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# **PROPOSAL FOR INTERCOMPANY COMMUNICATION CHANGE IN A MULTINATIONAL COMPANY OPERATING IN IT SERVICES**

NÁVRH ZMĚNY VNITROFIREMNÍ KOMUNIKACE V MEZINÁRODNÍ SPOLEČNOSTI PŮSOBÍCÍ  
V OBLASTI IT SLUŽEB

**DIPLOMOVÁ PRÁCE**  
MASTER'S THESIS

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## **Abstract**

The master's thesis deals with a proposal for intercompany communication change in a selected multinational company operating in IT services. The aim of the analytical part is to analyse the current situation in the company with the emphasis on examining local employees' relationships with their managers and colleagues with different cultural background, and the impact of cultural diversity on different management style and communication within a multinational team. The analysis of the current situation was based on the research carried out among the company employees in a form of a questionnaire. With regard to the research results the company was recommended measures that would lead to more effective communication within the company and would improve the co-operation of the employees within the multinational team.

## **Abstrakt**

Diplomová práce se zabývá návrhem změny vnitropodnikové komunikace ve vybrané mezinárodní společnosti působící v oblasti IT služeb. Předmětem výzkumu v analytické části je zmapování vztahů místních zaměstnanců k jejich vedoucím a kolegům pocházejících z odlišných národních kultur. Dále je pak zkoumán vliv kulturních odlišností na aplikovaný způsob řízení a komunikaci v rámci mezinárodního týmu. Na základě výsledků výzkumu provedeného mezi zaměstnanci společnosti formou dotazníkového šetření jsou v návrhové části společnosti doporučena opatření vedoucí k zefektivnění komunikace v rámci společnosti a zefektivnění spolupráce v rámci multikulturního týmu.

## **Key words**

Expatriates, organizational culture, cultural diversity, multinational company, intercompany communication and intercultural communication.

## **Klíčová slova**

Expatrianti, organizační kultura, rozdílnost kultur, mezinárodní společnost, vnitropodniková komunikace a interkulturní komunikace.

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## **Declaration**

I declare that the submitted master's thesis is original and has been written independently. I also declare that the list of references is complete and copyrights are not violated (pursuant to Act No. 121/2000 Coll., on Copyright Law and Rights Related to Copyright Act).

Brno, 17<sup>st</sup> January 2013

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Bc. Hana Zbořilová

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## INTRODUCTION

*“Our own culture is to us like the air we breathe, while another culture is like water – and it takes special skills to be able to survive in both elements.”*

Geert Hofstede<sup>1</sup>

The submitted master’s thesis deals with the theme *Proposal for Intercompany Communication Change in a Multinational Company Operating in IT Services*.

Communication within a company is an important condition for effective co-operation of the employees and therefore contributing to the effective functioning of a company as a whole. The proper setting of intercompany communication is important not only for the effective operation of a company and achieving economic goals, but also contributes to creating a pleasant and friendly environment in the workplace with the aim of supporting and creating friendly relationships among the employees.

The importance of a well-set intercompany communication rises with the number of nationalities and cultures present in a company, where the workforce is of different nationalities and employees create a multinational team(s). In this case, the employees cannot rely on their native language and common practices typical of their national culture.

Multinational companies present in these days such companies, where in one work place or team employees from different cultures are presented and they have to communicate with each other in order to achieve common work goals. Effective co-operation of all employees in the multicultural work environment is influenced by the employee relationships and their willingness to respect the cultural differences of their colleagues, superiors or subordinates.

The author has chosen this theme for many reasons; however, one of the main reasons which inspired her to deal with the theme of communication was the previous job experience gained in a multinational company in the position of assistant. As an assistant, the author had several opportunities to experience situations when lack of communication

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<sup>1</sup>Geert Hofstede; see in Hofstede, Hofstede and Minkov, 2010, p. 23

between the company management and employees, and also the lack of willingness to respect cultural differences lead to needless misunderstandings and helped create a negative atmosphere in the work place, which did not contribute to effective co-operation.

## **THE OBJECTIVES OF THE THESIS AND METHODS USED**

The aim of this master's thesis is to propose the intercompany communication change in a multinational company and to provide further recommendations to the company management in the field of intercultural communication based on the analysis of the current situation within the company.

To achieve the main purpose of this thesis partial objectives have to be achieved. The objectives of the thesis are to analyse the current situation in the company based on a research carried out among the employees. The research purpose is to map relationships between local employees and expatriates with the emphasis on local employees' attitudes towards their managers and colleagues with different national backgrounds and the impact of cultural diversity on different management style and communication within a multinational team.

The main method used to evaluate the current situation in the company is the research which will be carried out in a form of a questionnaire. The primary data obtained from the research will be analysed in order to propose the most efficient solutions to the problems identified by the research results. The analysis of the current situation will also be supported by information provided by the plant manager of the Czech subsidiary and the author's own experience as a former employee.

The structure of the master's thesis is as follows:

The first part following the introduction involves a theoretical basis of the work with the aim of describing and explaining the definitions and terms further used in the thesis. The literature review served also as a basis for designing the questionnaire that was used in the research. Part two is dedicated to introducing the company, analysing the current situation in the company based on the research carried out among the employees and interpreting the research results. The last part of the thesis contains proposals and recommendations for the future based on the evaluation of the current situation.

# **1 THEORETICAL PART**

The aim of the first part of the master's thesis is to offer a literature review relating to the issues of international management, which shields the activities connected with international business and cross-cultural management in the field of global business environment.

The chapters dedicated to international business clarify and present the terms concerning a multinational company, international human resource management and the division of global workforce. The chapters concerning cross-cultural management deal with the importance of aspects of national culture and the impacts of cultural diversity in the international business environment. The last chapter is dedicated to the issue of communication with the emphasis on intercultural communication within a multinational company.

## **1.1 Globalization**

Globalization is a world process of a closer integration of separate nation states and deepening interdependence among these states. The process of globalization lowers the importance of borders between different countries and leads to the phenomenon of a shrinking world, because the time needed to cross-border movements of people, goods, services, capital and information is, due to the constant development of information and technological infrastructure, shortening (Pichanič, 2004, p. 11; Štrach, 2009, p. 12).

The process of globalization is complexly penetrating into all ranges of human activities, as the globalization increases the interconnection of social processes and subjects, and involves interpersonal cooperation in fields of international, institutional and human activities (Štrach, 2009, p. 12).

Mead and Andrews (2009) explain that globalization can have different meanings for different groups of people. Politicians perceive it as a process leading to reducing autonomy of the nation states and increasing interdependence of the states within the regional blocks (for example EU, USA, ASEAN, etc.) and therefore they have to prefer interests of the regional blocks rather than national interests. Economists view the globalization in connection with increased volume of international trade and global

mobility of capital, while marketing managers use the phenomenon of globalization to enforce a global product into the world market. They believe that a company can produce a standardized product<sup>2</sup> “that appeals to the shared needs” (p. 234) of a global consumer.

Sociologists focus on the process of globalizing the culture and the possibility of national culture convergence. Some of them argue that national cultures can converge and that cross-culture trainings will not be needed any more in the future (Mead and Andrews, 2009, p. 235). However, Hofstede (1999) claims that each national culture’s core element is common values shared by a certain society (nation) and these cultural values stay “stable over time” (p.35) within one society, but vary among the societies. With respect to international management, culture convergence and certain globalization of culture is possible in an international business environment due to the use of similar management practices, technologies and telecommunication systems and also sharing ethical codex and social responsibilities in organizations, but cultural differences in personal relationships and behaviour still exist (Pichanič, 2004, p. 11; Mead and Andrews, 2009, p. 236).

The process of globalization can be understood from many different points of view, as it was explained above. Hence, there are also different factors which support the process of globalization, and of course factors which lead to slowing globalization. Both the factors are stated in Table 1.

**Table 1: Factors affecting the globalization process**

Factors supporting globalization	Factors slowing globalization
<ul style="list-style-type: none"> <li>• Global searching for sources</li> <li>• New and emerging markets</li> <li>• Economies of scales</li> <li>• The slope of consumption to homogenous demand</li> <li>• Decreasing transportation costs</li> <li>• Development of new telecommunication technologies</li> <li>• Homogenization of technical standards</li> <li>• Government policies, tariffs, taxes and subventions</li> </ul>	<ul style="list-style-type: none"> <li>• Rise of ethno-politics</li> <li>• Declination of neoliberalism</li> <li>• Non-government organizations and anti-globalization movements</li> <li>• Anti-Americanism</li> </ul>

Source: adapted from Pichanič (2004, p. 12)

<sup>2</sup>The terms *product standardization* and *globalization of markets* abundantly appeared in a Theodor Levitt’s article *The globalization of markets* from 1983, where he presented the global market theory.

## 1.2 International Management

The international business environment continuously raises new opportunities and challenges for the discipline of international management. The term *international* refers to international activities, which include activities crossing the national borders in the form of tangible and intangible transfers (Boddewyn *et al.*, 2004; see in Eden, Dai and Li, 2010, p. 55). The discipline of *management* can be generally explained as “coordinating the efforts of people towards common goals” (Hofstede, 1999, p. 34).

The international management can therefore be characterized as a process of planning, organizing, leading and controlling people working in an organization, which achieves the organization’s goals through its international cross-border activities. The successful achievement of the organization’s goals is conditioned by the perfect understanding of economical, political and cultural aspects of the environment where the organization is based (Pichanič, 2004, p. 1; Eden, Dai and Li, 2010, p. 56).

## 1.3 Multinational Company

The process of globalization in the international business environment is narrowly connected with multinational companies and their increasing role in the global economy which, due to their international operations, are able to create relatively stable internationally operating organizational networks with their suppliers, subscribers and other co-operating partners. International activities of multinational companies positively affect the increasing volume of international trade, and therefore help to accelerate the interconnection of different markets into one global market and raise the integration of national economies into a global economy (Pichanič, 2004; Zadražilová, 2007).

The concept of multinational companies is not uniform in the literature<sup>3</sup>. The general term *multinational companies* used in this master’s thesis will cover all kinds of companies

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<sup>3</sup>Most of the Anglo-saxon literature use terms *multinational corporations* (MNC), *multinationals* or even *transnational corporation* (TNC) or *multinational enterprises* (MNE) to characterize such companies (Pichanič, 2004, p. 66; Zadražilová, 2007, p. 22; Štrach, 2009, p. 34). One of the first definitions of multinational corporations was presented by Organization for Economic Co-operation and Development (OECD) in 1977 (see in Zadražilová, 2007, p. 22) as companies or units, whose ownership is private, state or mixed that are established in different countries and mutually linked, so that one or more of them can significantly affect activities of the others, especially with respect to common using of knowledge and resources.

operating internationally, classified by Barlett and Goshal (1989, 1998; see in Mead and Andrews, 2009, p. 313) with regard to a company's attitude to headquarters – subsidiary relationships as well as the classification presented by Perlmutter's EPG model of international management styles (Perlmutter, 1969).

Therefore, multinational companies will be understood as companies "that own and manage investments located in countries other than that of headquarters" (Mead and Andrews, 2009, p. 234).

### **1.3.1 Growth of Multinational Companies**

Every organization has a country of origin, in literature also described as *home country* or *parent country*. However, the term country of origin can be explained in many ways. Generally it refers to the country of founder's nationality or country, where the company was originally established. These examples of home countries can also define the multinational company's domestic market, from which it starts to internationalize and expand to other markets. In some cases, the country of origin can be considered as a country from which the company is currently directed and where it has officially located tax domicile (Štrach, 2009, p. 35; Caligiuri, Lepak and Bonache, 2010).

When a company is already well established in its domestic market, it usually starts searching new possibilities of how to grow and expand to foreign markets. This phenomenon is in the literature related to foreign market entry modes described as a traditional process of internationalization<sup>4</sup> of a company.

Some companies, on the other hand, do not need to follow all stages to become fully internationalized multinational companies. They can overstep some of the stages or become globally oriented at the beginning of their business activities. Such companies are called *born-global companies* (Chetty and Campbell-Hunt, 2004; see in Štrach, 2009, p. 39).

Pichanič (2004) uses the general process of internationalization to explain the formation and growth of multinational companies in five stages (see Table 2):

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<sup>4</sup>When the domestic market is saturated, a company starts gradually in several stages penetrating the foreign market first via exporting, then establishing a licensed manufacturer plan or sales subsidiary and finally establishing own manufacturing subsidiary (Stopford's model of internationalization, see in Štrach, 2009, p. 39; Johanson and Vahlne's Uppsala model, see in Johanson and Vahlne, 2009).



**Table 2: Formation of a multinational company**



Source: adapted from Pichanič (2004, p. 70-71)

### 1.3.2 Market Entry Modes of Multinational Companies

International activities and expansion of multinational companies can be performed via different market entry modes with respect to a company's international strategies to achieve strategic goals as well as considering several factors such as ownership, location, the level of host country risk, the way the host country perceives risk, industry factors or the extent of interaction between home and host countries (Pan and Tse, 2000).

Multinational companies can, in general, decide between *non-equity* and *equity* modes, where the ownership factor plays an important role. Non-equity entry modes are regarded to be less demanding on capital investments and the legal and organizational aspects of the entry mode are less expensive for the parent company. However, the level of control of international operations is very low. A typical example of non-equity entry mode is direct and indirect exporting and entry modes connected with international mobility of know-how (Pan and Tse, 2000; Zdražilová, 2007; Štrach, 2009).

Equity modes, on the other hand, are considered as very demanding on capital investments and legal and organizational aspects of the market entry mode, but the level of control of international operations is very high. Multinational companies usually use the equity entry modes for establishing foreign subsidiaries and affiliates, which serve for operating their international activities (Štrach, 2009).

The overview of different market entry modes is stated in Table 3.

**Table 3: Foreign market entry modes**

Non-equity entry modes		Equity entry modes	
Export	Contractual Agreements	Equity Joint Ventures (EJV)	Wholly owned subsidiary
<ul style="list-style-type: none"> <li>• Direct export</li> <li>• Indirect export</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>• Licensing</li> <li>• R&amp;D contracts</li> <li>• Alliances</li> <li>• Franchising</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>• Minority EJV</li> <li>• 50% share EJV</li> <li>• Majority EJV</li> </ul>	<ul style="list-style-type: none"> <li>• Greenfield</li> <li>• Brownfield</li> <li>• Acquisitions</li> <li>• Mergers</li> <li>• Others</li> </ul>

Source: Pan and Tse (2000, p. 538); Štrach (2009, p. 36)

### 1.3.3 Foreign Direct Investments

Capital investments of a multinational company in a foreign (host) country can be realized in the two forms of *foreign direct investments* (FDI) and *portfolio investments*<sup>5</sup>. Foreign direct investments are those international investments realized by a non-citizen (usually multinational company) in a foreign (host) country for the purpose of establishing, obtaining or extending sustainable economic relationships in the host country. Sustainable economic relationships usually means ownership in an economic subject (subsidiary, affiliate) in the host country with a considerable influence of direct investment on management of the economic subject (Zadrazilová, 2007, p. 26; Štrach, 2009, p. 106).

With regard to the ownership factor, FDI can be realized in two forms, when the direct investor can either purchase (acquire) an already existing and established company or invest in establishing a new economic subject. Investments in (purchasing) already existing companies can be made in the form of mergers and acquisitions. Investments in new economic subjects can be realized as (Pichanič, 2004, p. 54-55):

- *Greenfield investments* – a new company is established and built with regard to an investor's requirements on the technological needs of the parent company.
- *Brownfield investments* – investments flow into an already built manufacturing plant or hall, with the aim of starting new production.
- *Joint Venture* – two or more organizations decide to co-operate in a certain business intention.

<sup>5</sup>Portfolio investments are used for purchasing shares of foreign companies, which are further sold with purpose of generating profit. The aim of foreign direct investments, on the other hand, is to obtain active participation on managing and controlling companies located abroad (Pichanič, 2004, p. 54).

When deciding to implement foreign direct investments, multinational companies shall follow three important factors presented by Dunning (1988, 1995, 1998; see in Štrach, 2009, p. 106-107):

- *Ownership factor* – the ownership and control of the specific portable assets and willingness to expand them internationally (brand mark, know-how).
- *Location factor* – thorough consideration and choice of the host country with regard to its location, logistic availability, demand on host country labour qualification, material resource availability and the amount of investment incentives offered by the host country.
- *Internationalization factor* – the multinational company itself has to be interested in expanding its business activities.

Multinational companies are continually motivated by the effort to allocate their own resources in the most globally efficient way. Therefore, FDI can serve as a great option for multinational companies to enter foreign markets, where the productions costs are lower than in the home country. Another motivation to FDI can be the existence of protectionist measures on certain exported goods, which can be avoided by the establishment of the production line and supplying the host country market with the local production of the multinational company and further expansion to neighbour markets (Pichanič, 2004; Štrach, 2009).

Foreign direct investments bring positive direct effect on the host country economy in the form of higher amount of financial capital, which can be used for economic growth. Apart from that, FDI can also bring positive indirect effects on increasing labour productivity and qualification in the host country due to the import of new technologies and know-how, and brings opportunities for local suppliers to be involved in a multinational company's business activities. However, multinational companies do not provide the benefits flowing from FDI disinterestedly and the competition among possible host countries is high. Host countries have to provide advantageous investment incentives (e.g. tax holidays, infrastructure, market preferences, etc.) to become more attractive for multinational companies when deciding where to invest (Zadrazilová, 2007).

## 1.4 International HRM

International human resource management is the process of employing and developing people in multinational organizations that are functioning globally. The process does not involve only managing expatriates, but mostly worldwide managing of people across the boundaries (Armstrong, 2007; Armstrong, 2009) or in other words managing the global workforce of a multinational company (Caligiuri, Lepak and Bonache, 2010).

The process of managing employees across the boundaries brings several issues to multinational companies apart from managing employees within one country. Multinational companies can face problems resulting from cultural diversity and differing management styles applied in different countries where such companies operate. Laurent (1986; see in Armstrong, 2007, p. 103) explained that multinational companies should pursue consistency and consensus in their human resource management process on an international level to build a sustainable corporate identity. However, they have to take into account local cultural differences to achieve a local effectiveness of the people managing process.

Mead and Andrews (2009, p. 329) pointed out four main activities of human resource management, which can be influenced by the local cultural environment as: recruitment, performance appraisal, training and retention.

Recruiting methods and also selection methods vary in countries either due to the different cultural backgrounds or legal frameworks. Recruitment in countries with collectivistic national cultures is rather based upon word of mouth and a certain tendency towards nepotism can be observed. Also gender and age discrimination maybe perceived differently. Employees in collectivistic cultures are usually not evaluated according to their own job performance, but according to their team or group performance. Also, they might be reluctant when offering direct feedback to their colleagues and subordinates due to avoiding “loss of face” and maintaining good relationships (Mead and Andrews, 2009).

Sparrow and Hiltrop (1997; see in Armstrong, 2007, p. 106) mentioned very similar areas of HRM that can be influenced by national culture: different perceptions of the effectiveness of management, attitude to offering direct feedback, readiness to accept an expatriate assignment, performance appraisal systems and attitudes to creating organizational structures.

### 1.4.1 Perlmutter's EPG Model

Howard V. Perlmutter (1969) described basic attitudes to the global workforce implemented from parent company headquarters towards its subsidiaries located in foreign countries. Perlmutter distinguished between three basic attitudes: ethnocentric, polycentric and geocentric of a broader managerial conception of a parent country and its implementation in host national countries with regard to the level of control between headquarters and subsidiaries; the degree of empowerment and autonomy in the decision making process, communication and information flow or performance appraisal and recruitment methods (see Table 4).

**Table 4: Perlmutter's EPG Model**

Organization Design	Ethnocentric	Polycentric	Geocentric
<b>Complexity of Organization</b>	Complex in home country, simple in subsidiaries	Varied and independent	Increasingly complex and interdependent
<b>Authority; decision making</b>	High in HQ	Relatively low in HQ	Aim for a collaborative approach between HQ and subsidiary
<b>Evaluation and control</b>	Home standards applied for persons and performance	Determined locally	Find standards which are universal and local
<b>Rewards and punishments; incentives</b>	High in HQ; low in subsidiaries	Wide variation; can be high or low rewards for subsidiary performance	International and local executives rewarded for reaching local and worldwide objectives
<b>Communication; information flow</b>	High volume to subsidiaries, orders, commands, advice	Little to and from HQ, Little between subsidiaries	Both ways and between subsidiaries. Heads of subsidiaries part of management team
<b>Identification</b>	Nationality of owner	Nationality of host country	Truly international company but identifying with national interests
<b>Perpetuation (recruiting, staffing, development)</b>	Recruit and develop people of home country for key positions everywhere in the world	Develop people of local nationality for key positions in their own country	Develop best men everywhere in the world for key positions everywhere in the world

*Source: Perlmutter (1969, p. 12)*

The managerial conception attitude of multinational companies towards its subsidiaries usually do not appear in a pure form of ethnocentric (home-country oriented), polycentric (host-country oriented) or geocentric (world-oriented), but they can be distinguished with regard to the dominant attitude (Perlmutter, 1969, p. 11).

### 1.4.2 Employment Type in a Multinational Company

Employees of a multinational company generate the global workforce of such an organization. Each employee can be categorized with respect to the two dimensions of *country of location* and *country of nationality* that he or she belongs to. Caligiuri, Lepak and Bonache (2010, p. 105-106) described five categories of employment type of a global workforce based on these two dimensions (see Table 5):

- *Domestic employees* – employees who are of the same nationality as the parent company or the company’s headquarters and live and work in the same country where the headquarters is located. However, they may not be working at HQ, but can be employed in any of the subsidiaries within the country of location.
- *Host national employees* – citizens of a host country, where a foreign subsidiary is located and work in this subsidiary in their country of origin. They do not share the nationality of the parent company. Sometimes, they are simply called locals or local employees.
- *Expatriates*<sup>6</sup> - have the same nationality as the parent company or the company’s headquarters, but live and work in a subsidiary located abroad. Expatriates are usually sent by the HQ to work in a foreign subsidiary on an expatriate (international) assignment.
- *Inpatriates* – host national employees who are sent to the parent company’s country to live there and work at the company headquarters or any country subsidiary for a certain period of time.
- *Third country nationals* – employees who do not share the same nationality as the parent company nor are they citizens of a host country where they are currently living and working. These employees can be sent by the HQ on an international assignment to the host country subsidiary.

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<sup>6</sup> A specific form of expatriate is a *virtual expatriate*. A virtual expatriate shares the same nationality as the parent company and works for a foreign subsidiary, but is not physically located abroad. The virtual expatriate uses modern technology to communicate with the subsidiary (e-mail, skype, video conference calls, etc.) (Briscoe, 1995; see in Štrach, 2009, p. 82)

**Table 5: Categorization of the global workforce**

Categorization of the Global Workforce		Location of the position	
		In the country where HQ is located	In a host national or foreign subsidiary
Nationality of employee	Same nationality as the HQ country	Domestic Employee	Expatriate
	Different nationality from HQ country but the same as the country where the position is located	Inpatriate	Host National Employee
	Different nationality from HQ country and different from the country where the position is located		Third Country National

*Source: Caligiuri, Lepak and Bonache (2010, p. 106)*

Multinational companies tend to have employees from all the above mentioned categories, who are needed for providing worldwide international operations of the multinational companies. The proportion of each employment type within the global workforce base differs according to company’s needs for following the corporate strategy of achieving “strategic corporate goals for local responsiveness relative to global efficiency” (Caligiuri, Lepak and Bonache, 2010, p. 107).

If a company tends towards local responsiveness, it also prefers to employ more host national employees in managerial positions rather than use expatriates, who represent additional higher costs for the company. Expatriates, on the other hand, can be more beneficial when focusing more on global effectiveness, where the multinational company does not take regional differences into account very much (Caligiuri, Lepak and Bonache, 2010, p. 107).The advantages and disadvantages of using expatriate managers and host country (local) managers will be further described in the following chapter.

## **1.5 Expatriate Assignment**

Expatriates constitute part of the multinational company's global workforce. They are considered to be highly qualified experts, who are sent on an expatriate assignment to new foreign subsidiaries in order to help and supervise the setting up of new plants or control the process of acquisitions and mergers of the host country companies (Černek and Maková, 2011, p. 184). Expatriates are then used for transferring the technological know-how, help with innovating and implementing new production processes and understanding the corporate culture and values (Caligiuri, Lepak and Bonache, 2010).

The company's need to send workers to foreign countries is determined by several factors, such as human resource management strategy of the multinational company, the degree of internationalization of the company or the situation on the labour market in the host country, etc. (Pichanič, 2004, p. 4).

The multinational company's approach to international management strategies also plays an important role in using expatriates in international assignments. Expatriate assignments are more likely to be used in multinational companies focusing on global effectiveness, however, expatriates are also used in companies which tend more to local responsiveness (Caligiuri, Lepak and Bonache, 2010). Different management strategies also require different types of expatriate assignment and connected with it different lengths of assignment contracts and job responsibilities given to the expatriates (Caligiuri and Colakoglu, 2007).

### **1.5.1 Different Types of Expatriate Assignments**

Caligiuri and Colakoglu (2007) identified four different expatriate assignments types according to requirements on intercultural competences of the expatriates, who will be sent abroad and what development the assignment shall bring to the expatriate employee. The four categories of expatriate assignment are described in Table 6.



**Table 6: Categories of expatriate assignments**

	Technical assignments	Functional assignments	Developmental assignments	Strategic assignments
<b>Developmental component</b>	None	Not a stated goal	The primary goal is to gain a stated set of competencies	Gaining new skills can be a secondary goal
<b>Required intercultural competencies</b>	Few, if any required	Required since interaction with host nationals is necessary	Not a prerequisite, but develops while on assignment	Strongly required to be successful on the job
<b>Main responsibilities</b>	To complete a job and return home	To complete a job and return home	Sent to other countries, diverse markets, across functions to perform various jobs on a rotational basis	Fill very senior and critical international positions
<b>Typical positions</b>	Individual contributors (e.g. engineers, IT professionals)	Mid-level functional managers (e.g. sales, training and marketing)	Mid-level or junior-level managers	Country managers

Source: Caligiuri and Colakoglu (2007, p. 395)

Assignment types can also be classified from the time perspective with regard to the length of the assignment contract and expatriates can be sent on either *long-term* or *short-term* assignment (Armstrong, 2009, p. 156; Nurney, 2005; see in Štrach, 2009, p. 83).

Traditionally, expatriate assignment was meant as a long-term stay in a foreign subsidiary and such expatriates were mostly entrusted with holding senior posts of CEO, Managing Director, Finance manager, Production manager, Plant manager, and the like. The length of their international assignment contract was for many years or they could even stay abroad for the rest of their career (Mead and Andrews, 2009, p. 358-359).

An expatriate, who is sent on a short-term assignment stays in the host country for a few weeks or months, but usually the contract is for less than one year. Such expatriates then return to their home country in the same posts. A short-time assignment enables the company to send the expatriate abroad without any specific needs on intercultural training, nor sending his family with him. The expatriation costs are therefore much lower when compared to the high cost of expatriation spent on long-term assignments and also the administration support from the parent company is needed less (Štrach, 2009, p. 83).

Expatriates going on short-term assignment are usually entrusted with missions connected with control and knowledge transfer. They assist with establishing new systems or

implementing new technologies, train local employees in using them and provide consultancy to local management about updates in internal processes and headquarters strategy. Expatriates are put into the roles of inspectors and mentors, as the multinational company needs a constant upgrade of its foreign operations due to the rapid change of global business environment (Mead and Andrews, 2009, p. 359).

### **1.5.2 Expatriate vs. Local Manager – Advantages and Disadvantages**

Multinational companies are forced to solve problems with securing their “international operations with people of the right calibre” (Armstrong, 2009, p. 157). Therefore, one of the multinational company’s needs is to train highly qualified international managers, who will be capable of ensuring the smooth running of the company’s international operations and so contribute to strengthening the competitiveness of the multinational company in the global business environment (Štrach, 2009).

The international managers can be either represented by trained representatives from the headquarters staff, who will be sent on expatriate assignments to a foreign subsidiary, or the multinational company can find and use capable managers among the local staff in a host country, where the foreign subsidiary is located. Using both expatriate managers and local managers has its advantages and disadvantages.

Expatriate managers are recommended to be used in less developed countries, where workers do not have enough skills to sufficiently hold managerial posts or in some cases, when new a foreign subsidiary is to be established. Expatriates are then sent to the new subsidiary to help to start the subsidiary. They hold the role of the knowledge and organizational culture transferor, who will supervise the successful start of the subsidiary (Černek and Maková, 2011, p. 184).

However, “expatriates are expensive” (Armstrong, 2009, p. 156), because they present higher costs that a multinational company has to expend in the form of expatriate compensation costs, cross-cultural training and moreover, there is a possibility of expatriate failure. The multinational company also has to be concerned with the re-entry scenario, when the expatriate manager returns to the parent company after he finishes the assignment.

Local managers, on the other hand, have the great advantage of better knowledge of the local business and cultural environment and do not present as high costs for the multinational company as the expatriates do.

The main advantages of using expatriate manager and local are described in Table 7.

**Table 7: Advantages of expatriate and local manager**

Advantages of employing	
Expatriate manager	Local manager
<ul style="list-style-type: none"> <li>• HQ has a greater opportunity to control subsidiary (local managerial and technical skill levels, economic performance)</li> <li>• HQ can better protect technological know-how, operating and maintenance standards</li> <li>• Easier to spread and implement HQ organizational culture to subsidiary (eliminating of creating local variance)</li> <li>• Stronger communication between HQ and subsidiary</li> <li>• HQ becomes more sensitive to subsidiary needs, better feedback for HQ</li> <li>• HQ can better influence subsidiary operations at critical times (subsidiary market demand fluctuation, starting up the subsidiary)</li> </ul>	<ul style="list-style-type: none"> <li>• High expatriation costs are avoided</li> <li>• Local manager can cost less to reward than expatriate</li> <li>• No demand for expatriate training, no risk of expatriate failure</li> <li>• Local manager has better knowledge of local business environment and law policies (misunderstanding of local political situation when dealing with government officials is avoided)</li> <li>• Local manager has better knowledge of host national culture</li> <li>• Local manager has more experience of managing local employees and working habits</li> <li>• Local manager is more oriented on achieving long-term goals</li> </ul>

*Source: adapted from Mead and Andrews (2009, p. 350-351)*

### 1.5.3 The Expatriate Adaptation Process

Sending an employee to a foreign subsidiary on an expatriate assignment usually means sending the employee into a new cultural environment, where he or she has to face cultural diversity of different language, habits and values shared by the host country nationals. The expatriate has to cope with the differences and adapt him or herself to the new culture in order to do the dedicated job well and prevent failure in his or her job.

Appropriate intercultural training should help the expatriate to cope with the new cultural environment. An expatriate usually has to pass pre-departure intercultural training in his home country before he is sent on an assignment. An expatriate is apprised with general geographical, historical, social and economic information about the host country and has

the opportunity to learn the host country language or to improve his foreign language skills (usually English) if required for the assignment. Besides, expatriates also take part in various role-play workshops, which are specialised in the preparing expatriate in day-to-day situations that may occur in the host country (Štrach, 2009, p. 87).

However, Mendenhall and Stahl (2000; see in Štrach, 2009, p. 87) explain, that intercultural training is a complex process that should continue throughout the period of the expatriate assignment, as pre-departure and in-country real-time training, and also after the expatriate returns home. The in-country real-time training may make use of an assistant who would help the expatriate to deal with situations in the host country he or she would not be prepared for. The assistant can be another expatriate who has already spent some time in the country, or a host country employee who would help the expatriate in solving day-to-day issues and speeding up the adaptation process.

The adaptation process is mostly followed by so called *culture shock* – a frustration of foreign culture. The term culture shock was firstly described by an anthropologist Kalervo Oberg as a state of frustration and disorientation, when a person suffering from the cultural shock is afraid of the new culture environment, feels lonely and is confused by the appropriate way of behaviour within the culture (Black and Mendenhall, 1991, p. 238; Štrach, 2009, p. 99; Cajthamr and Dědina, 2010, p. 281).

Culture shock is a highly individual process and the way and time each person needs to cope with the situation may vary. Culture shock may never be totally avoided, but appropriate intercultural training can help the expatriates to cope more easily with the culture shock (Štrach, 2009, p. 100).

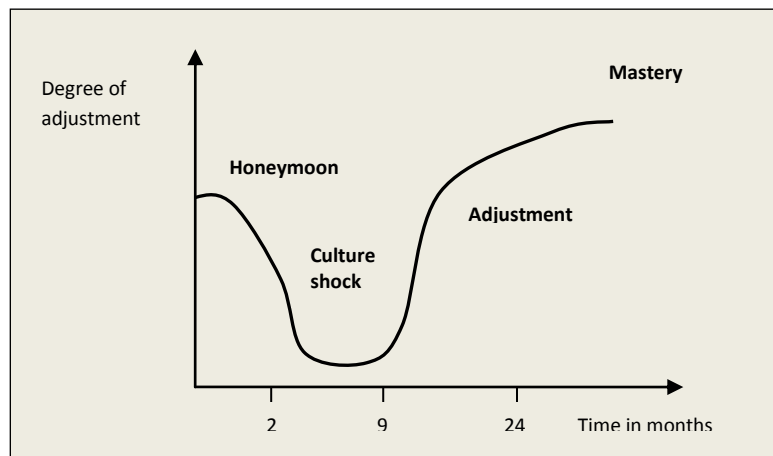
The process of culture shock can be illustrated by the U-curve (see Figure 1), which goes through four stages characterized as following (Black and Mendenhall, 1991, p. 236-241):

- *Honeymoon* – the initial stage, when an expatriate is fascinated by the new cultural environment and excited by new experiences. His or her feelings about the new host country are far too optimistic, than the reality really is.
- *Culture shock* – the second stage, when the expatriate starts feeling frustrated and disoriented by the new cultural environment around and confused by not knowing, what the appropriate way of behaviour is. The typical feelings are loneliness, home-

sickness, refusing some aspects of the new culture or even hostile behaviour towards members of the new culture.

- *Adjustment* – the stage of reconciliation with the new culture, when the individual starts understanding the patterns of behaviour and values of the host country nationals. The expatriates try to be more involved with the members of the culture and even try to learn their language and use it.
- *Mastery* stage – the fourth stage, when the expatriates start feeling rather more positive about the new culture than frustrated and confused. They feel more organized within the new cultural environment and their job performance improves.

**Figure 1: The U-curve of cross-cultural adjustment**



Source: Black and Mendenhall (1991, p. 227)

## 1.6 Culture

Culture is an invisible dimension of international relationships, which can be perceived at all levels of these relationships. It is a summary of knowledge, values, religion, art, habits, language and any other aspects adopted by a human being, who is a member of a society which shares the same patterns of behaviour (Štrach, 2009, p. 94).

Hofstede (1999, p. 35; 2010, p. 6) defines culture as “the collective programming of the mind, that distinguishes the members of one group or category of people from another”. He claims that culture is a collective phenomenon, because it is shared and adopted by people who belong to a certain social environment in which the culture is spread. Various social environments, one lives in through one’s life, have a huge impact on mental programming. Mental programming starts in a family where one grew up and continues at school, in youth groups, in the workplace and at home. Therefore, culture is meant to “be learned, not innate” and is passed from parents to their children (Hofstede, Hofstede and Minkov, 2010, p. 6).

### 1.6.1 Hofstede’s Diagram

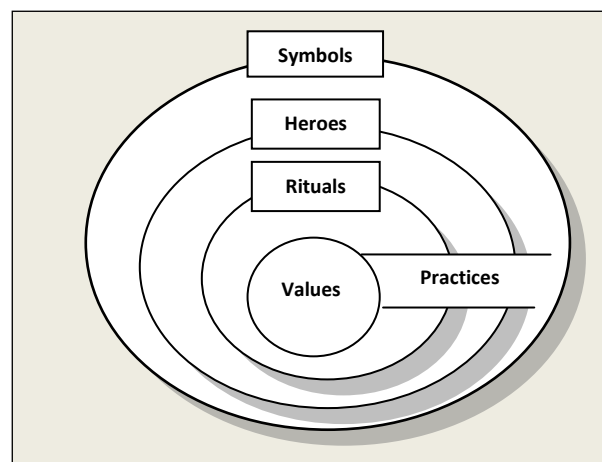
Hofstede (1999; 2007; 2010; and 1984; see in Mead and Andrews, 2009, p. 8) regards the system of *values* as a core element of each culture, which is shared within one society, but varies among societies. He defines values as assumptions, how members of a certain society with a shared culture “shall behave and do behave” (see in Mead and Andrews, 2009, p. 11), how they distinguish between what is good or bad, dangerous and safe, immoral or moral, etc. He also claims (Hofstede, 1999, p. 38) that values are an invisible element of the culture, because members of the society usually do not communicate the values publicly, but take them for granted and regard them as the right norms of appropriate behaviour. Therefore, values remain relatively stable and are not easy to change over time.

The visible element of any culture is *practices*, a set of rituals, heroes and symbols, which creates the outer layers of the culture as a concept. Practices is a summary name for single onion peelings, which are presented by *rituals* (greetings, paying respect to other people, communication styles), *heroes* (personalities in a certain culture, who are holders of personal characteristics specific in such culture) and *symbols* (language, gestures, mimics,

dress code, hair styling). Practices can be observed, imitated and are more likely to change over time than values do (Hofstede, Hofstede and Minkov, 2010, p. 8-9).

To illustrate the concept of values and practices, Hofstede uses *The “Onion”* diagram (see Figure 2), where single onion peelings represent the single layers of culture with values as the heart of the onion. The outer peelings can be easily changed or observed, but the more they approach the core, the less changeable and observable they are (Hofstede, Hofstede and Minkov, 2010, p. 8).

**Figure 2: The “Onion” diagram**



*Source: Hofstede, Hofstede and Minkov (2010, p. 8)*

### **1.6.2 National Culture**

National culture, as explained by Adler (1991; see in Sparrow and Wu, 1997, p. 26), is shared by members of a certain social group, passed from older generation onto younger members, while “it shapes behaviour or structures one’s perception of the world”. Adler like Hofstede agrees that culture is unique for a certain social group (nation), is learned from previous generations and enables the members to adopt specific predictions to appropriate norms of behaviour within the society.

Derr and Laurent (1989; see in Sparrow and Wu, 1997, p. 26) found national culture as a product of national patterns learned in childhood, mixed with the education system, language, religion and geography appropriate for a certain country. The cultural diversity of national cultures has its roots mainly in a nation’s history and historical events, which

either positively or negatively influenced societies living in a certain geographical territory (Hofstede and Hofstede, 2007).

National culture plays an important role in international and cross-culture management issues, as it may to a certain extent influence international activities of the multinational companies, whose activities are operated between the parent company and subsidiaries located in foreign countries. The unique shared system of values embedded in each host country's national culture may influence the way local workforce will respond and react to systems and structures, generally called organizational culture, implemented by the parent company management (Mead and Andrews, 2009).

### **1.6.3 Organizational Culture**

The phenomenon of organizational culture is not exactly defined in the literature, but Hofstede and Hofstede (2007, p. 215) summarized general aspects of organizational culture as holistic; determined by an organization's historic background; involving official symbols and rituals used within the organization; soft and difficult to change and created by a group of people who belong to the organization.

Mead and Andrews (2009, p. 80) offer three views, how to perceive the organizational culture:

- *A constructed product* consisting of “structures, systems and regulations” given by management.
- *A set of organic norms* of the appropriate behaviour and attitude to solve problems based on previous experiences on what the best practice is.
- *A continual process of negotiation* between management and employees about necessary changes in organization, which have to be accepted when implementing new strategies to improve the productivity.

Not only employees, but also all stakeholders, whose interests are connected with the organization (customers, suppliers, local government, trade unions, etc.) might be affected by the organizational culture of a certain organization. And vice-versa, the organizational culture may be influenced by the environment, which the management usually cannot control. When considering organizational culture in a multinational company and implementing the organizational culture originally created in the parent company in the



company's foreign subsidiaries, management has to take into account certain environmental factors such as local government policies, local legal system, local industry norms and mainly the local national culture. All these factors may or may not play an important role in achieving successful implementation (Mead and Andrews, 2009).

Although culture refers to nations as well as organizations, using both national culture and organizational culture in the same context may lead to misunderstanding in the meaning of the term culture (Hofstede and Hofstede, 2007; Mead and Andrews, 2009). Hofstede and Hofstede (2007, p. 216) argue that the conception of both cultures varies in a different mixture of single layers of the culture – values and practices (as illustrated in the onion diagram). Whereas in national cultures the core element is values, which are learned during early life, in organizational cultures the important role presents the usage of shared practices regardless of the values denominated by the members of the organization. The organizational culture is adopted by members when they are joining the organization, while their values have been already adopted during their early lives (Hofstede, 1999, p. 38; Hofstede and Hofstede, 2007, p. 216).

The IRIC project<sup>7</sup> conducted by Geert Hofstede in the late 1980s proved that shared practices actually create the important element of the organizational culture, not values. Although the national values of founders and key leaders may play an important role in the early stage of shaping the organizational culture, these values are later transformed into practices shared by members of the organization (Hofstede, 1999, p. 38; Hofstede and Hofstede, 2007, p. 218).

Shared practices, as a set of outer layers of the onion diagram can be manifested by organizational *symbols* (company dress code, company uniforms, using special or slang words that are understood only among the members of the organization), *rituals* (work meetings before each shift, communication meetings, annual meetings, team buildings) or *heroes* (founders of the organization, who are being adored, employees with certain special skills needed for the smooth run of organization) (Hofstede and Hofstede, 2007).

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<sup>7</sup>Geert Hofstede conducted the IRIC project in twenty organizations in the Netherlands and Denmark in late 1980s. The project was focused on organizational cultures with the aim to examine, what is the most important layer the organizational culture consists of. The results of the project proved, that the very similar national values of the Dutch and Danish nation did not lead to the same patterns of organizational cultures in examined organizations, but that the organizational cultures differed in shared practices regardless the same national values (Hofstede, 1999; Hofstede and Hofstede, 2007).

Shared practices also cover sharing HRM and financial practices, using the same technologies and means of communication when it comes to sharing and implementing organizational culture in various business units or departments of one organization (Mead and Andrews, 2009).

These shared practices then enable the multinational companies to operate globally in a diverse cultural environment. It is impossible or very difficult to change the national values of the multinational companies' global workforce, but the employees are able to adopt the organizational culture through shared practices (Harzing and Sorge, 2003; see in Hofstede and Hofstede, 2007, p. 218). However, Mead and Andrews (2009, p. 88) assume, that if the members of the organization perceive the organizational cultural values to be stronger than their own national culture or both systems of values are close, they are also able to accept these values, not only the practices. But these values will never be adopted as deeply as the values embedded in national culture. The effect of accepting organizational values strengthens with the time a member stays with the organization.

## 1.7 Cultural Differences

As already mentioned the aspect of culture plays an important role in international management and creates the invisible dimension of international relationships. The discipline which is devoted to developing knowledge about unique cultures and studying differences among various cultures and its impact on international management is in practice cross-cultural management (Mead and Andrews, 2009).

Understanding cultural differences and respecting different cultural habits is important for international managers, who need to understand the national cultural values and working habits of the employees of the organization in the host national country in order to effectively manage the organization (or department). Cultural differences do not only determine the working habits within the organization, but also have a considerable impact on communication manners, motivation tools, management and leadership style of the local managers and negotiating style when dealing with international business partners (international customers and suppliers) (Pichanič, 2004, p. 105).

The pioneer in studying national cultural differences with regard to working habit attitudes was the Dutch professor Geert Hofstede, who conducted a research in IBM<sup>8</sup> subsidiaries with the aim of examining to what extent work-related values are within one multinational company with a strong organizational culture influenced by the values embedded in national cultures. Hofstede's research study will be also used for culture comparisons in this master's thesis and discussed in following chapters.

Other research models and approaches that came after Hofstede's model and were dealing with culture comparisons or examining impacts of national cultural values on working habits were presented by (Mead and Andrews, 2009, p. 49-61):

- *Andre Laurent* – 1983; examination of attitudes to power and relationships among managers in European countries.

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<sup>8</sup>The research was carried out in late 1960s and repeated in early 1970s between 116 thousand employees of the IBM Corporation and published in 1980. The original questionnaire consists of 160 questions and was primarily created for internal company needs to solve management issues in host country subsidiaries. Later, 63 questions were used for analysing cultural differences. In 1982, another research known as Value Survey Module – VSM 1982 was made with the aim of examining national cultural dimension. The VSM 82 questionnaire was based upon the original questions from IBM survey concerning cultural values. In 1994, the questionnaire was reworked and known as VSM 94, extended by questions concerning the fifth dimension and modified, so that it can be completed also by respondents who were not currently employed (women on maternity leave, students and solo traders) (Světlik, 2003, p. 44).

- *Fons Trompenaars* – 1993; and later in 1998 Fons Trompenaars together with Charles Hampden-Turner. A seven dimensional model based on research carried out among managers. Some of the dimensions are similar to those presented by Hofstede.
- *Shalom Schwartz* – 1999; examination of value systems with regard to work goals among college students and teachers in 49 nations.
- *House et al.* –1994 – 1997; the GLOBE project focused on the impact of cultural variables on leadership styles. The research was carried out in 62 countries and 7 leadership styles were defined based upon 9 cultural dimensions.

### 1.7.1 Hofstede's Model of Cultural Dimensions

Geert Hofstede introduced his model in the early 1980s, when the results of the IBM research were published. Although the IBM research was primarily designed for internal needs of company management, it later became a broadly used model for comparing and understanding cultural differences across nations. The IBM employees across all IBM subsidiaries presented a perfect research sample; they were very similar in all respects (age, gender, education, job position, etc) except for nationality. The nationality then explained the differences in their answers regarding solutions to basic problems common for all IBM employees (Hofstede, Hofstede and Minkov, 2010, p. 30).

The areas of common problems covered (Hofstede, Hofstede and Minkov, 2010, p. 30):

- *Social inequity including the relationship to authority*
- *The relationship between the individual and the group*
- *Concepts of masculinity and femininity: The social and emotional implications of having been born as a boy or a girl*
- *Ways of dealing with uncertainty and ambiguity, which turned out to be related to the control of aggression and the expression of emotions*

These four problem areas presented the dimensions of cultures which can be measured relatively to other cultures and gave the basis to Hofstede's model. Hofstede used a comparative approach to measure cultural dimensions in one country against cultural dimensions in another based upon measurable scores for each of the four (later five) dimensions. The scores are measurable on a scale from 0 (the lowest possible value) to

100 (the highest possible value). However, in some cases, the measured values went beyond the scale. The model does not offer absolute values, but enables the comparison of cultural aspects across different countries (Světlik, 2004, p. 45).

Apart from comparing national cultures according to various dimensional scores and clustering them into a diagram, Hofstede also used typologies to describe differences among countries. The typology model is easier for understanding the differences, but the dimensional model is more suitable for empirical research, therefore both models are used as complements. The typology model explains the two opposite extremes of each dimension (for score 0 and for score 100) that refer to ideal type of each cultural dimension, which can be described. However, in reality the national cultures can rarely be described as ideal types as most of them are hybrids (Hofstede and Hofstede, 2007, p. 29-30; Hofstede, Hofstede and Minkov, 2010, p. 31-32).

The original Hofstede's model of cultural dimensions from early the 1980s consisted of four dimensions (Hofstede, Hofstede and Minkov, 2010, p. 31):

- *Power distance (from small to large)* – measured as Power Distance Index (PDI)
- *Collectivism versus individualism* – measured as Individualism Index (IDV)
- *Femininity versus masculinity* – measured as Masculinity Index (MAS)
- *Uncertainty avoidance* – measured as Uncertainty Avoidance Index (UAI)

Later in 1980s Hofstede added the fifth dimension *Long-term versus short-term orientation* (LTO) based upon on findings in Chinese Value Survey (CVS) created by Michael Harris Bond<sup>9</sup> from the Chinese University of Hong Kong.

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<sup>9</sup> Bond carried out a research among university students across six countries (and ten ethnic groups) of the Asia-Pacific region in the late 1970s using a value – related questionnaire (Rokeach Value Survey). He analysed the research data in the same way as Hofstede did in his IBM research and found out that all dimensions except one correlated with Hofstede's dimensions discovered in the IBM research. However, both questionnaires were created by western researchers and completed by non-western respondents. This called the doubt about to what extent the correlations between the two researches were caused by western values oriented questionnaires. Thus, later Bond created together with Chinese colleagues a new questionnaire based on values embedded in Confucianism religion. The new questionnaire was called Chinese Value Survey (CVS) and was distributed among students in 23 countries, most of them non-western. The research results brought four dimensions of which three correlated with the dimensions from the original IBM research. The fourth dimension concerned values covering future, and past and present orientation. Hofstede named the dimension Long-term vs. short-term orientation and added it to his model (Hofstede, Hofstede and Minkov, 2010, p. 37).

## Power distance

The power distance dimension measures how different national cultures cope with inequities in society and how they expect power to be perceived and distributed. In large power distance societies, the inequity in society is generally accepted, because members of such cultures believe that inequity is good for them and that everyone has his or her own place. In the workplace, superiors and subordinates are strictly distinguished, in addition office and manual workers are perceived to have a different status. The organizational structures are highly centralised and with more supervisory levels. Managers believe that the best leadership style is autocratic and that subordinates as members of a lower status group have to be told what to do and not consulted (Hofstede, Hofstede and Minkov, 2010).

**Table 8: Power distance typology in the workplace**

Low PDI	←————→ High PDI
<ul style="list-style-type: none"> <li>• <b>Decentralisation</b> in organisational structure is popular (fewer supervisory personnel)</li> <li>• Managers rely on their own experience and subordinates expect to <b>be consulted</b></li> <li>• Subordinates should be <b>initiative</b></li> <li>• The ideal boss is <b>resourceful democrat</b></li> <li>• Subordinate-superior relationships are <b>pragmatic</b></li> <li>• Privileges and status symbols are not popular</li> <li>• Manual work has the <b>same status</b> as office work</li> <li>• <b>Low salary difference</b> between the top and the bottom of the organization</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Centralisation</b> in organisational structure is popular (more supervisory personnels)</li> <li>• Managers rely on formal rules and subordinates are expect to <b>be told what to do</b></li> <li>• Subordinates should be <b>disciplined</b></li> <li>• The ideal boss is a <b>benevolent autocrat</b></li> <li>• Subordinate-superior relationships are <b>emotional</b></li> <li>• Privileges and status symbols are popular</li> <li>• Manual work is <b>valued less</b> than office work</li> <li>• <b>High salary difference</b> between the top and the bottom of the organization</li> </ul>

*Source: adapted from Hofstede, Hofstede and Minkov (2010, p. 76)*

## Collectivism vs. individualism

The collectivism vs. individualism dimension describes the relationship between an individual and a group he or she belongs to. Collectivistic cultures value group interests over the interests of the individual. Intergroup relationships are strong and loyalty to the group is required. Individualistic cultures, on the contrary, prefer individual interests to group interests; individual achievement and responsibility being more valued (Hofstede, Hofstede and Minkov, 2010).

**Table 9: Collectivism vs. individualism typology in the workplace**

Low IDV (Collectivism)	High IDV
<ul style="list-style-type: none"> <li>• Employees are <b>members of in-groups</b> who will pursue the in-group's interest</li> <li>• Hiring and promotion decisions take employee's in-group into account</li> <li>• Bonuses linked to <b>in-group performance</b></li> <li>• The employer-employee relationship is basically <b>moral, like a family link</b></li> <li>• Management of groups, <b>team work is preferred</b></li> <li>• Direct appraisal of subordinates spoils harmony, <b>tendency to avoiding loss of face</b></li> </ul>	<ul style="list-style-type: none"> <li>• Employees are considered as <b>individuals</b> who will pursue the employee's interest of an individual</li> <li>• Hiring and promotion decisions are supposed to be based on employee skills and rules only</li> <li>• Bonuses linked to <b>individual's performance</b></li> <li>• The employer-employee relationship is like a <b>business contract</b></li> <li>• Management of individuals, <b>individual task filling is preferred</b></li> <li>• Management training teaches <b>the honest sharing of feelings</b>, bad news communicating is a welcomed key skill for a successful manager</li> </ul>

Source: adapted from Hofstede, Hofstede and Minkov (2010, p. 92-124)

### Femininity vs. masculinity

The femininity vs. masculinity dimension explains how different national cultures perceive the traditional masculine values that are linked with employment, earnings and job achievement and the traditional feminine values such as human relationships and family issues. Masculine cultures are more oriented to materialistic values. In the workplace, high job performance is more evaluated and a higher level of competition among colleagues can be perceived. Members of masculine cultures often dedicate their lives to long-term careers. They prefer to work long hours with the aim of earning more money than to spend more time with their relatives. Masculine cultures also prefer a traditional attitude to different men and women occupancies as well as different roles in the society (Hofstede, Hofstede and Minkov, 2010).

**Table 10: Femininity vs. masculinity typology in the workplace**

Low MAS (Femininity)	High MAS
<ul style="list-style-type: none"> <li>• Resolution of conflicts by <b>compromise and negotiation</b></li> <li>• Rewards are based on <b>equality</b>, everyone is rewarded according to <b>needs</b></li> <li>• People <b>work in order to live</b>, family and more leisure time are preferred over more money</li> <li>• Careers are optional for <b>both genders</b>, more women occupy professional jobs and senior positions</li> <li>• Humanization of work by <b>contact and cooperation</b></li> </ul>	<ul style="list-style-type: none"> <li>• Resolution of conflicts by <b>letting the strongest win</b></li> <li>• Rewards are based on <b>equity</b>, everyone is rewarded according to his or her <b>performance</b></li> <li>• People <b>live in order to work</b>, more money is preferred over family and more leisure time</li> <li>• Careers are compulsory for <b>men</b>, optional for women, less women in senior positions</li> <li>• Humanization of work by <b>job content enrichment</b></li> </ul>

Source: adapted from Hofstede, Hofstede and Minkov (2010, p. 170)

## Uncertainty avoidance

The uncertainty avoidance dimension describes how members of different national cultures accept uncertainty and cope with unknown situations. The dimension reflects the extent to which rules and regulations are set and understood as the way to protect members of culture from ambiguity, uncertainty and unpredictable situations. In cultures where needs to avoid uncertainty are high, people usually feel threatened by uncertainty and tend to create more rules and plan everything to the smallest details to eliminate consequences of possible failure. Members of these cultures are also more reserved to changes and innovations. They are less tolerant to members of other cultures and to other people's opinions. In the workplace, senior managers are of greater age. Subordinates are given clear and direct instructions about their job tasks, and less opportunity to use their initiative. All employees are strictly expected to follow rules and procedures set within the organization (Mead and Andrews, 2009; Hofstede, Hofstede and Minkov, 2010).

**Table 11: Uncertainty avoidance typology in the workplace**

Low UAI	←————→ High UAI
<ul style="list-style-type: none"> <li>• <b>More changes</b> of employer</li> <li>• <b>No more rules than strictly necessary</b>, tolerance for ambiguity and chaos</li> <li>• Top managers are concerned with <b>strategy</b></li> <li>• Focus on decision process</li> <li>• Time is <b>framework for orientation</b></li> <li>• Innovations are <b>welcomed</b></li> <li>• Subordinates are <b>motivated to use their initiative</b> when completing job tasks</li> </ul>	<ul style="list-style-type: none"> <li>• Fewer changes of employer, <b>loyalty to organization</b></li> <li>• <b>Emotional need for rules even if not necessary</b>, need for precision and process standardization</li> <li>• Top managers are concerned with <b>daily operations</b></li> <li>• Focus on decision content</li> <li>• Time is <b>money</b></li> <li>• Innovations are <b>accepted with suspicion</b></li> <li>• Subordinates are <b>motivated to follow superior's instruction</b> when completing job tasks</li> </ul>

*Source: adapted from Hofstede, Hofstede and Minkov (2010, p. 217)*

## Long-term vs. short-term orientation

The last dimension, also known as the Confucianism dimension, describes how national cultures perceive time orientation and with it connected values. The long-term oriented cultures are focused on future and value persistence and thrift. Short-term oriented cultures, on the contrary, are focused on past or present actions and value respect for traditions, reciprocation of greetings and presents or protecting one's face (Hofstede, Hofstede and Minkov, 2010).



The dimension was added after the IBM research and therefore, less research was produced about how culture's time orientation related to the work and organization. However, Hofstede classifies western cultures as rather short-term oriented and eastern cultures (China, Taiwan) as long-term oriented.

**Table 12: Long-term and short-term orientation typology in economic and business related issues (based on CVS data)**

Short-term Orientation ←	→ Long-term Orientation
<ul style="list-style-type: none"> <li>• Main work values include <b>freedom, rights, achievement, and thinking for one-self</b></li> <li>• Leisure time is <b>more</b> important</li> <li>• Importance of this <b>year's profit</b></li> <li>• Managers and workers are psychologically in <b>two camps</b></li> <li>• Meritocracy, reward by abilities</li> </ul>	<ul style="list-style-type: none"> <li>• Main work values include <b>learning, honesty, adaptiveness, accountability, and self-discipline</b></li> <li>• Leisure time is <b>less</b> important</li> <li>• Importance of profits <b>ten years from now</b></li> <li>• Owner-managers and workers share the <b>same aspiratons</b></li> <li>• Wide social and economic differences are undesirable</li> </ul>

*Source: adapted from Hofstede, Hofstede and Minkov (2010, p. 251)*

Hofstede's model is popular mainly due to fact that no one before or after has gone so far to carry out research study to such an extent as he has. Hofstede's model covers data of cultural dimensions from more than 70 countries and regions (Hofstede and Hofstede, 2007).

The simplicity and clarity of measured values enable easy comparisons and insights in basic cultural differences of various nations and can be useful more for manager's and marketing research needs than for deeper psychological analysis. However, the manager has to take into account, that the measured scores will probably not be valid for the whole population, but "indicate which orientation most members of a culture group are likely to adopt in a routine situation" (Mead and Andrew, 2009, p. 44).

Neither the Hofstede's five dimensions model cover all essential cultural variables such as time and space perceptions, nor is the model determined to evaluate behaviour and attitude at individual level (Štrach, 2009, p. 97). Hofstede himself (Hofstede, 2002, p. 171) pointed out that the model was developed to be used and evaluated at aggregate level, not at individual level as both evaluations may bring different results.

The model is often criticized for its limitations, because it serves only as a quantitative analysis. Also, Hofstede uses national state as a cultural unit and does not take into account the various ethnic groups within a national state. Besides, Hofstede carried out the research

more than thirty years ago and certain data obsolescence may occur. Although Hofstede claims that values embedded in culture are relatively stable over time, the data may not have the same explanatory power. Another problem is that the data Hofstede worked with were collected only in a single industry and in one multinational company. Thus, the sample represents a specific group and cannot be regarded as representative for other social groups within a nation. On the other hand, a research conducted in a multinational company with such a strong organizational culture as IBM has, enables the detection of differences in cultural values rather than in work-related values, because cultural values are the only difference among the employees (Světlik, 2004; Mead and Andrews, 2009; Štrach, 2009).

## **1.8 Cultural diversity in a selected multinational company**

Wistron Corporation, a selected Taiwanese multinational company which will be examined in this master's thesis with the main focus on the Czech subsidiary – SMS InfoComm(Czech) s.r.o.<sup>10</sup>, is considered to be a multinational company with a global workforce of more than 60, 000 employees (in December 2011; see in Wistron, 2012b, p. 8). The company headquarters is situated in Taipei, Taiwan and more than 26 foreign subsidiaries are located worldwide (see Appendix 1).

The Czech subsidiary employs the workforce consisting of three nationalities: Czech, Taiwanese and Filipino employees. According to the categorization of the global workforce presented by Caligiuri, Lepak and Bonache (2010), local Czech employees are host national employees (or local employees), Taiwanese employees are considered to be expatriates and Filipino employees are regarded as third country nationals, who were sent to the Czech subsidiary on international assignment like their Taiwanese colleagues. However, for needs of the master's thesis and simplification, the Filipino employees will be generally also regarded as expatriates with reference to Armstrong's (2009) explanation that expatriates can be either "nationals of the parent company or third country nationals" (p. 156) hired by the headquarters.

### **1.8.1 Czech, Taiwanese and Filipino cultural differences according to Hofstede**

To compare the cultural differences of the three nationalities Hofstede's model will be used as an instrument to compare the differences in cultural dimensions. The model itself does not provide the in-depth characteristics of each of the cultures, but will be used to compare the positions of the countries on the five dimensions relative to one another, with the aim of focusing on differences in scores which may also help to understand the different characteristics of national cultures of these three countries.

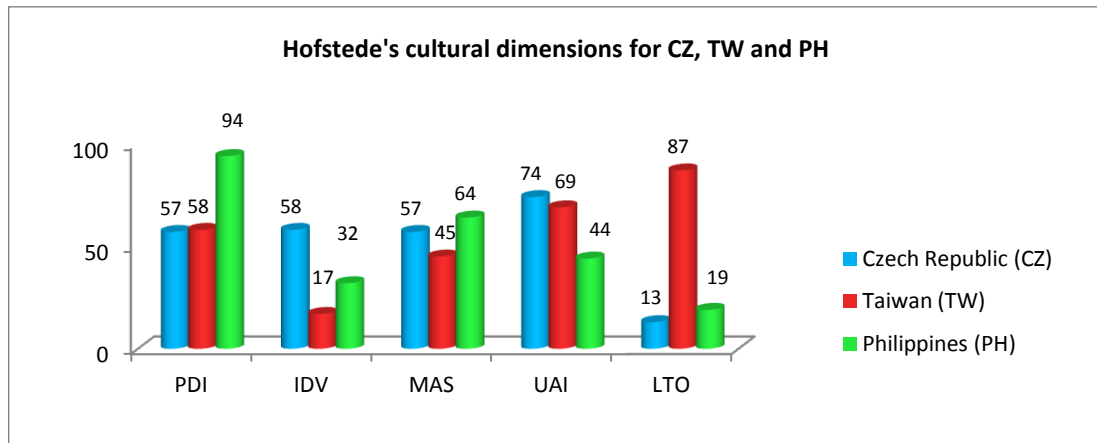
The Taiwanese and Filipino values come from the original IBM research conducted in 1980s, however, the Czech national values presented by Hofstede in his work (Hofstede, 2001; Hofstede and Hofstede, 2007; Hofstede, Hofstede and Minkov, 2010) do not come from the original IBM research and were estimated or come from replications based on his work (Hofstede, 2001, p. 502).

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<sup>10</sup>The company will be presented in more details in chapter 2.1 and 2.2.

The measured values in each of the five cultural dimensions are illustrated in Figure 3. Each of the compared countries is presented by different colour so that the score differences are clearly visible.

**Figure 3: Hofstede's cultural dimensions for CZ, TW and PH**



*Source: adapted from Hofstede (2001, Appendix 5, p.499-502)*

### **Power distance**

The power distance index score is almost similar for the Czech and Taiwanese culture. According to these scores, both countries tend to be a rather large power distance societies. Members of these cultures tend to respect the inequity in the society and also in the work place, where power centralisation in the organizational structure and is more often and superiors and subordinates are distinguished with more supervisory levels (managing director – plant manager - manager – supervisor – team leader – employee). Ideal manager or superior is perceived as a charismatic benevolent autocrat, who rather told the subordinates what to do, than consult them.

The relationships between the superior and his subordinates are rather emotional, and positive relationships towards superior are perceived as manifestation of loyalty to the management and also to the company itself. This is characterizes mainly the Czech attitude to the subordinate-superior relationships (Nový and Schroll-Machl, 2007).

Philippines ranks among countries with a very large power distance when compared to Czech and Taiwanese scores, where inequity in the society and work place is almost required and subordinates as members of a lower status group are strictly told what to do.

### **Individualism vs. Collectivism**

The score in this dimension is different for all three cultures, therefore less similar aspects from this point of view can be found among these cultures. The Czech Republic with the value of IDV equalling 58 tends to be the most individualistic of all three countries. It is supposed that employees will be responsible for themselves and would rather follow their own interests, than the group interests. However, according to Nový and Schroll-Machl (2007, p.58-61), to the strong characteristics of the Czech temperament belongs the orientation on social relationships. This enables them to feel the team spirit and work effectively to achieve the common group goals regardless their own needs provided the in-group relationships are positive and friendly.

In the Taiwanese society, on the contrary, the employees would follow the interests of the whole group or team they belong to and would value the interest of the group more than their own. The Philippines culture tends to be similar to the Taiwanese culture. Another aspect of this dimension that shows the differences is the attitude to the frequency of changing the employment (or employer). The frequency in changing employer should be lower in Taiwanese and also Filipino culture, as these cultures tend to be more loyal to their groups apart from the Czech society, where changes in employment are more frequent.

### **Masculinity vs. Femininity**

The most masculine culture according to the score is considered to be the Filipino society with the MAS index of 64; the least masculine or rather the most feminine culture is the Taiwanese culture with the MAS index of 45. The score for Czech Republic is between. The low masculine cultures are less oriented to materialistic values and emphasise on good relationships or even tend to avoid conflicts. These characteristics are typical for both Czech and Taiwanese cultures. Both societies are oriented on social relationships – Czech value “good in-team relationships”, and Taiwanese have even the expression *guanxi*<sup>11</sup> for this phenomenon. Both societies also tend to avoid conflicts – Taiwanese typical characteristics of avoiding loss of face, and Czech reluctance to be involved in open

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<sup>11</sup>Guanxi is „the set of personal connections which an individual can draw upon to secure resources or advantages when doing business or in the course of social life“(Davies, 1995; see in Mead and Andrews, 2009, p. 172).

conflict and instead of it choosing the “gossiping in the shadow” or accepting compromises.

### **Uncertainty avoidance**

The Czech Republic shows the highest UAI score of 74, Taiwan ranks 69 and Filipino score is 44. Based on this, the Czech culture seems to have the highest needs to avoid ambiguity and unknown situations, followed by the Taiwanese culture, which also tends to be less tolerant to uncertainty and unpredictable situations compared to the Filipino values.

For both the Czech and the Taiwanese society are typical the high needs to create rules and norms of behaviour, to have clearly stated company structures and procedures. Both cultures also tend to avoid conflict situations, because these bring the uncertainty and threaten the participants. However, the members of Taiwanese society tend to follow these rules because they believe, that they have been created to protect them less evaluate the flexibility and improvisation. Members of the Czech society, on the contrary, evaluate flexibility and improvisation more than strict following of rules and procedures, which if necessary may be skipped. Rules are usually created for “what if” situations their following is required mainly by the others, not us.

### **Long-term vs. Short-term orientation**

Taiwanese culture shows the highest score in this dimension and is regarded as long-term oriented culture. The Czech and Filipino scores are quite similar and very low compared to the Taiwanese. These two cultures are rather short-term oriented. While the Taiwanese prefer self-discipline and focus on long-term results, the Czechs and Filipinos value more personal freedom and focus on achieving short-term objectives. Also these two cultures prefer to be appraised according to their own performance. The Taiwanese, on the other hand tend to efface differences in financial appraisals.

## 1.9 Communication

Communication can be characterized as a mutual two-way process that is followed by information exchange. The communication process is a process of sharing information with the aim of lowering and eliminating the uncertainty of both sides (Holá, 2011, p. 19).

Communication is a necessary element needed for supporting co-operation within a company. Internal company communication presents interconnection of various units within a company, which enables co-operation and co-ordination of processes that are necessary for the effective operation of the whole company (Holá, 2011, p. 41).

### 1.9.1 Intercompany Communication

Communication of a company can be divided into internal and external communication with the company partners, when information is flowing inside and outside the company. Partners with whom the company communicates externally are company stakeholders presented by company customers, suppliers, government and media. The internal communication or intercompany communication is carried out with the company partners presented by its employees (Holá, 2011).

Intercompany communication covers communication between employees inside the company in its verbal and non-verbal forms as well as the communication effect of the organizational culture on all employees. The non-verbal form of communication between the company and its employees is realized through actions taken by the company management, company visions and targets, organizational climate, successes achieved by the company as a whole, company's know-how, negotiation standards with the company stakeholders, etc. (Hloušková, 1998, p. 10).

The internal communication is carried out in various directions and levels within a company. Lunenburg and Ornstein (2008; see in Lunenburg, 2010, p. 2) and Armstrong (2007, p. 662-663; 2009, p. 950) described three main directions of communication within an organization that are used for distributing data, information and knowledge as all of these are considered to be objects of communication:

- *Downward vertical communication* – management towards subordinates. Communication covers information about the company strategy, visions, plans and

successes. Subordinates should be apprised with terms and conditions of their employment (job instructions) and should be motivated to improve their job performance and loyalty with the company.

- *Upward vertical communication* – subordinates towards management. Communication covers mainly feedback from employees involving their attitude and feelings about the actual situation in the company and intended future plans, visions and changes presented by the management that affect them directly. Management is also apprised with the job performance results of individual working groups, which enables the management to monitor and manage the performance of the whole organization.
- *Horizontal communication* –between employees on the same level in the organizational hierarchy or departments. Communication serves mainly to secure the coordination and “to tie together activities within or across departments” (Lunenburg, 2010, p. 5).

The internal communication is carried out on at least three different levels within a company (Holá, 2011, p. 6):

- *On the company level* – communication between the top management and employees.
- *On the team level* – communication between single managers and their team members and communication within a team.
- *On the personal level of a manager* – communication of a manager as a connection link between his or her team and the top management.

A company can use several forms of communication combined with communication channels and tools to secure the effective flow of data, information and knowledge within a company. The selection of appropriate communication methods is influenced by the company communication strategy. The communication strategy is based on the analysis of what, how, to whom and when it should be communicated. Thus, what the company management want to communicate, what employees want to hear and what problems may occur when sending and receiving information (Armstrong, 2007, p. 663).

Internal communication can be achieved in basic forms of personal (verbal, face-to-face), written and electronic. A company can also use a specific (non-verbal) form of communication when the communication towards employees is achieved through the



organizational culture, actions presented by the top management, and benefits and presents given to its employees (Hloušková, 1998, p. 55; Armstrong, 2007, p. 664; Holá, 2011, p. 190).

Usage of the various communication forms depends on conditions of the particular communication. The choice of an appropriate communication form can be influenced by several factors (relationships of the participating parties, character of information that has to be communicated, communication skills and abilities of management, nature of a problem that has to be solved, time demand, necessity of a feedback, etc.) and also the availability of communication tools that can be used.

The most extended form of communication is the personal (face-to-face) communication due to the availability of immediate feedback and high possibility to eliminate misunderstandings. However, not all of the information exchanged can always be captured; therefore the face-to-face communication should also be followed by a written record. The written form of communication is recommended, when the communicated information is of a high official weight and has to be spread to a broad group of receivers in a short time period. The electronic form of communication is becoming more and more extended in organizations. This form of communication has already been, to a certain extent, replaced by the written form of communication due to its main advantage of more effective distribution, sharing and storage of information in contrast to the written form (Holá, 2011).

The overview of communication forms and appropriate communication tools is summarized in Table 13.

**Table 13: Overview of intercompany communication tools**

<b>Personal (verbal, face-to-face) form of communication</b>	
<ul style="list-style-type: none"> <li>• Interview, discussion</li> <li>• Phone call</li> <li>• Management, department, team meetings</li> <li>• Internal company meetings (company management and employees)</li> <li>• Internal training programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Social and sports events</li> <li>• “Open days” at manager’s office</li> <li>• Managerial visits at the working place</li> <li>• Company rituals (at the end/beginning of year, promoting ceremonies, etc.)</li> <li>• Company “hot line”</li> <li>• Company gossips, stories</li> </ul>

<b>Written form of communication</b>	
<ul style="list-style-type: none"> <li>• Employee and training manuals</li> <li>• Annual reports</li> <li>• Company profile document</li> <li>• Company magazine, newspapers, bulletins</li> </ul>	<ul style="list-style-type: none"> <li>• Information boards</li> <li>• Question mail-boxes (for anonymous queries, comments raised by employees)</li> <li>• Meeting reports</li> </ul>
<b>Electronic form of communication</b>	
<ul style="list-style-type: none"> <li>• E-mail, Skype, ICQ, OCS (Office Communicator)</li> <li>• Company Intranet</li> </ul>	<ul style="list-style-type: none"> <li>• Company TV/radio broadcasting</li> <li>• Instruction video/DVD</li> <li>• Company PowerPoint presentation</li> </ul>
<b>Specific form of communication</b>	
<ul style="list-style-type: none"> <li>• Presents with company logo (stationery, key-rings, cups, etc.)</li> <li>• Company dress code, uniforms with company logo</li> </ul>	<ul style="list-style-type: none"> <li>• Special offers for employees (employee discounts on company products and services)</li> </ul>

*Source: adapted from Holá (2011, p. 190-205) and Hloušková (1998, p.55-58)*

Information is spread within the company in all directions and through various communication channels. A communication channel presents a way that information moves from a sender (place of origin, information resource) to a receiver (place of destination) and returns in the form of feedback. The communication channel consists of activities, tools and forms of communication, which secure the proper flow and sharing of information within the intercompany communication process. The quality and effectiveness of each channel is determined by the speed, content, availability and validity of distributed information and its possibility to be stored, shared and further distributed as well as the appropriate choice of communication tools that secure the operating of channels. Optimal setting of the intercompany communication channels can prevent the negative phenomenon of information noise and lack of information distributed within the company. However it cannot fully secure the proper functioning of intercompany communication, because the effectiveness of using the channels is influenced by managerial decisions. Communication channels can be further divided into official and unofficial channels (Holá, 2011, p. 189-190).

When setting the internal communication, three basic objectives should be followed to secure effective use of communication within a company (Holá, 2011, p. 5):

- *Information security necessary for job performance* – everyone should have enough information about his or her job performance, should know the aim of his or her work and the continuity of other processes within the company.
- *Information and motivation connection necessary for co-operation* – everyone in the company should be familiar with the company results and future visions and targets, so that employees can be persuaded to believe in the company prosperity and be also motivated to “pull together” when achieving common targets.
- *Formation of desirable work behaviour and attitude to strengthen loyalty and eliminate employee fluctuation* – the company should strive to create a stabile organizational climate and inform employees about all future changes and developments of the company in advance to eliminate the uncertainty of its employees.

The effective functioning of internal communication and the interconnection of all three objectives stated above is dependent on the company management and its willingness to take the responsibility for communication and defining the communication strategy and its interconnection with the human resource policy. The company management should be unified and be aware of its actions, because not only words, but mainly the visible actions present a great part of communication towards employees (Hloušková, 1998; Holá, 2011).

The company management should deliberately build an organizational climate that would stimulate employee-management co-operation; grow positive organizational culture and support open communication together with discussion and feedback (Holá, 2011, p. 6). Armstrong (2009) highlights the importance of feedback and encouraging employees to “comment and respond to the information they obtain from the management” (p. 950). Treating employees as company partners and listening to the employee voice present a great assumption to set an effective internal communication that would lead to both-sided cooperation within a company. Also, the effective functioning of internal communication can be influenced by the personality of a manager and his or her communication skills (Holá, 2011, p. 6).

## **1.9.2 Intercultural Communication**

Intercultural communication is a process in which communicating partners “from different cultural backgrounds attempt to share their meanings” (Moran, Harris and Moran, 2010, p.

39). Intercultural communication covers the processes of interaction and communication that are determined by a specific pattern of communication behaviour, a set of characteristics of language, culture, mentality and values typical of the members from the same cultural backgrounds that the communicating partners belong to. The diversity of cultural backgrounds can be presented by culturally and lingually different ethnic groups, nations, and racial or religion societies (Průcha, 2010, p. 16).

Communication behaviour of members of each nation (or ethnic group) is influenced mainly by the specific cultural characteristics of that nation (or ethnic group) and its language. Both the specific cultural characteristics and the language diversity also cause barriers in the intercultural communication. The extent of barriers and misunderstandings in the intercultural communication is given by the extent of cultural diversity of the communicating partners and the languages used. The greater the cultural difference, the more barriers will occur. The influence of culture on communication behaviour was examined by Geert Hofstede (as mentioned earlier in the thesis) and by Edward T. Hall and his low- and high-context culture model (Průcha, 2010).

The most visible elements of cultural diversity that influence communication behaviour were described by DeVito (2001; see in Konečná, 2009, p. 129) as:

- *Language and speech* – although the individuals communicate in the same language, their articulation and voice intonation may vary and even cause misunderstandings, because the communicating partners are influenced by the articulation and voice intonation of their mother language.
- *Non-verbal speech* – different body language (specific face mimics and gestures) may lead to misunderstandings between the communicating partners from various cultural backgrounds, because certain gestures can have different meanings in different cultures.
- *Direct and indirect manner of speaking* – the extent to which members of different cultures express their thoughts directly (what they really think) or indirectly with the aim of avoiding “loss of face” (they emphasize rather on keeping positive image than telling their real thoughts and feelings). This indirect manner of speaking and avoiding “loss of face” is preferred in Asian cultures, especially in cultures influenced by Confucianism religion (China, Taiwan, etc.) (Průcha, 2010, p. 161).

- *Feedback* – the extent to which members of different cultures give their honest and open feedback. Can be very similar to the way members express their real thoughts.

The influence of language on communication behaviour and intensity of barrier occurrence in intercultural communication was described in the theory of language relativism presented by two anthropologists Edward Sapir and Benjamin L. Whorf. Sapir and Whorf (see in Průcha, 2010, p. 22-23) argued that the character of the language people communicated in influenced their mentality and perception of the outside world. The anthropologists believed that when communicating partners were members of different cultures, they would never achieve perfect understanding due to the different perceptions and interpretations of the outside world caused by the differences in their languages.

Intercultural communication is carried out through the usage of so called natural languages and international or world languages. The natural language is used for communication within a certain nation (or ethnic group) and the most extended spoken natural language in the world (based on the number of population that use this language) is Chinese, followed by English, Hindi, Spanish and Arabic (Graddol, 2006 and Breton, 2007; see in Průcha, 2010, p. 73).

However, the importance level of natural languages in intercultural communication differs in contrast to the extension level these languages are used among the world population. The most important languages used in the context of international environment (international business, foreign affairs, tourism, etc.) are English followed by Spanish, French, Russian or German. These languages have become communication tools for people from different nations or continents and they also carry out the function of lingua franca; an agreed communicating language between communicating partners regardless their natural languages (Průcha, 2010, p. 74).

The conception of intercultural communication is predominantly used in connection with international business meetings and foreign affairs, but its importance grows together with the expansion of multinational companies, in which intercultural communication presents day-to-day issues. Multinational companies spend large amounts of financial means on intercultural training for their employees with the emphasis on the area of intercultural communication. This training helps the employees to raise their intercultural competences, through which they gain knowledge about specific characteristics of different cultures and communication behaviours of its members (Konečná, 2009; Průcha, 2010).

### 1.9.3 Hall's Model

Hall (1976; see in Korac-Kakabadse et al., 2001; Mead and Andrews, 2009, p. 30; Moran, Harris and Moran, 2010, p. 48) introduced a theoretical framework for analysing cultures that is based on how members of different cultures share, interpret and process information or messages when communicating with each other.

As the main aspect of communication, Hall used the term *context*, by which he meant the “information that surrounds the event” (1976; see in Korac-Kakabadse et al., 2001, p. 6). In other words, context provides additional information, which helps the communicating partners to better understand the meaning of the communicated information or message. He believed that this information contained values embedded in the culture which would influence how members of the culture would respond to the context, and that members of one culture referred to the context in a different way to that of another culture (Mead and Andrews, 2009, p. 30).

Hall distinguished between low- and high-context cultures with regard to the amount of information members of these cultures needed to provide context when communicating. Thus, to what extent members of cultures communicate information explicitly, already vested in words with a single meaning (typical for low-context culture); and vice-versa to what extent information is communicated implicitly, ambiguously and “vested in shared experience and assumptions based on verbal and non-verbal codes” (typical for high-context culture) (Korac-Kakabadse et al., 2001, p. 6).

*Low-context* cultures tend to communicate explicitly as members assume that their communicating partners know very little and therefore everything needs to be told in words. People from low-context cultures talk directly, go straight to the point and apprise their communicating partner with everything that they have on their minds. Low-context communication style is typical for Germany, Switzerland and Scandinavian countries (Korac-Kakabadse et al., 2001, p. 7; Mead and Andrews, 2009, p. 34).

*High-context* cultures, on the contrary, emphasize an implicit communication style, “as listener is already contextualised and so does not need to be given much background information” (Hall and Hall, 1990; see in Korac-Kakabadse et al., 2001, p. 7). Members of these cultures talk indirectly, usually tending to avoiding “loss of face” by talking around the point. They do not apprise their communicating partners with everything that is on their

mind and instead expect the listener to pick up the meaning from the additional non-verbal communication (gestures and face mimics). High-context communication style is typical for Asian and Middle Eastern countries (Mead and Andrews, 2009, p. 34).

Communication between individuals from cultures with different communication context may lead to misunderstandings as members of high-context cultures might feel overwhelmed with information they do not need, and vice-versa members of low-context cultures might be missing information communicated verbally and overlook additional information they were given through non-verbal communication.

Hall (see in Korac-Kakabadse et al., 2001, p. 8; Mead and Andrews, 2009, p. 33-34) characterised low- and high-context cultures with regard to their attitudes to relationships and behaviour during business communication. Members of low-context cultures tend to have rather short lasting relationships; they do not value deep involvement with communicating partners and treat members of their own culture more or less the same as members of foreign cultures. Low-context cultures are also called *contract cultures*, because agreements tend to be concluded in written form. Members of high-context cultures, on the other hand, prefer spoken agreements to written and are called *relationship cultures*, because business is done on the basis of personal relationships. Relationships are highly valued in high-context cultures and tend to be long lasting.

Hall's distinction between low- and high-context cultures served as a base for other scientists who observed communication behaviours across cultures. For example, Hofstede (Hofstede and Hofstede, 2007, p. 76) tried to describe patterns of communication behaviour in individualistic and collectivistic cultures with regard to Hall's model. He believed that high context communication was typical for collectivistic cultures, whereas low context communication style could be found in rather individualistic cultures. He stated an example showing different lengths and wider contents of business contracts issued by US companies, which are more extensive than contracts issued by Japanese companies. The US culture as an individualistic culture with low-context communication tends to express information and statements more explicitly, whereas the Japanese collectivistic culture with high-context communication expresses information implicitly, because information is already covered in the context or is understood by itself.

## 1.10 Questionnaire Theory

A questionnaire is a broadly used research tool in quantitative research as it enables data to be collected from a large number of respondents in a relatively short time. It is a list of structured questions, which help a researcher find out what a group of respondents do, think or feel. Respondents usually complete questionnaires anonymously without the assistance of an interviewer which should guarantee the researcher more honest and open feedback from respondents. On the other hand, the absence of an interviewer puts emphasis on a clear formulation of questions, because a respondent does not have the opportunity to ask for a specification (Pavlica et al., 2000).

A successful result of any research which uses a questionnaire as the main research tool is influenced by a well constructed questionnaire and properly formulated questions.

A questionnaire should consist of an introduction, where a respondent is apprised with the aim of the questionnaire, instructed how to complete the questionnaire and assured that his or her personal data will not be abused. The main part of the questionnaire covers questions regarding the research topic and also identification questions (usually age, sex, education). To keep the respondent concentrated, the questionnaire should not be too extensive (the time needed for completion should not exceed 45 minutes) and be graphically well-arranged. The questionnaire should conclude with acknowledgement to the respondent. Questions have to be formulated clearly with regard to respondent's age and education; technical, academic or slang terms a respondent would probably not understand should be avoided. The content of questions should link to the research topic (Pavlica et al., 2000).

A questionnaire can consist of the following types of questions (Pavlica et al., 2000, p. 119; Collis and Hussey, 2003, p. 179):

- *Open ended questions* – questions with no offered answers give a respondent the opportunity to express his or her own opinion in his or her own words; however these responses can be difficult to analyse. Respondents are either asked to write opinions or improvement proposals about a certain issue, or are asked to explain reasons and give additional information to their answer.



- *Closed ended questions* – questions, where a respondent has to choose answers from already predetermined alternatives which are closest to his or her own opinion. Responses to closed questions are easier to analyse, because the range of potential answers is limited by given alternatives. Closed questions are divided into:
  - *Yes/ No (I agree/disagree)* – a respondent can choose only from two alternatives, sometimes the third alternative “I don’t know” can be added.
  - *Multiple choice* – a respondent can choose from more alternatives.
  - *Rating scales* – a respondent is given the opportunity to express his or her opinion (attitude) by using a scale of preferences (i.e. a respondent is asked to put in order five factors that are important to him or her at work by using a scale of 1-5, where 1 is the most important and 5 the least important).

Traditionally, questionnaires are used in a written form. However, with the expansion of the Internet, questionnaires can also be created in an electronic form and placed on specialised websites (i.e. GoogleDocs). The access to the electronic questionnaire is secured by a unique link each questionnaire is given, on which the questionnaire can be found and filled out. Therefore, the distribution of electronic questionnaires presents an easier, faster and less costly way than the distribution of traditional paper questionnaires, because the link can be distributed via electronic communication tools (e-mail, Skype) or shared among users on social networks. Also, data processing is facilitated as the data are already collected in an electronic form and can be directly exported from the website to statistical programmes and analysed.

## **1.11 Summary of Theoretical Part**

The aim of the theoretical part was to offer a literature review relating to the issues of international management, international human resource management, cross-culture management and communication within a multinational company.

The first three chapters were dedicated to the issues of international management and presented basic terms concerning globalization and a multinational company with the emphasis on the process of internationalization of a multinational company.

The following two chapters were related to the issues from the field of international human resource management. The author put the emphasis on explaining the division of a global workforce within a multinational company, and presented an overview of different types of an expatriate assignment, advantages and disadvantages of using expatriate managers and the phases of the adaptation process expatriates experience when being on an international assignment.

Chapter six, seven and eight were focusing on the issues concerning cross-culture management. These chapters were largely referring to the work of Geert Hofstede and his colleagues. Chapter six dealt with the term culture in general and the differences between national and organizational culture were discussed. Chapter seven focused on the general classification of national cultural differences according to the Hofstede's Model of Cultural Dimensions. This model was further applied in chapter eight, where the Czech, Taiwanese and Filipino cultural differences were discussed.

The following chapter was dedicated to the issue of communication with the emphasis on intercultural communication within a multinational company covering the differences perceived in intercultural communication and the Hall's model of low- and high-communication context. The author also presented various forms of communication used in intercompany communication and general recommendations for effective communication.

The last chapter of the theoretical part covered the questionnaire theory, because the questionnaire was used as the research tool when carrying out the research in the company to analyse the current situation.

## **2 ANALYSIS OF CURRENT SITUATION**

The second part of the master's thesis deals with analysing the current situation in the selected multinational company - Wistron Corporation. Firstly, the company itself and the company's international business activities will be introduced with the emphasis on the operating activities and the functioning of the Czech subsidiary – SMS InfoComm (Czech) s.r.o. (former service centre department of Wistron InfoComm (Czech) s.r.o.) in which the research was carried out<sup>12</sup>. Secondly, the research methodology and research findings will be discussed with the aim of evaluating the current situation detected by the research findings.

### **2.1 Wistron Corporation – Company Profile**

Wistron Corporation (Wistron) is a Taiwanese original design manufacturer (ODM) and an innovative technology service provider of information and communication technologies (ICT). Wistron as an ODM sells its products to customers<sup>13</sup>, who further distribute these products under their own brands. The product portfolio covers PCs (desktops and laptops), servers and storage systems, communication devices and display products (LCD TVs) (Wistron, 2012b).

Wistron's operations provided to the customers cover complex services from initial product designing and development (R&D centres) to volume manufacturing (manufacturing centres) and after-sales services (in service centres). Wistron operation units were originally part of Acer Computers Incorporated (Acer), which were incorporated into Wistron Corporation in May 2001, when the company was formally established. Acer then transferred its design, manufacturing and after-sales services into Wistron, which created the basis for later Wistron global operations (see Appendix 1). Wistron has currently (June 2012) 26 manufacturing, service and R&D centres located worldwide with a global workforce of over 60,000 personnel in December 2011 (Wistron, 2012b, p. 8).

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<sup>12</sup>Company information and facts used for introducing the company in the master's thesis are based on official company materials (annual reports, employee manual and various reports available at company website) and author's own experience as a former employee. All information and facts about the company given in this master's thesis as well as the research were also consulted with the Czech plant manager, who was willing to help the author.

<sup>13</sup> The network of Wistron customers is created mainly by the original equipment manufacturers.

## **2.2 SMS InfoComm (Czech) s.r.o.**

SMS InfoComm (Czech) s.r.o. (WSCZ) was established on 1<sup>st</sup> July 2012 as a subsidiary of Wistron Corporation providing after-sales services for European customers. WSCZ was set up from a former service department of the Czech subsidiary Wistron InfoComm (Czech) s.r.o.<sup>14</sup>, however due to business reasons was separated and has become a new legal entity.

WSCZ serves as the main European repair (service) centre and its business activities are currently connected with the repair of laptop mother-boards, LCD panels and tablets originally manufactured by Wistron and other manufacturers that Wistron does business with. Besides these service activities, WSCZ serves also as a European logistics hub. The service centre is constantly expanding its repair activities with regard to the needs of the Taiwanese parent company and coordinates its business activities with another European repair centre in Tilburg that used to be the main service centre for the European region.

SMS InfoComm (Czech) s.r.o. is located in the industrial zone in Brno Šlapanice and has a workforce of 327 employees (in June 2012, including part-time employees). The company has taken over all legal bindings concerning employee agreements of former WCZ employees and the implemented organizational culture and intercompany communication has remained the same, or has been slightly modified according to the needs of WSCZ.

### **2.2.1 Organizational Culture**

Wistron's mission is to offer quality products and the best services by using modern IT and high-tech technologies, and securing the professional attitude of all employees. The company also believes that one of the key factors of successful business activities is satisfied employees, who are willing to become loyal employees and enhance their job performance (Wistron, 2012a).

Therefore the company provides a modern work place equipped with advanced ICT, technologies with the emphasis on meeting health and safety standards, dignified working conditions together with adopting environmentally friendly operations stated in EICC Code

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<sup>14</sup>Wistron InfoComm (Czech) s.r.o. (WCZ) is Czech subsidiary of Wistron Corporation established in January 2007 in Brno – Slatina. WCZ was set up as a foreign direct investment in the form of a greenfield investment and is a fully owned subsidiary by the Taiwanese parent company. WCZ was originally established as a manufacturing centre and was later enlarged by a service centre supporting the Wistron after-sales activities. WCZ current activities cover manufacturing of servers, desktops, and LCD televisions and monitors (Wistron, 2012a).

of Conduct<sup>15</sup> and obtained ISO 9001, ISO 14001 and OHSAS 18001 certificates<sup>16</sup>. Wistron has also adopted its own Corporate Sustainability and Social Responsibility management system, which covers environmental, social and economic management areas. The company requires all subsidiaries to follow and implement these policies in manufacturing and service centres located abroad. The ISO and OHSAS certificates were obtained by the Czech subsidiary in 2008 and 2009 and are also valid for the service centre (Wistron, 2012a).

The company's philosophy is to prefer a friendly and open-minded attitude when dealing with all employees and encourages employees not to be afraid of communicating with their supervisors about working issues and proposals for changes and solutions that might improve job performance, conditions or relationships in the work place. Proposals for change and questions regarding working issues can also be raised anonymously and answered at regular communication meetings between employees and a responsible manager of a certain department, which are held on a monthly basis (Wistron, 2012a).

Part of the company's organizational culture is the dress code, where every employee who currently visits or works at a repair line or in a warehouse area, has to wear an ESD jacket (antistatic) with Wistron (or SMS) logo (see Appendix1) and antistatic shoes. All employees have to follow company rules and norms stated in an employee manual, which they receive at the induction training. The organizational culture also covers the use of the united company logo Wistron (or SMS) and united patterns of company documents for official statements (Wistron, 2012a).

### **2.2.2 Internal Company Communication**

Communication is important in creating satisfied employees and improves the company's success. Therefore, the company uses various communication channels and communication tools to secure a well-operating intercommunication system based on traditional face-to-face, written and electronic forms of communication (Wistron, 2012a, p. 6-7):

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<sup>15</sup>EICC is Electronic Industry Citizenship Coalition, whose members are committed to follow standards in five critical areas of labour, health and safety, environment, management system and ethics in order to ensure dignified working conditions, environmental responsibility and business ethics (EICC, 2012).

<sup>16</sup> ISO 9001 Total quality managements certificate; ISO 14001 Environmental management certificate (ISO, 2011) and OHSAS 18001 stands for health and safety norms as work place (The Health and Safety & OHSAS Guide, 2007).

- *Induction training for new employees* – every new employee has to pass the induction training organized by the training administrator of the HR/GA Department, where new employee is apprised of the general operation of the company, becomes familiar with the company rules and norms and receives the employee manual.
- *Regular team meetings with team leaders/supervisors*
- *Regular management meetings*
- *Regular communication meetings* (all employees and the company management), where anonymously raised questions and notes are answered by the manager and possibly further discussed. The communication meeting is usually held on a monthly basis, the length is 20 – 30 minutes and is prepared with the assistance of the HR/GA Department.
- *Information boards* – located at the working place, common halls and canteens with current information about actual employee bonuses prepared by the HR/GA Department, conclusions from communication meetings, upcoming company events, company's performance and information about new open positions.
- *Question mailboxes* – for employee's (anonymous) questions, proposals and initiatives, which serve as a base for communication meetings.
- *Employee manuals, annual reports and other official company materials* are available in hardcopy at HR/GA Department.
- *Company Intranet, shared company web applications and access to shared discs*, which enables various departments to effectively co-operate.
- *Email and OCS (Office Communicator)* – largely expanded ways of communication among managers, office employees, supervisors and team leaders at production/repair lines and warehouse areas. OCS has replaced Skype that was originally used for quick communication between single employees to help them solve current working issues.

Email and OCS (former Skype) communication generally serves as an effective way of communicating between the company HQ in Taiwan and the SMS management and other subsidiaries that SMS co-operates with.

The company uses the English language as the lingua franca in intercommunication as well as for communication outside the company. The official company documents and

statements concerning all SMS employees are written in both Czech and English languages, but reports and intercompany web applications, which are subjected to be signed and approved by Taiwanese managers, are strictly written or applied in English.

The company is aware, that not all of its employees have English language skills at advanced level and the requirements for English skills vary according to the position and department the employee works in. Therefore, the company tends to invest in its employees and offers them English language courses as one of the employee benefits. Language courses are outsourced from a language school the company co-operates with, whose lecturers arrive at the company after or before the working hours and the courses take place in the canteen or in meeting rooms. These courses are available for all employees who have already passed the probation period and their application form was approved by the employee's manager as the employee has to be recommended. The courses are regarded as employee benefits, because the company covers the tuition fee if an employee fulfils necessary requirements (regular attendance, passes exams, etc.). Therefore, the application form for the course has to be approved by.

### **2.2.3 Organizational Structure**

The head of the service centre is the Taiwanese managing director, who co-ordinates the business and operating activities as the virtual expatriate from Tilburg. Therefore, the service centre is also managed by a Czech plant manager, who is empowered to manage the daily operating activities of the service centre and performs as the manager of the service centre when dealing with the employees, customers, and when solving work related issues with other Wistron sites. The Czech plant manager is in constant email or OCS contact with the Taiwanese managing director as she is answerable to him and has to consultate her decisions and applies for approvals.

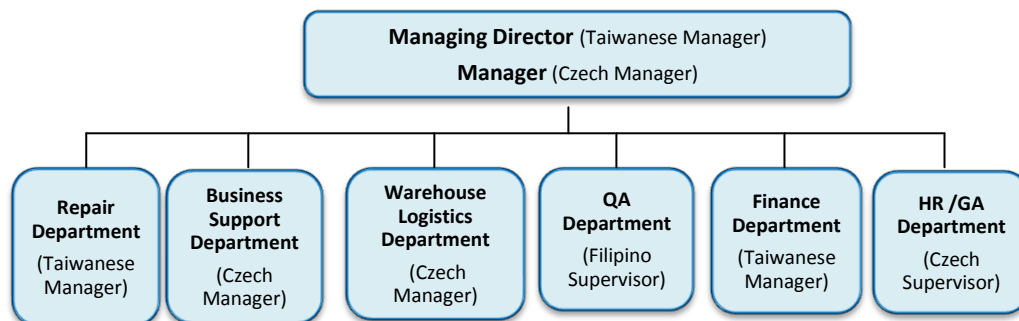
The service centre consists of six departments, the largest being Repairs that physically provides the repair activities and closely co-operates with Quality Assurance and Warehouse Logistics, which is responsible for the in-time receiving and shipping operations concerning subjects of repair. Business Support provides the administrative support and is positioned as a mediator between customers and Repairs. The last two departments, HR/GA Department and Finance Department, serve as an administrative support to the operational activities of the whole service centre.

Although there are altogether six departments, the employees of the service centre generally divide themselves as:

- *Office employees* (the Czech manager of the service centre, the manager of Warehouse and Logistics Department (WH), two logisticians, the IT team plus the rest of all employees of Business Support, HR/GA and Finance Departments)
- *Warehouse employees*
- *Repair line employees* (all employees of the Repair and QA Departments )

The general organizational structure of the service centre is illustrated in Figure 4:

**Figure 4: Organizational structure of SMS InfoComm (Czech) s.r.o.**



*Source: adapted from Wistron (2012a, p.4)*

## Repair Department

The Repair Department has a workforce of 227 employees (in June 2012) and is the largest department of the service centre. This department is divided into four sub-departments consisting of the laptop mother-board (MB) repair, the LCD repair, the whole unit repair (WUR) and the new project implementation (NPI) sub-department, each supervised by one supervisor. The LCD repair line is supervised by a Taiwanese expatriate; the other sub-departments are supervised by the local Czech supervisors. The mother-board repair, as the biggest section, is further divided into five repair lines, all together supervised by three Czech team-leaders, who are subordinated to the supervisor. The Repair Department is managed by a Taiwanese manager and employs also an assistant who is an administrative support and co-operates with the HR/GA Department.

The Taiwanese Manager is located within the area of the repair line and her office consists of a small table placed within the repair area. She does not use the open-space office that



the other office employees use. She does not speak any Czech but uses only English when communicating with other Czech employees. The four supervisors therefore serve as mediators and translators between the manager and her subordinates. She also closely co-operates with the team-leaders, but rarely communicates with the ordinary employees (operators, technicians) mainly due the language barrier, as these employees are not required to have English language skills at an advanced level.

The Repair Department manager is answerable to both the Taiwanese managing director and the Czech manager of the service department, as this department presents the key business activity of the service centre. She also has to closely co-operate with another departments of the service centre.

### **QA Department**

The Quality Assurance Department is an independent department and performs as an “inspector” of the business activities of the service centre. It supervises the quality of spare parts received for repair and vice-versa the quality of already repaired parts that are shipped back to customers as well as the quality of packing. The department is divided into several sub-departments based on the above described activities: the Incoming quality check, the Final quality check and the Out of box audit. Apart from assuring the quality of repair process of the service centre, the department is also responsible for the quality management processes (arranging customer audits, ISO and OHSAS audits, etc.) and performs as the document control centre of the service centre.

The QA Department currently has 15 employees and is headed by a Filipino supervisor, who is answerable to both the Czech manager and the Taiwanese directing manager.

### **Warehouse Logistics Department**

The Warehouse Logistics Department is responsible for the in-time receiving of subjects of repair, recording data into the company’s ERP systems and packing and shipping of repaired computer and new sold spare parts back to customers or other company sites. The manager is a local Czech employee and is located in the warehouse area. He manages 35 (both full- and part-time job) employees of the warehouse and two logisticians, who help with coordination of transportation and are responsible for customs issues. The warehouse workforce is led by a Czech supervisor and employees are divided into five

working teams, each supervised by a team-leader. The WH employees are not required to have English language skills at an advanced level as they usually do not come into contact with expatriates or customers. Any new information and rules regarding warehouse operations are communicated to them by the WH manager or supervisor. The WH manager is directly answerable to the Czech manager of the service centre, but also has to discuss his decisions with the Taiwanese managing director.

### **Business Support Department**

The Business Support Department consists of 20 employees and is managed by a local manager. All members of this department are considered to be office employees and share one open-space office. The department is divided into three groups, business support officers, planners and IT specialists, and a buyer. The business support officers create the back-bone of this department and perform as project co-ordinators, each officer is usually responsible for one or two customers. However, in the case of a more important customer, business support officers are grouped and co-operate as a team. The whole department acts as a mediator between the service centre and customers, therefore business support officers are answerable to the manager of the department, but also discuss their working issues with the Czech manager of the service centre and the Taiwanese managing director.

The office employees are in daily contact with the customers of the service centre and also with other Wistron sites that WCZ-ERC deals with. Therefore they are required to have English language skills at an advanced level.

### **HR/GA Department**

The HR/GA Department was originally located within the open-space office with other office employees, but due to the increased requirements on personal data protection it has been recently moved to its own office. The HR/GA Department is created by a small team of GA, and training administrator and two assistants who are supervised by a Czech supervisor. The department provides administrative support to the daily operations of the whole service centre and co-ordinates its activities with regard to the HR and GA policies of the whole subsidiary. The team is answerable to both the Czech manager and the Taiwanese managing director, who closely co-operates with the supervisor and assistants. The department is responsible for human resource related issues (recruitment, induction training, additional employee training, preparing base materials for payroll accountants,

contract preparations and the arranging of initial medical examination for new employees, etc.) and general affair related issues (taking care of expatriates and visitors, booking hotels for visitors, preparing team-building, improving the conditions of the work place, etc.). The department also serves as a daily and monthly communicating mediator between employees and management; collects queries and initiatives raised by employees and arranges the monthly communication meetings.

### **Finance Department**

The Finance Department was officially formed in January 2012 as the last department of the service centre. The formation process had started in July 2011 due to the increasing needs of the service centre on financial operations and invoice processing. Before, the service centre was using the WCZ Finance Department, which was responsible for all financial and accounting operations of the service centre. The Finance Department consists of a small team of 4 accountants and is managed by a Taiwanese manager, all located in a small in-built office within the open-space office that is used by the rest of the office employees. The Taiwanese manager is answerable to the Taiwanese managing director and also regularly consults about finance related issues with the Czech manager of the service centre. Furthermore, the Finance Department closely co-operates with the buyer and logisticians, who prepare material and transportation invoices that are further processed by the finance team.

#### **2.2.4 Expatriates in SMS InfoComm (Czech) s.r.o.**

Wistron Corporation sends expatriates to its subsidiaries mainly to cover the managerial positions and to transfer the know-how and technology to secure the effective functioning of each subsidiary. Therefore the expatriates are usually appointed to be plant managers or managers and supervisors of departments demanding on high technological know-how and processes, such as manufacturing, repair (service) or quality departments. Furthermore, Taiwanese expatriates<sup>17</sup> are also positioned as managers of departments that are strategic for the global business operations such as finance departments and also the IT department that shall secure the smooth transfer of information between the subsidiaries and the Taiwanese HQ. However, managerial positions of departments such as HR, GA, logistics

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<sup>17</sup>These expatriates usually choose an English first name and use their Taiwanese surname in order to avoid misunderstanding, and they also let themselves be called by their English names.

or WH departments that are not demanding on high technological knowledge, but rather on local business and cultural environment knowledge, are positioned by local employees. Local managers and supervisors have to fit in the Wistron organizational culture and have to follow the global Wistron requirements on managerial standards.

The Czech service centre presents an exception to the Wistron expatriate strategy. The Taiwanese managing director works for the service centre as the virtual expatriate from the Netherlands and is deputized by the Czech manager, who is responsible for securing the daily operating activities of the service centre.

The number of all expatriates, who are currently present and working in the service centre, is six in June 2012. There are three Taiwanese and three Filipino. The Taiwanese expatriates are positioned as managers of the Repair and Finance Departments and as the supervisor of the LCD repair line. All Filipino expatriates work in the QA Department; one expatriate is positioned as the supervisor of the department and the other two expatriates work as technicians.

Both Taiwanese and Filipino expatriates were sent on a long-term assignment contract, because they had been already working in the service centre for more than one year, the manager of the Repair Department had already spent two years on this position in the subsidiary. The Taiwanese expatriates working as managers were sent on rather a functional type of expatriate assignment, because they are required to not only transfer the parent company's know-how and culture, but also to manage the local workforce and secure that the subsidiary's business activities will meet the HQ's requirements. The expatriates, who are positioned as supervisors and technicians, were sent on a technical type of expatriate assignment as their main responsibility is to transfer and implement parent the company's know-how to the subsidiary.

The expatriates use English language when communicating with Czech managers, supervisors and employees. The HR/GA Department team is responsible for taking care of the expatriates. They are responsible for arranging travelling agenda, accommodation (flat renting) and also when dealing with government offices and arranging for visa, working and residence permissions.

## 2.3 Research

The analytical part of the master's thesis is based on research which was carried out among all employees of SMS InfoComm (Czech) s.r.o. with the aim of evaluating the current situation in the company.

### 2.3.1 Research Methods

Author of the master's thesis used a questionnaire as a research tool to find out information about employees in SMS InfoComm (Czech) s.r.o., who represented the sample of respondents.

The questionnaire for employees consisted of 38 questions and all types of questions were used when constructing the questionnaire. Respondents were most frequently answering the closed ended questions; the multiple choice questions predominated in most cases, however the Yes/No questions and one rating scale were also covered. The open ended questions were used in cases, in which the respondents were asked to give reasons to their answers or to propose suggestions for improvement in certain areas.

Selection and formulating of the questions were based on three researches carried out in the area of cultural differences in a multinational company (by Hofstede, see 1.7.1), intercompany communication (by Holá, see chapter 1.10.1), and in the area covering relationships between local and expatriate employees in a multinational company (by Černek and Maková, see chapter 1.5).

The questions were divided into ten thematic groups according to the topics they were focusing on:

- *Questions no. 1 – 3* - identification questions concerning gender, age and department structure of the respondents, and their length of employment in the company.
- *Questions no. 4 – 6* - questions were examining respondents' reasons and motivation to join the company and how they perceive the established organizational culture and climate in the company.
- *Questions no. 7 – 9* - questions were focusing on respondents' feelings about working for a foreign-owned company, working in a multinational team and

working for a manager who is of a different nationality (based on Hofstede's IBM Attitude Survey; see in Hofstede, 2001, Appendix 1, p. 467-474).

- *Questions no. 10 – 18* - this group of questions dealt with local employees' communication with expatriates; the respondents were asked to evaluate the ways of communicating that they preferred the most compared to those they used most frequently, and were also asked about the main problems and cultural differences they perceived when communicating with expatriates and the role of the language barrier.
- *Questions no. 19 – 22* - this group of questions dealt with relationships between the Czech employees and their foreign colleagues and managers - expatriates and how the Czech employees evaluate the working habits and discipline of expatriates (based on Černek and Maková, 2011, p. 188-194).
- *Questions no. 23 – 30* - questions were focusing on issues connected with internal communication within the company (based on Holá's internal communication research in the company Vivantis; see in Holá, 2011, p. 267-278).
- *Questions no. 31 – 33* - questions were examining the respondents' perception of company procedures and work instructions and their attitude to following the established rules (based on Holá's internal communication research in the company Vivantis; see in Holá, 2011, p. 267-278).
- *Questions no. 34 – 35* - questions were focusing on employees' general feelings about teamwork, because the company broadly uses teamwork in work organization.
- *Question no. 36* - a rating scale question, in which the respondents were asked to put eight different factors regarding work goals in their job in order from the most important (1) to the least important (8) (based on Hofstede's IBM Attitude Survey; see in Hofstede, 2001, Appendix 1, p. 467-474).
- *Questions no. 37 – 38* - questions were focusing on the respondents' overall satisfaction and their future plans about working in the company (based on Hofstede's IBM Attitude Survey; see in Hofstede, 2001, Appendix 1, p. 467-474).

The questionnaire is available in both Czech and English language version in Appendix 3 and Appendix 4.

### **2.3.2 Questionnaire Interpretation**

The questionnaire was distributed among the employees in July 2012 in both paper and electronic form. The electronic form was used due to easier distribution. Most employees have an access to a computer, and it was supposed that employees would prefer filling out the electronic form rather than the paper. The electronic questionnaire was created via GoogleDocs and employees received the link to the form via email. There were 25 questionnaires completed online.

The paper questionnaires were placed in employee canteen and employees could freely take them and fill them out. The completed questionnaires were then put in a special ballot box also placed in the canteen. There were 50 clear paper questionnaires available for employees and 15 were completed and returned. Altogether, 40 completed questionnaires were returned, which represents 80 % of the total distributed.

The questionnaire will be interpreted in the following part of this chapter. The answers to the group of questions will be presented separately with the aim of using graphs and tables for better representation of the research results. Where the research did not bring any significant results, the answers will be interpreted less in depth and the graphical interpretation will be available in Appendix 5. Selected questions regarding communication will be also interpreted with the aim of using cross tables.

#### **2.3.2.1 Research Results**

##### **Research sample**

The research sample consisted of a total of 40 respondents and had the following characteristics (see also Appendix 5 and 6):

- *Gender structure* comprised of 14 women (35 %) and 14 men (65 %)
- *Age structure* of the respondents revealed that the company can be described as young aged. The biggest group of 29 respondents (72 %) was in the age category 26 to 35 years old, 10 respondents (25 %) were between 18 to 25 years old and only one respondent was over 35 years old.

- *Department structure* corresponds with the real proportion of workforce each of the departments in the company employs. The largest group of 20 respondents (50 %) was the repair line employees; the second largest group of 12 respondents (30 %) belonged to the category office employees (was common for all office employees of the company covering the Business Support, Finance and HR/GA Departments). The rest of the employees (20 %) worked in the Warehouse Logistics Department.
- *The length of employment* was represented by respondents in all categories. One third of the respondents had worked in the company for more than 3 years, 7 respondents has been employed by the company from 2 to 3 years, 11 employees (27 %) have been working in the company from 1 to 2 years, and 9 of the respondents (22 %) have not been working in the company more than one year.

### **Reasons for joining the company and organizational culture and climate perception**

The most frequent reasons why employees decided to join the company was the opportunity to use foreign language at work (17% of all answers; office and repair line employees) and the opportunity to work in a branch that was in close connection with their field of study (20 % of all answers; mostly repair line employees).

The other following motivational factors consisted of the opportunity to work in a multinational company (15 % of all answers; mainly office employees) and the close accessibility to their home (14 % of all answers; mainly repair line employees).

Respondents also had the opportunity to add their own answer, which was in 7 cases (12 % of all answers; predominantly warehouse employees) represented by the motivation to find any job. Only 4 respondents' reason (7 % of all answers; predominantly office employees) to join the company was to work with foreign colleagues and 5 employees were motivated by the height of earnings. All answers provided by respondents together with frequency distributions are listed in Table 14 and illustrated in Figure 5. The distribution of the reasons according to the departments is shown in Appendix 5.

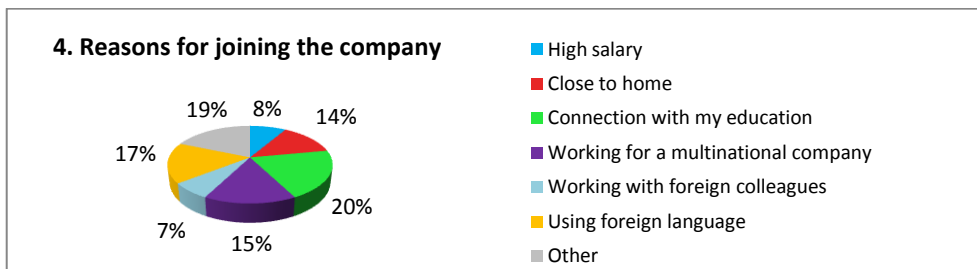


**Table 14: Reasons for joining the company**

High salary	Close to home	Connection with my education	Working for a multinational company	Working with foreign colleagues	Using foreign language
5	8	12	9	4	10
Unemployment	Carrier growth	Recommendation from a friend	No previous experience required	Total	
7	2	1	1	59	

Source: Author's own study

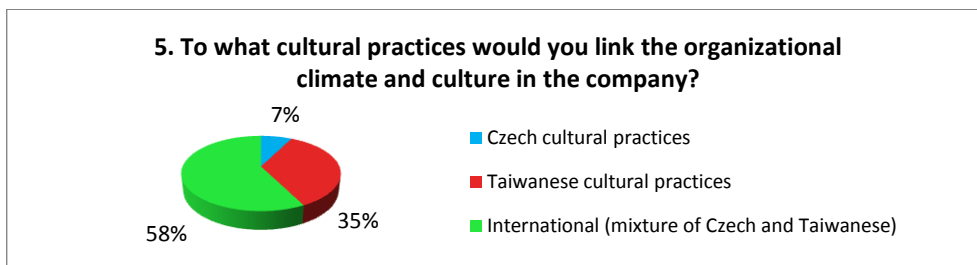
**Figure 5: Reasons for joining the company**



Source: Author's own study

In questions no. 5 and 6, the respondents were asked to link the established organizational culture and climate in the company to one national culture and to give additional information to their answer. More than half of the respondents (23 respondents or 58 % of total) linked the organizational culture and climate to international cultural practices regarding it as a mixture of Czech and Taiwanese practices. Only 3 of all respondents regarded the organizational culture and climate as Czech cultural practices and the remaining 14 respondents (35 %) linked them to Taiwanese cultural practices.

**Figure 6: Organizational climate and culture in the company**



Source: Author's own study

The organizational culture and climate perception was not uniform in departments and all three answers were with a different proportion represented in each group of the

respondents. The office employees mostly linked the established organizational culture and climate to the mixture of Czech and Taiwanese cultural practices; only half of the repair line employees perceived it as international; the warehouse employees' perception inclined rather to Taiwanese cultural practices (see Appendix 5).

The additional information to respondents' choices is listed in Table 15. In all three alternatives offered, the most frequent reason to why they linked the organizational culture and climate to either Czech (3 of 3 answers possible), Taiwanese (11 of 15 answers possible) or international cultural practices (15 of 23 answers possible) was the internal company policies and rules. This indicates that the nature of the rules established within the company influence the employees' perception of the "company nationality" more than the presence of expatriates and Taiwanese managers or using English in the intercompany communication. However, the employees also seem to be sensitive to the company approval system and overtimes ordering, when deciding to what nationality they would link the company to.

**Table 15: Reasons for respondent's answer to question no. 5**

Reasons for respondent's answer	CZ cultural practices	TW cultural practices	International
Internal company policies and work rules	3	11	15
Technical facilities and equipment		2	3
Strict environmental policy about waste recycling			1
Using English as lingua franca		2	7
Intercompany communication system			8
Preferring team-work	1	1	
Presence of CZ managers	2	1	8
Presence of TW managers		7	8
Presence of expatriates		3	10
Long lasting approval process, necessity of approvals by TW managers		11	9
Ordering overtimes		7	5
Total	6	45	74

*Source: Author's own study*

### **Employees' feelings about working in a multinational environment**

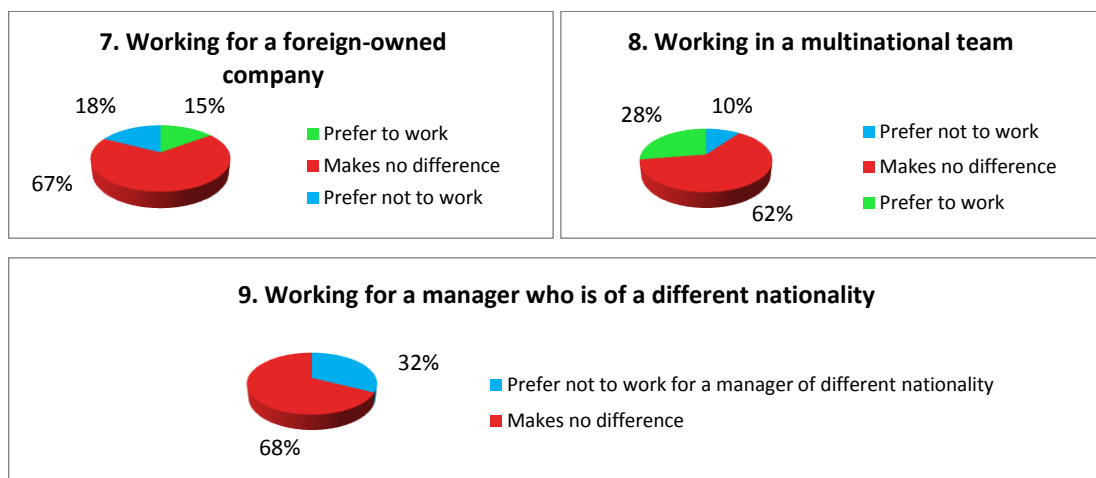
In the following questions no. 7 to 9, the respondents were asked to express their feelings about working in a multinational environment covering employment in a foreign-owned

company, working in a multinational team and for a manager of a different nationality. In all three cases, the most frequent answer provided by respondents (more than 60 % in each) was that the nationality of the company, their colleagues or manager made no difference to them.

Only 6 respondents (15 %) would prefer to work in a foreign-owned rather than in a pure Czech company and the 7 remaining respondents (18 %) would prefer to work for a pure Czech company. Working in a multinational team would be preferred by 11 respondents (28 %) and only 4 respondents (10 %) answered that they would prefer to work in a team consisting of colleagues of their own nationality.

However, when the respondents were asked about their feelings regarding working for a manager who is of a different nationality, 13 answered that they would prefer to work for a manager who is of the same nationality and none of them preferred it the other way around.

**Figure 7: Feelings about working for a foreign-owned company and with foreigners**



*Source: Author's own study*

### **Communication with expatriates**

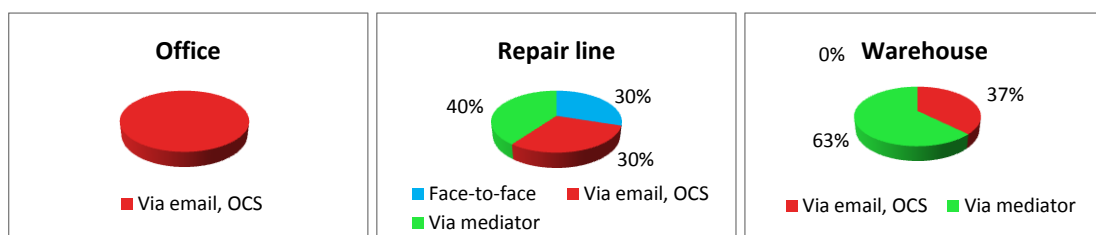
The following group of questions no. 10 to 18 focuses on local employees' communication with expatriates, what problems and cultural differences are perceived and the role of the language barrier. These questions will also be more deeply analysed in following chapter by using cross tables.

Although expatriates are present in the work place not all of the employees have to communicate with them directly on a daily basis as the nature of their job does not require it. The direct daily contact with expatriates about working issues is necessary for one half of the respondents, the second half does not have to directly communicate about working issues with expatriates everyday. The direct daily contact was regarded as necessary for two thirds of the office employees, nearly one half of the repair line employees and one third of the warehouse employees (see Appendix 5 and 6).

The intercompany communication system offers a wide range of ways of communicating with expatriates. The most frequent way, according the respondents' answers is the electronic form when emails and OCS tools are used. The electronic form is used by 52 % of respondents. The second most frequent way is the communication via a mediator, usually the respondent's superior, which is used by 13 respondents (33 %). And only 6 employees (15 %) communicate with expatriates, most often in a face-to-face form (see Figure 9).

Electronic communication via emails and OCS tools was the most frequent way of communicating with expatriates, also for the office employees. The repair line employees most often used a mediator (40 % of them) when communicating with their foreign colleagues and superiors. The email or OCS tools and face-to-face were used equally by 30 % of the respondents from this group. The warehouse employees followed similar trends in communication with expatriates: 63 % of the warehouse employees used a mediator and only 37 % used email or OCS tools most frequently (see also Appendix 5).

**Figure 8: The most frequent way of communicating with expatriates acc. to department**



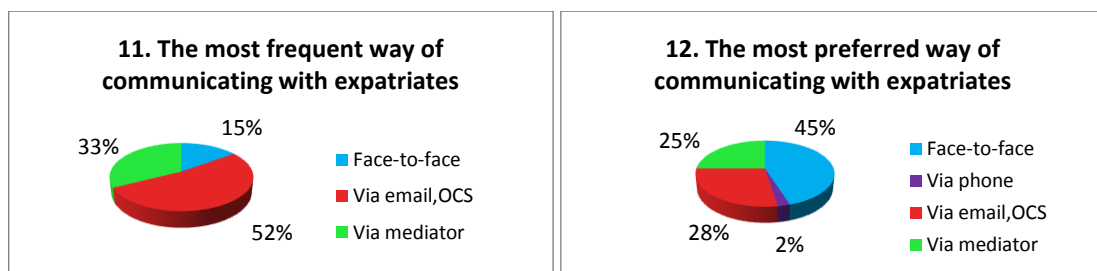
*Source: Author's own study*

Although the face-to-face way of communication is the least frequent, nearly half of the respondents (18 respondents or 45 %) marked face-to-face with expatriates as the most preferred. The second most preferred way of communication is using email or OCS (11 respondents or 28 %). Ten respondents (25 %) answered that they would prefer to

communicate via a mediator and only one person (2 %) would want to communicate with expatriates via phone.

The largest visible difference between what the employees use and what they would wish to use as a way of communicating with expatriates is in categories email or OCS and face-to-face communication. They would prefer to use twice as less email or OCS and three-times more face-to-face communication with expatriates.

**Figure 9: The most frequent way and the most preferred way of communicating with expatriates**



*Source: Author's own study*

In questions no. 13, the respondents were asked about the main problem they perceived when communicating with expatriates. The most perceived problem was the language barrier, which was marked by 17 respondents (42 %). This was followed by two categories with the same amount of answers: cultural differences and unwillingness of expatriates to give a better explanation; both answered by 6 respondents (12 %). Nine respondents (23 %) did not see any problem and 2 employees could not judge as they had no experience.

**Figure 10: The main problem in communication with expatriates**



*Source: Author's own study*

The overview of all cultural differences perceived by the respondents is listed in Table 16 and illustrated in Figure 11. The most frequent cultural difference perceived by employees was different voice intonation, which was marked by 21 respondents (30 % of all answers). In connection with voice intonation, 6 respondents (4 % of all answers) specified different

English pronunciation and accent, which they perceived when communicating with expatriates. Twelve respondents (17 % of all answers) noticed the indirect manner of speaking and 2 respondents (3 % of all answers) added that the expatriates' face expression did not correspond with what they really thought. These two signs are typical of Asian high-context cultures and their tendencies of avoiding loss of face.

Gestures and face mimics as the visible cultural differences when communicating with expatriates were perceived by 8 respondents (12 % of all answers) and one respondent specified that expatriates were using too many gestures. Nine respondents answered that they did not find any cultural differences, which is the same number of respondents who did not find any problem in communication with expatriates in the previous question.

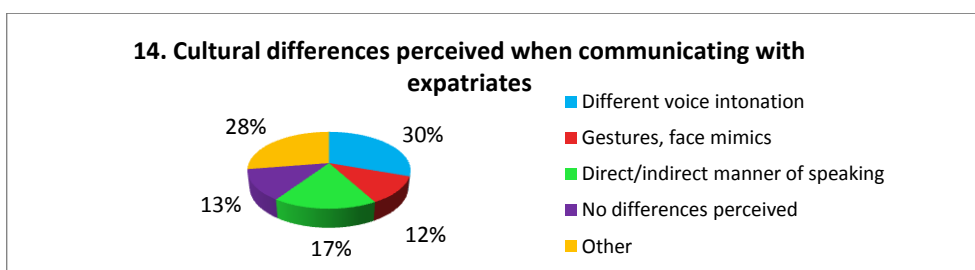
**Table 16: Cultural differences in communication with expatriates**

Different voice intonation	Gestures, face mimics	Direct/indirect manner of speaking	No differences perceived	Other	
				Face expression does not correspond with what they really think	Different English pronunciation and accent, problems with understanding their English
21	8	12	9	2	6

Expatriates are not able to express themselves in English	Taiwanese colleagues are not open, more reserved, always say "please" or "thank you"	Other	Too loud when communicating with subordinates, sometimes yelling at them	Too many gestures	Too complicated solutions to easy issues	I am always surprised by their attitude to evaluating situations and preferences	Total

Source: Author's own study

**Figure 11: Cultural differences in communication with expatriates**



Source: Author's own study

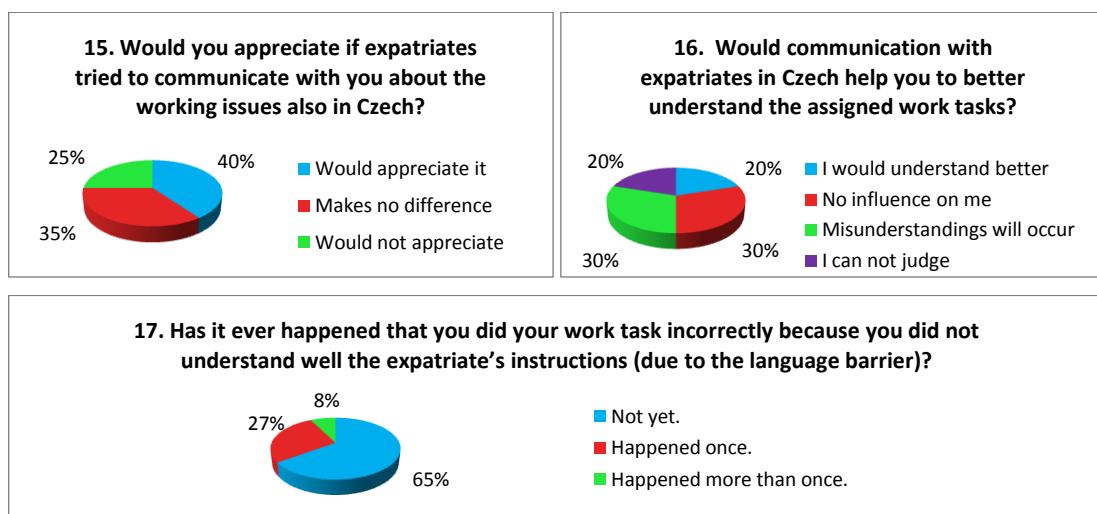
The impact of the language barrier on understanding work tasks and using English when communicating with expatriates was examined in questions no. 15 – 18. The employees’ responses are illustrated in Figure 12 and 13.

The language barrier presented the main problem in communication with expatriates for 17 respondents (42 %) as it was found in question no. 13. Almost the same number of respondents (16 or 40 %) would also appreciate if expatriates tried to communicate with them about the working issues in Czech. The second largest group of 14 respondents (35 %) answered that it made no difference to them and the remaining 10 respondents (25 %) would not appreciate it.

However, only 8 respondents (20 %) thought that it would help them to better understand the assigned work task if they received the instructions from expatriates in Czech. Ten respondents did not see any influence of receiving instructions in Czech on better understanding the work tasks. The same number of respondents answered that communication in Czech regarding working issues would lead to misunderstandings on both sides. The remaining 8 respondents (20 %) did not have any opinion.

In connection with the consequences of the language barrier on doing work tasks incorrectly, 14 employees (35 %) admitted that they did not do some of the assigned work tasks correctly because they did not understand the instructions well enough. Three of them even admitted that it happened to them more than once in the past.

**Figure 12: The impact of language barrier on understanding the work tasks**

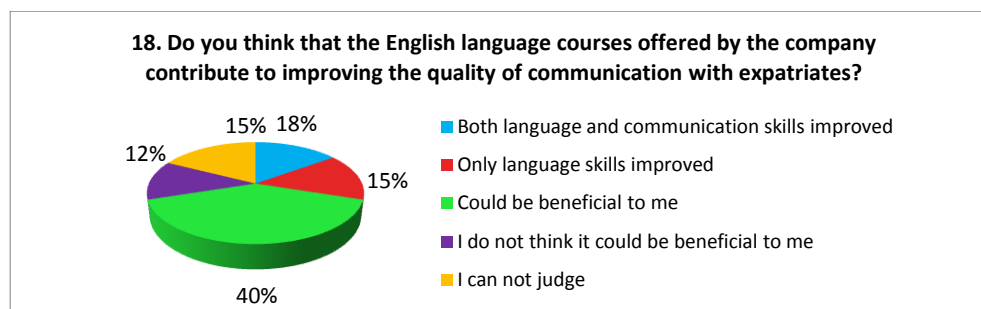


Source: Author's own study

To improve the level of English and lower the language barriers of the employees, the company offers the employee the opportunity to attend English language courses. These courses were attended by 12 respondents (30 %), who also evaluated the course as beneficial to them. Half of those who passed the course answered that the course helped them to speak better English and the quality of communication with expatriates also improved. The other half only perceived that they improved their level of English with no impact on the quality of communication skills.

The large group of 16 respondents (40 %) had not attended the course yet, but they thought that the course could be beneficial to them and 5 respondents neither attended the course nor perceived it as possibly beneficial to them. The 7 remaining respondents had no opinion.

**Figure 13: Contribution of English language courses**



*Source: Author's own study*

### **Relationship with expatriates and perception of their working habits**

Relationships between the local employees and their foreign colleagues and managers – expatriates and the perception of their working habits were examined in the following group of questions no. 19 to 21.

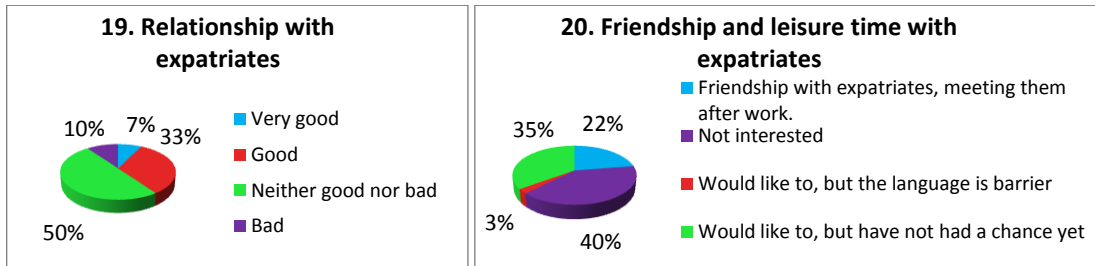
The relationship with expatriates was evaluated by one half of respondents as neither good nor bad. Very good relationships had only 3 employees (7 %) and 13 employees (33 %) regarded it as good. The remaining 4 respondents (10 %) found their relationship with expatriates bad.

Some of the employees already have or would be interested in having friends among expatriates. 9 employees (22 %) answered that they had already made some friends among



expatriates and sometimes went out with them. 14 respondents (35 %) would be interested in having friends among expatriates, but have not had a chance yet and one respondent saw the language as a barrier to make friends among expatriates. The largest group of 16 respondents (40 %) neither had any friends among expatriates nor were interested in having any possible friendships in the future.

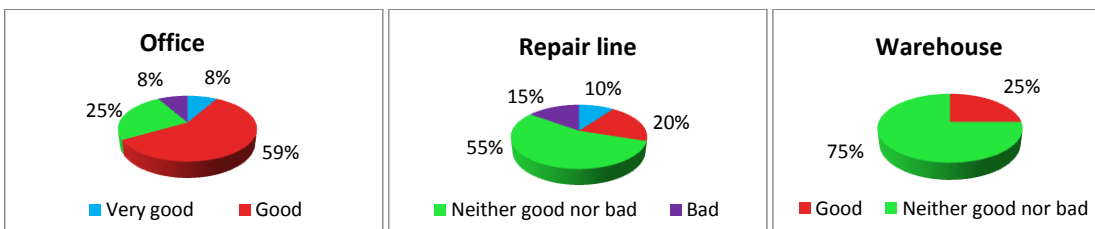
**Figure 14: Relationship, friendship and leisure time with expatriates**



Source: Author's own study

The highest percentage of good relationships with expatriates showed to be the office employees, because two thirds of them regarded it as good or even very good. These respondents were also mostly interested in having or already had friends among expatriates and sometimes went out with them. The answers given by the repair line employees showed a slightly different ranking of relationships. One half of these respondents considered their relationships to be neither good nor bad and only a few of them evaluated their relationships as good or even very good. Consequently, one half of the group was not interested in having friendship with expatriates at all. The warehouse employees found their relationships mostly neutral. None of these employees currently had friends among expatriates and only one half of them would be interested in having them in the future (see also Appendix 5).

**Figure 15: Relationship with expatriates acc. to department**



Source: Author's own study

In question no. 21, the respondents were asked to compare the work performance of local employees to expatriates'. Most of the respondents (62 %) thought that the local employees and expatriates worked the same and that there was no difference in their level of hardworking. The remaining group of respondents was divided into two camps, where one group (20 %) answered that the local employees worked harder and the second group (18 %) admitted that expatriates worked harder than their local colleagues (see Appendix 5).

Consequently, the respondents were asked to characterize working habits and discipline of expatriates. The working habits and discipline of expatriates as perceived by the local employees are listed in Table 17, for both nationalities separately.

According to the respondents, Taiwanese expatriates were mostly perceived as hardworking and strictly following rules, however, sometimes not able to work flexibly and use their own judgement. Negative characteristics were too loud speech and yelling at subordinates, and no fun allowed when working (which is also one of the negatively perceived work rules). Some of the respondents also characterized Taiwanese expatriates as arrogant, aloof and not able or willing to communicate.

Filipino expatriates, on the other hand were perceived more positively according to the characteristics given by the respondents. As well as Taiwanese expatriates, they are considered to be hardworking and precise. However, they seemed to be more friendly, open-minded and communicative than their Taiwanese colleagues.

**Table 17: Characteristics of expatriates' working habits and discipline**

Taiwanese expatriates	Filipino expatriates
<ul style="list-style-type: none"> <li>• Too rushed not thinking before starting a task, too loud, yelling at subordinates</li> <li>• Aloof, a bit arrogant, wasting time on complicating work processes</li> <li>• Willingness, hardworking, decisive, able to put own creativity into work tasks</li> <li>• Not able to think and act on their own, asking for help and approval</li> <li>• Just pretending to work</li> <li>• Availability to manage large projects, willingness</li> <li>• Not able to give exact instructions, probably language barrier</li> </ul>	<ul style="list-style-type: none"> <li>• Slow, but hardworking and detailed</li> <li>• Friendly, open-minded, communicative</li> <li>• Slowly but hardworking into details, willing to help, friendly</li> <li>• Hardworking and precise, sometimes too precise</li> <li>• A bit shy towards local employees</li> <li>• Get their opinions and attitude through when dealing with management</li> <li>• Friendly, strictly following company policies and work rules</li> <li>• Work in a relaxed atmosphere, friendly</li> </ul>

Taiwanese expatriates
<ul style="list-style-type: none"> <li>• No fun allowed when working</li> <li>• Strictly follow rules, not able to use their heads and own judgement</li> <li>• Sometimes too precise, work too much and too long</li> <li>• Hardworking regardless of his or her own needs</li> <li>• Do not communicate; work in chaos with no system, strictly following rules</li> <li>• Preferring Filipino employees to Czech employees</li> </ul>

*Source: Author's own study*

### **Internal communication within the company**

The following group of questions no. 23 to 30 focused on issues connected with internal communication within the company. Some of these questions will also be more deeply analysed in following chapter by using cross tables.

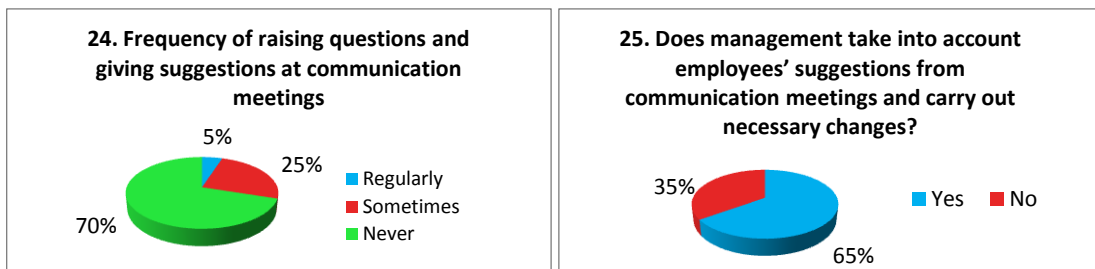
In question no. 23, the respondents were asked whether their superior or manager actively encouraged them to propose suggestions that would improve the functioning of their team, department or the whole company. More than a half of the respondents (52 %) agreed and felt they were encouraged by their superiors to be actively participating on improvements.

Those who felt most encouraged were the office employees, where two thirds of them answered “Yes”. Those who felt least encouraged were the respondents from the warehouse department, where on the contrary, two thirds of them answered “No”. The repair line employees’ responses were divided into two equal groups; half of the respondents agreed and the second half did not feel they were encouraged (see Appendix 5 and 6).

One of the communication channels the company uses as an upward vertical communication to receive feedback from the employees are regular meetings. Employees have the opportunity to raise an anonymous question or suggestion that are further answered or discussed at communication meetings. This opportunity is regularly used only by 2 respondents (5 %) and 10 employees (25 %) answered that they used it sometimes. The largest group of respondents (28 or 70 %) had raised neither question nor suggestion at the communication meetings.

When evaluating the effectiveness of the communication meetings as an upward vertical communication, most of the respondents (26 or 65 %) believed that the company management (or their superiors) were willing to discuss the proposals and questions from the meetings and were also willing to carry out necessary changes. The remaining group of 14 respondents (35 %) perceived it the other way round and did not believe that management (or their superiors) took into account employees' suggestions from these meetings.

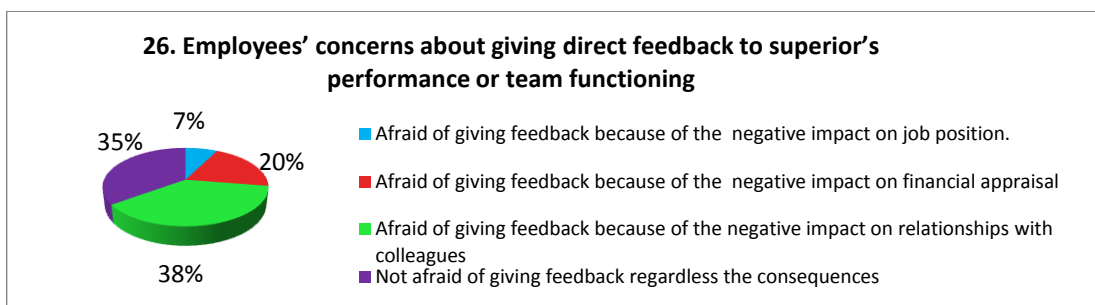
**Figure 16: Using communication meetings as upward vertical communication**



Source: Author's own study

Communication meetings serve as the opportunity for the employees to give anonymous feedback to the management or their superiors. However, when the respondents were asked about their feelings to provide direct evaluation of their superiors or managers' performance and the way they managed the team (department or the company), only 14 employees (35 %) would not be afraid of giving direct feedback regardless of the consequences. Most of the respondents would be afraid that their direct evaluation would have a negative impact either on job position (3 respondents or 7 %), financial appraisal (8 respondents or 20 %) or on relationships with their colleagues that could be disturbed (15 respondents or 38 %).

**Figure 17: Employees' concerns about giving direct feedback**

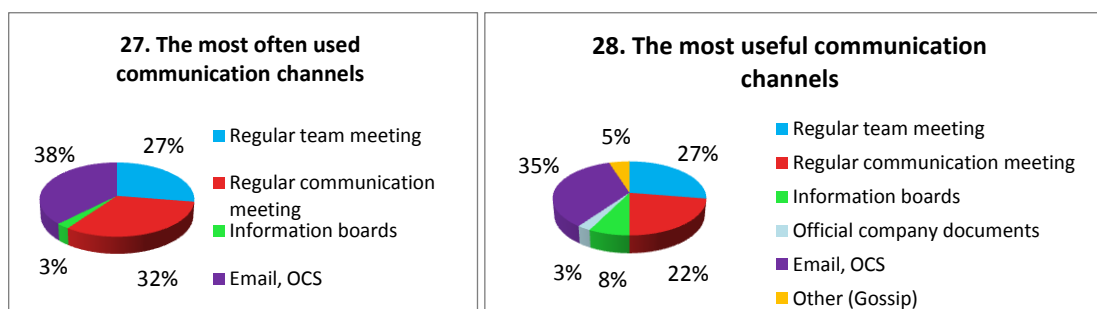


Source: Author's own study

The company uses all three forms of communication in combination with various official communication channels to secure appropriate distribution of information among the employees, however not all of them are used equally. According to the respondents' answers, there are three main communication channels used most frequently when seeking information about „what is currently happening in the company“. The largest group of respondents (15 or 38 %) mostly uses email or OCS when seeking information about current company events. The second most frequent channel is regular communication meetings between employees and the company management held on a monthly basis (13 respondents or 32 %) followed by regular team meetings (11 respondents or 27 %) held on a daily basis. Only one respondent uses the information boards located in the employee canteen the most often when seeking information (see Figure 18).

Although there were only three main communication channels used most often, the respondents also found other channels useful when seeking information. The three most useful corresponds with the three most often used: email or OCS was the most useful for 14 respondents (35 %); 9 respondents (22 %) found regular communication meetings and 11 respondents (27 %) found regular team meetings the most useful when seeking information about current events in the company. The remaining group of 6 respondents considered other communication channels to be the most useful for them when searching for “what is currently happening in the company”: 3 respondents answered information boards, 1 respondent answered the official company documents and 2 respondents wrote their own answer “gossip”.

**Figure 18: Using of official communication channels when seeking information**

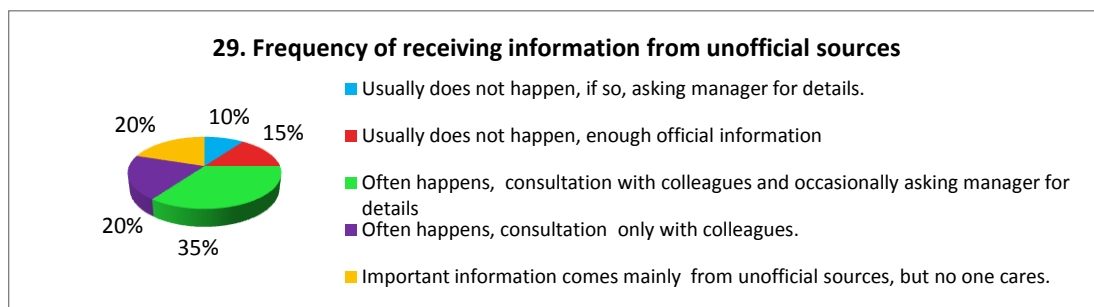


Source: Author's own study

In question no. 29, the respondents were asked about the frequency of receiving information from unofficial sources as not all information distributed between employees is official, and also about their reactions to such information. It was found that receiving

information about current events from unofficial sources happens in the company quite often and only 10 respondents answered that it usually did not happen or that they had enough official information. 22 respondents (45 %) answered that they often received unofficial information; and 14 of them further consulted about such information with colleagues or occasionally asked their manager for clarification. The remaining 8 respondents (20 %) said that important information came mainly from unofficial sources.

**Figure 19: Frequency of receiving information from unofficial sources**



Source: Author's own study

In question no. 30, the respondents had the opportunity to comment on current intercompany communication systems and propose their suggestions about what should be improved and changed. The summary of the employees' proposals together with frequency distributions is listed in Table 18.

**Table 18: Employees' proposals for internal communication improvement**

Employees ' suggestions and comments	Frequency
Introducing new office employees to their colleagues	1
Receiving information from official rather than unofficial sources	1
Honesty in management's communication towards subordinates	2
More information about company 's operating activities	1
More eye-contact	1
Two-way communication between superiors and subordinates	1
Direct communication between subordinates and managers without mediators	1
Better communication with managers at communication meetings	1
Using better sound systems during communication meetings	1
Management should be more open-minded to employees' proposals raised during communication meetings	2
More discussion about working hours	1
Change the company management	1
I am satisfied, communication is sufficient	3
Total	17

Source: Author's own study

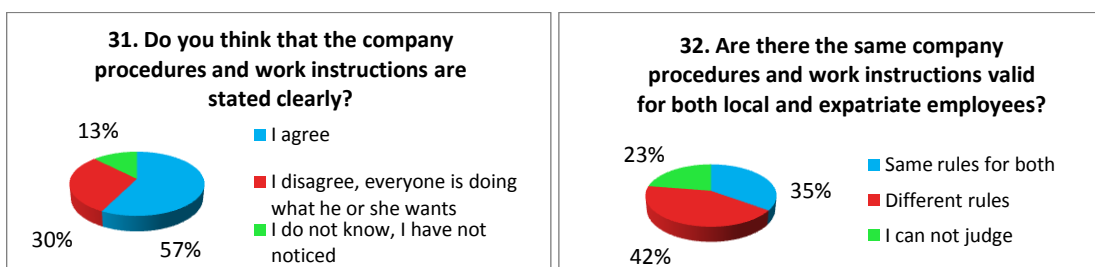
This question was answered by only 17 respondents. However, the most frequent answer (3 respondents or 17 %) was that they were satisfied with the current communication in the company. 2 respondents were not satisfied with management’s reactions to proposals raised within the communication meetings and another 2 respondents would appreciate if management was more honest when communicating with employees. Respondents also commented on receiving information from unofficial sources, and would appreciate direct communication between managers and subordinates.

### Employees’ attitude to company policies and rules

More than a half of the respondents (23 or 57 %) agreed that the company procedures and work instructions were stated clearly, so that everyone knew what he or she was supposed to do. 13 respondents (30 %), on the contrary, disagreed and thought that everyone was doing what he or she wanted. The remaining 5 employees (13 %) did not know, because they had not noticed any clearly stated company rules.

When the respondents were asked whether they perceived any duality in company procedures and work instructions for local and expatriate employees, nearly half of them (17 or 42 %) perceived that there were different rules valid for locals and expatriates. 14 respondents (35 %) believed that there were the same rules valid for both groups and 9 respondents (23 %) could not judge. The duality in company procedures and work instructions was mostly perceived by the group of repair line respondents, where more than one half thought that there were different rules valid (see Appendix 5).

**Figure 20: Employees’ attitude to company policies and rules**

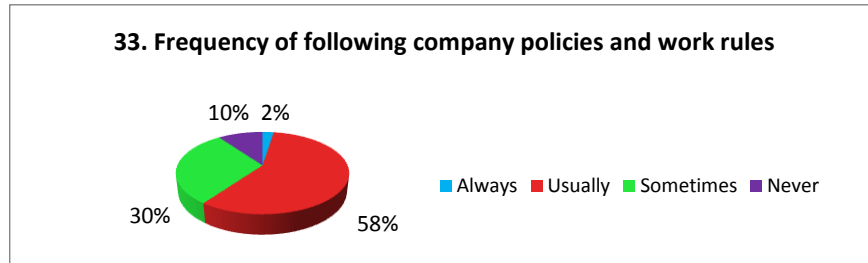


Source: Author’s own study

More than a half of the respondents (23 or 58 %) believed that the company procedures and work instructions were usually followed by the employees. The second largest group

of respondents (12 or 30 %) answered that employees followed the rules sometimes and 4 respondents (10 %) even thought that employees never followed the rules. Only one person said that the company procedures and work instructions were always followed.

**Figure 21: Frequency of following company policies and work rules**



*Source: Author's own study*

### **Employees' preferences and feelings about teamwork**

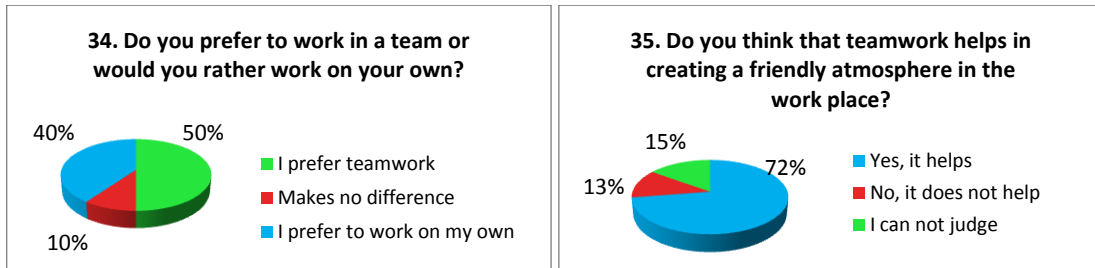
One half of the respondents would prefer to work and do work assignments in a team, because they could also rely on their colleagues who might have better ideas. The second largest group of 16 respondents (40 %), on the contrary, would prefer to work on their own rather than in a team. The remaining 4 respondents (10 %) did not see any difference in doing work assignments in a team or on their own.

Although teamwork would be preferred only by one half of the respondents, nearly three quarters (29 or 72 %) agreed that teamwork helped in creating a friendly atmosphere in the work place as people had to be nice to each other and co-operate. 5 respondents (13 %) disagreed because according to them, teamwork led only to misunderstandings and created a negative environment and the remaining 6 respondents (15 %) had no opinion (see Figure 22).

Teamwork was predominantly preferred by the office and warehouse employees and most of the respondents from these two departments also had a positive view on teamwork and its contribution to creating a friendly atmosphere in the workplace. The repair line employees, on the contrary, had a more negative view on teamwork and one half of them would have preferred to work on their own. Some of these respondents even thought that teamwork did not help in creating a positive environment and only led to misunderstandings (see Appendix 5).



**Figure 22: Employees' preferences and feelings about teamwork**



Source: Author's own study

### Important factors in a job

In question no. 36, the respondents were asked to put eight different factors regarding work goals in their job in order from the most important to the least important. The respondents used a scale from 1 – the most to 8 – the least important. Those factors that were marked as the most/least important are stated in Table 19 and 20 together with frequency distributions (for how many respondents a certain factor was the most important – marked 1 or the least important – marked 8) according to the ranking given by the respondents.

**Table 19: The most important factor in the job**

Factor	Frequency
Having a good relationship with colleagues and team members	14
Having a well-balanced personal/family and professional life	6
Having the opportunity of carrier growth	6
Having creative and challenging work	5
Having the opportunity for high earnings	5
Working in a team/department that is run effectively	2
Working for a successful company	1
Having a good relationship with my supervisor/manager	1
Total	40

Source: Author's own study

According to the largest group of respondents (14 or 35 %), the most important factor in the job was to have a good relationship with colleagues and team members. This finding also corresponds with the finding in the previous two questions regarding respondents' feelings about team work. The second most frequent answers were in two categories: 6 respondents (15 %) found the most important factor to have a well-balanced personal/family and professional life, and the same number of respondents considered the

opportunity of carrier growth to be the most important for them. The factors of having creative and challenging work together with the opportunity for high earnings occupied the third place in the frequency of respondents' answers; both factors were regarded as the most important by 5 respondents (12 %).

Only 2 respondents (5 %) answered that working in an effectively run team/department is the most important for them. Working for a successful company, and having a good relationship with supervisor/manager were factors that were ranked as the most important only by 1 respondent in each category.

The last three factors created rather an exception in respondents' evaluation of the most important factors in the job. Consequently, in respondents' evaluation of the least important factors, these factors belonged to the categories with the most frequent answers: 25 respondents (62 %) considered working for a successful company, and 4 respondents (10 %) considered having a good relationship with their supervisor/manager to be the least important factor for them in the job. The following 5 factors were found to be the least important with the equal frequency of answers of 2 respondents in each category. Only 1 respondent ranked the factor of having a good relationship with colleagues and team members with the lowest level of importance.

**Table 20: The least important factor in the job**

Factor	Frequency
Working for a successful company	25
Having a good relationship with my supervisor/manager	4
Working in a team/department that is run effectively	2
Having the opportunity for high earnings	2
Having creative and challenging work	2
Having the opportunity of carrier growth	2
Having a well-balanced personal/family and professional life	2
Having a good relationship with colleagues and team members	1
Total	40

*Source: Author's own study*

The respondents' answers in both tables indicated a certain consistency in respondents' evaluation. Where the factors were ranked as the most important with a high frequency of answers (having a good relationship with colleagues and team members), they were also consistently ranked as the least important with a very low frequency of answers and vice-versa.

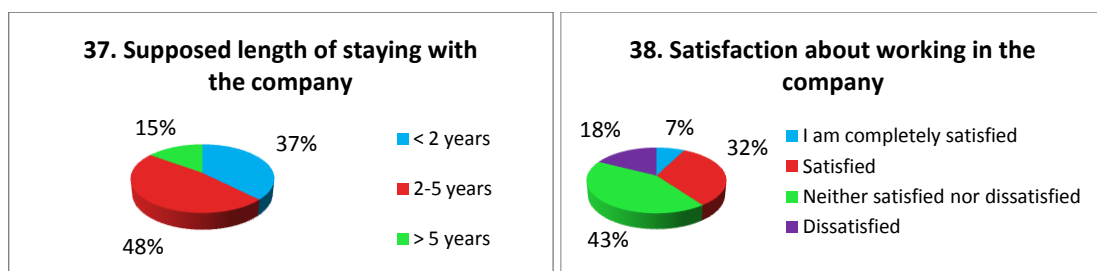
## Employees' satisfaction and future plans about working in the company

Nearly half of the respondents (19 or 48 %) supposed that they would continue working for the company for the following 2 to 5 years. 15 respondents (37 %) answered that they would not be working for the company for more than 2 years and 6 respondents (15 %) would like to stay in the company for more than 5 years in the future.

General satisfaction about working in the company was admitted by 16 respondents (39 %); 3 of them answered that they were completely satisfied, and the remaining 12 respondents were “just” satisfied. The largest group of respondents (17 or 43 %) answered that they were neither satisfied nor dissatisfied, and 7 respondents (18 %) expressed an overall dissatisfaction about working in the company at the present time (see Figure 23).

The highest percentage of satisfied or completely satisfied respondents was found in the group of office employees, who also supposed that they would continue working in the company for at least 2 years. The least satisfied respondents were the warehouse employees, where more than half of them planned to stay with the company less than 2 years. The respondents who belonged to the group of repair line employees were generally more satisfied than their warehouse colleagues and one half of them planned to stay with the company for more than 2 years (see Appendix 5).

**Figure 23: Future plans and satisfaction about working in the company**



*Source: Author's own study*

In the second part of the question no. 38, the respondents were given the opportunity to comment on the current situation in the company and the areas which should be changed and improved. The opportunity to express their feelings about the current situation in the company was used by 24 respondents who had altogether written 47 comments and proposals for changes that would lead to greater employee satisfaction. The areas that were most frequently mentioned to be changed were financial appraisals (altogether 10 comments), communications in the company (altogether 9 comments), company

procedures and work rules (altogether 4 comments) and work conditions regarding working hours and the length of holidays (altogether 10 comments). 4 respondents (17 %) stated that they were generally satisfied or would change just small details.

The summary of the employees' proposals together with frequency distributions is available in Appendix 5; comments regarding communication within the company are listed in Table 21.

**Table 21: Employees' proposals for satisfaction improvement regarding communication**

Proposals for satisfaction improvement	Frequency
Improving communication between superiors and subordinates	1
Communication	2
More communication in English	1
Understanding from Taiwanese management	1
Greater effort to mutual understanding from superiors, colleagues and subordinates	1
Improving manager/superior 's attitude to subordinates	1
Honest behaviour from management	2
Total	9

*Source: Author's own study*

### **2.3.2.2 Cross Table Interpretation of the Questions Regarding Communication with Expatriates and Intercompany Communication**

#### **Cross Table no. 1: The most frequent vs. the most preferred way of communicating with expatriates**

When comparing the answers regarding the most often used ways of communicating with expatriates to respondents's preferences, visible differences can be seen. Most of the respondents who used the face-to-face way of communicating with expatriates most often were satisfied (5 respondents or 83 % of them) and only one respondent would prefer to communicate via a mediator. The preferences given by the respondents who most often used a mediator showed that nearly one third of them (4 respondents) would wish to communicate face-to-face instead of using a mediator, but the rest of them (9 respondents or 61 % of them) were satisfied.

The largest differences between the most frequent and the most preferred way of communicating is visible in the group of respondents who used the electronic form of

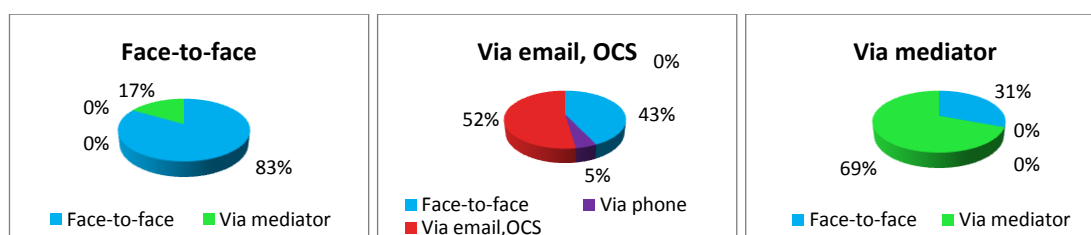
communication most often. One half of them (11 respondents or 52 %) were satisfied with using emails and OCS tools and would not want to change. However, the rest of the respondents from this group would prefer the oral form of communication to the written form: 9 respondents (45 % of them) would prefer face-to-face and one respondent would want to communicate via phone instead of using emails and OCS tools.

**Table 22: The most frequent vs. the most preferred way of communicating with expatriates**

The most frequent way	The most preferred way			
	Face-to-face	Via phone	Via email, OCS	Via mediator
Face-to-face	5			1
Via phone				
Via email, OCS	9	1	11	
Via mediator	4			9

Source: Author's own study

**Figure 24: The most frequent vs. the most preferred way of communicating with expatriates**



Source: Author's own study

**Cross Table no. 2: Department vs. main problem in communication with expatriates**

The most perceived problem when communicating with expatriates was the language barrier as stated in the general overview. However, when examining the single departments the answers differed. Half of the office employees answered that they did not see any problem, and only one quarter of them found language barrier as the main problem in communication. For the repair line and warehouse employees, on the contrary, language barrier presented a more significant problem when communicating with expatriates. Half of the respondents from both departments regarded it to be the main problem.

This result corresponds with different English language skill requirements for employees working in these departments. Whereas office employees are required to have English

language skills at an advanced level and have to communicate with expatriates or foreign customers by themselves, employees working in the Repair line and Warehouse Departments are required to have basic skills in English. The communication with expatriates is therefore sometimes carried out via or with the help of mediators (mainly for the repair line employees), although the expatriates are physically present in the repair line working area (Taiwanese manager of the department, Taiwanese supervisor, and close cooperation with the QA Department, which employs three Filipino expatriates).

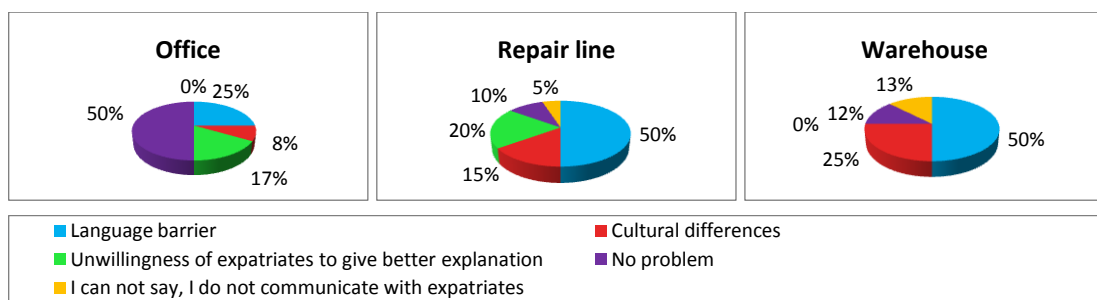
The repair line employees also had a higher frequency in stating cultural differences (3 of all 6 answers possible) and “unwillingness of expatriates to give better explanation” (4 of all 6 answers possible) as the main problem perceived when communicating with expatriates. This can be explained by the presence of expatriates in this department, because the repair line employees come in direct connection and deal with expatriates more often than the other employees, which may influence their perceptions of problems resulting from communication with expatriates other than the language barrier.

**Table 23: Department vs. main problem in communication with expatriates**

	Language barrier	Cultural differences	Unwillingness of expatriates to give better explanation	No problem	I can not say, I do not communicate with expatriates
<b>Office</b>	3	1	2	6	
<b>Repair line</b>	10	3	4	2	1
<b>Warehouse</b>	4	2		1	1

Source: Author's own study

**Figure 25: Department vs. main problem in communication with expatriates**



Source: Author's own study

### **Cross Table no. 3: Department vs. language barrier consequences on incorrect understanding and completing work tasks**

The following cross table examines the language barrier consequences on incorrect understanding and completing work tasks in each of the represented departments (see Table 24 and Figure 26).

The highest frequency of incorrect understanding and completing work tasks was surprisingly found in answers given by the office employees. Seven of them (42 %) admitted that they have made a mistake or incorrectly completed an assigned work task because they had not understood well the instructions received from their expatriate colleagues or superiors. This can be in contradiction with the previous cross table no. 2, in which the language barrier as the main problem in communication with expatriates was perceived by a much smaller number of respondents. On the other hand, the office employees usually communicate with expatriates on a daily basis via email or OCS tools and have less opportunity of face-to-face communication which may help them to better clarify the potential misunderstandings.

The relatively small number of the repair line employees, who admitted an incorrectly completed work task caused by a language barrier was 7 (35 % of them), of whom 2 employees admitted that it had happened more than once to them. This could be explained by either a higher rate of using mediators who can translate the instruction into Czech or the presence of expatriates in the workplace, who can be easily accessed in face-to-face communication.

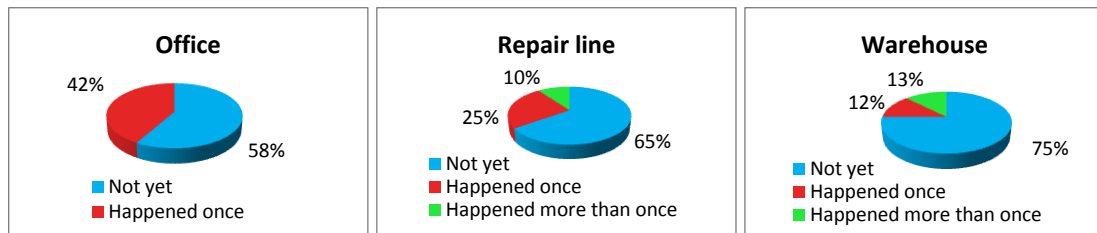
The warehouse employees had the lowest frequency of positive answers as 75 % of them had never made a mistake when completing a work task due to the incorrect understanding of instructions received from an expatriate, because they mostly receive instructions from their Czech supervisors.

**Table 24: Department vs. language barrier consequences on incorrect understanding and completing work tasks**

The frequency of incorrect completing work tasks caused by language barrier	Not yet	Happened once	Happened more than once
<b>Office</b>	7	5	
<b>Repair line</b>	13	5	2
<b>Warehouse</b>	6	1	1

*Source: Author's own study*

**Figure 26: Department vs. language barrier consequences on incorrect understanding and completing work tasks**



Source: Author's own study

**Cross Table no. 4: The most frequent way of communicating with expatriates vs. language barrier consequences on incorrect understanding and completing work tasks**

This cross table shows that the highest frequency of mistakes when completing work tasks caused by incorrect understanding of instructions received from expatriates was found in the group of respondents, who communicated with expatriates the most often via email or OCS tools. Eleven respondents from this group (or 83 % of them) admitted that it had happened to them at least once (see Table 25 and Figure 27).

The group of respondents, who communicated with expatriates most frequently via a mediator had never made a mistake caused by incorrect understanding of received instructions. And in the group of respondents, who mostly communicate with expatriates face-to-face, only one respondent admitted the incorrect completion of a work task due to the language barrier.

That also confirms the results from the previous cross table, where the office employees who communicate with expatriates mostly via email or OCS tools had the highest frequency of incorrectly completed tasks, despite the fact that most of them did not perceive communication in English as a barrier, and also their English language skills are required to be on a more advanced level than in other departments, where this frequency of mistakes was lower.

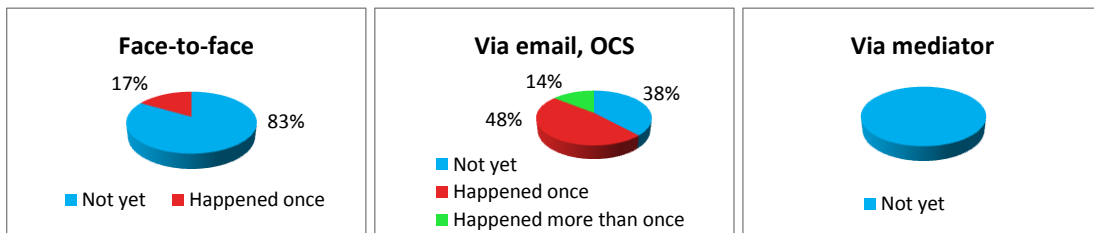


**Table 25: The most frequent way of communicating with expatriates vs. language barrier consequences on incorrect understanding and completing work tasks**

The frequency of incorrect completing work tasks caused by language barrier	Not yet	Happened once	Happened more than once
Face-to-face	5	1	
Via email, OCS	8	10	3
Via mediator	13		

Source: Author's own study

**Figure 27: The most frequent way of communicating with expatriates vs. language barrier consequences on incorrect understanding and completing work tasks**



Source: Author's own study

**Cross Table no. 5: Department vs. contribution of English language courses on employee`s communication with expatriates**

In each department, a small amount of respondents have already passed these courses and evaluated them as beneficial, because the courses helped them to speak better English and some of the respondents (25 % of the office and 10 % of the repair line employees) even felt that the quality of communication with expatriates had also improved. Also a small percentage of negative perceptions of contribution of these courses on employee`s communication with expatriates can be found across all departments. These courses were regarded as the least beneficial by the repair line employees.

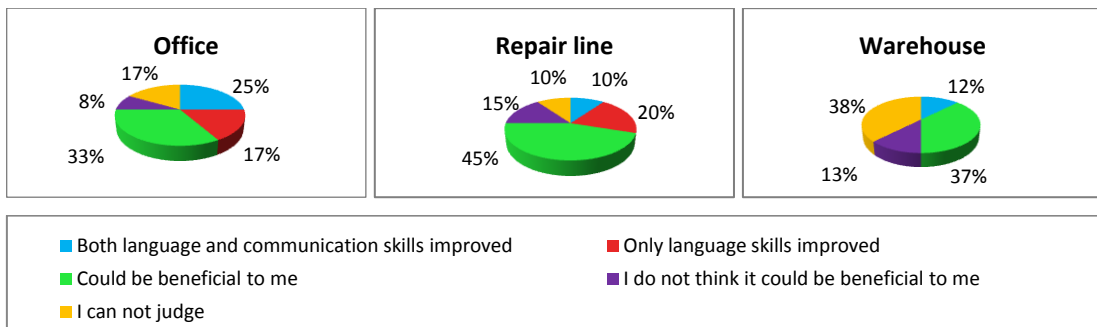
However, there was quite a high percentage of employees in each department who had not attended the course yet, but these employees thought that such a course could be beneficial to them when considering the possible improvements in communication with expatriates (33 % of the office, 45 % of the repair line and 37 % of the warehouse employees) (see Table 26 and Figure 28).

**Table 26: Department vs. perceived benefits of English language courses**

	Both English language and communication skills improved	Only language skills improved	Could be beneficial to me, but I have not attended any yet	I do not think it could be beneficial to me	I can not judge
<b>Office</b>	3	2	4	1	2
<b>Repair line</b>	2	4	9	3	2
<b>Warehouse</b>	1		3	1	3

Source: Author's own study

**Figure 28: Department vs. perceived benefits of English language courses**



Source: Author's own study

**Cross Table no. 6: Department vs. concerns about giving direct feedback**

Providing direct evaluation of the employees' superiors and managers, their performance or the way they manage the team (or department) does not seem to be a popular form of giving feedback according to the respondents' answers across all departments.

The only exception was the office employees, where one half of them would not be afraid of giving direct feedback regardless the consequences and 5 of them (or 42 % of them) would be afraid that their direct evaluation of the superiors or managers' performance would bring a negative impact on relationships with colleagues. Only one office employee would be concerned about negative impacts on his or her job position and no one would be afraid of negative impacts on his or her financial appraisal. This indicates a rather friendly and open atmosphere in the office department, where employees, when being asked to tell their opinions directly, would not be afraid of losing their job or earning less money, but would be more afraid of disturbing relationships with their colleagues (or superiors) which have a great impact on the atmosphere in the workplace. It can be also supported by the

fact that two thirds of the office employees felt encouraged to give suggestions for improvements in their department or team functioning (according to question no. 23).

The concerns about disturbing the relationships with colleagues also played an important role for one half of the warehouse employees and their feelings about providing direct evaluation of their superiors or manager’s performance. One quarter of warehouse employees would be afraid that their directly expressed opinion would have a negative impact on their financial appraisal. Only 2 warehouse employees (or 25 % of them) would not be afraid of providing direct feedback to their superiors and manager regardless the consequences.

The answers provided by the warehouse employees concerning their feelings about the direct evaluation also corresponded with the results from question no. 23. Based on that, two thirds of the warehouse employees did not feel they were encouraged by their superiors or managers to propose suggestions for improvements, and nearly the same number also showed certain concerns about consequences when providing direct feedback.

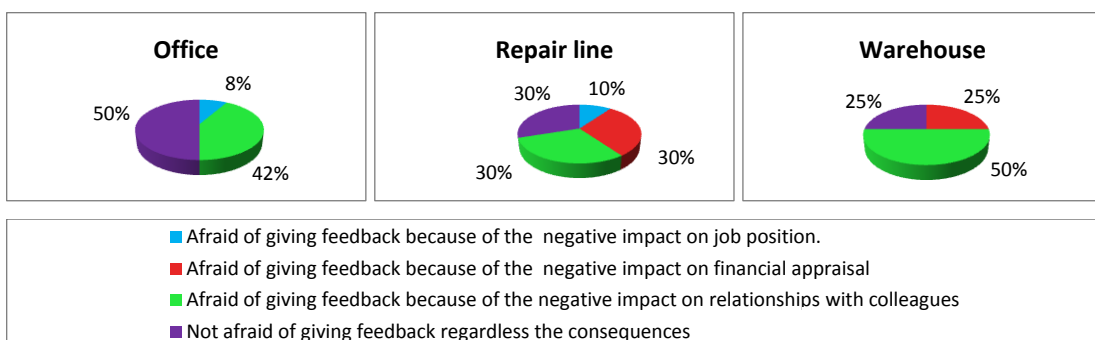
The distribution of the answers provided by the repair line employees was more or less equable.

**Table 27: Department vs. concerns about giving direct feedback**

	Office	Repair line	Warehouse
Afraid of giving feedback because of the negative impact on job position	1	2	
Afraid of giving feedback because of the negative impact on financial appraisal		6	2
Afraid of giving feedback because of the negative impact on relationships with colleagues	5	6	4
Not afraid of giving feedback regardless the consequences	6	6	2

Source: Author’s own study

**Figure 29: Department vs. concerns about giving direct feedback**



Source: Author’s own study

### **Cross Table no. 7: The most often used vs. the most useful communication channel when seeking information**

This cross table examines the relationship between the most often used channels and the most useful channels and to what extent the extension of such a channel corresponds with its usefulness to the user. As the research results showed, there are three main information channels used most frequently by the employees when seeking information: email and OCS tools, regular communication meetings and regular team meetings. These channels were also to a certain extent evaluated by its users as the most useful for them.

From this point of view the largest correspondence between the extension and usefulness of a communication channel was visible in the group of respondents using the email and OCS tools the most often when seeking information, as this channel was evaluated as the most useful by 80 % of them. 100 % correspondence was found only by a respondent using the information boards most frequently. The smallest correspondence was found in the group of respondents who answered that they used regular communication meetings most frequently when seeking information. Only 46 % of these respondents regarded these meetings as the most useful to them, and the rest of this group found other communication channels more useful (15 – 16 % found regular team meetings, information boards or even gossip).

Regular communication meetings usually serve as a communication channel to distribute general information regarding the whole company (or subsidiary) and for upward communication between employees and the company (subsidiary) management, whereby employees anonymously raise questions and comments and receive the answers. Therefore, this channel might not be perceived as very useful by those who use it most frequently because of the nature of information they receive via this channel. And besides, the frequency of these meetings (monthly basis) does not ensure “fresh” information and quick responses to employees’ queries.

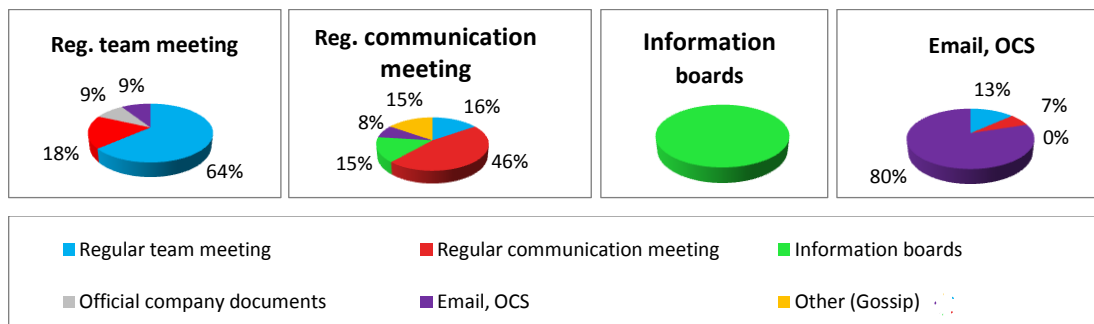
Regular team meetings were regarded as the most useful communication channel by 64 % of respondents from the group of employees, who agreed they used it most frequently when seeking information about “ what is currently happening in the company”. Regular team meetings are another type which is determined for a smaller group of participants and whose main purpose is to share and distribute information regarding daily working issues.

**Table 28: The most often used vs. the most useful communication channel when seeking information**

The most often used communication channel	The most useful communication channel					
	Reg. team meeting	Reg. communication meeting	Information boards	Official company documents	Email, OCS	Other (Gossip)
Regular team meeting	7	2		1	1	
Regular communication meeting	2	6	2		1	2
Information boards			1			
Email, OCS	2	1			12	

Source: Author's own study

**Figure 30: The most often used vs. the most useful communication channel when seeking information**



Source: Author's own study

**Cross Table no. 8: Department vs. frequency of receiving information from unofficial sources**

Although the company uses a wide range of communication channels to distribute information between employees that comes from official sources (mostly announced by the company or subsidiary management), the respondents also agreed that they received information from unofficial sources. This phenomenon of receiving important information about current events from unofficial resources was regarded as quite often by a high percentage of respondents across all departments.

Those who perceived the phenomenon of receiving information from unofficial sources most frequently were the warehouse employees where only one respondent (12 % of them) refused it and answered that it usually did not happen.

According to the answers given by the repair line employees, 75 % of them (15 respondents) agreed that it often happened they received information from unofficial sources, and at the same time 5 respondents (25 % of the repair line employees) even felt that they received important information mainly from unofficial sources.

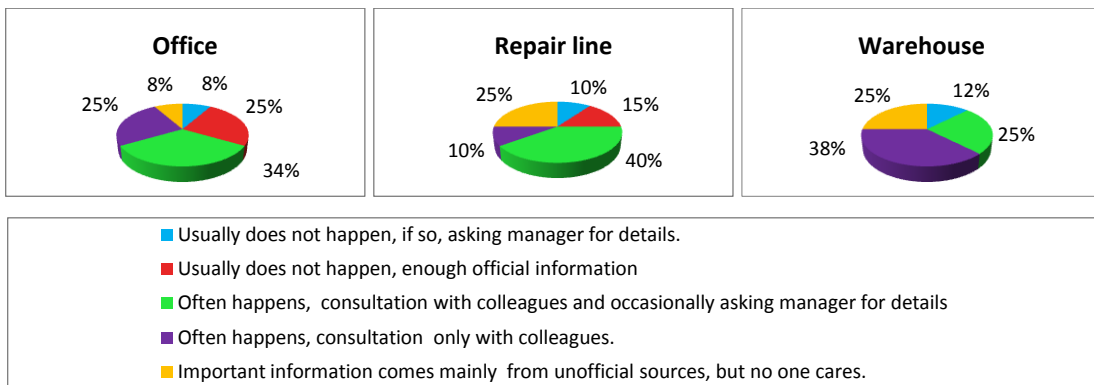
Two thirds of office employees' responses also confirmed that these employees were familiar with frequent receiving information from unofficial sources; however the percentage of those who agreed with the phenomenon was the smallest of all other departments.

**Table 29: Department vs. frequency of receiving information from unofficial sources**

	Office	Repair line	Warehouse
Usually does not happen, if so, asking manager for details	1	2	1
Usually does not happen, enough official information	3	3	
Often happens, consultation with colleagues and occasionally asking manager for details	4	8	2
Often happens, consultation only with colleagues	3	2	3
Important information comes mainly from unofficial sources, but no one cares.	1	5	2

Source: Author's own study

**Figure 31: Department vs. frequency of receiving information from unofficial sources**



Source: Author's own study

### 2.3.3 Analysis Summary

The aim of the second part of the master's thesis was to analyze the current situation in SMS InfoComm (Czech) s.r.o. based on research carried out among the employees. The research predominantly focused on mapping relationships between local employees and their managers and colleagues with different national backgrounds, and the impact of cultural diversity on different management style and communication within a multinational team. The research was carried out in a form of a questionnaire.

The facts concerning the current situation in the company identified from the research results are:

More than a half of the respondents linked *the organizational culture and climate in the company* to international (mixture of Czech and Taiwanese) cultural practices and their perceptions were based predominantly on established internal company policies and work rules and secondly on the presence of expatriates in the company.

Respondents had a rather positive attitude about *working in a multinational company or team*, however, none of them preferred to be supervised by a manager of foreign nationality.

A visible difference between the most frequent (emails and OCS tools for 52 %; face-to-face form for 15 % of respondents) and the most preferred *way of communicating with expatriates* (emails and OCS tools for 28 %; face-to-face form for 45 % of respondents) was identified. Choice of the most often used way of communicating with expatriates also had a large impact on the frequency of *incorrect understanding and completing work tasks based on instructions received from expatriates*, because the highest frequency was found by the respondents, who communicated with expatriates the most often via email or OCS tools. Although emails and OCS tools present an effective and fast way to spread information between local and expatriate employees, it also raises the possibility of bringing misunderstandings into the communication caused by using wrong English grammar or vocabulary and inconsistent explanation of a work task, which can be avoided or better explained in face-to-face communication.

The most often perceived *cultural differences in communication with expatriates* were different voice intonation and with it connected problems with understanding the expatriates' English accent, and also the indirect manner of speaking and not

corresponding face expression with communicated information, which is typical for the Asian high-context communication style and the need of avoiding loss of face.

The *language barrier* presented the main problem in communication with expatriates across the company with a different level of importance in each department (for 50 % of repair line and warehouse respondents, and for 25 % of office respondents) in connection with a different level of English language skills required. Consequently, the possibility of receiving work instructions from expatriates and communicating work issues in Czech was appreciated by 40 % of respondents, and only 20 % found it really helpful.

One third of respondents had already used the opportunity to attend *English language courses* offered by the company as one of the employee benefits and found the courses beneficial and felt improvements in their communication with expatriates after passing the course. 40 % of respondents (predominantly the repair line employees) were interested in attending these courses. Therefore, the company should try to encourage more employees to attend these courses, as they would not only raise the qualification of its employees, but could also contribute to raising the willingness of its employees to communicate with expatriates by lowering the language barrier which may also have a positive effect on relationships with expatriates and a willingness by local employees to cooperate with their colleagues and superiors of a different nationality.

*Relationships with expatriates* were generally considered to be neither good nor bad or good by most of the respondents. The expatriates were perceived the most positively by the office employees, the least by the repair line employees. Already existing friendship and spending leisure time with expatriates was admitted by respondents from both above stated departments, however the interest in having a potential friendship with expatriates was much lower by the repair line employees.

Respondents perceived differences in *expatriates' working habits and discipline* according to their nationalities and characterized the two groups differently. Although both groups were regarded as hardworking and precise, the characteristics of the Taiwanese group was rather negative compared to the Filipino expatriates, whose working habits and behavior at the workplace were perceived more positively by the local employees.

52 % of respondents felt *support and active encouragement from their superiors* to propose suggestions that would improve the functioning of their team or department. The



most encouraged were the office respondents, the least the warehouse respondents. *Providing direct evaluation* of superiors or managers' performance and team (department) functioning was not regarded as a very popular form of appraisal for the respondents; 65 % of respondents would be afraid of consequences their direct appraisal might cause.

*Communication meetings* as an upward communication channel for employees to anonymously raise questions or proposals for the company management was used only by 30 % of respondents. However, 65 % of respondents believed that the company management were willing to discuss and carry out necessary changes based on the questions and proposals raised at the communication meetings.

The research results showed a visible difference between the extension and usefulness of *communication channels used when seeking information* about current happenings in the company. Whereas email and OCS tools as the most extended channel was regarded as the most useful channel by 80 % of its users, communication meetings as the second most extended channel was the most useful for only 46 % of its users. The third most extended channel was team meetings, which were considered to be the most useful channel for 64 % of its users.

Frequency of *receiving information from unofficial sources* was quite often across all departments and only 25 % of respondents answered that it did not usually happen.

The *company procedures and work instructions* were clearly stated for 57 % of respondents; the rest of them disagreed or did not know the rules. The company should pay more attention to appraising the employees with company procedures and work rules and each employee should know where to find them or whom to ask for clarification so as to secure the effective function of the company. Nearly one half of respondents believed in different rules valid for local and expatriate employees; the duality was perceived predominantly by the repair line respondents. Although it was not stated whether the perceived duality was leading to favouring the expatriates to locals, any duality perception could lead to a disturbing atmosphere and mistrust in the workplace between these two groups of employees.

Although the respondents diverged in their *preferences about teamwork* on two groups of nearly the same size, 72 % of all respondents were aware of the positive effects of teamwork in creating a friendly and co-operative atmosphere in the workplace. A friendly

atmosphere in the workplace created by a good relationship with colleagues and team members was the most important factor regarding work goals for 35 % of respondents. Working for a successful company was the least important factor for 62 % of respondents. This indicates the fact that the respondents did not identify themselves with the company as an organization, but appreciated more the social relationships within the company, predominantly within their teams.

According to the respondents' responses concerning their *satisfaction and future plans* about staying in the company, 63 % of respondents planned to work for the company for at least 2 years and an overall dissatisfaction was expressed by 18 % of respondents, predominantly by the warehouse respondents. To raise the overall satisfaction of its employees, the company management should at least pay attention to the proposals given by the respondents regarding more open and honest communication between the management and employees, and improving mutual communication between superiors and subordinates in general.

Based on the above summarized facts, the strong and weak potentials concerning the current situation in the company can be identified as:

### **Strong potentials**

- *Perceiving the organizational culture and climate according to the established company policies and work rules.*
- *Employees have a positive attitude about working in a multinational company or team.*
- *Local employees' relationships to expatriate employees are rather positive; some employees have made friends among expatriates.*
- *Employees are aware of the positive effects of teamwork in creating a co-operative atmosphere and friendly relationships in the workplace.*
- *A large group of employees perceive the company management's effort to discuss and carry out necessary changes based on suggestions proposed by employees at the communication meetings.*
- *Email and OCS tools together with team meetings are evaluated as very useful communication channels by their most frequent users when seeking information about current news in the company.*

## **Weak potentials**

- *Employees have a rather negative attitude about working for a manager of foreign nationality.*
- *Language barrier perceived as the main problem in communicating with expatriates, low rate of using the possibility to attend the English language courses offered by the company.*
- *Excessive and broad using of emails and OCS tools when communicating with expatriates causes misunderstanding and mistakes when completing work tasks.*
- *Dividing expatriates according to their working habits and discipline into two groups of “good” Filipino and “bad” Taiwanese expatriates.*
- *High percentage of employees is afraid to provide direct appraisal of their superiors or managers’ performance and the team (department) functioning due to the consequences.*
- *Low usefulness of communication meetings as a communication channel when seeking information about current happenings in the company.*
- *Negative phenomenon of frequently receiving information from unofficial source.*
- *Claims for improving mutual communication between superiors and subordinates with the emphasis on improving superiors’ attitude and more honest behaviour towards subordinates.*
- *The company procedures and work instructions are not clearly stated for all employees.*

### **3 PROPOSALS**

The aim of this part of the master's thesis is to offer proposals for improvements in the internal communication in the company and also to provide further recommendations to the company management that would improve the relationships between the local and expatriate employees. The submitted suggestions for improvements are based on the analysis of the current situation within the company as were found from the research results.

The chapter is divided into two main parts; the first subchapter deals with proposals for the intercompany communication change, and the second consists of further recommendations in the field of intercultural management and communication.

#### **3.1 Proposals for Intercompany Communication Change**

The subchapter offers proposals for changes and improvements regarding the internal communication within the company based on the research results. Although the company puts emphasis on well-functioning intercompany communication and uses various forms of communication to secure its effectiveness and appropriate distributing of information, the research results showed some areas the company management should pay attention to.

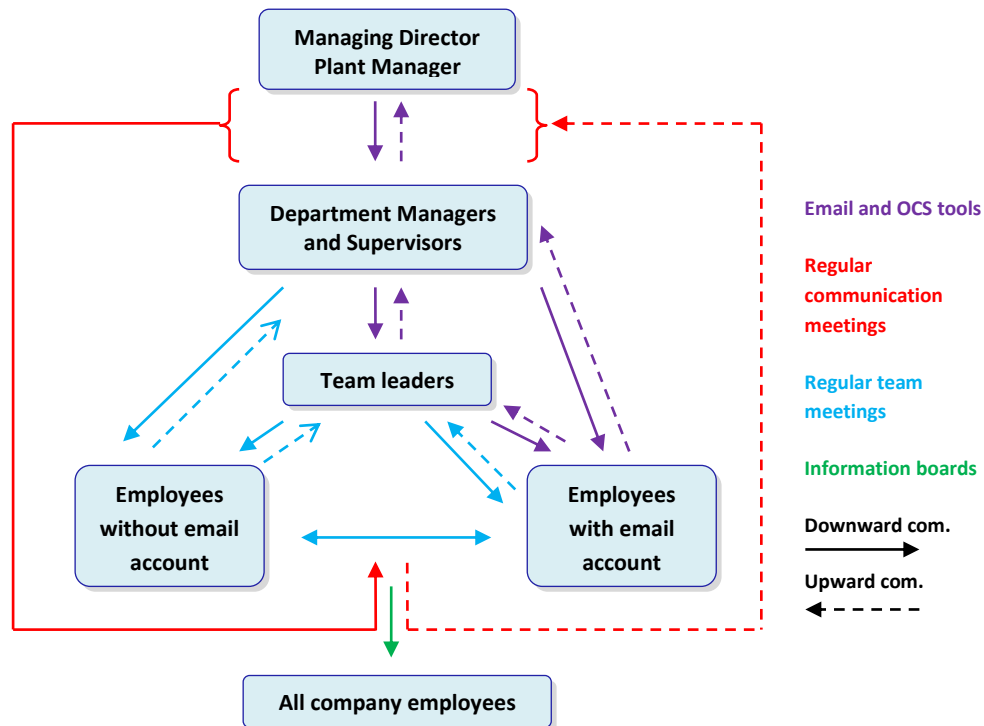
##### **3.1.1 Effective Usage of Communication Channels**

As already stated, the company uses various communication channels and tools to secure effective communication within the company. All of these channels and tools (see chapter 2.2.2) create the intercompany communication system used for both downward and upward communication. However, the research results showed that not all of these channels are being equally used by the employees and according to the respondents' answers only four of them are used the most often and of these three channels also belonged to the most useful:

- *Email and OCS tools*
- *Regular communication meetings*
- *Regular team meetings*
- *Information boards*

Therefore, the company management should focus on these four channels the most when communicating with employees and follow the suggested schema of their using:

**Figure 32: Effective usage of communication channels**



Source: Author's own study

### Email and OCS tools

Electronic communication via email and OCS tools generally belongs to the most extended and useful forms of communication in the company due to its speed and broad range of employees who can receive the information at the same time. The company management can use this channel to either inform the employees about actual happenings in the company, or to receive immediate feedback from employees.

Using email and OCS tools presents the opportunity to communicate with literally everyone in the company, but this channel should not be misused to spread unofficial and non work related messages, and also information that are determined only to a certain group or level of employees. However, not all employees have access to their own company email account and therefore have to rely on their superiors to communicate to them such information and messages, therefore this channel should be supported also by other channels to secure the effective communication within the company.

### **Regular team meetings**

Regular team meetings serve as brief daily meetings to communicate work related issues, or to communicate to the employees with no email account, information received from company or department managers. The advantage of regular team meetings is that team leaders receive immediate feedback; however, they may influence the authenticity or content of the message. Therefore, when communicating news received from company management, the exact content should be also available in paper form placed on the information boards, so that the employees have the opportunity to become appraised with the message in detail later if needed.

Using regular team meetings in the form of *stand – up meetings* is also recommended for employees who mostly communicate via email or OCS tools, because a very short stand – up meeting may help them solve the work issues faster and more accurately.

### **Regular communication meetings**

Regular communication meetings are currently held on a monthly basis and serve predominantly for upward communication, where the managers answer the queries and comments received from employees during the previous period. The advantage of communication meetings is that employees can use the opportunity to raise their questions and comments anonymously without being afraid of the consequences.

However, the disadvantage of these meetings is presented by their low frequency and a possibility of receiving not up-to-date information, which has already been spread among employees via unofficial sources. Summary of employees' queries and management's responses should always be available afterwards in paper form in Czech and also in English version on the information boards.

### **Information boards**

Information boards serve as the supportive communication channel, which enables all employees to receive information about the current situation in the company. Information boards should be located in work places (each department should have its own information board) and common places, where employees gather (canteen, common halls). Information boards located in common places should contain information about current news: current employee benefits, a summary of the latest communication meeting,

information about job opportunities, company monthly/quarterly performance, company successes, a copy of the Employee Manual. The responsibility for up-dating the content should be secured by the HR/GA team. The question mailbox for employee anonymous queries and comments should also be located close to these information boards.

Information boards located in work places of each department should predominantly contain clearly stated company rules and norms (and also specific work instructions if they vary in each department, i.e. working hours, break times, the use of specific work uniforms), because the research results showed that only 57 % of all respondents knew the rules. Furthermore, these boards should contain information about the department structure (name of the manager, superiors and team leaders or department assistant if available), actual information from company management communicated at team meetings, and a copy of the Employee Manual. The responsibility for up-dating the content should be shared among the HR/GA team and the department assistant or supervisor.

### **3.1.2 Communication Meeting**

According to the research results, regular communication meetings as a communication channel used by employees when seeking information was placed in second place with respect to the frequency of using it, but only nearly half of these respondents also found it as the most useful to them. Besides downward communication, the meeting is predominantly used as an upward communication channel, because it offers the employees opportunity to raise questions or comments anonymously without being afraid of negative consequences his or her query might bring. From this point of view, the communication meeting is used only by one third of respondents, however two thirds of respondents considered it to be an effective tool of upward communication, because these respondents believed that company management took into account “the employee voice” and was willing to carry out necessary changes.

Based on the research results, the communication meeting has great potential for upward communication, but lower potential for downward communication. Therefore, the company management should consider how to raise its usefulness to the employees. The suggested recommendation is to raise the frequency of these meetings and hold them on a 2 weeks basis instead monthly basis and make them shorter of maximum of 10 to 15 minutes.

Reasons for this recommendation are:

- *Employees will receive “fresher” and up-to-date information about the current situation within the company.*
- *Employees will have more time to get used to changes and steps the company management intends to carry out in the future and will be more willing to co-operate.*
- *It will help to reduce the negative phenomenon of information noise and spreading information from unofficial sources, which happens quite often according to the research results.*
- *Employees will receive responses to their queries faster, and vice-versa company management will receive faster feedback to already established provisions.*

### **3.2 Recommendations for Intercultural Communication Improvement**

This subchapter offers further recommendations to the company management in the field of intercultural management and communication that would help to raise mutual respect with regards to the cultural differences on both sides and also improve the quality of relationships between the local and expatriate employees, which may indeed lead to more effective co-operation within the multicultural teams.

#### **3.2.1 Intercultural Training for Employees**

The Wistron Corporation provided pre-departure intercultural training for expatriates in their home countries before they were sent on assignment to the Czech Republic. However, the expatriates have not been provided with any further in-country real-time training that would help them speed up the adaptation process and understand the values and norms of behaviours of the host country employees.

Expatriates have to rely only on the HR/GA Department team members, whose responsibilities are to assist the expatriates with solving issues regarding accommodation agenda or meetings with government offices. However, this team has not been trained to have intercultural competencies (besides required language skills) so that they could help the expatriates to understand our cultural differences. And vice-versa, to help the local



employees understand the Taiwanese (or the Filipino) cultural differences with regard to work related values, and also values that are embedded in the organizational culture.

Therefore, the following recommendations are presented:

- *Arranging course in intercultural training for the local employees.*
- *Extension of the Employee Manual on information about the main differences between the Czech and Taiwanese culture regarding work related values.*
- *Including basic intercultural training and discussion about the cultural diversity in the company during induction training.*

### **Course in intercultural training for employees**

This course is intended predominantly for both the assistant of the Repair Department and the training administrator, who will be trained in the specifics of Taiwanese cultural practices. They will hold the positions of *cultural mediators* between the local and expatriate employees. Although the participation in the course in intercultural training is predominantly intended for the assistant of the Repair Department and the training administrator, the company can also consider the participation of the rest of the HR/GA team, the Plant Manager, the Warehouse Manager and two Czech supervisors from the Repair Department.

The assistant will be the cultural mediator mainly between the repair line employees and expatriates working in this department, where almost all of them are located. The assistant would help the local employees to understand the cultural differences regarding work related values and habits of their expatriate superiors, and on the contrary, would also provide the expatriates with in-country real-training via helping them understand the mentality and working habits of their subordinates. The assistant, as the cultural mediator, will be useful in situations when different cultural backgrounds of the local and expatriate employees does not allow them to find solutions to problems without creating a negative atmosphere and mistrust in the workplace.

The role of cultural mediator for the training administrator would consist of providing the newcomers with basic intercultural training, which will be covered in already existing “induction training”. The training administrator will also be responsible for adding information regarding specifics of Taiwanese culture in the Employee Manual. Besides,

the cultural mediators will also be responsible for providing in-country real-training for future expatriates.

When arranging the course in intercultural training, the company should outsource the course to specialised consultancy companies that are focused on offering such courses. The author has sent non-binding enquiries to several consultancy companies that were found on the Internet with specific requirements related to the course (see Appendix 6). The compilation of the inquiry requirements was based on recommendations presented by Holcman (2009, p. 74).

A list of the addressed consultancy companies offering courses in intercultural training or communication within a multinational team is summarised in Appendix 7. Examples of two specific offers received from CADET GO s.r.o. and CEE Intercultural are available in Appendix 8 together with the total cost evaluation of both offers.

### **Extension of the Employee Manual**

The Employee Manual presents a brochure, which is handed out to every newcomer and gives him or her a general overview of the company. The Employee Manual currently consists of basic information about the company history, company structure, organizational culture, company rules and norms, etc., but does not include any information regarding Taiwanese cultural and working habits.

The extension should involve a short description of Taiwanese culture with the emphasis on differences in the Czech and Taiwanese culture regarding work related values. When creating the extension, the administrator can use the knowledge gained in the course, use literature related to the cultural differences (i.e. Geert Hofstede's books; see Appendix 10), use resourceful pictograms in the Yang Liu's book<sup>18</sup> comparing differences of eastern (Chinese) and western (European) cultures or use the differences perceived by the current local employees resulting from the questionnaire.

The author presents a proposal for the updated version of the Employee Manual regarding the extension on cultural diversity in the company and effective usage of communication channels in Appendix 10.

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<sup>18</sup>YANG, L. 2010. Ost trifft West: ein Buch; see in Holeksa, 2011, p. 39

### **Basic intercultural training included in induction training**

Every new employee has to pass the induction training, which is provided by the training administrator. The induction training includes a of power point presentation, during which the administrator comments on information included in the Employee Manual and apprises the newcomers with the company.

The administrator should extend the induction training on basic intercultural training (based on the extended Employee Manual) and communicate the employees cultural differences they may face when working in a multicultural working environment and being supervised by an expatriate, and how to deal with these situations.

Based on the experiences given by the current employees in the questionnaire, new employees should be appraised with:

- *High-context communication style* – Taiwanese expatriates may not always communicate their thoughts in words, but use gestures and face mimics to provide the context.
- *Use indirect manner of speaking and tendencies of avoiding loss of face* – Taiwanese expatriates do not get straight to the point but talk around it. When giving feedback to their subordinates, they may be reluctant to give a negative appraisal straight to the employee and would use the mediator (in this case employee’s supervisor) to do it instead.
- *Different voice intonation and too loud voice expression* – Taiwanese expatriates use English when communicating with subordinates, however due to their voice intonation it might take some time to understand and “catch up” with their accent. Also, Taiwanese expatriates might be expressing themselves too loud, so that the employees may perceive it as yelling.
- *Different perceptions of hardworking* – Taiwanese perception about work is “We live to work”, whereas the Czech perception is “We work to live”. Taiwanese expatriates require discipline and “no fun” in the workplace. The Czech employees should be aware of the fact that “too much chatting and too loud laughing” during work hours will not be understood by Taiwanese expatriates despite a very good job performance.
- *Strictly following rules and procedures* – Taiwanese expatriates strictly follow rules and formal procedures and are usually not favourable to flexibility and using their

own judgement when solving problems, which is normal in the Czech culture. Besides, the employees might be surprised by long-lasting approval processes, when formal procedures are being strictly followed and not skipped.

- *Team work* –Taiwanese culture is considered to be a collectivistic culture and so is the preferred work organization in the company. Employees are organized in smaller or bigger groups and perform as a team. Czech employees, according to the research results, preferred teamwork and also positively evaluated the influence of teamwork in creating a friendly atmosphere in the workplace, as good relationships with their colleagues was a very important factor in the job. However, Taiwanese perception of teamwork does not mean only maintaining good relationships, but also acting and performing in the team's interest and when necessary, also preferring the group's interest to individual (i.e. overtime).

### **3.2.2 Financial Costs for Intercultural Training for Employees**

The investments in intercultural training for employees shall bring the company improvements in the field of intercultural communication and would help to raise the mutual respect to cultural differences regarding work related values and habits of the local and expatriate employees.

The investments in intercultural training present for the company increased initial financial costs in a form of investment in employees' education by arranging a course in intercultural training and further additional costs covering purchase of a book related to cultural differences. The calculation of total costs for the course and purchase of a book are presented in more details in Appendix 8 and Appendix 9. The costs for printing new Employee Manuals were not calculated, because the company uses its own resources to print intercompany documents which also include the Employee Manual.

The summary of the financial costs for intercultural training for employees is stated in Table 30.

**Table 30: Summary of financial costs**

<b>Cost</b>	<b>Price</b>	<b>Price inc. VAT</b>
Course fee	32 000 CZK	38 720 CZK
Purchase of a book	479 CZK	541 CZK
Printing new Employee Manuals	Depends on the company	Depends on the company
<b>Total</b>	<b>32 479 CZK</b>	<b>39 261 CZK</b>

*Source: Author's own study*

The calculation of financial costs regarding all proposals for intercultural training for employees was based on the course provided by the consultancy company ECC Intercultural. The price of the course was calculated for 10 employees (covering the assistant of the Repair Department, the training administrator, four members of the HR/GA team, the Plant Manager, the Warehouse Manager, and two Czech supervisors from the Repair Department).

If the company decides to arrange the course in intercultural training only for the assistant of the Repair Department and the training administrator, the course will be outsourced from the consultancy company CADET GO s.r.o. and total financial costs regarding all proposals for intercultural training for employees will be 11 950 CZK (14 217 CZK incl. VAT).

## CONCLUSIONS

The main objective of this master's thesis was to propose the intercompany communication change in a multinational company and also to provide further recommendations to the company management in the field of intercultural management and intercultural communication with regard to the analysis of the current situation in the company.

To fulfil the main objective, it was necessary to accomplish the literature review, describe the selected multinational company, construct a questionnaire and carry out the company research, interpret the research results and evaluate the current situation in the company, and propose suitable suggestions and recommendations to improve the current situation.

The first part of the thesis focused on the literature review, which offered the theoretical background to the issues of internal communication within the company and international management, with the main stress put on intercultural management and cultural diversity.

The beginning of section two was dedicated to introducing the company. The main part of this section dealt with evaluating the current situation in the company and interpreting the research results. The research methods and the research tool - questionnaire description was also covered in this section.

The last part of the thesis contained proposals and recommendations to the company management that would improve the current situation in the company. The suggestions were proposed based on the research results and cover recommendations that would improve the areas of communication channels used in the intercompany communication system and intercultural communication between local and expatriate employees that would help the employees to respect the cultural differences and positively influence their co-operation.

The main objective of this master's thesis was fulfilled by that.

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## **LIST OF ABBREVIATIONS**

CVS	Chinese Value Survey
FDI	Foreign Direct Investment
HQ	Headquarters
HRM	Human Resource Management
ICT	Information and Communication Technology
IDV	Individualism Index
IHRM	International Human Resource Management
LTO	Long-term Orientation
MAS	Masculinity Index
OCS	Office Communications Server, Office Communicator
ODM	Original Design Manufacturer
PDI	Power Distance Index
SMS	Service Management Solutions
UAI	Uncertainty Avoidance Index
VSM	Value Survey Module
WCZ	Wistron InfoComm (Czech), s.r.o.
WSCZ	SMS InfoComm (Czech), s.r.o., Wistron Service CZ

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## Appendix 1: A Map of the Wistron Corporation Global Operations



Source: Wistron (2004a)

## Appendix 2: The Wistron Corporation Company Logo and SMS Logo

Source: Wistron (2004b)

Source: SMS (2008)

## Appendix 3: Questionnaire for Employees in Czech

### DOTAZNÍK K DIPLOMOVÉ PRÁCI

*Dobrý den,*

*obracím se na Vás s žádostí o vyplnění dotazníku, který je součástí výzkumu v rámci mé diplomové práce. Diplomová práce se zabývá zkoumáním vztahů na pracovišti mezi místními zaměstnanci a jejich kolegy a nadřízenými jiné národnosti SMS InfoComm (Czech), s.r.o. /dříve Wistron InfoComm (Czech), s.r.o./.*

*Při vyplňování dotazníku označte, prosím, vždy pouze jednu z nabízených možností, pokud není uvedeno jinak. U otázek otevřených, u kterých se nenabízí žádná možnost, prosím odpovězte dle Vašeho názoru.*

*Dotazník je zcela anonymní a vyplněné dotazníky budou zpracovávány pouze mnou bez jakékoliv účasti třetí osoby z řad vedení firmy. V případě jakéhokoliv dotazu ohledně dotazníku a výsledků dotazníkového šetření mě můžete kontaktovat na uvedeném emailu: [xpzbori02@std.vutbr.cz](mailto:xpzbori02@std.vutbr.cz).*

*Dotazník je také k dispozici v elektronické podobě na této adrese:*

*<https://docs.google.com/spreadsheet/viewform?formkey=dDF6cnVKeXhtb3pObm4wTDJWRnVMR1E6MQ>*

*Děkuji Vám za Vaši ochotu a čas.*

*Hana Zbořilová*

*studentka Fakulty podnikatelské, VUT Brno*

#### **1. Prosím uveďte Vaše pohlaví a věk.**

- a) Žena    b) Muž  
a) 18 – 25 let    b) 26 – 35 let    c) 36 – 45 let    d) 46 – 55 let    e) 55 let a více

#### **2. V jakém oddělení ve společnosti SMS InfoComm (Czech), s.r.o. /dříve Wistron InfoComm (Czech), s.r.o./ působíte?**

- a) Office (společně pro Business Support, Finance i HR/GA oddělení)  
b) Repair line  
c) Warehouse

**3. Jak dlouho ve společnosti pracujete?**

- a) 0 – 3 měsíce
- b) 3 – 12 měsíců
- c) 1 – 2 roky
- d) 2 – 3 roky
- e) déle než 3 roky

**4. Jaké důvody Vás motivovaly k tomu, abyste se ucházel/a o místo ve společnosti SMS InfoComm (Czech), s.r.o. /dříve Wistron InfoComm (Czech), s.r.o./? Můžete uvést více důvodů.**

- a) Zajímavé platové ohodnocení.
- b) Dostupná vzdálenost od místa bydliště.
- c) Možnost pracovat v oboru, ve kterém jsem získal(a) vzdělání / jsem se vyučil(a).
- d) Možnost práce v mezinárodní společnosti.
- e) Možnost spolupracovat s cizinci.
- f) Možnost uplatnit při práci cizí jazyk.
- g) Jiné důvody .....

**5. Jakým kulturním zvyklostem, na základě Vašeho názoru a zkušeností, odpovídá podnikové klima a podniková kultura ve společnosti?**

- a) Českým zvyklostem.
- b) Taiwanským zvyklostem.
- c) Mezinárodním zvyklostem / je kombinací českých a taiwanských zvyklostí/.

**6. Prosím uveďte, jaké důvody Vás vedly ke zvolené odpovědi u předchozí otázky. Můžete uvést více možností.**

- a) Zavedená interní pravidla a předpisy pro chování zaměstnanců.
- b) Technické zázemí a přístroje.
- c) Důsledné třídění odpadu na pracovišti.
- d) Zavedený způsob komunikace v rámci společnosti /pravidelné schůzky s nadřízenými, komunikační meeting, používání e-mailu, OCS, atd./
- e) Užívání anglického jazyka v rámci vnitropodnikové komunikace, vydávání firemních dokumentů ve dvoujazyčné podobě, používání PC aplikací v anglickém jazyce.
- f) Upřednostňování teamového způsobu organizace práce.
- g) Přítomnost českého managementu.
- h) Přítomnost taiwanského managementu.
- i) Přítomnost kolegů/nadřízených – cizinců (expatriotů) na pracovišti.
- j) Zdlouhavý schvalovací proces, potřeba souhlasu ze strany taiwanského managementu.
- k) Nařizování přesčasů.
- l) Jiné důvody.....

- 7. Jaký je Váš názor na zaměstnání ve firmě, která je vlastněna zahraniční společností?**
- Dávám přednost zaměstnání ve firmě, která je vlastněna zahraniční společností.
  - Nezáleží mi na tom, že firma, ve které pracuji, je vlastněna zahraniční společností.
  - Upřednostňuji být zaměstnancem v české společnosti, která není vlastněna zahraniční společností.
- 8. Jak na Vás působí práce v mezinárodním/multikulturním teamu?**
- Raději bych v mezinárodním/multikulturním teamu nepracoval.
  - Neshledávám žádný rozdíl v práci v mezinárodním/multikulturním teamu a teamu, kde jsou členové pouze stejné národnosti jako já.
  - Dávám přednost práci v mezinárodním/multikulturním teamu.
- 9. Jak vnímáte, že pracujete, případně byste pracoval(a) pod vedením nadřízeného, který je jiné národnosti, než je Vaše?**
- Raději bych pracoval(a) pod vedením nadřízeného, který je stejné národnosti jako já.
  - Rozdílná národnost mého nadřízeného mně nevádí.
  - Dávám přednost práci pod vedením nadřízeného, který je odlišné národnosti.
- 10. Vyžaduje náplň Vaší práce ve společnosti každodenní přímý kontakt s kolegou/nadřízeným cizincem (expatriotem)?**
- Ano, vyžaduje přímý kontakt.
  - Ano, ale přímý kontakt je zprostředkován přes mého nadřízeného.
  - Ne, nevyžaduje každodenní přímý kontakt.
- 11. Jakým způsobem s kolegou/nadřízeným – cizincem (expatriotem) nejčastěji komunikujete?**
- Osobně, tváří v tvář.
  - Telefonicky.
  - Používám e-mail nebo OCS /Office Communicator/.
  - Přes prostředníka /mého nadřízeného/.
  - Jiný způsob.....
- 12. Jaký způsob komunikace s kolegou/nadřízeným – cizincem (expatriotem) preferujete nejvíce?**
- Osobně, tváří v tvář.
  - Telefonicky.
  - Používání e-mailu nebo OCS /Office Communicator/.
  - Přes prostředníka /mého nadřízeného/.
  - Jiný způsob.....
- 13. V čem shledáváte největší problém v komunikaci s Vašimi kolegy/nadřízenými – cizinci (expatrioty)?**
- V jazykové bariéře.
  - V kulturních rozdílech.

- c) V neochotě ze strany cizinců (expatriotů) lépe vysvětlit a vyjádřit své myšlenky.
- d) Neshledávám žádný problém.
- e) Jiný problém .....

**14. Jaké kulturní odlišnosti ve způsobu komunikace u kolegů/nadřízených – cizinců (expatriotů) vnímáte? Můžete uvést více možností.**

- a) Odlišná intonace řeči.
- b) Gestikulace, výraz ve tváři.
- c) Přímost/nepřímost ve vyjadřování.
- d) Žádné odlišnosti nevnímám.
- e) Vnímám jiné odlišnosti.....

**Prosím, uveďte důvody k Vámi zvolené odpovědi:**

.....  
.....  
.....

**15. Ocenil(a) byste, kdyby se s Vámi vaši kolegové/nadřízení – cizinci (expatrioti) pokoušeli komunikovat v rámci pracovních záležitostí také v češtině?**

- a) Ano, ocenil(a) bych to.
- b) Ne, neocenil(a) bych to.
- c) Je mi to jedno.

**16. Myslíte si, že by pro Vás osobně měla komunikace v češtině s Vašimi kolegy/nadřízenými – cizinci (expatrioty) vliv na snadnější pochopení zadaných úkolů?**

- a) Ano, lépe bych chápal(a), co mám dělat.
- b) Ne, nemyslím si, že by to mělo vliv.
- c) Ne, zbytečně by docházelo k nedorozumění na obou stranách.
- d) Nevím, nedokážu posoudit.

**17. Stalo se Vám osobně, že byste nesprávně vykonal zadaný pracovní úkol kvůli tomu, že jste z důvodu jazykové bariéry špatně porozuměl(a) svému kolegovi/nadřízenému – cizinci (expatriotovi), který Vám úkol zadal?**

- a) Ne, zatím se mi to nestalo.
- b) Ano, již se mi to jednou stalo
- c) Ano, stalo se mi to vícekrát.

**18. Jsou kurzy angličtiny nabízené společnostmi pro své zaměstnance v rámci zaměstnaneckých benefitů přínosem pro zlepšení kvality komunikace a dorozumění se s kolegy/nadřízenými – cizinci (expatrioty) na pracovišti?**

- a) Ano, kurz jsem absolvoval(a) a pomohl mi zlepšit se v angličtině i v komunikaci.

- b) Ne, kurz jsem absolvoval(a) a pomohl mi zlepšit se v angličtině, avšak na komunikaci to nemělo žádný vliv.
- c) Ano, myslím, že by mohly být přínosem, přestože jsem žádný neabsolvoval(a).
- d) Ne, nemyslím si, že by mohly být přínosem, přestože jsem žádný neabsolvoval(a).
- e) Nevím, nedokážu posoudit.

**19. Jak byste popsal(a) Váš vztah k vašim kolegům/nadřízeným – cizincům (expatriotům)?**

- a) Jako velmi dobrý.
- b) Jako dobrý.
- c) Jako neutrální.
- d) Jako špatný.

**20. Navázal(a) jste s Vašimi kolegy – cizinci (expatrioty) neformální přátelské vztahy a vídáte se s nimi i mimo pracovní dobu za účelem různých společenských setkání?**

- a) Ano, se zahraničními kolegy jsem navázal(a) přátelské vztahy a vídám se s nimi i mimo pracovní dobu.
- b) Ne, nenavázal jsem přátelské vztahy se zahraničními kolegy a nemám zájem se s nimi vídat po pracovní době.
- c) Rád(a) bych, ale jazyková bariéra mi to nedovoluje.
- d) Rád(a) bych, ale zatím jsem neměl(a) příležitost.

**21. Myslíte si, že jsou místní zaměstnanci pracovitější než jejich kolegové/nadřízení – cizinci (expatrioti)?**

- a) Ano, určitě jsou.
- b) Ne, jsou stejně pracovití.
- c) Ne, kolegové/nadřízení - cizinci (expatrioti) jsou pracovitější.

**22. Jak byste pár slovy popsal(a) typického taiwanského či filipínského pracovníka (Vašeho kolegu/nadřízeného - expatriota) a jeho pracovní návyky? Co se Vám na nich líbí nejvíce a naopak nejméně?**

Prosím, uveďte ke každé národnosti (PH, TW) zvlášť.

.....  
.....  
.....

**23. Vyzývá Vás Váš nadřízený/manager aktivně k návrhům na zlepšení fungování Vašeho pracovního týmu, oddělení, případně společnosti?**

- a) Ano
- b) Ne

- 24. Využíváte možnosti anonymně vznést návrh, připomínku či dotaz vztahující se k fungování společnosti, oddělení či Vašeho pracovního týmu v rámci komunikačních meetingů?**
- a) Ano, využívám pravidelně.
  - b) Ano, využívám příležitostně.
  - c) Ne, nevyžívám.
- 25. Máte pocit, že vedení společnosti (vedoucí oddělení či Váš nadřízený) jsou ochotni diskutovat o návrzích, připomínkách a dotazech, které zazní v rámci komunikačních meetingů a jsou ochotni provést potřebné změny?**
- a) Ano
  - b) Ne
- 26. V případě, že byste byl(a) vyzván(a) k otevřenému vyjádření Vašeho názoru na hodnocení nadřízeného/managera a způsob vedení a fungování Vašeho pracovního týmu (oddělení či celé společnosti), byste:**
- a) měl(a) obavu říci vlastní názor z důvodu, že by to mohlo ovlivnit Vaši pracovní pozici.
  - b) měl(a) obavu říci vlastní názor z důvodu, že by to mohlo ovlivnit Vaše odměňování.
  - c) měl(a) obavu říci vlastní názor z důvodu, že by to mohlo narušit vzájemné vztahy na pracovišti.
  - d) příležitosti říci vlastní názor využil(a) bez ohledu na to, jaké by to pro Vás mělo důsledky.
- 27. Které z oficiálních vnitrofiremních komunikačních kanálů používáte nejčastěji pro získání informací ohledně aktuálního dění ve společnosti?**
- a) Pravidelný meeting s Vaším teamleaderem/supervizorem.
  - b) Pravidelný management meeting.
  - c) Pravidelný komunikační meeting.
  - d) Informační nástěnky v kantýně a na pracovišti.
  - e) Manuály pro zaměstnance, výroční zprávy a jiné oficiální firemní dokumenty dostupné na personálním oddělení.
  - f) Email nebo OCS /Office Communicator/.
  - g) Firemní intranet a sdílené webové aplikace a sdílené disky.
- 28. Který z komunikačních kanálů používaných ve společnosti považujete za nejužitečnější pro získání informací o aktuálním dění ve společnosti?**
- a) Pravidelný meeting s Vaším teamleaderem/supervizorem.
  - b) Pravidelný management meeting.
  - c) Pravidelný komunikační meeting.
  - d) Informační nástěnky v kantýně a na pracovišti.
  - e) Manuály pro zaměstnance, výroční zprávy a jiné oficiální firemní dokumenty dostupné na personálním oddělení.
  - f) Email nebo OCS /Office Communicator/.
  - g) Firemní intranet a sdílené webové aplikace a sdílené disky.
  - h) Jiné.....



- 29. Stává se, že se k Vám důležité informace o dění ve společnosti dostávají spíše z neoficiálních než z oficiálních zdrojů (managementu)? Co v tomto případě děláte?**
- a) Většinou se to nestává, a pokud by tato situace nastala, zeptám se svého nadřízeného/managera.
  - b) Většinou se to nestává, oficiálních informací je dispozici dostatek.
  - c) Stává se často, hned to s kolegy probíráme a příležitostně se zeptáme nadřízeného/managera.
  - d) Stává se často, hned to s kolegy probíráme, ale dále se neptáme.
  - e) Důležité informace se k nám dostávají hlavně z neoficiálních zdrojů, ale nikdo to neřeší.

- 30. Co byste navrhoval/a zlepšit v komunikaci ve společnosti SMS InfoComm (Czech), s.r.o. a jaké z dalších prostředků interní komunikace byste přivítal(a)?**

Prosím, napište Váš návrh.

.....  
.....  
.....

- 31. Domníváte se, že jsou ve společnosti nastavená jasná pravidla a předpisy pro chování zaměstnanců?**

- a) Ano, souhlasím.
- b) Ne, nejsou, každý si dělá, co chce.
- c) Nevím, nezaregistroval jsem.

- 32. Myslíte si, že platí stejná pravidla a předpisy pro chování zaměstnanců jak pro místní zaměstnance, tak také pro zaměstnance – cizince (expatrioty)?**

- a) Ano, platí stejná pravidla.
- b) Ne, ve firmě platí dvojí pravidla.
- c) Nevím, nedokážu posoudit.

- 33. Jak často si myslíte, že zaměstnanci společnosti dodržují pravidla a předpisy pro chování zaměstnanců?**

- a) Vždy.
- b) Obvykle.
- c) Někdy.
- d) Nikdy.

- 34. Jaké jsou Vaše pocity ohledně týmové práce? Dáváte přednost teamovému plnění pracovních úkolů před samostatnou činností?**

- a) Dávám přednost práci a plnění pracovních úkolů v teamu, neboť „více hlav víc ví“.
- b) Neshledávám v tom žádný rozdíl.
- c) Raději plním pracovní úkoly samostatně a nespolehám se na ostatní.

- 35. Myslíte si, že teamová práce napomáhá vytvoření přátelské atmosféry na pracovišti?**
- a) Ano, pomáhá, lidé musí více spolupracovat a chovat se k sobě slušně.
  - b) Ne, nepomáhá, neboť vede jen k hádkám a vytvoření „dusné“ atmosféry.
  - c) Nevím, nedokážu posoudit.
- 36. Které z následujících tvrzení je pro Vás v zaměstnání nejméně a nejvíce důležité? Prosím, seřadte a vepište čísla 1-nejdůležitější, 8 – nejméně důležité do závorek.**
- a) Mít dobré vztahy s nadřízeným/managerem. ( )
  - b) Mít dobré vztahy s ostatními spolupracovníky v teamu/pracovní skupině. ( )
  - c) Pracovat v teamu/oddělení, které je vedeno efektivně. ( )
  - d) Pracovat ve společnosti, která patří k úspěšným firmám na trhu. ( )
  - e) Mít možnost vysokého výdělku. ( )
  - f) Mít možnost kariérního růstu. ( )
  - g) Mít kreativní práci a různorodou, podnětnou práci. ( )
  - h) Mít vyvážený osobní a pracovní život a mít dostatek volného času. ( )
- 37. Jak dlouho si myslíte, že budete ve společnosti SMS InfoComm (Czech), s.r.o. pracovat?**
- a) Méně než 2 roky.
  - b) 2 až 5 let.
  - c) Více než 5 let.
- 38. Pokud vezmete v úvahu všechny okolnosti týkající se vašeho zaměstnání ve společnosti SMS InfoComm (Czech), s.r.o. /dříve Wistron InfoComm (Czech), s.r.o./, jak byste ohodnotil(a) Vaši současnou spokojenost s touto společností?**
- a) Jsem zcela spokojen(a).
  - b) Jsem spokojen(a).
  - c) Nejsem spokojena(a) ani nespokojen(a).
  - d) Nejsem spokojen(a).

**V jakých oblastech byste navrhoval(a) změny, které by vedly k větší spokojenosti?**

.....

.....

.....

.....

*Na závěr bych Vám ráda poděkovala za vyplnění dotazníku.*

*Hana Zbořilová*

## Appendix 4: Questionnaire for Employees in English

### MASTER'S THESIS RESEARCH

*Dear Sir or Madam,*

*I would like to ask you to fill out this questionnaire, which is part of the research being covered in my master's thesis. The thesis examines the relationships between local and expatriate employees of SMS InfoComm (Czech), s.r.o. /former Wistron InfoComm (Czech), s.r.o./.*

*When filling out the questionnaire, please mark just one of the offered answers in each question that is closest to your own opinion. If you decide to mark "Other", please add your own answer. Also add your own answer when replying to the open questions with no offered answers.*

*The questionnaire is anonymous and the completed questionnaires will be processed only by the author with no assistance of the company management. If you have any queries regarding the questionnaire or the research results, please feel free to contact me by email: [xpzbori02@std.vutbr.cz](mailto:xpzbori02@std.vutbr.cz).*

*The online version of the questionnaire is available at:*

<https://docs.google.com/spreadsheet/viewform?formkey=dDF6cnVKeXhtb3pObm4wTDJWRnVMR1E6MQ>

*Thank you in advance for your time.*

*Hana Zbořilová*

*Student of the Faculty of Business and Management, Brno University of Technology*

#### **1. Please state your sex and age:**

- b) Male                      b) Female  
b) 18 – 25 yrs      b) 26 – 35 yrs    c) 36 – 45 yrs    d) 46 – 55 yrs      e) more than 55 yrs

#### **2. What department of SMS InfoComm (Czech), s.r.o. /former Wistron InfoComm (Czech), s.r.o./ you work in?**

- d) Office (common pro Business Support, Finance and HR/GA Department)  
e) Repair line  
f) Warehouse

**3. How long have you been working in the company?**

- a) Less than 1 year.
- b) From 1 to 2 years.
- c) From 2 to 3 years.
- d) More than 3 years.

**4. What reasons motivated you to join the company SMS InfoComm (Czech), s.r.o. /former Wistron InfoComm (Czech), s.r.o./?**

**More answers possible.**

- h) Interesting salary.
- i) Close to my home.
- j) Opportunity to work in a branch that has connection with my education.
- k) Opportunity to work in a multinational/international company.
- l) Opportunity to work with foreigners.
- m) Opportunity to use foreign language at work.
- n) Other .....

**5. To what cultural practices would you liken the organizational climate and organizational culture in the company?**

- a) To Czech cultural practices.
- b) To Taiwanese cultural practices.
- c) To international cultural practices /mixture of Czech and Taiwanese cultural practices/.

**6. What reasons motivated you to your answer in the previous question? More answers possible.**

- a) The internal company procedures and work rules.
- b) Technical facilities and equipment.
- c) Strict environmental policy about waste recycling.
- d) Intercompany communication system (regular meetings with superiors, communication meetings, using email and OCS, etc.)
- e) Using English as lingua franca within the intercompany communication system, issuing company documents both in Czech and English, using English PC applications.
- f) Preferring working in teams.
- g) Presence of the Czech management.
- h) Presence of the Taiwanese management.
- i) Presence of expatriates in the work place.
- j) Long-lasting approval process, necessity of approvals from the Taiwanese management.
- k) Ordering overtimes.
- l) Other.....  
.....

**7. How do you feel about working for a company which is foreign-owned?**

- a) I prefer to work for a company which is foreign-owned.
- b) It makes no difference to me.
- c) I do not prefer to work for a company which is foreign-owned.

**8. How do you feel about working in a multicultural team?**

- a) I would prefer not to work in a multicultural team.
- b) Working in a multicultural team does not make any difference to me.
- c) I would prefer to work in a multicultural team.

**9. How do you feel or think you would feel about working for a manager who is of different nationality?**

- a) I would prefer to work for a manager of my own nationality.
- b) The nationality would make no difference to me.
- c) I would prefer to work for a manager of a different nationality.

**10. Does the nature of your job require everyday direct contact with your colleague/manager – expatriate?**

- a) Yes, direct contact is required.
- b) Yes, direct contact is required, but is arranged by my superior.
- c) No, direct contact is not required.

**11. What way of communicating with your colleagues/managers – expatriates do you use the most often?**

- a) Personal, face to face communication.
- b) Via phone.
- c) Via e-mail, OCS (Office Communicator).
- d) Via mediator (my direct superior).
- e) Other.....

**12. What way of communicating with your colleagues/managers – expatriates do you prefer the most?**

- a) Personal, face to face communication.
- b) Via phone.
- c) Via e-mail, OCS (Office Communicator).
- d) Via mediator (my direct superior).
- e) Other.....

**13. What is the main problem you see in communication with your colleagues/managers – expatriates?**

- a) Language barrier.
- b) Cultural differences.
- c) The unwillingness of expatriates to better explain and express their thoughts.
- d) I do not see any problems in communication with expatriates.
- e) Other.....

**14. What cultural differences when communicating with your colleagues/managers – expatriates do you perceive? More answers possible.**

- a) Different voice intonation.
- b) Gestures and face mimics.

- c) Direct/indirect manner of speaking.
- d) I do not perceive any difference.
- e) Other.....

**Please, give reasons for your answer:**

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.....

- 15. Would you appreciate if your colleagues/managers – expatriates tried to communicate with you about the working issues also in Czech?**
- a) Yes, I would appreciate it.
  - b) No, I would not appreciate it.
  - c) It makes no difference to me.
- 16. Do you think that communication with your colleagues/managers – expatriates in Czech would help you to better understand the assigned work tasks?**
- a) Yes, I would better understand what I am supposed to do.
  - b) No, I do not think it would have any influence on me.
  - c) No, misunderstandings on both sides will occur.
  - d) I can not judge.
- 17. Has it ever happened that you did your work task incorrectly because you did not understand well your colleague/manager – expatriate’s instructions (due to the language barrier)?**
- a) No, it has not happened yet.
  - b) Yes, it has already happened once.
  - c) Yes, it has already happened more than once.
- 18. Do you think that the English language courses offered by the company as one of the employee benefits contribute to improving the quality of communication with colleagues/managers – expatriates?**
- a) Yes, I have passed the course and it helped me to speak better in English and has also improved my communication skills.
  - b) No, I have passed the course and it helped me to speak better in English but it has not made an impact on my communication skills.
  - c) Yes, I think the course could be beneficial to me, although I have not passed any yet.
  - d) No, I do not think the course would be beneficial to me, although I have not passed any yet.
  - e) I can not judge.
- 19. How would you describe your relationship with your colleagues/managers – expatriates?**
- a) Very good.
  - b) Good.
  - c) Neither good nor bad.
  - d) Bad.

- 20. Have you made any friends among the expatriates that you would meet with after work?**
- a) Yes, I have made some friends among the expatriates who I sometimes go out with.
  - b) No, I do not have any friends among the expatriates and I am not interested in any possible friendships.
  - c) I would like to, but I am not able to due to the language barrier.
  - d) I would like to, but I have not had a chance yet.

- 21. Do you think local employees work harder than their colleagues/managers - expatriates?**
- a) Yes, certainly.
  - b) No, it is similar.
  - c) No, expatriates work harder.

- 22. How would you, in few words, describe the working habits and the working discipline of a typical Taiwanese and Filipino employee (your colleague/manager – expatriate)? What you like the most and what you like the least?**

Please, describe both nationalities separately.

.....

.....

.....

- 23. Does your superior/manager encourage you to propose suggestions that would improve the functioning of your working team, department or the company?**
- a) Yes.
  - b) No.

- 24. Do you use the opportunity to anonymously give suggestions or questions regarding the functioning of the company, department or your working team at communication meetings?**
- a) Yes, I use it regularly.
  - b) Yes, I use it occasionally.
  - c) No, I do not use it.

- 25. Do you think that the company management (department manager or your superior) are willing to discuss the proposals and questions raised by employees at communication meetings, and are willing to carry out necessary changes?**
- a) Yes.
  - b) No.

- 26. If you were asked to provide direct evaluation of your superior/manager 's performance and the way he or she manages your team (department or company), you would:**
- a) be afraid of giving your opinion because it could influence your job position.
  - b) be afraid of giving your opinion because it could influence your financial appraisal.
  - c) be afraid of giving your opinion because it could disturb relationships in your work place.
  - d) use the opportunity to give your opinion regardless the consequences.

**27. Which of the official intercompany communication channels do you use the most often when seeking information about company events and “what is happening in the company”?**

- a) Regular team meetings with team leaders/supervisor.
- b) Regular management meetings.
- c) Regular communication meetings.
- d) Information boards located in the canteen and in the work place.
- e) Employee manuals, annual reports and other official company materials available from the HR Department.
- f) Email or OCS /Office Communicator/.
- g) Company Intranet, shared web applications and shared discs.

**28. Which of the communication channels used within the company do you find the most useful when seeking information about company events and “what is happening in the company”?**

- a) Regular team meetings with team leaders/supervisor.
- b) Regular management meetings.
- c) Regular communication meetings.
- d) Information boards located in the canteen and in the work place.
- e) Employee manuals, annual reports and other official company materials available from the HR Department.
- f) Email or OCS /Office Communicator/.
- g) Company Intranet, shared web applications and shared discs.
- h) Other.....

**29. How often does it happen that you receive important information about „what is happening in the company“ from unofficial rather than official sources (management)? What do you do if it happens?**

- a) It usually does not happen, and if so then I would ask my manager.
- b) It usually does not happen; there is enough official information.
- c) It often happens; we consult with colleagues and occasionally ask the manager for clarification.
- d) It often happens; we consult with colleagues and do not ask manager for clarification.
- e) We receive important information mainly from unofficial sources, but no one cares.

**30. What would you suggest that would improve communications in SMS InfoComm (Czech), s.r.o., and what other intercompany communication tools would you appreciate?**

Please, write your suggestions.

.....  
.....  
.....



- 31. Do you think that the company procedures and work instructions are stated clearly?**
- a) Yes, I agree.
  - b) No, I disagree; everyone is doing what he or she wants.
  - c) I do not know, I have not noticed.
- 32. Do you think that there are the same company procedures and work instructions valid for both local and expatriates employees?**
- a) Yes, they both have the same rules.
  - b) No, there are different rules for locals and for expatriates.
  - c) I can not judge.
- 33. How often would you say employees follow the company procedures and work instructions?**
- a) Always.
  - b) Usually.
  - c) Sometimes.
  - d) Never.
- 34. What are your feelings about teamwork? Do you prefer to work in a team or would you rather work on your own?**
- a) I would prefer to work and to do the work assignments in a team, because „the more people, the more ideas will come“.
  - b) Working in a team does not make any difference to me.
  - c) I would prefer to work on my own and not have to rely on others.
- 35. Do you think that teamwork helps in creating a friendly atmosphere in the work place?**
- a) Yes, it helps, because people have to co-operate and be nice to each other.
  - b) No, it does not help. It only leads to misunderstandings and creates a negative environment.
  - c) I can not say.
- 36. Which of the following factors are important to you in your job? Please put the factors in order from 1 – the most important to 8 – the least important.**
- a) Have a good working relationship with your supervisor/manager. (\_\_\_)
  - b) Have a good working relationship with your colleagues in your work team. (\_\_\_)
  - c) Work in a team/department that is run effectively. (\_\_\_)
  - d) Work for a successful company. (\_\_\_)
  - e) Have the opportunity for high earnings. (\_\_\_)
  - f) Have the opportunity of carrier growth. (\_\_\_)
  - g) Have creative and challenging work. (\_\_\_)
  - h) Have a well-balanced personal/family and professional life, have sufficient time for your leisure-time activities. (\_\_\_)

**37. How long do you think will you be working for the company SMS InfoComm (Czech), s.r.o.?**

- d) Less than 2 years.
- e) From 2 to 5 years.
- f) More than 5 years.

**38. Considering everything, how would you rate your overall satisfaction about working in SMS InfoComm (Czech), s.r.o. /former Wistron InfoComm (Czech), s.r.o./ at the present time?**

- a) I am completely satisfied.
- b) I am satisfied.
- c) Neither satisfied nor dissatisfied.
- d) I am dissatisfied.

**What changes would you propose to be made to improve your overall satisfaction?**

.....

.....

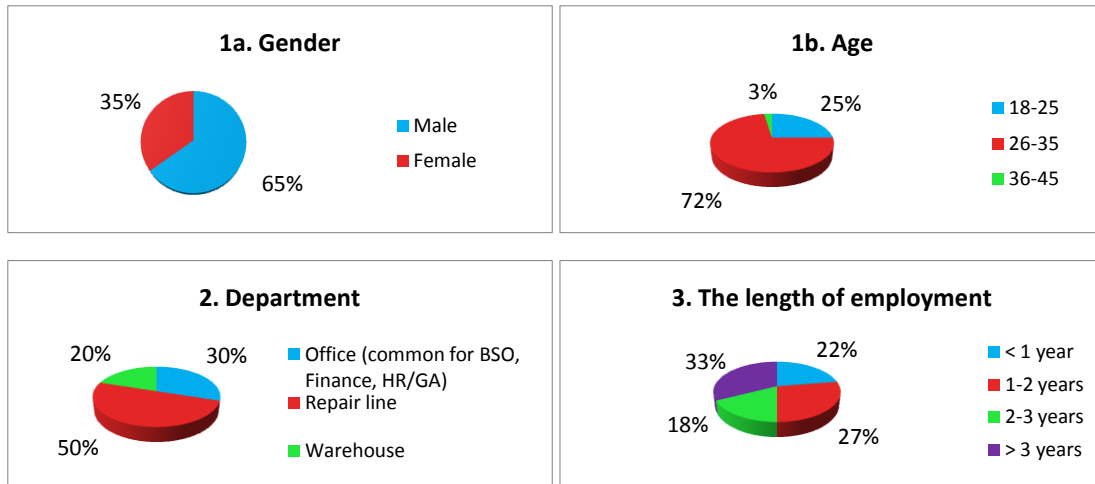
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*I would like to thank you for filling out this questionnaire.*

*Hana Zbořilová*

## Appendix 5: Graphical Interpretation

### Questions no. 1-3: Research sample characteristics



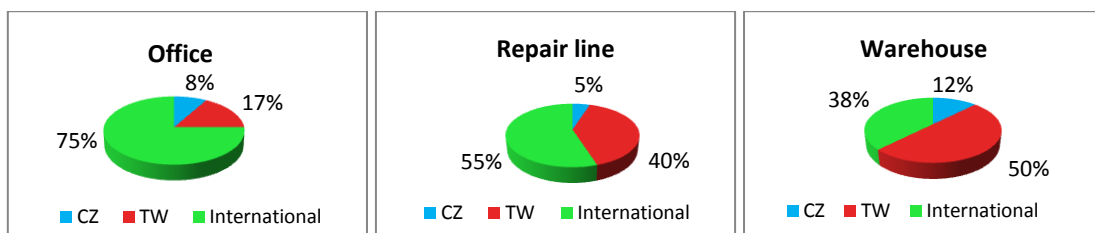
Source: Author's own study

### Question no. 4: The most often reasons for joining the company acc. to department

	High salary	Close to home	Connection with my education	Working for a multinational company	Working with foreign colleagues	Using foreign language	Unemployment
Office	2	1	2	8	3	5	
Repair line	3	6	10		1	4	2
Warehouse		1		1		1	5

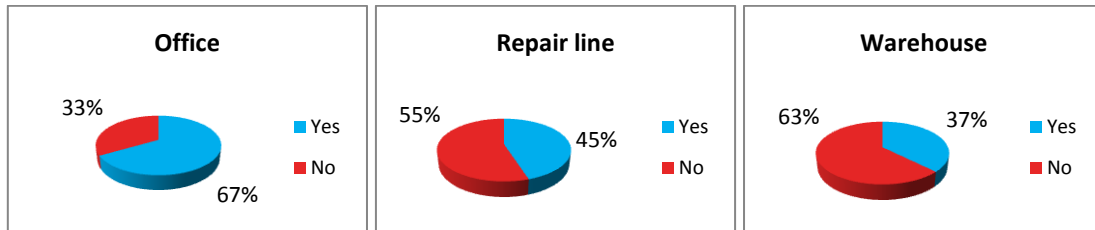
Source: Author's own study

### Question no. 5: Organizational culture and climate perception acc. to department



Source: Author's own study

**Question no. 10: Necessity of daily direct contact with expatriates required by the nature of the job acc. to department**



Source: Author's own study

**Question no. 11: The most frequent way of communicating with expatriates acc. to department**

	Face-to-face	Via email, OCS	Via mediator
Office		12	
Repair line	6	6	8
Warehouse		3	5

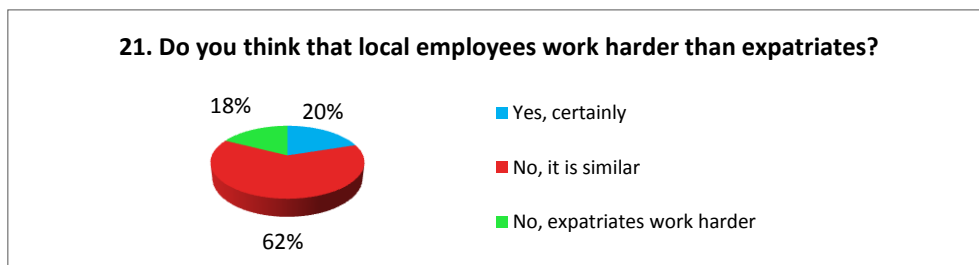
Source: Author's own study

**Question no. 19 – 20: Relationship and friendship with expatriates acc. to department**

	Relationship with expatriates				Friendship with expatriates			
	Very good	Good	Neither good nor bad	Bad	Friendship, meeting them after work	Not interested	Would like to, but...	
							the language is barrier	have not had a chance yet
Office	1	7	3	1	4	2		6
Repair line	2	4	11	3	5	10	1	4
Warehouse		2	6			4		4

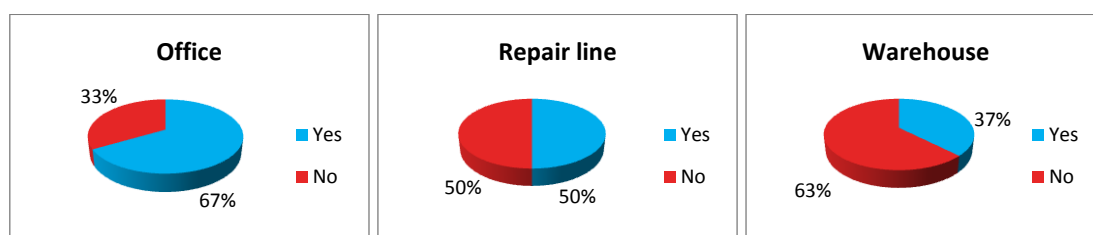
Source: Author's own study

**Question no. 21: Comparison of hardworking**



Source: Author's own study

**Question no. 23: Encouraging employees to give suggestions acc. to department**



*Source: Author's own study*

**Question no. 32: Perceptions of duality in company procedures and work instructions for local employees and expatriates acc. to department**

	Same rules for both	Different rules	I can not judge
Office	7	2	3
Repair line	3	12	5
Warehouse	4	3	1

*Source: Author's own study*

**Question no. 34 – 35: Preferences and contribution of teamwork acc. to department**

	Preferences about teamwork			Creating a friendly atmosphere in the workplace		
	I prefer teamwork	Makes no difference	I prefer to work on my own	Yes, it helps	No, it does not help	I cannot judge
Office	7	1	4	10		2
Repair line	9	2	9	13	5	2
Warehouse	4	1	3	6		2

*Source: Author's own study*

**Question no. 37 – 38: Future plans and satisfaction about working in the company acc. to department**

	Supposed length of stay			Employees' satisfaction about working in the company			
	< 2 years	2-5 years	> 5 years	I am completely satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied
Office		11	1	3	5	3	1
Repair line	10	6	4		7	9	4
Warehouse	5	2	1		1	5	2

*Source: Author's own study*

**Question no. 38: Employees' proposals for satisfaction improvement**

<b>Proposals for satisfaction improvement</b>	<b>Frequency</b>
Higher salary corresponding with job performance	6
Financial bonuses	1
Motivation bonuses	1
Christmas bonuses	1
Bonuses for pension insurance	1
Improving communication between superiors and subordinates	1
Communication	2
More communication in English	1
Understanding from Taiwanese management	1
Greater effort to mutual understanding from superiors, colleagues and subordinates	1
Improving manager/superior 's attitude to subordinates	1
Honest behaviour from management	2
Lowering requirements on job performance (we are people, not robots)	2
Cancellation of some stupid work rules such as "No laughing in the work place"	2
More flexible working hours	4
Cancellation of the afternoon 15 minutes break	2
More holidays	4
Opportunity of carrier growth	1
Punishment for lazy colleagues	2
Increasing process efficiency	1
Improving work conditions in the work place (air-conditioning in the office)	1
HR activities	1
Employee training, investments in employee education	1
More team-building activities	1
Just details	1
I am satisfied, nothing	3
<b>Total</b>	<b>47</b>

*Source: Author's own study*

## **Appendix 6: An Inquiry Sent to Companies Providing Intercultural Training Courses**

Dear Sir or Madam,

I am writing to inquire information about courses in intercultural training or courses focused on communication within a multinational team.

I am a student of the Faculty of Business and Management at the Brno University of Technology and I am currently writing the master's thesis with the theme "Proposal for Intercompany Communication Change in a Multinational Company Operating in IT Services". The master's thesis is focusing on a selected multinational company, whose parent company is located in Taiwan and the Czech subsidiary employs Taiwanese expatriates who are managing the local Czech employees.

One of the recommendations I would like to propose to the company is to use services of consultancy companies that arrange courses focusing on intercultural training/communication or courses regarding communication within a multinational team and outsource this kind of course for the employees working in the Human Resource Department. The aim of the course is to help these employees to enhance their intercultural competencies and their ability to perceive cultural differences and specifics of the Czech and Taiwanese culture. These employees will be trained for the role of "cultural mediators" whose main purpose is to help the other employees to understand and respect the cultural differences regarding work related values, improve the communication within the multicultural team and lower the conflicts caused by cultural misunderstandings.

I would like to kindly ask you for further information about courses your company offers in the field of intercultural training and communication within a multinational team. Provided information will be added to the master's thesis and passed to the company for consideration.

I am asking for following information:

1. Are you specialising in courses in intercultural training regarding Asian countries (predominantly Taiwan)?
2. Place and the length of the course.
3. Price per person or an orientation price per course.
4. Payment terms.
5. References.

I would like to thank you in advance for your time.

Yours faithfully,

Bc. Hana Zbořilová

## **Appendix 7: A List of Companies Providing Intercultural Training Courses**

The compilation of the list of companies offering courses in intercultural training or communication within a multinational team was based on the author's own research on the Internet and may not cover all companies offering these courses. These companies were addressed with a non-binding enquiry:

- *CEE Intercultural – Intercultural Management and Relocation Counselling*  
[www.CEEintercultural.com](http://www.CEEintercultural.com)
- *Lucie Boužková*  
[www.bouzkova.cz](http://www.bouzkova.cz)
- *Studio DELFY s.r.o.*  
[www.studiodelfy.cz](http://www.studiodelfy.cz)
- *Berlitz Schools of Languages, spol. s r.o*  
[www.interkulturni-programy.cz](http://www.interkulturni-programy.cz)
- *T&CC s.r.o.*  
[www.skoleninadlani.cz](http://www.skoleninadlani.cz) , [www.tcc.cz](http://www.tcc.cz)
- *CADET GO s.r.o.*  
[www.cadetgo.cz](http://www.cadetgo.cz)
- *Minerva vzdělávací společnost s.r.o.*  
[www.minervacz.cz](http://www.minervacz.cz)
- *TEAM.CZ, s.r.o.*  
[www.team.cz](http://www.team.cz)
- *Integrity Consulting s.r.o.*  
[www.integrity-consulting.cz](http://www.integrity-consulting.cz)



## **Appendix 8: Examples of Specific Offers Received from Addressed Companies**

### **CADET GO s.r.o.**

The company is not specialized in providing intercultural courses regarding Taiwanese culture, but their lecturer is personally familiar with Taiwanese and Asian cultures. The company is ready to offer the client a tailor-made course with regard to client's requirements on the objectives the course shall meet and the benefits it shall bring to the employees.

The contact person who is responsible for courses in intercultural training/communication and is willing to provide the author with information is Mrs. Hedvika Šimková, email: [hedvika.simkova@cadetgo.cz](mailto:hedvika.simkova@cadetgo.cz)

Specific information:

- *Place – in Prague, in company's teaching room*
- *Length – 1 day, 8 hrs*
- *Price – 3, 500 CZK per person (VAT not incl.), the minimum is 3 people*
- *Payment terms – invoice, 14 days due for payment*
- *References - Toyota Tsusho Europe S.A., Pražská energetika a.s., Air Bank a.s., DHL Express s.r.o., Telefónica O2 Czech Republic, a.s. (for more references see [www.cadetgo.cz](http://www.cadetgo.cz))*

### **CEE Intercultural**

The company mainly specializes in providing courses in intercultural trainings and diversity management. They are not focusing on Taiwanese culture, but are more focused on other Asian cultures (Chinese, Japanese or Indian). The company is ready to prepare a tailor-made course to meet the client's requirements of the course and is also willing to negotiate payment terms.

Specific information:

- *Place – at client's place (meeting room, canteen), the company does not have their own teaching room*
- *Length – 1 day*

- *Price – 32, 000 CZK per course (VAT not incl.) regardless the number of attendants, but the company is willing to negotiate about the final price*
- *Payment terms – willing to negotiate the payment terms with client*
- *References – Kiekert CS, Ness EU, Honeywell, Mubea CS, Bosch AG, ENEL Italia, UniCreditBank*

Although neither of the consultancy companies specializes in Taiwanese culture, both companies claimed that they were ready to prepare a tailor-made course to meet the client's requirements. CEE Intercultural is mainly focused on providing consultancy in the field of intercultural (cross-cultural) management and therefore may show more knowledge in this area, whereas CADET GO s.r.o. provides courses regarding general company consultancy and coaching.

Nevertheless, the main aspect the company should consider when evaluating both offers is the number of participants in the course, which will influence the total costs for the course.

#### **Intercultural training course cost comparison for 2 and 10 employees**

Cost	2 Employees		10 Employees	
	CADET GO s.r.o.	CEE Intercultural	CADET GO s.r.o.	CEE Intercultural
Course fee (ex. VAT)	10 500 CZK	32 000 CZK	35 000 CZK	32 000 CZK
Daily allowance fee*	200 CZK	0	1 000 CZK	0
Transportation fee**	840 CZK	0	4 200 CZK	0
<b>Total</b>	<b>11 540 CZK</b>	<b>32 000 CZK</b>	<b>40 200 CZK</b>	<b>32 000 CZK</b>

*Source: Author's own study (based on \* <http://www.podnikatel.cz/clanky/zmeny-v-cestovnich-nahradach-2013/> and \*\*<http://jizdenky.studentagency.cz/cs/ceniky/praha-brno.html>)*

If the company decides to arrange the course for only 2 employees (the assistant of the Repair Department, the training administrator), **CADET GO s.r.o.** will be recommended, because the total costs for the course will be much lower.

If the company decides to arrange the course for 10 employees (covering the assistant of the Repair Department, the training administrator, the rest of the HR/GA team, the Plant Manager, the Warehouse Manager, and two Czech supervisors from the Repair Department), **CEE Intercultural** will be recommended because of the lower course price and no additional costs concerning employee transportation or daily allowance fee.

## **Appendix 9: A price offer for a book related to cultural differences**

The company should consider purchasing a book related to cultural differences that will be available at the HR/GA Department. This book will be beneficial to the training administrator and to the assistant of the Repair Department when preparing for the role of cultural mediators. It can be useful also to other employees, who communicate with expatriates on daily basis and would be interested in enhancing their intercultural competencies.

The author recommends the company to purchase the Czech version of a book written by Geert Hofstede and Gert Jan Hofstede – Cultures and Organizations: Software of the mind (in Czech: Kultura a organizace: Software lidské mysli).

An example of a price offer provided by e-shop specialized in selling books is illustrated below:

### **A price offer provided by [www.knihcentrum.cz](http://www.knihcentrum.cz)**

<b>Cost</b>	<b>Price</b>	<b>Price incl. VAT</b>
Book price	410 CZK	472 CZK
Shipping	69 CZK	69 CZK
<b>Total</b>	<b>479 CZK</b>	<b>541 CZK</b>

Source: <http://www.knihcentrum.cz/kultura-a-organizace/d-24550/>

## **Appendix 10: A Proposal for Employee Manual Extension**

The author presents a proposal for the updated version of the Employee Manual regarding the extension on cultural diversity in the company and effective usage of communication channels based on the research results. The new Employee Manual is available on following pages.

# EMPLOYEE MANUAL



**SMS InfoComm (Czech) s.r.o.**

**K Letišti 1792 / 1**

**627 00 Šlapanice**

Employee Manual	Doc. No.:	Rev.:
	Effective Date:	Page: 10

Dear employees,

We would like to welcome you in SMS InfoComm (Czech) s.r.o.

The Employee Manual you have just received offers information about the company SMS InfoComm (Czech) s.r.o. and serves as a guide for new employees by helping them with easier orientation in the company, and explains the organizational and disciplinary rules.

The manual covers an overview about the company itself, the organizational structure, basic rules concerning communication within the company and appraises new employees with cultural differences they may face to, because the company offers a multinational working environment, where employees with different cultural backgrounds interact.

The important part of the manual consists of internal company policies and work rules, every employee has to follow and further information about employee care including employee benefits.

## 1. Company Profile

SMS InfoComm (Czech) s.r.o. (WSCZ) was established on 1<sup>st</sup> July 2012 as a subsidiary of Wistron Corporation – Taiwanese parent company located in Taipei, Taiwan providing after-sales services for European customers. WSCZ was set up from a former service department of the Czech subsidiary Wistron InfoComm (Czech) s.r.o., however due to business reasons was separated and has become a new legal entity. The shortage SMS stands for “Service Management Solutions”.

WSCZ serves as the main European repair centre and its business activities are currently connected with the repair of laptop mother-boards, LCD panels and tablets originally manufactured by Wistron and other manufacturers that Wistron does business with. Besides these service activities, WSCZ serves also as a European logistics hub. The service centre is constantly expanding its repair activities with regard to the needs of the Taiwanese parent company.

SMS InfoComm (Czech) s.r.o. is located in the industrial zone in Brno Šlapanice and has a workforce of 327 employees (in June 2012, including part-time employees). The company has taken over all legal bindings concerning employee agreements of former Wistron InfoComm (Czech) s.r.o. employees and the implemented organizational culture and intercompany communication has remained the same, or has been slightly modified according to the needs of WSCZ.

The address is: **SMS InfoComm (Czech) s.r.o., K Letišti 1792/1, 627 00 Šlapanice.**

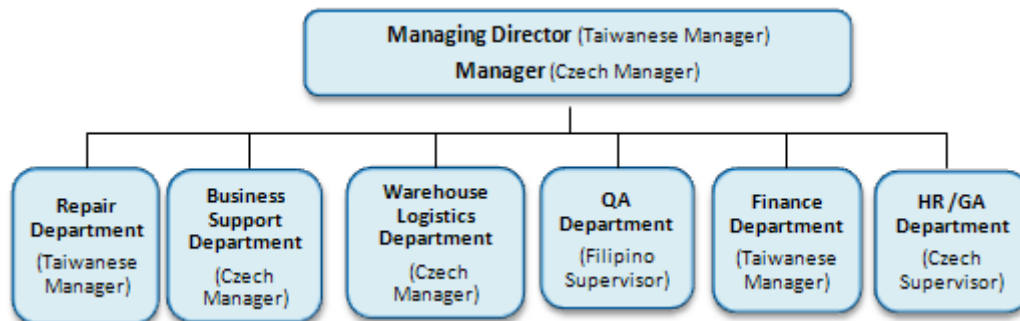
Employee Manual	Doc. No.:	Rev.:
	Effective Date:	Page: 11

## 2. Organizational Structure

The head of WSCZ is the Taiwanese managing director, who co-ordinates the business and operating activities from Tilburg. Therefore, the service centre is also managed by a Czech plant manager, who is empowered to manage the daily operating activities of the service centre and performs as the manager of the service centre when dealing with the employees, customers, and when solving work related issues with other Wistron sites.

The service centre consists of six departments, the largest being Repairs that physically provides the repair activities and closely co-operates with Quality Assurance and Warehouse Logistics, which is responsible for the in-time receiving and shipping operations concerning subjects of repair. Business Support provides the administrative support and is positioned as a mediator between customers and Repairs. The last two departments, HR/GA Department and Finance Department, serve as an administrative support to the operational activities of the whole service centre.

The general organizational structure of SMS InfoComm (Czech) s.r.o.:



The location of the departments and managers is following:

- **Plant Manager** – is located in a large open-space office in the administrative part of the “ČSAD building”.
- **Business Support Department** – is located in the large open-space office in the administrative part of the “ČSAD building”. The manager is located in the same office.
- **Finance Department** - is located in an in-built office within the large open-space office in the administrative part of the “ČSAD building”. The manager is located in the same office.

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- **HR/GA Department** – is located in a small office next to the open-space office in the administrative part of the “ČSAD building”. The supervisor is located in the same office.
- **Repair Department** – all sub-departments (the mother-board repair, the LCD repair, the whole unit repair and the new project implementations) are located in the repair area. The manager and supervisors are located in the office area of the repair area.
- **Quality Assurance Department** – is located in the back side of the warehouse area together with the supervisor.
- **Warehouse Logistics Department** – is located in the warehouse area. The manager and the supervisor are located in the office area of the warehouse.

### 3. Internal Company Communication

Communication is important in creating satisfied employees and improves the company’s success. Therefore, WSCZ uses various communication channels and communication tools to secure a well-operating internal communication system based on traditional face-to-face, written and electronic forms of communication.

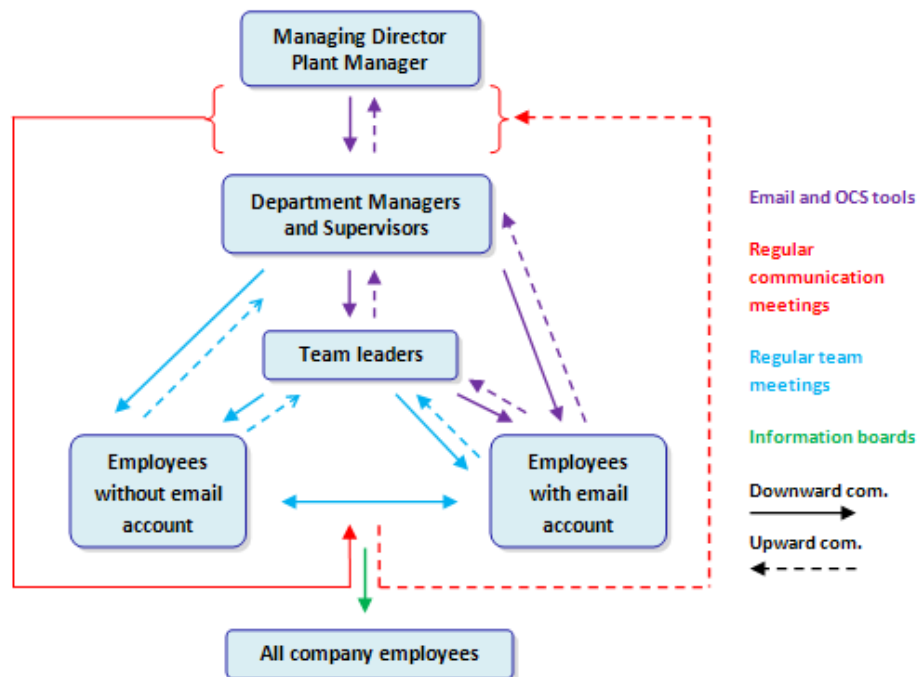
The main communication channels used for securing effective communication between the company management and employees are:

- **Regular team meetings** - serve as brief daily meetings to communicate work related issues, or to communicate to the employees with no email account, information received from company or department managers.
- **Regular communication meetings** – between employees and the company management, are held on 2 weeks basis with a length of 10-15 minutes. The main purpose of these meetings is to answer queries and comments received from employees and inform them about current news concerning the whole company. Employees can use the opportunity to raise their queries and comments anonymously by using Question mailbox.
- **Information Boards** – are located in common places (canteen, common halls) and in work places (each department has its own board). Information boards contain information about current employee benefits, a summary of the latest communication meeting, information about job opportunities, company monthly/quarterly performance, a copy of Employee Manual; specific department work rules and department organizational structure, etc.

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- **Email and OCS tools** – electronic communication belongs to the most extended form of communication within the company and with the other sites. This channel serves strictly for communicating work related issues and employees are not allowed to misuse it for spreading private and unofficial messages.

The scheme for effective usage of the main communication channels is illustrated below:



The company also uses other supportive channels to secure the effective communication:

- **Induction training for new employees** – new employee is apprised of the general operation of the company, becomes familiar with the company rules and norms and receives the employee manual.
- **Question mailbox** – is located in the canteen and is used for employee's (anonymous) questions, proposals and initiatives, which serve as a base for communication meetings.
- **Employee manuals, annual reports and other official company materials** - are available in hardcopy at HR/GA Department.
- **Company Intranet, shared company web applications and access to shared discs** - which enables various departments to effectively co-operate.



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#### 4. Cultural Diversity in the Company

As a foreign subsidiary of the Taiwanese parent company, the work environment in WSCZ is regarded to be of a multinational character, where employees of different cultural backgrounds have to communicate and co-operate. WSCZ employees literary create one big multinational team, where local Czech employees work together with their expatriate colleagues and superiors of Taiwanese (or Filipino) nationality. To secure the effective co-operation of all employees within the multinational team, it is necessary to understand and mutually respect the cultural differences regarding work related values and habits of all team members.

The company is aware that new employees may find it difficult to understand the different working habits and management style of their expatriate colleagues and superiors.

Therefore, the purpose of the following text is to apprise the new employees with the main cultural differences regarding work related values they may face to in daily based situations, when communicating and working with expatriates. The emphasis is put on differences perceived at the Taiwanese expatriates, who predominantly hold the managerial positions in the company and whose cultural values are, to a certain extent, embedded in the organizational culture and internal company policies and work rules.

- **Communication** – for Taiwanese culture, as well as for the Czech culture, is typical a high-context communication style. This means, that members of both cultures usually do not communicate their thoughts and opinions only in words, but use various gestures and face mimics to provide the listener with other additional information (the context). Therefore, the communication between a Czech and a Taiwanese employee can sometimes bring misunderstandings, because the speaker’s gestures and face mimics providing “the context” to the listener may not be well understood by the listener. When asking your Taiwanese colleague about work instructions or communicating work issues, it is recommended to keep repeating the question to your Taiwanese colleague, until you are completely sure about the meaning of his or her statement.
- **Use indirect manner of speaking and tendencies of avoiding loss of face** - Taiwanese expatriates do not get straight to the point but talk around it. When giving feedback to their subordinates, they may be reluctant to give a negative appraisal straight to the employee and would use the mediator (in this case employee’s supervisor) to do it instead. Also, the expression in their face usually does not correspond with their actual opinion and they can be smiling even if they feel angry or communicate negative news.

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- **Different voice intonation and too loud voice expression** – Taiwanese expatriates use English when communicating their Czech colleagues and subordinates, however due to their voice intonation it might take some time to understand and “catch up” with their accent. Taiwanese expatriates might be expressing themselves too loud, so that the Czech employees may perceive it as yelling.
- **Different perceptions of hardworking** – Taiwanese perception about work is “We live to work”, whereas the Czech perception is “We work to live”. Taiwanese expatriates require strict discipline from their subordinates and do not tolerate any signs of “fun or relaxed atmosphere” in the workplace. Therefore, the Czech employees should be aware of the fact that “too much chatting and too loud laughing” during work hours (except break time) will not be understood by Taiwanese expatriates despite a very good job performance.
- **Strictly following rules and procedures** – One of the common characteristics for both Taiwanese and Czech culture is a very high tendency to avoid uncertainty followed by creating various rules and norms. While the members of Taiwanese culture actually believe that following these rules and norms will protect them, the members of Czech culture believe in “rules were made to be broken or rules were made for the others, not me” and sometimes prefer flexibility or using their own judgement when solving problems. Therefore, Taiwanese expatriates strictly follow rules and formal procedures and are usually not favourable to flexibility and using their own judgement when solving problems. Besides, the Czech employees might be surprised by long-lasting approval processes, when formal procedures are being strictly followed and not skipped.
- **Team work** – Taiwanese culture is considered to be a collectivistic culture and so is the preferred work organization in the company. Employees are organized in smaller or bigger groups and perform as a team. Taiwanese perception of teamwork does not mean only maintaining good relationships, but also acting and performing in the team’s interest and when necessary, also preferring the group’s interest to individual (i.e. overtime).

The above stated differences were mentioned and explained with regard to the findings identified from a research that was carried out among the current company employees in July 2012. In case of any queries or proposals regarding cultural differences, please contact the trainee administrator or the assistant of the Repair Department, who were also trained as “cultural mediators” and are willing to help you.

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## 5. Organizational Culture

The WSCZ's mission is to offer quality services by using modern IT and high-tech technologies, and securing the professional attitude of all employees. The company also believes that one of the key factors of successful business activities is satisfied employees, who are willing to become loyal employees and enhance their job performance.

The company's philosophy is to prefer a friendly and open-minded attitude when dealing with all employees and encourages employees not to be afraid of communicating with their supervisors about working issues and proposals for changes and solutions that might improve job performance, conditions or relationships in the work place. Proposals for change and questions regarding working issues can also be raised anonymously and answered at regular communication meetings between employees and a responsible manager of a certain department, which are held on a 2 weeks basis.

The company provides a modern work place equipped with advanced ICT technologies with the emphasis on meeting health and safety standards, dignified working conditions together with adopting environmentally friendly operations stated in EICC Code of Conduct (Electronic Industry Citizenship Coalition). The company has also adopted the Wistron Corporation's own Corporate Sustainability and Social Responsibility management system which covers environmental, social and economic management areas and obtained ISO 9001, ISO 14001 and OHSAS 18001 certificates.

Part of the company's organizational culture is the **dress code**, where every employee who currently visits or works at a repair area or in a warehouse area, has to wear an ESD jacket (antistatic) with SMS (or Wistron) logo and antistatic shoes. All employees have to follow the **Internal company policies and work rules** stated in an employee manual. The organizational culture also covers the use of the united company logo SMS (or Wistron) and united patterns of company documents for official statements.

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*The real Employee Manual continues with the following chapters and appraises new employees with further information about internal company policies, which were not subjected to the master's thesis theme and the company did not wish to publish them.*

**5.1 Environmental Policy**

**5.2 Health and Safety Standards Policy**

**5.3 Quality Assurance Policy**

**5.4 Social Responsibility Policy**

**5.5 QC080000 Policy**

**6. Internal Company Policies and Work Rules**

**6.1 Working Hours**

**6.2 Probation Period**

**6.3 Holidays**

**6.4 Visiting Doctors during Working Hours**

**6.5 Absence**

**7. Employee Care and Personal Data Protection**

**7.1 Documents Required from New Employees**

**7.2 Changes in Personal Data**

**7.3 Initial Medical Examination for New Employees**

**7.4 Employee Benefits**

We believe that the Employee Manual has provided you with all necessary information needed for easier orientation in the company. In case of any queries or proposals concerning the information covered in the manual, please contact the members of the Human Resource/ General Affairs Department.

We would like to wish you a successful start in the company.

In Brno, day/month/year

SMS InfoComm (Czech) s.r.o.