziskava nacionalne kulture in njene značilnosti v poslovnih okoljih še vedno velja. Empirična raziskava je pokazala, da je dojemanje menedžerjev v Sloveniji in na Nizozemskem na splošno v skladu z rezultati Hofdstedeja. Vendar, pri dimenzijah v katerih bi se morale nizozemska in slovenska kultura veliko razlikovati, kot so individualizem, razdalje moči in izogibanje negotovosti, so bile razlike v mojih empiričnih ugotovitvah bistveno manjše. Pravzaprav sta slovenska in nizozemska kultura precej podobni na testiranih značilnostih nacionalne kulture. Izjema je bila dimenzija popustljivost, saj so moji empirični rezultati pokazali, da slovenski menedžerji bolj verjamejo, da so njihovi zaposleni počutijo svobodne pri izpolnjevanju njihovih osebnih želja. v primerjavi z nizozemskimi menedžerji, kar je ravno nasprotno kot kažejo raziskave Hofstedeja. Kljub tem odstopanjem je mogoče na raziskovalno vprašanje preprosto odgovoriti, da se rezultati Hofstedejeve nacionalne kulture na splošno ujemajo s sedanjo generacijo menedžerjev v Sloveniji in na Nizozemskem. Ni presenetljivo, da je moja empirična raziskava odkrila številne neskladnosti z raziskavami Hofstedeja. To so lahko povzročili različni viri napak v mojih raziskavah ali možni zastareli podatki iz Hofstedove raziskave. Z nadaljevanjem visoke stopnje globalizacije bo ustrezno razumevanje v mednarodnem poslovanju vse bolj pomembno. Čeprav se na področju kulturnega razumevanja vse bolj izvaja akademsko raziskovanje in se razvijajo novi modeli, je potrebno več raziskav, da bi v celoti razumeli tihe učinke v dejanskih poslovnih situacijah.

Appendix B: Survey questionnaire

Measuring the perceived impacts of national culture on business by Dutch and Slovenian managers

Survey short title: Master thesis survey

Survey long title: Measuring the perceived impacts of
national culture on business by Dutch and Slovenian
managers

Question number: 33

Survey is active

Active from: 27.03.2019   Active until: 27.06.2019

Author: tim.zupancic   Edited: tim.zupancic

Date: 20.01.2019   Date: 28.03.2019

Description:

The following survey questionnaire was created by Tim Zupančič, student at the Faculty of Economics, University of Ljubljana. The survey will serve as the main tool for the empirical research part of my master thesis in which I investigate how differences in national culture impact various aspects, attitudes and interactions within the workplace. As the research will be concentrated on the perspective of managers in Slovenia and the Netherlands, the main target group for this survey questionnaire are managers working in these two countries. Please be assured that your identity will stay anonymous throughout the entire process and that the results will be exclusively used for the purpose of my master thesis. Please contact me for any inquiries or further clarifications by e-mail: tim.zupancic@gmail.com or by phone: +386 (0)40 123 273.Important notice:- Please note that throughout this survey the term "local national culture" refers to the national culture of the country in which your organization is situated in.

Q1 - In which country have you worked the majority of your career?
Multiple answers are possible

☐ The Netherlands
☐ Slovenia
☐ Other, please enter:

Q2 - In which country do you currently work?
Multiple answers are possible

☐ The Netherlands
☐ Slovenia
☐ Other, please enter:

Q3 - Which option best describes your job position?
Multiple answers are possible

☐ Top level executive (CEO, partner, chairperson)
☐ Middle level management (CFO, COO, CMO, CTO, etc.)
☐ Manager (non-executive)
☐ Other, namely:
☐ I cannot or do not want to answer

Q4 - How many people within your organization report to you in total?
Multiple answers are possible

☐ Less than 5 employees
☐ 6 - 10 employees
☐ 11 - 25 employees
☐ 26 - 100 employees
☐ 101 or more employees

Q5 - Which industry does your organization operate in?

Multiple answers are possible

☐ Energy

☐ Raw materials

☐ Industrials goods

☐ Consumer Discretionary (durable goods, apparel, entertainment, leisure, cars, etc.)

☐ Consumer Staples (essential consumer goods)

☐ Health Care & Pharmaceuticals

☐ Financial and consultancy services

☐ Information Technology

☐ Communication Services

☐ Utilities

☐ Tourism

☐ Public institution

☐ NGO, chamber of commerce or non-profit organizations

☐ Other:

Q6 - How large is the organization you work for? In case your organization is a subsidiary of a larger group, please refer to the size of your local organization only.

Multiple answers are possible

☐ Less than 10 employees

☐ 10-50 employees

☐ 51-100 employees

☐ 101-250 employees

☐ 251-1000 employees

☐ More than 1000 employees

☐ I cannot or do not want to answer

BLOCK (1)

Q7 - Measuring power distance. Please indicate to what extent you agree with the following statements:

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	I cannot or do not want to answer
Managers in my	○	○	○	○	○	○

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	I cannot or do not want to answer
organization have significant and visible power and/or authority over subordinates.						
Non-managerial employees in my organization are consulted on a regular basis for their opinion about relevant matters.	○	○	○	○	○	○
Non-managerial employees are often given some level of decision making power within their area of expertise and daily work activities.	○	○	○	○	○	○
Employees are encouraged to express their conflicting opinion, even to a superior.	○	○	○	○	○	○
In my organization there are significant wage gaps depending on hierarchical level and corresponding job position.	○	○	○	○	○	○

BLOCK **(1)**

Q8 - How significant is the level of power distance in your organization? From 0 (perfectly equal distribution of decision making power among equally paid employees) to 10 (extreme unequally power distribution and very large wage gaps).

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└─────────────┘
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BLOCK (1)

Q9 - Please indicate to what extent you think that authority and **power distribution** in your organization has been impacted by local national culture.

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│             │
│             │
└─────────────┘
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BLOCK (2)

Q10 - Measuring individualism. Please indicate to what extent you agree with the following statements:

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	I cannot or do not want to answer
Individuals in my organization tend to develop a feeling of deep association with the organization that goes far beyond working activities.	○	○	○	○	○	○
Individuals in my organization tend to adapt to the organization by becoming one with the brand and culture	○	○	○	○	○	○
Individuals in my organization tend to build long-lasting and personal relationships with the coworkers.	○	○	○	○	○	○
When it comes to hiring new employees,	○	○	○	○	○	○

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	I cannot or do not want to answer
my organization takes into account the candidate's in-group status or personal relations with existing employees.						
My organization tends to hire people according to clearly described requirements and candidates' skill sets.	○	○	○	○	○	○

BLOCK **(2)**

Q11 - Does management in your organization tend to be more individualistic (restricting relationships for work purposes only) or collectivistic (striving for cohesion, developing wider and deeper relationships with coworkers & the organization)?

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BLOCK **(2)**

Q12 - Do non-managerial employees in your organization tend to be more individualistic (restricting relationships for work purposes only) or collectivistic (striving for cohesion, developing wider and deeper relationships with coworkers & the organization)?

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BLOCK **(2)**

Q13 - Please indicate to what extent you think the level of cohesion and the general **sense-of-belonging** among employees in your organization has been impacted by local national culture.

BLOCK (3)

Q14 - Measuring long-term orientation. Please indicate to what extent you agree with the following statements:

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	I cannot or do not want to answer
Individuals in my organization tend to set clear long-term goals and perform their daily tasks in alignment with these goals.	○	○	○	○	○	○
Individuals in my organization tend to align the execution of their work activities with the organization's long-term vision.	○	○	○	○	○	○
Individuals in my organization tend to focus on short-term objectives and quick results.	○	○	○	○	○	○

BLOCK (3)

Q15 - Do non-managerial employees in your organization tend to be more short-term orientated (focus on completing current tasks and projects) or long-term orientated (striving to achieve long-term objectives, aligning to organization's long-term vision)?

BLOCK (3)

Q16 - Does management in your organization tend to be more short-term orientated (focus on completing current tasks and projects) or long-term orientated (striving to achieve long-term objectives, aligning to organization's long-term vision)?

BLOCK (3)

Q17 - Please indicate to what extent you think that the focus on short-term or long-term among individuals in your organization has been impacted by local national culture.

BLOCK (4)

Q18 - Measuring uncertainty avoidance. Please indicate to what extent you agree with the following statements:

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	I cannot or do not want to answer
Individuals in my organization often prefer to keep procedures and business processes as they always have been.	○	○	○	○	○	○

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	I cannot or do not want to answer
Individuals in my organization are often hesitant towards change or become demotivated by it.	○	○	○	○	○	○
In my organization, risk is often seen as something dangerous and should be avoided by all means.	○	○	○	○	○	○

BLOCK **(4)**

Q19 - Do non-managerial employees in your organization tend to avoid uncertainty and risk or are they comfortable with it?

BLOCK **(4)**

Q20 - Does management in your organization tend to avoid uncertainty and risk or are they comfortable with it?

BLOCK **(4)**

Q21 - Please indicate to what extent you think that attitudes of individuals in your organization towards **risk and uncertain situations** have been impacted by local national culture.

BLOCK   **(5)**

Q22 - Measuring masculinity. Please indicate to what extent you agree with the following statements:

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	I cannot or do not want to answer
Individuals in my organization tend to strive for individual achievement and material reward.	○	○	○	○	○	○
Individuals in my organization tend to strive for cooperation and modesty.	○	○	○	○	○	○
Individuals in my organization value quality of life above achievement and rewards.	○	○	○	○	○	○

BLOCK   **(5)**

Q23 - Does management in your organization tend to express predominantly masculine traits (strive for personal achievement and reward) or feminine traits (striving for cooperation and well-being of the whole team).

BLOCK   **(5)**

Q24 - Do non-managerial employees in your organization tend to express predominantly masculine traits

(strive for personal achievement and reward) or feminine traits (striving for cooperation and well-being of the whole team).

[ ]

BLOCK **(5)**

Q25 - Please indicate to what extend you believe that national culture impacted the way individuals in your organization developed these masculine or female traits.

[ ]

BLOCK **(6)**

Q26 - Measuring indulgence. Please indicate to what extent you agree with the following statements:

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	I cannot or do not want to answer
Individuals in my organization tend to spend their free time in whichever way they enjoy most rather than conforming to society's expectations or standards.	○	○	○	○	○	○
Individuals in my organization tend to prioritize rules and norms over their own personal desires. They are highly concerned about their image as a citizen /	○	○	○	○	○	○

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	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	I cannot or do not want to answer
employee.						
Individuals in my organization tend to indulge themselves during working hours when possible (cigarette breaks, coffee breaks and other non-working activities).	○	○	○	○	○	○

BLOCK **(6)**

Q27 - Does management in your organization tend to be more **restraint** (conforming to society's expectations and norms) or **indulgent** (prioritizing personal satisfaction).

BLOCK **(6)**

Q28 - Do non-managerial employees in your organization tend to be more **restraint** (conforming to society's expectations and norms) or **indulgent** (prioritizing personal satisfaction).

BLOCK **(6)**

Q29 - Please indicate to what extent you think that attitudes of individuals in your organization towards indulgence have been impacted by local national culture.

BLOCK (7)

Q30 - *(Optional)* **In case you also worked in a different country, what were the most significant differences in the workplace in terms of attitudes** and **interactions** of individuals in your organization? How did these differences become evident? Please mention the name of the other country you worked in.

BLOCK (7)

Q31 - To what extent do you agree with the following statements:

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	I cannot or do not want to answer
My organization is in favor of flexible working hours or working from home given that tasks are accomplished.	○	○	○	○	○	○
Employees should be aware about other business processes and activities in my department rather than just concentrating on their own task.	○	○	○	○	○	○
I often check up, communicate and ask for feedback from employees from all levels in the organization's	○	○	○	○	○	○

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	I cannot or do not want to answer
hierarchy.						
Managers in my organization tend to be relatively involved in employees' lives and are often aware of employees' major life events.	○	○	○	○	○	○
My organization provides possibilities for employees' personal development such as seminars, additional tr aining, physical activities, etc.	○	○	○	○	○	○

XSEX - Please indicate your gender:

○ Male
○ Female

Q32 - Please indicate your age:

[ ]

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