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INTERKULTURNÍ MANAGEMENT VE VYBRANÉ SPOLEČNOSTI
INTERCULTURAL MANAGEMENT IN A SELECTED COMPANY

DIPLOMOVÁ PRÁCE
MASTER'S THESIS

AUTOR PRÁCE   Bc. Eszter Badinová
AUTHOR

VEDOUCÍ PRÁCE   Mgr. Štěpán Konečný, Ph.D.
SUPERVISOR

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Badinová Eszter, Bc.

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_____   _____
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Abstract

This master's thesis analyses intercultural management and communication in a Czech company operating internationally. The thesis uses a questionnaire survey to get a better insight in the cross-cultural communication between teams and team members in the company. It also contains proposals based on the evaluated data to improve the company's performance by helping employees overcome cultural differences.

Abstrakt

Tato diplomová práce analyzuje interkulturní management a komunikaci v české společnosti působící na mezinárodní úrovni. Práce používá dotazníkové šetření pro získání lepšího vhledu do cross-kulturní komunikace mezi týmy a členy týmu ve firmě. Práce obsahuje také návrhy na základě vyhodnocených údajů, které mají zlepšit výkonnost podniku tím, že pomáhají zaměstnancům překonat kulturní rozdíly.

Key words

Intercultural management, cultural diversity, team, productivity, national culture, dimensions of culture.

Klíčová slova

Interkulturní management, kulturní rozmanitost, tým, produktivita, národní kultura, rozměry kultury.

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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).

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Author's signature

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INTRODUCTION

As a result of globalisation, companies are facing new challenges in managing culturally diverse groups of employees. In today's globalised market, workforce is an important potential to maintain the competitiveness of enterprises. Employees are the key of a successful company; they contribute to improving business performance and achieving set objectives. For these reasons, it is necessary to ensure a functioning and healthy working environment for them.

This thesis focuses on intercultural management and its influence on the workforce. It deals with the detection and evaluation of intercultural processes in a selected company from the field of travel industry. The selected company distributes services to its customers worldwide and has a culturally diverse team of employees. The thesis is divided into three chapters.

Chapter 1, *Fundamentals of Intercultural Management*, is devoted to general characteristics of the culture and explanation of basic concepts of intercultural theories. It also deals with communication and the barriers which may occur in this process.

Chapter 2, *Current Situation Analysis*, describes the selected company, the services it offers, and its organizational structure. It deals with the employees' cultural background and its potential influence on their everyday tasks and productivity. This chapter also analyses the current intercultural situation in the company by means of a questionnaire survey carried out among employees.

Chapter 3, *Proposals*, gives suggestions and recommendation which serve the aim to improve the overall cultural management in the company by building a more culturally aware and understanding team of employees. All proposals are based on the research results.

THESIS GOALS, RESEARCH METHODOLOGY

The issue of intercultural communication is currently a really important element in human resources management in multinational companies. While the industry faces increasingly greater automation, human factor is still irreplaceable. In comparison with other factors, human capital represents opportunities which, with the right approach such as good communication and understanding, are tightly connected with the effectiveness and success of the company. Employees are the long-term potential and a solid foundation for achieving business objectives as they possess a higher quality and labour productivity. Good intercultural management and cross-cultural approach therefore should be the goal of every multinational company that wants to succeed and gain a competitive advantage in today's globalised market.

Cross-cultural differences can impede upon communication and interpersonal relationships. This occurs daily in the business world where people from different cultures interact and are expected to perform and make decisions.

The main aim of the thesis is to make proposals to improve employee productivity and motivation, to build trust and better understanding among employees, and also to break down barriers that obstruct their understanding of others. The goal is to put forward suggestions to the management which would serve to increase employee performance and satisfaction.

A secondary aim is to conduct a research of current trends and methods which affect employees in the cross-cultural workforce. Furthermore, to explain the basic concepts and theories of intercultural management, the typical features of cultures such as values, practices, preferences, and a different way of approaching things.

Another objective is to become familiar with the company itself, its organizational structure and strategy and style of leadership.

Furthermore, the thesis aims to determine, using a questionnaire survey, whether the team performance is influenced by the cultural background of its members, and also to find out which are the biggest barriers employees face in intercultural communication.

1 FUNDAMENTALS OF INTERCULTURAL MANAGEMENT

The following chapter serves as a theoretical introduction to the research conducted within this master's thesis.

1.1 Culture

Culture is a collective phenomenon that could be described as pattern of acting, thinking, and feeling. It is shared by people coming from the same social environment, in which they have learned how to do these. Culture is formed by unwritten rules of the society. It could be described as a *"collective mental programming of the mind that distinguishes the members of one group or category of people from others"* (Hofstede, 2010, p. 6). Culture is something that is learned from one's surroundings.

1.1.1 Mental Programming

The things that people have learned throughout their lifetime define their pattern of thinking, feeling and acting. It is much likely that these patterns are learned in early childhood, as this is the time when a person is most susceptible to learning (Hofstede, 2010). The learned patterns in this early age establish themselves deeply within a person's mind. If someone would like to learn new patterns, the old one must be unlearned first and only then a new pattern could be adapted. This process tends to be more difficult than just the basic learning process in the beginning.

Culture is defined as a collective mental programming (Hofstede, 2010). However, mental programing is not influenced only by culture. It is also influenced by human nature and the individual's personality. While culture is something learned, human nature is inherited and the individual's personality (the unique personal set) is partially learned and partially inherited, with the individual's unique set of genes. The layers of the mental programming are illustrated in Figure 1.

Where the borders lie between culture, personality, and human nature could be hardly defined and is a matter of discussion among social scientists (Hofstede, 2010).
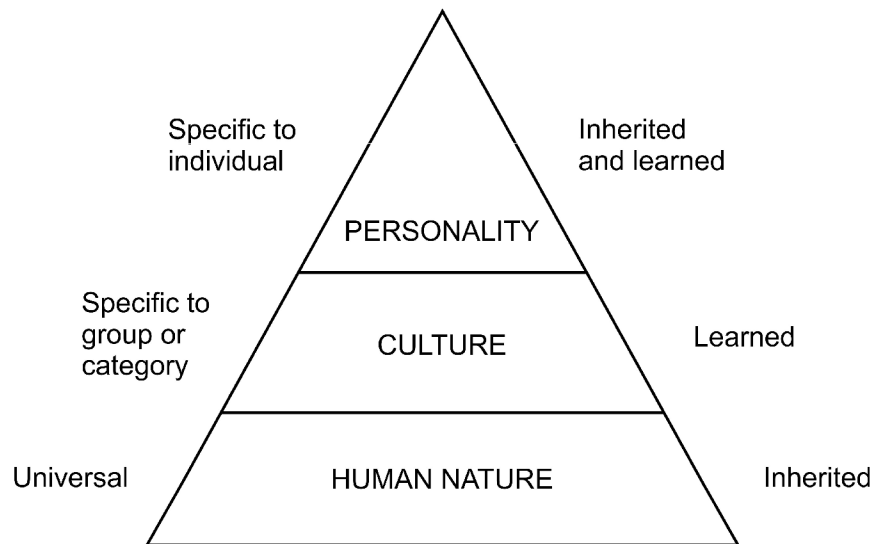
Figure 1. Three levels of mental programming.
(Source: Hofstede, 2010, p. 6)

1.1.2 The Onion Model of Culture

The concept of culture can be visualised in many ways, one of the most commonly used way of illustration is the onion concept. Two interpretations of this model are explained in this section:

- the onion model by Hofstede (2010),
- the onion model by Trompenaars (2003).

Culture Layers by Hofstede

The manifestation of culture and cultural differences are described as four key layers: symbols, heroes, rituals and values. Symbols represent the most superficial layer, heroes make up the next layer, the third layer is represented by rituals, and the deepest layer are the values of the culture (Hofstede, 2010). The composition of the cultural onion is illustrated in Figure 2.

Symbols are gestures, words, pictures, or other objects with a particular meaning. This meaning is recognised only by people who share the culture. The language, jargons, traditional dresses, architecture, flags, and status symbols also belong to this category. Cultures copy symbols from each other on a regular basis, therefore symbols can be changed easily. Old symbols may disappear while new ones are created.

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Heroes serve as models for behaviour; they tend to represent many of the culture's values and beliefs. Heroes are people, alive or dead, real or imaginary, with a typical characteristic feature of the culture, for instance Asterix in France, or Winston Churchill in the UK.

Rituals are collective activities shared in one culture. Common rituals or traditions include the way of greeting and paying respect to each other, religious and social ceremonies (Easter and Christmas for instance). Rituals also include the way the language is used in daily interactions, in communication, at business and political meetings.

These three layers: symbols, heroes and rituals are subsumed under the term *practices*, as these are visible for the outside observer. The cultural meaning however stays invisible for the outside observer, and can be recognised and interpreted only by the insiders.

The core of the onion are the *values*. These are cultural assumptions which influence the other layers and cannot be recognised without a deeper analysis. Values are feelings with an added arrow indicating a positive or a negative side. They embrace beliefs about what is considered to be evil or good, dangerous or safe, forbidden or permitted, ugly or beautiful, irrational or rational, etc.
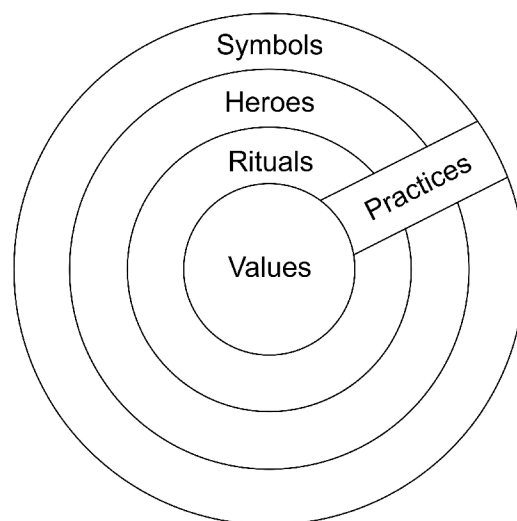

Figure 2. Manifestation of culture at different depth levels according to Hofstede.
(Source: Hofstede, 2010, p. 8)

Values, symbols, heroes and rituals are quickly and largely absorbed by an individual unconsciously mostly in early ages, up until ten to twelve years. Symbols absorbed in

these early ages are mainly the language; heroes are most of the time parents, grandparents; and rituals are basic tasks, such as toilet training. Basic values are absorbed in these early ages as well. At the end of this period the person switches to a conscious way of learning and focuses mostly on new practices (Hofstede, 2010).

Culture Layers by Trompenaars

Three key layers of the onion are distinguished by Trompenaars (2013): the outer layer, middle layer, and inner layer.

The outer layer is what people associate cultures primarily with, such as food, language, clothes (Sari in India, blue jeans in the USA), behaviour, etc. These are the explicit cultural differences which deal with the expressed manifestation of culture. Quite often the initial observations reveal more about the person who is observing the culture than the observed culture.

The *middle layer* contains norms and values. Norms define what is considered to be right or wrong, and values define what is good or bad. Norms are shared orientations of what people think they should be doing. On the other hand, values are shared orientation of the group and its general desires and likes. Values influence norms; they define how people are expected to behave in certain situations. If someone behaves differently than expected, he or she may feel the disapproval of the group. Furthermore, he or she may even feel guilty because that particular type of behaviour is not accepted by the group.

The deepest *inner layer* is the unquestioned, implicit culture. It consists of basic assumptions, many routines and methods. The methods were developed to deal with regular issues people may face. They became so basic that everyone does them without even thinking about them. The deepest inner layer is the core of the culture and most of the times it is hidden, unspoken. Therefore, it is very hard for an outside observer to recognise its elements. In order to be able to work successfully with other cultures, the key is to understand the deepest layers of the onion, the implicit, unquestioned culture (Trompenaars, 2003).

1.1.3 Culture as an Iceberg

The iceberg analogy of culture was developed by Hall (1990). He compares culture to an iceberg which has two parts: an *internal* and an *external*. The external part of the iceberg is the small portion which is above the water surface, and is visible to everyone. On the other hand, there is the internal part of the iceberg, the larger portion, which is hidden beneath the surface and is invisible. The illustration of the iceberg theory is shown in Figure 3.

The *observable (external) part* of the iceberg consists of the words, actions, behaviours of the culture which are visible to the casual observer, and can be easily changed. In contrast to the observable portion of the iceberg, the *not observable (internal) portion* is hidden beneath the surface. This is where the interpretations of beliefs, values, and thought patterns lay, which together represent the core values of the society. These can be changed difficultly. While the external culture is part of the conscious mind, the internal culture is part of the subconscious mind.

Hall (1990) suggests that the only way to learn about the beliefs, values, and thought patterns of others is by actively participating in their culture. When individuals visit a new culture, only the behaviours are apparent at first. But as they spend more time interacting with others in that new culture, that which is hidden beneath the surface begins to present itself.

1.1.4 Cultural Self-Awareness

To be able to learn about a new culture a person must be aware of his or her own cultural values, beliefs, and perceptions. Bennett (2015, p. 177) explains cultural self-awareness as *"a person's conscious ability to critically view and understand the objective and subjective cultures to which the individual belongs"*. People have learned to see and do things on a subconscious level, therefore to view their own culture critically, on a conscious level, is quite often difficult. People who are part of a culturally diverse environment, such as leaders and employees, can increase their cultural understanding by recognising their own beliefs, values, and behaviours. By doing so, they are able to see how their actions affect others from a different cultural background. Forcing themselves to be culturally more aware, eventually makes them become less judgemental. They stop making

automatic judgements and behavioural responses, and start to be more open to other cultures (Ideas for leaders, 2016).
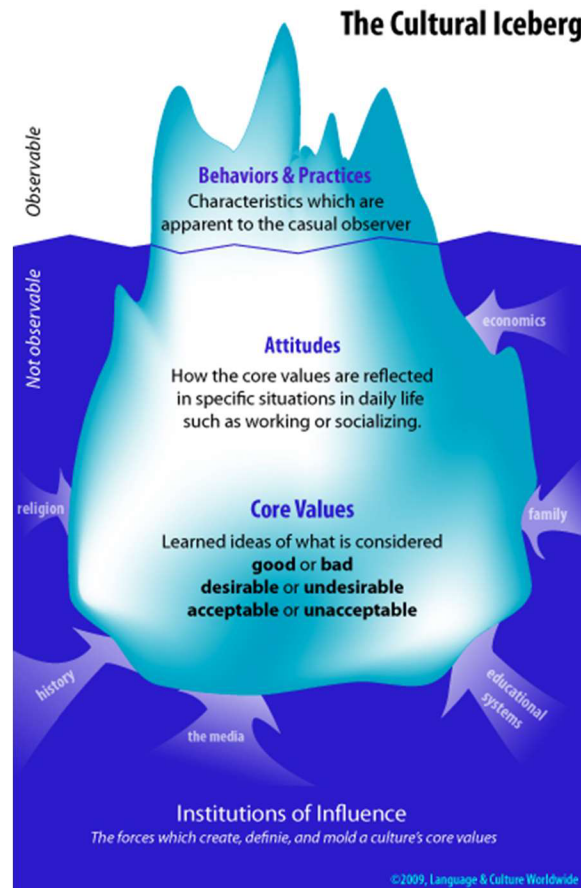
Figure 3. The iceberg model of culture.
(Source: Language and culture, 2015)

1.1.5   Cultural Adaptation

Being a participant in a new cultural environment creates a necessity to face a new a language, different habits, values, and norms. To ensure the possibility to live and function within the new culture, the individual needs to cope with these differences and learn the culture's traditions, values, and social norms. This process of learning or adjusting to a new culture is called *cultural adaptation*.

Cultural adaptation has four phases, which are illustrated by the U-curve model in Figure 4. This model was developed by Lysgaard (1955) to illustrate the emotional adjustment process of cultural adaptation. The phases are the following:

- Honeymoon stage,
- Culture shock stage,
- Recovery stage,
- Adjustment stage.

The first stage of adaptation is the *honeymoon stage*, Wittenkamp (2014) refers to it as the *unknown unknowns* stage. This means that the individual is not aware that he or she needs to learn something new. This stage is the first interaction with the new culture. It typically extends from arrival to the first couple of months within the new country. It is described with excitement, fascination and curiosity.

Second stage is the *culture shock stage*, or so called *known unknowns* stage (Wittenkamp, 2014). This is when a person realises that he or she must learn new things. It is a period of disillusionment when it is necessary to seriously cope with living a new culture on a day-to-day basis. Culture shock is experienced when the two cultures meet, when a person feels the impact of disapproval from the surroundings or their own disapproval of events they experience. During this period, people may become more nationalistic than ever before and try to underline what they stand for. People most commonly experience changes in eating or sleeping habits, homesickness. They are being hostile, and complaining about the host country or culture. They experience sadness, depression, frequent frustration, self-doubts, or sense of failure.

The third stage is the *recovery stage*, or the *known knowns* stage, when the person already has learned how to live in the new home country. Mastering the new values, learning how to live by them, and getting a deeper understanding of them is the phase of recovery.

The last stage of the cultural adaptation is the *adjustment stage*, also called the *unknown knowns* stage (Wittenkamp, 2014). People in this phase do things naturally without even thinking about them. They adapt entirely to the new culture and become more confident in it. They believe in themselves and in that they can achieve the goals they have set for themselves in their life, at their new workplace, etc. This confidence (one's belief in one's ability to succeed) is called self-efficacy, which is typical for this stage.

The cultural adaptation phases are very important for companies, as their employees are influenced by the stage they currently stand in. The whole cultural adaptation period takes

from 2 to 5 years, depending on one's personality. The employee's adaptation process also depends on the length of their planned stay in the new country. Conflicts may arise, but only few people will experience it truly, as most do not stay in the new culture for longer than 2 years (Wittenkamp, 2014).
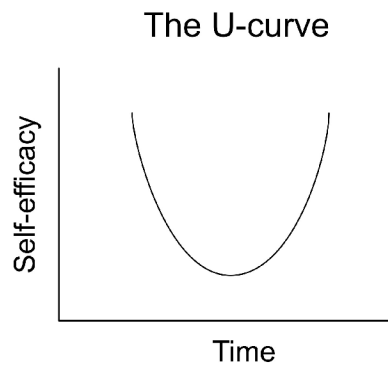
The U-curve

Figure 4. Cultural adaptation illustrated by the U-curve model.
(Source: Wittenkamp, 2010, p. 20)

Gullahorn and Gullahorn (1963) extended the U-curve theory, and created a W-curve model, which consist of the U-curve phases and an extra phase, the *re-entry shock*. This fifth phase of the cultural adaptation is also called a *reverse culture shock.* People experience this shock once they return to their country of origin. After returning home, things are not the same as they used to be before they have moved away. They face difficulties in merging the life they have had abroad and the one they returned to. This phase is connected with confusing emotions, frustration, boredom, restlessness, and changes in values, goals, priorities and attitudes. Reverse homesickness and negativity towards the native culture is typical at this stage (Usac, 2016). The W-curve cultural adaptation process is plotted in Figure 5.
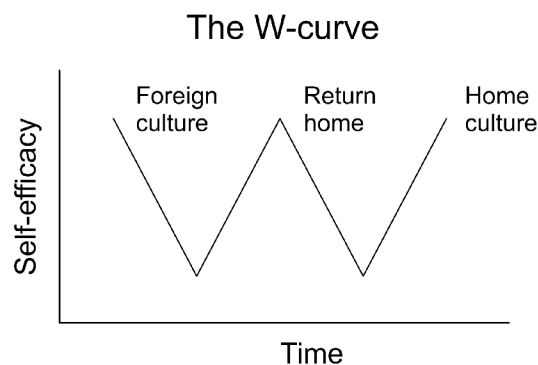
The W-curve

Figure 5. Cultural adaptation illustrated by the W-curve model.
(Source: Usac, 2016)

There are several ways how people can react to the experience of a cultural shock. Possible outcomes of these reactions are the acculturation strategies.

Acculturation is part of the cultural adaptation process developed by Kim (2012). The cultural adaptation process consists of enculturation, deculturation, acculturation and assimilation.

The first stage is *enculturation*, when one learns one's own culture through observations and experiences (Kim, 2012).

The second part of the process consists of *deculturation* and *acculturation*. To be able to adapt to the new culture, some values, norms and beliefs need to be unlearned first. The process of unlearning the cultural elements is called deculturation. At the same time the individual is able to adapt to the new cultural traits of another culture group. This process of learning is the acculturation (Dictionary, 2016). Some cultural elements of the old culture disappear and are replaced by cultural elements of the new culture (Kim, 2012). The process of deculturation and acculturation is shown in Figure 6.
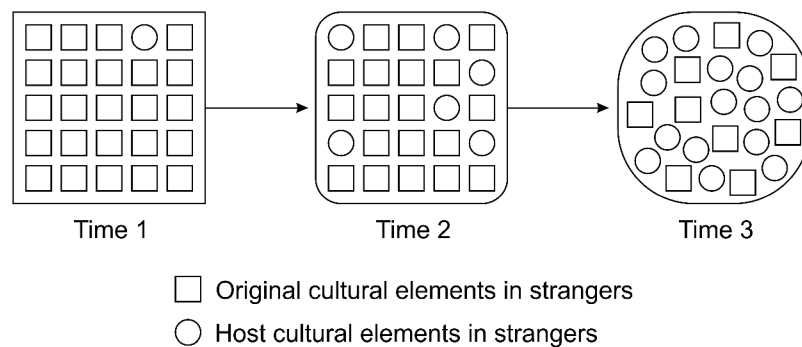
Figure 6. The process of acculturation and deculturation.
(Source: Kim, 2011, p. 54)

The third stage of the adaptation process is *assimilation*. This is the highest possible degree of acculturation of the new culture, and at the same time the highest possible degree of deculturation of the original culture. Assimilation is thus *"an ideal state characterized by the maximum possible convergence of strangers' internal conditions to those of the natives"* (Kim, 2011, p. 52). The whole process is illustrated in Figure 7.
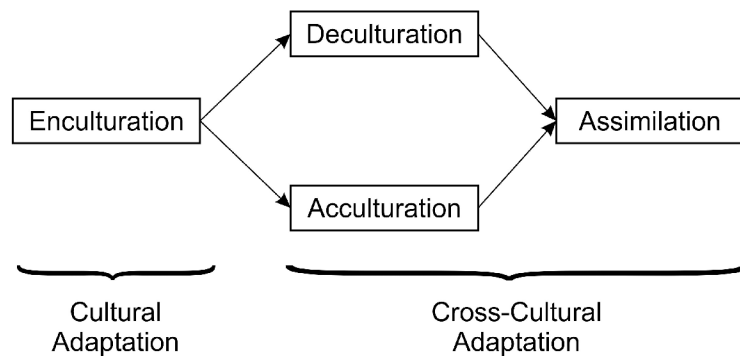
Figure 7. The cultural adaptation process.
(Source: Kim, 2011, p. 53)

There are four acculturation strategies (assimilation, bi/multi-cultural acculturation, rejection and culture loss); these are listed in Table 1.

The first possible option of acculturation is *assimilation (-/+)*. This means that one rejects the old culture (-) and entirely accepts the new one (+). The assimilation is much likely to happen in younger ages, as young people tend to let go of the old culture and take on a new set of norms much easier.

The second possibility is *bi or multi-cultural acculturation (+/+)*. This happens when a person entirely accepts the old (+) and the new culture (+) as well, and mixes and switches them according to the circumstances. It is typical for people growing up in one culture but having parents with another native culture. These people are marked as *true multicultural persons*. Another +/+ possibility is a *hybrid culture*. Expatriates often end up having this type of culture. The hybrid culture is understood by everyone, but does not really resemble any national culture. It is typical for people who travel a lot to many foreign countries repeatedly.

The third option is *rejection* of the new culture *(+/-)*. This is when someone holds on to the old culture (+) and in the same time rejects the new one entirely (-). One may feel that his or her values are under attack, and they need to be defended even more. The appreciation of own values does not create a problem, however, sometimes sacrifices are required in order to be able to function in the new country. It is important to at least identify why the new culture is rejected in this case, as it may lead to a resolution.

The last option is the *culture loss (-/-)*. This occurs when someone becomes critical about the old culture (-), but at the same time does not want to accept the new one either (-). It is typical for situations when people change too much by experience and no

longer feel to belong anywhere. Clearly, being against everything is not a good choice (Wittenkamp, 2014).

Table 1. Acculturation strategy types.

-/+	+/+
Rejection of old culture, acceptance of new culture	Best of both cultures, mixing or switching according to circumstances
-/-	+/-
Does not feel belonging to new culture, has become critical of the old culture	Keeps old culture, suspicious of new values and customs

(Source: Wittenkamp, 2014, p. 23)

1.2   Categorising Cultures and Cultural Theories

Culture has been categorised by different authors in different ways. This section describes the theories of some of the most significant authors who are well known for their research in the field of intercultural management.

Intercultural management centres its attention on patterns of interaction between people who come from different cultures. Intercultural management studies the meaning one person associates with the actions of another person coming from a different culture. As people interact with other cultures almost on a daily basis, intercultural management has its focus on the methods of interaction analysis and also on adaptive strategies (Bennett, 2015). *Cross-cultural management* on the other hand compares one culture to another, often focusing on patterns. For instance, it may compare teaching methods and styles used in two different cultures. Intercultural management focuses on the interaction of different cultures, whereas cross-cultural communication has its focus on comparisons (Bennett, 2015).

1.2.1   Kluckhohn and Strodtbeck's Basic Values

Kluckhohn and Strodtbeck (1961) developed the so called value orientation model. This model has six dimensions, which are very important to managers and employees working

in an intercultural environment in order to be able to understand important values of cultural diversity. The dimensions are the following:

- the nature of the human being,
- relationship between humans,
- motives of human beings,
- relationship with space,
- relationship with time,
- relationship between people and the nature (Ahlstrom, 2010).

The first dimension is the *nature of the human being*. Basic human nature can be evil, mixed or good. *Evil* means that people cannot be trusted, as they are bad. They tend to be selfish and need to be controlled. *Mixed* nature stands for the belief that both types of people exist in the world, evil and good as well. *Good* nature of humans means that people are born to be good, and are good deep in their hearts. These people are typically socially oriented.

The second dimension is the *relationship between humans*. This can be collateral, hierarchical or individual (Ahlstrom, 2010). *Collateral relationship* means that people focus on the group they belong to and on its preferences. Important decisions need to be made together and cannot be made alone. The second possibility is the *hierarchical relationship*. People believe in a natural order of relations: some people are born to dominate (leaders) and some to follow. All decisions are made by the leaders. The third possibility is the *individualistic* view. People are equal with equal rights and control their destiny by themselves. They have their own freedom and the focus on their own preferences.

The third dimension are the *motives of human beings*. Ahlstrom (2010) distinguishes three categories: being, becoming and doing. *Being* is one's view that there is no need to accomplish anything in life in order to make it worthwhile. The second category is *becoming*, where personal growth and spiritual development are the purpose of life. The last is *doing* which stand for the efforts, accomplishments, and rewards someone puts into everyday work.

The fourth value orientation is connected with the *relationship with space*. This defines whether a space is owned or has an open ownership; whether it is private, mixed, or public. *Private space* means that space is owned by individuals and privacy plays a very important role. How meetings are held in companies reflect the relationship with

space. In private space preference meeting are held behind closed doors, and one must get an invitation to participate in them. Public space on the other hand has an open ownership; people are allowed to go where they please, meetings are open and everyone can attend them. *Mixed space* is a relationship where there are public and private spaces at the same time.

The fifth dimension is the *relationship with time*. It describes whether a person is past, present, or future oriented. *Past* oriented societies focus on history, traditions, and experiences. *Present* oriented people live in the moment, they give little importance to the past and future. *Future* orientated people plan carefully and have their focus on goals.

The last value orientation *is the relationship between people and nature*. Kluckhohn and Strodtbeck (1961) suggest three types of relationship with nature. *People are subordinate to nature* when natural forces are passively accepted as inevitable; they believe in fate. *People in harmony with nature* means that people feel they live in harmony with the nature, they preserve and support it. *People dominate nature* stands for the belief that nature is controlled by people and nature is seen as a source of supplies (Ahlstrom, 2010).

1.2.2 Pinto's Fine- and Coarse-Mesh Cultural Theory

Based on Pinto's theory (2000), culture is an evolving system of rules passed from one generation to the next (Evelien van Asperen, 2005). Depending on whether the rules in the society are strict or loose, two basic types of culture can be distinguished: a fine-mesh (F) and a coarse-mesh (C) culture. These types represent two extremes. *Fine-mesh* is described as a culture with many strict and detailed rules of behaviour and communication, for example countries like Morocco or Somalia. On the other hand, there are cultures with much looser rules, *coarse-mesh* countries, such as the United States, Netherlands, and Canada. There is also a third type which lies between fine- and coarse-mesh, the *mixed-mesh* culture (M), which is typical for countries of East Europe and Latin America.

There is a tight relationship between the theory of Pinto (2000) and theory of Kluckhohn & Strodtbeck (1961) explained in Section 1.2.1 and 1.2.2, and summarised in Table 2.

Table 2. Relation of Pinto's theory to Kluckhohn & Strodtbeck'.

	Fine-mesh	Mixed-mesh	Coarse-mesh
Human nature	Evil	mixed	good
Relationships	Collateral	hierarchical	individual
Motives	Being	becoming	doing
Space	public	mixed	private
Time	past and present	present	present and future
Nature	subordinate	harmony	dominate
	Africa, Asia	*Latin America, Southern Europe, Eastern Europe*	*North America, North-West Europe, Australia*

(Source: Van Hemelrijck, 2015)

1.2.3 Hofstede' cultural dimensions

Hofstede (2010) conducted a research on the culture's values in correlation with the workplace and the cultural influence on it. His theory of culture is based on the six following dimensions:

- Uncertainty Avoidance,
- Individualism,
- Power Distance,
- Masculinity,
- Long-term orientation,
- Indulgence.

Countries included in Hofstede's research have been given a score in each cultural dimension. The scores used in this thesis range from 0 to 100. Hofstede (2010) originally used a different scale but later his country rankings were recalculated to fit to a scale of 0-100 to make comparisons simpler (The Hofstede centre, 2015). Score 50 is the midlevel and everything under this score is relatively low. Consequently, scores above 50 are considered to be relatively high.

The first dimension is *uncertainty avoidance* which characterises the level of tolerance for uncertainty and ambiguity within the society. *Weak uncertainty avoidance* means that there are fewer rules and if the rules are not accepted, they should be changed. This type of culture is more tolerant. (Singapore: 8, Denmark: 23, China: 30, United Kingdom: 35, USA: 46). On the other hand, *strong uncertainty avoidance* means many precise laws and rules. Conservatism and extremism is typical in these cultures (France: 86, Japan: 92, Belgium: 94) (Hofstede, 2010; The Hofstede centre, 2015).

Individualism, is "*the extent to which individual interests take precedence over group considerations and relationships*" (Bennett, 2003, p. 158). A high individualism ranking indicates that *individuality* and individual rights are paramount within the society and everyone is expected to look after him or herself (USA: 91, Australia: 90, Netherlands: 80). A low individualism ranking indicates a *collectivistic* society which tends be integrated into stronger smaller groups. The groups often consist of members of the extended family (aunts, uncles, cousins and grandparents). The group protects its members in exchange for unquestioning loyalty (Guatemala: 6, Pakistan: 14, China: 20, Greece: 35) (Hofstede, 2010; The Hofstede centre, 2015).

Power distance measures the degree of equality or inequality between people in the country's society. *High power distance* indicates that power and wealth is distributed unequally within the society (Philippines: 94, Malaysia: 100, Ghana: 80, India: 77). *Low power distance* on the other hand means that power and wealth is distributed equally. People are not afraid to show their disagreement, not even to someone in a higher position, for instance to their boss or professor (Austria: 11, Denmark: 18, Switzerland: 34, Germany: 35) (Hofstede, 2010; Bennett, 2003; The Hofstede centre, 2015).

Masculinity refers to the distribution of roles between genders. While *masculinity* (Japan: 95, Hungary: 88, Austria: 79, Germany: 66) is more performance and economic growth oriented, *femininity* (Sweden: 5, Denmark: 16, Finland: 26, Portugal: 31) is welfare and environment oriented (Hofstede, 2010; The Hofstede centre, 2015).

Hofstede (2010) defines *long versus short term orientation* by whether goals have long or short term time-orientation. Also, whether time is used more or less precisely. *High long term orientation* indicates that people set long term commitments and have a deep respect for their traditions (China: 87, Japan: 88, India: 51). *Short term oriented*

cultures respect personal steadiness and stability (United States: 26, United Kingdom: 51, Ghana: 4) (The Hofstede centre, 2015).

The last dimension is *indulgence*; it characterises whether societies allow relatively free gratification of basic and natural human drives or suppress them by strict social norms. Indulgence scores are the highest in Latin America and Nordic Europe, while the lowest in East Asia or Eastern Europe (Hofstede, 2010; The Hofstede centre, 2015).

1.2.4   Trompenaars's Human Relations, Time, and Environment Theory

Trompenaars (2003) has been studying the effect on cultural management for a long period. Based on his research, he divided cultural elements into three main groups: human relations, time, and environment. In these groups a total of seven different cultural aspects have been described.

a)   Human relations

This group is dealing with dimensions such as: universalism vs. particularism, individualism vs. communitarianism, neutral vs. affective culture, achieved vs. ascribed status, and specific vs. diffuse culture which are described below.

The first dimension is *universalism versus particularism*. People in *universalistic cultures* (high scores) believe that general rules, values, and standards outweigh the needs and claims of friends and relations. In this society, the rules apply equally to everyone and no exceptions are made (Switzerland: 97, United Kingdom: 91, Netherlands: 90, Germany: 87). On the other hand, *particularistic cultures* (low scores) see the ideal society in terms of human friendships and relationships. Rules are also present in this society; but in particular cases exception can be made (China: 47, Russia: 44, Venezuela: 32) (Hampden-Turner and Trompenaars, 2000).

The second human relationship aspect is given by *individualism versus communitarianism*. Similar to Hofstede's (2010) individualism dimension described in Section 1.2.3, individualistic cultures believe in personal freedom and achievements (Czech Republic: 68, Canada: 71, Israel: 89), whereas *communitarianism* refers to believing in the group. The group provides safety in exchange for loyalty, and prevails over the individual (Mexico: 32, Japan: 39, China and France: 41) (Hampden-Turner and Trompenaars, 2000).

The third aspect is *neutral versus affective* culture. This dimension defines whether people express their emotions or not. *Neutral cultures* believe that expressing one's emotions and feelings overtly is incorrect. They are aware of their feelings and accept them, but also control how much of them they show (Ethiopia: 81, Japan: 74, Hong Kong: 64). In *affective cultures* people do not think hiding the feelings or keeping them inside is necessary (Egypt: 18, Spain: 19, Russia: 24, France: 30) (Hampden-Turner and Trompenaars, 2000).

The fourth aspect of human relations is *achieved status versus ascribed status*. *Achieved status* is something an individual has accomplished by him or herself (Netherlands: 37, France: 38). On the other hand *ascribed status* is derived from birth, age, gender or wealth. (Russia and Portugal: 66, South Africa: 54) (Trompenaars, 2003).

The fifth aspect is *specific versus diffuse* culture. *Specific cultures* are characterised by a big public sphere and a smaller private sphere. People can easily be accepted to be part of the public sphere, but it is much harder for them to get into the private sphere of the individual. Hard facts, standards, and contracts in business have a huge importance for specific cultures. *Diffuse cultures* are characterized by a huge private sphere, but a relatively small public sphere. It is not easy for a newcomer to become part of either of them. But once the newcomer is accepted, he or she will be part of both spheres. The newcomer is not only going to be able to do business with this particular person, but they will also do leisure activities together - play golf, go sailing, or cook. (Trompenaars, 2003; Van Hemelrijck, 2015).

b) Time

The second group based on Trompenaar's (2003) theory is distinguished by its time orientation. Cultures can be *past, present, or future-oriented.* This theory was already mentioned in Section 1.2.1. *Past-oriented cultures* have respect for their ancestors, history, experiences and traditions. *Present-oriented people* do not attach too much value to past experiences nor to future plans and prospects. These people live day-by-day; they live in the moment. *Future-oriented cultures* direct their activities toward future prospects; planning is very important for them.

A culture is not necessarily only past, present or future oriented. Usually it is a mixture of these. This is illustrated in Figure 8, where the American, Japanese, British, French, Spanish, and German cultures are compared based on their time orientation.

Past, Present, and Future
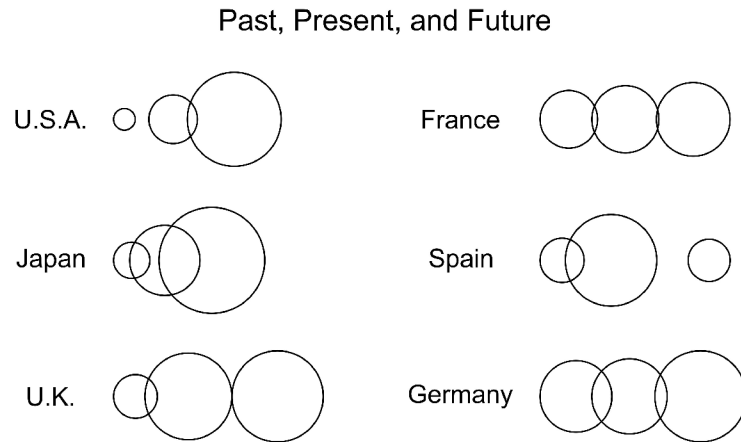
Figure 8. Time orientation of different cultures. The size of the circles indicates the importance of past, present, and future, respectively.
(Source: Hampden-Turner, Trompenaars, 2000, p. 82)

c) Environment

The third group of Trompenaar's (2003) cultural theory is based on the relationship with the environment. People have either *internalistic* or *externalistic* attitude toward the environment. *Internalistic relationship to nature* is a belief that a person can dominate nature. Nature is seen as a complex machine which can be controlled with the right expertise (Israel: 88, United Kingdom: 77, France: 76, Belgium: 75). *Externalistic relationship to nature* on the other hand is a belief in faith and destiny. These cultures stand by the fact that destiny cannot be controlled (Russia: 49, China: 39, Venezuela: 33).

1.2.5 Hall's Time, Space and Context Theory

Hall (1990) describes cultures based on three different aspects such as time, space, and communication.

a) Time

In relation with *time*, a culture can be either monochrone or polychrone. Whether the culture is more monochrone or polychrone could be evaluated based on the punctuality and its importance within the culture. *Monochrone cultures* (Dutch, Germany, Swiss and

British for instance) are characterized by punctuality. In business, the important factors are time, duration, data, and money. Time can be used only once. Meetings cannot be disturbed, and employees keeping themselves to schedules and plans is more important than socialising. On the other hand, *polychrome cultures* (Mexico, Indonesia) think punctuality is relative. Relationships with people overvalue schedules and plans. In the business world, the interruption of meetings is permitted (Benett, 2003; Hall, 1990).

b) Space

In relation with space, four basic categories are distinguished: *intimate, personal, social, and public space*. The culture and the way how people group up define the size of their private, personal, social, and public space. Some people need more space and consider it as a threat if a stranger wants to enter it. Others are used to having a much smaller private space. Pease (2003) defines the size of these spaces as:

- Intimate space: 15 - 45 cm,
- Personal space: 46 cm – 1.2 m,
- Social space: 1.2 - 3.6 m,
- Public space: 3.6 m or more.

A Japanese person, for instance, needs less space. He will stand relatively close to a Finish person as his private space is smaller. A Japanese will feel no tension, as this is normal for him. Unlike the Finnish who will not feel comfortable in this situation since his or her personal space was entered without permission. Finnish are a good example for people with a need for high territoriality and great concern of ownership. Japanese on the other hand are a good example of culture with low territoriality and a lower need of ownership space (Hall, 1990; Changing minds, 2016).

c) Context

In relation with communication, a culture can be either high context or low context. *Low context cultures* (British, German) are explicit and prefer verbal communication. They focus less on body language, they tend to be more straightforward and have less misunderstandings. Whereas *high context cultures* (Japanese, Chinese) use non-verbal communication quite often, use silences and leave a great deal unsaid. These cultures are characterised by less written or formal communication. The use of indirect methods while

implying a message is common, thus this type of communication tends to be more confusing. In a high context culture, open confrontations and conflicts are likely to be avoided, these cultures are much more reserved (Van Hemelrijck, 2015; Bennett, 2003).

1.2.6 Lewis' Model of Cultural Types

Research by Lewis (2005) indicates that cultures are defined by their working habits and behaviour. Based on these working habits a triangle model was created. Each vertex of the triangle stands for a specific type of habit: multi-active, linear-active, and reactive (Wittenkamp, 2014).

The first vertex is *linear-active*. Cultures belonging to this group are described to be cold, factual, decisive planners. They are job-oriented, use limited body language and separate their social and private life. The most typical linear-active cultures are German, Swiss, and Luxembourgish. The second vertex is *multi-active*. Cultures which are close to this vertex tend to be more warm, emotional, people oriented, impatient and impulsive They display their feelings, use unlimited body language and mix their social and professional life. This is typical for countries like Argentina, Mexico, and Hispanic America. The third vertex is *reactive*. Reactive cultures tend to be courteous, accommodating, compromisers, indirect, very people-oriented and good listeners. They are also patient, subtle their body language and connect private and business life. Typical in Vietnam. Other cultures may be placed along the triangle edges. These cultures are a mix of the main three categories. The Lewis model is illustrated in Figure 9.

1.3 Intercultural Competence

In order to be able to function in an intercultural working environment, it is necessary to gain intercultural competencies. Behrnd and Porzelt (2012, p. 214) define intercultural competence as "*the personal ability needed to communicate and work efficiently in intercultural every-day and business situations with members of different cultural groups or in a foreign cultural environment*". The key to behave and communicate effectively and appropriately is understanding other cultures.
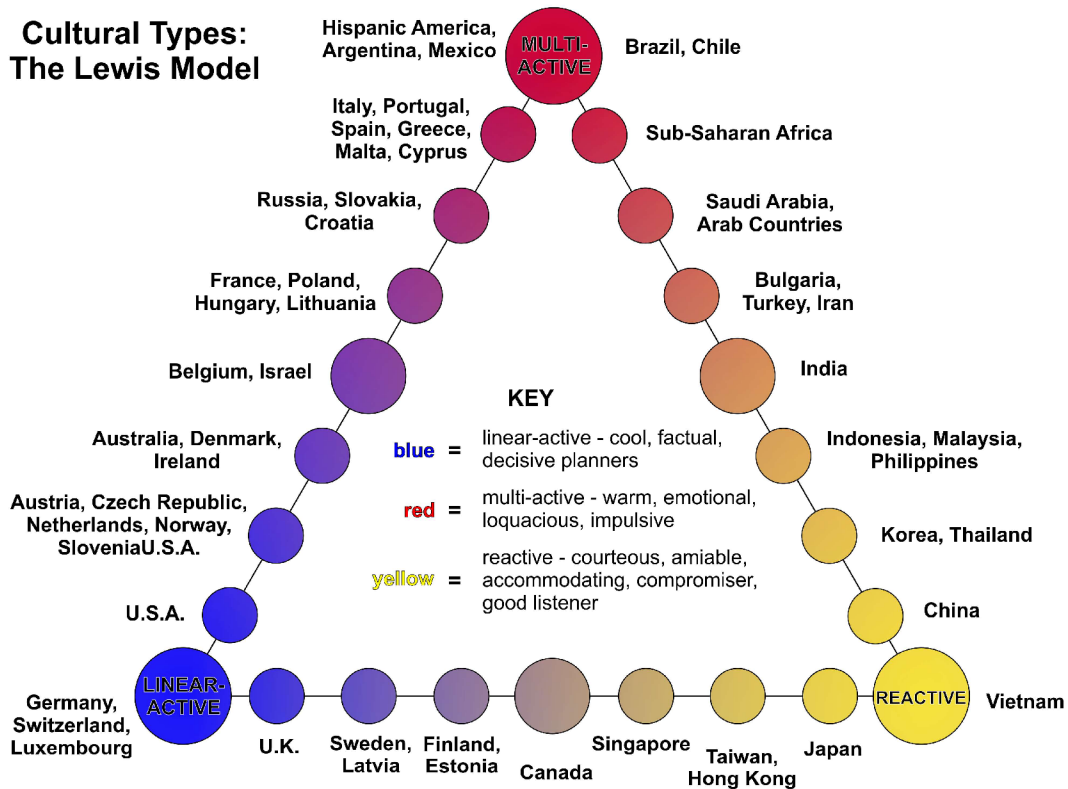
Cultural Types:
The Lewis Model

Hispanic America, Argentina, Mexico

MULTI-ACTIVE

Brazil, Chile

Italy, Portugal, Spain, Greece, Malta, Cyprus

Sub-Saharan Africa

Russia, Slovakia, Croatia

Saudi Arabia, Arab Countries

France, Poland, Hungary, Lithuania

Bulgaria, Turkey, Iran

Belgium, Israel

India

KEY

Australia, Denmark, Ireland

Indonesia, Malaysia, Philippines

blue = linear-active - cool, factual, decisive planners

Austria, Czech Republic, Netherlands, Norway, SloveniaU.S.A.

red = multi-active - warm, emotional, loquacious, impulsive

Korea, Thailand

yellow = reactive - courteous, amiable, accommodating, compromiser, good listener

U.S.A.

China

LINEAR-ACTIVE

REACTIVE

Vietnam

Germany, Switzerland, Luxembourg

U.K.

Sweden, Latvia

Finland, Estonia

Canada

Singapore

Taiwan, Hong Kong

Japan

Figure 9. The Lewis model of cultural types categorised into linear-active, reactive, and multi-active cultures.
(Source: Wittenkamp, 2014)

Bolten (2007) sees intercultural competence as a process model consisting of four sub-domains: professional, strategic, individual, and social intercultural competence (Behrnd and Porzelt, 2012). These sub-domains influence each other. For every single sub-domain Bolten describes a set of knowledge, skills, and attitudes which are required in interaction with others. The model developed by Bolten is illustrated in Figure 10.

The first aspect of Bolten's intercultural competence is the *professional* aspect. This is described as the know-how of the profession and includes professional knowledge, (international) work experience, and knowledge of the work environment. The second aspect is the *strategic* intercultural competence, knowledge management. The strategic competence is the ability to solve problems, make decisions and organise. The third aspect is the *individual* intercultural competence, which is based on motivation, self-organisation, self-criticism, willingness to learn, optimism and stress resistance. The last inter-

cultural competence is the *social* aspect, which is one's ability to assimilate, take initiative, communicate, adapt, socialise, be empathic and tolerant, and be a team player (Behrnd and Porzelt, 2012).
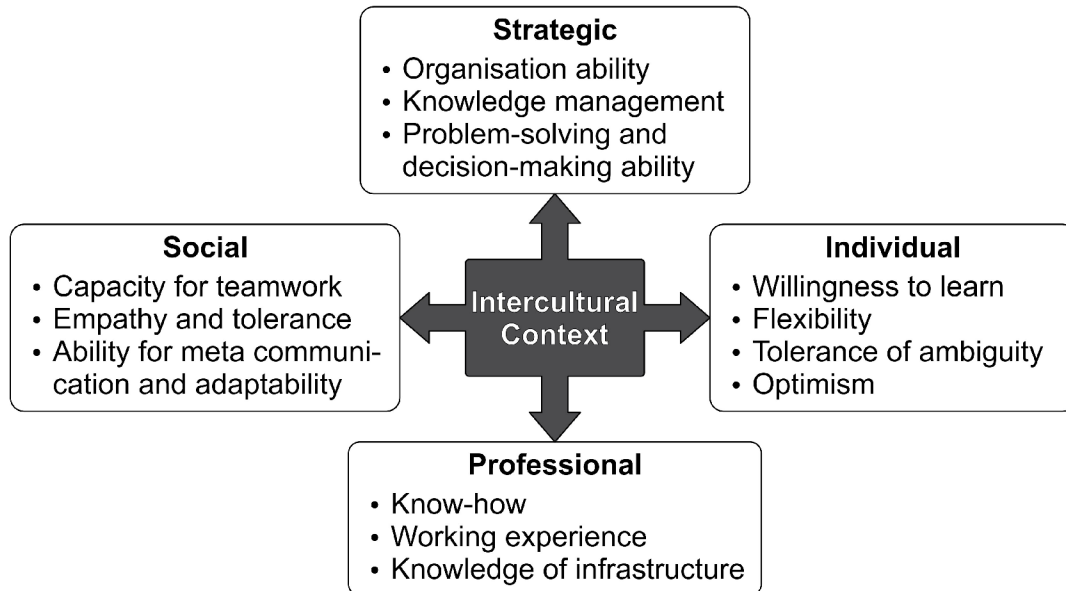

Figure 10. Process model of intercultural competence according to Bolten.
(Source: Behrnd and Porzelt, 2012)

1.4 Communication

In an organization people interact, cooperate with each other in order to achieve a common goal. To be able to reach the target, information must be carried in the organization and shared among employees. Communication is *"the process by which information is transmitted and understood between two or more people"* (McShane, Von Glinow, 2000, p. 232).

1.4.1 Model of Communication

Communication, as mentioned, is the interaction between two (or more) people. The process by which the information is transmitted is explained by the communication process model illustrated in Figure 11. The model represents the communication flows through channels between the sender and the receiver. First of all, the sender must form a message and encode it into words, gestures, symbols, and signs. After this, the encoded message is transmitted to the receiver through the communication channel. The receiver senses the

incoming message, decodes it and ideally receives the exact message the sender has intended to share. Most of the time the sender is looking for feedback, wants to know whether the receiver understood the message. The feedback process is analogous to the described communication process. The feedback must be formed, encoded, transmitted to the original sender through a communication channel, received by the sender, and decoded. If any part of the communication process is broken or anyhow distorted the message will not be received as intended and no common understanding of the message will be made. Problems may occur if there are barriers, such as language, structural, social, or psychological (McShane, Von Glinow, 2000).
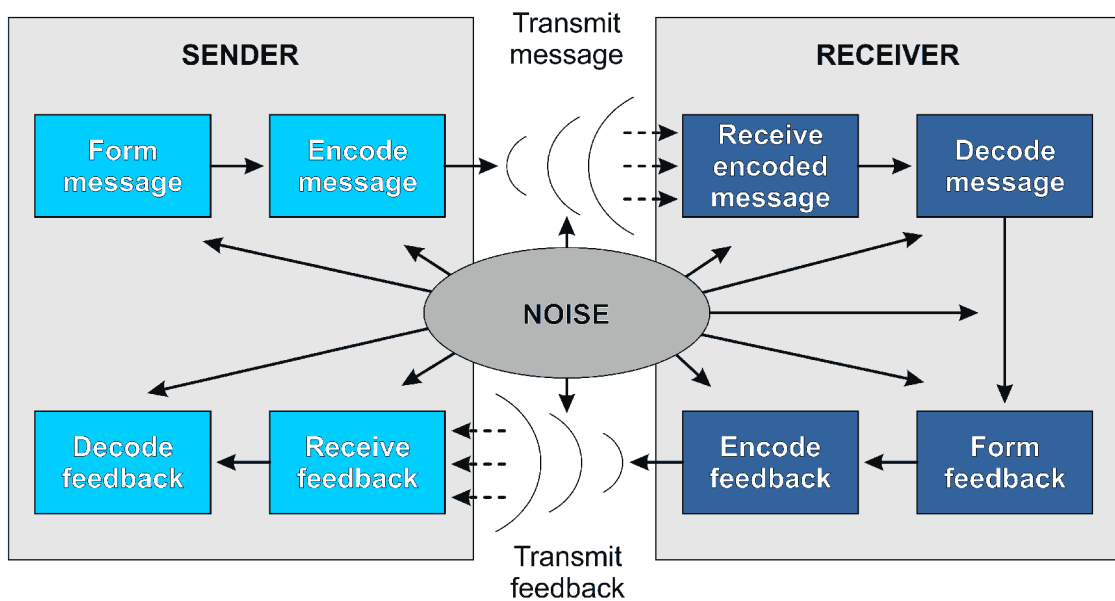
Figure 11. The communication process model.
(Source: McShane, Von Glinow, 2000, p. 234)

1.4.2   Communication Barriers

Since communication barriers are always present in the communication process, and influence it strongly, it is important to analyse them. The ones that can affect the effective exchange of information are: physical, cultural, perceptual, motivational, experiential, emotional, linguistic, and non-verbal barrier. *Physical barriers* are time, environment, comfort, needs, and physical medium. *Cultural barriers* can be ethnic, religious, and social differences. *Perceptual barriers* occur once the person views what is said from his or her own mind-set. The *motivational barrier* is the listener's mental inertia. The *experiential barrier* is the lack of similar experiences. *Emotional barriers are created by* personal

feelings of the listener. *Linguistic barriers* occur once a different language is spoken by the speaker and listener and the use of vocabulary is beyond the comprehension of the listener. The last communication barrier is the *non-verbal* one, this is the non-word message. All of these barriers can affect the common understanding of the message in a serious way. It can lead to misunderstandings between the sender and the receiver and to lowering of the productivity (McShane, Von Glinow, 2000; Van Hemelrijck, 2015).

1.4.3   Communication Channels

Communications channels are significant when it comes to the communication model. These are the channels through which the information is transmitted from the sender to the receiver. There are two types: the *verbal* and the *non-verbal* channel.

    Verbal communication includes "*any oral or written method of transmitting meaning through words*" (McShane, Von Glinow, 2000, p. 237). The type of verbal communication needs to be selected based on the specific situation. Face-to-face interaction is a better choice when transmitting emotions or trying to persuade the receiver. Non-verbal cues are really helpful in this type of communication and also the sender can receive an immediate feedback. Written communication is a perfect choice for presenting or recording technical details. These ideas can be understood easier by the receiver once they are written down. Significant channels for written communications in organizations are mainly electronic emails or other computer-mediated communication, such as intranets, internet, etc. (McShane, Von Glinow, 2000).

    Non-verbal communication is a part of the communication when words are not being used. This type of communication includes gestures, voice intonation, silence and physical distance. It differs from verbal communication in two important things. Firstly, while verbal communication is conscious (people know what they write or say), non-verbal communication is automatic and unconscious. Secondly, while people receive training in verbal communication on how to interpret the message, they do not get trained on how to interpret the signs and gestures. Non-verbal communication is less rule bound, therefore it can be easily misinterpreted (McShane, Von Glinow, 2000).

Verbal communication influenced by culture

Verbal communication can differ based on the culture one comes from. There is a huge difference between the way how people from Germanic cultures (English, German, Dutch) interact with each other, how Romance cultures do (French, Italian, Spanish) and how Asian cultures do (Japan). Figure 12 shows three different cultures and the way how they speak with each other.

A1 and B1 represent Germanic cultures where interruption means impoliteness. They respect each other while talking, and wait until one person finishes his or her sentence. The A2 – B2 conversation is typical for Romance cultures. Interruptions and fast reactions are common. These cultures talk and listen at the same time, there is no silence. A3 and B3 is characteristic for Japan. People coming from this culture speak and keep silences in between. A silence pause shows respect and also that the message receiver is thinking about the received message (Van Hemelrijck, 2015).
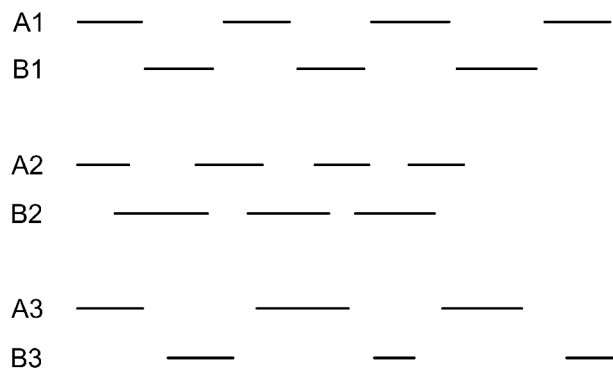
Figure 12. Verbal communication in different cultures: Germanic cultures take turns (1), Romance cultures interrupt the other (2), while Japanese take pauses (3).
(Source: Trompenaars, 2003)

One's thought pattern while interacting with others is also defined by one's cultural background. Understanding the cultural thought pattern (way of speaking and language expression) behind the language of communication is necessary in intercultural communication. It is important as both the speaker and the receiver have their own cultural thought patterns, and both people expect to use the thought pattern of theirs (while speaking and while listening). Being aware of cultural thought patterns and learning about them helps to decrease any potential misunderstanding and misinterpretations. Figure 13 illustrates

the thought patterns of Germanic, Semitic, Oriental, Romance, and Russian cultures. Typical for *Germanic cultures* is a direct, linear way of communication. These cultures tend to stick to the point. *Semitic cultures* (Arabic, Hebrew) on the other hand express their thoughts in a series of parallel ideas; positive and negative ideas are expressed as well. *Oriental cultures* (Asian countries) use an indirect way of communication. They view a topic from various perspectives, and typically get to the core of the matter slowly. *Romance cultures* tend to chitchat before they get to the core of matter. Communication tends to digress. *Russian culture* is similar to Romance. Communication digresses, and it takes a while to get to the core of the matter (Callearning, 2010).
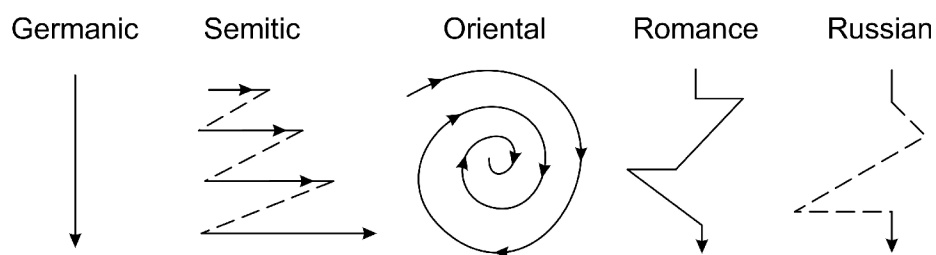
Figure 13. Cultural thought patterns of different cultures.
(Source: Callearning, 2010)

Non-verbal communication influenced by culture

Non-verbal communication consists of illustrators, adaptors, emblems, and regulators. These are influenced by the culture the person is coming from. *Illustrators* illustrate the usage of words. For instance, the use of hands, tone of the voice, speed or intonation (Italians speak faster, Englishmen slower). *Adaptors* are non-verbal communications tools which people do to adapt to their surroundings. These include eye rubbing, coughing, and slurping. *Emblems* are a special movements having the same meaning as words, for instance waving or bowing. *Regulators* are signs which are used to show that the conversation has ended (Van Hemelrijck, 2015).

1.5 Marketing Research

Marketing research is the process of information gathering, analysis, evaluation, and interpretation. The collected information helps to gain important insights, and it plays a

significant role in strategic decision making. There are two types of researches: qualitative and quantitative marketing research. *Qualitative research* is based on a psychological analysis and examines the motives which lead to a particular behaviour. It searches for answers to questions such as why, how and when. *Quantitative research* aims to gather information which can be interpreted in a numerical form. To ensure data credibility, a bigger sample size has to be chosen. Data can be collected by descriptive methods, observation, or usage of data from previously conducted research (Kozel, Mynářová, Svobodová, 2011). Both types of research are equally accepted, and the type is chosen based on the particular situation, problem and aim of the research. In some cases the usage of both research types can be chosen.

There are two main sources of information: primary and secondary. *Primary data* is collected using methods developed for such purposes. *Secondary data* has been already collected before for a different purpose, and it is only being re-used for the actual purpose (Kozel, Mynářová, Svobodová, 2011).

Basic methods of primary data gathering

For purposes of primary data collection, three methods are used most commonly: descriptive research, observation, and experiment. *Descriptive methods* are nowadays the most often used methods, and are the most significant for data collection. They may be based on a direct or indirect contact between the respondent and the examiner. The basic descriptive methods are personal, telephone, written, and online interviews (Kozel, Mynářová, Svobodová, 2011).

Personal interviews (face-to-face) are based on direct contact between the interviewer and the respondent. Questions are formulated before the interview. The method allows an instant feedback to the interviewer. This type of data collection is financially costlier, requires more time, and is harder to organise.

Telephone interviews are the operative resemblance of personal interviews. They are faster and less expensive methods. The interviewer has only verbal contact with the respondent. This ensures the anonymity of the respondent who may thus give more honest answers. Telephone interviews are used mainly for flash research purposes.

Written interviews are based on a poll or questionnaire. The interviewer has no direct contact with the respondent, and this is the least expensive form of data collection.

Opinion polls are sufficient for a primary introduction of the researcher and to address the public. *Questionnaires* are used for data collection from a large number of respondents. A questionnaire consists of short questions which need to be well structured in order to avoid misinterpretation by the respondent. Questionnaires may use *open-ended questions* which serve the purpose of collecting qualitative data in order to find out the respondent's opinions, explanations, proposals, etc. *Close-ended questions* offer various types of responses, and are easier to evaluate. The most commonly used types of close-ended questions are binary Yes/No, multiple choices (possible choice from more alternatives) or rating scales (expression of opinion, attitude on the scale of preferences, most commonly used rating scale is 1-5 or 1-7).

Online interviews are carried out via email or website surveys. These are financially less expensive than the previous methods, and also less time consuming. Data evaluation is simpler since the data is collected already in digital form.

Another primary method is *observation*. This is an indirect way of data collection, and is usually used in combination with other methods, such as personal interviews. Observation may be the least expensive and most accurate method of collecting behavioural data. In some cases, observation may be the only possibility to collect data. Observation needs to have a prepared scenario, which ensures the reliability of the results (Kozel, Mynářová, Svobodová, 2011).

The third method of primary data collection is *experiment*, which examines the results of the tested element under given circumstances, conditions (Kozel, Mynářová, Svobodová, 2011).

2 CURRENT SITUATION ANALYSIS

The concerned party did not wish to publish this information.

3 PROPOSALS

The concerned party did not wish to publish this information.

CONCLUSION

This thesis analyses the intercultural management in a selected company specialised in the travel industry. The main objective was to prepare proposals which would lead to better communication between employees, and to an increase of mutual trust and mutual understanding. The prepared proposals serve to form a foundation for the management of the company; they lead to the elimination of obstacles identified in the intercultural environment.

In the first chapter, the fundamentals of intercultural management are described. A research of the current trends and methods of intercultural management has been conducted and comparison of intercultural theories is given in order to summarize all the necessary information which served as the foundation of the following chapters of the thesis.

Chapter 2 analyses the current situation of the selected company in connection with intercultural management. This chapter contains a brief description of the company, the service it provides, and its organisational structure. Based on the information about the employees provided by the company management, a cultural analysis has been performed using Hofstede's (2010) research data on cultural dimensions. This allowed a comparison of the cultural background of employees and prepare a questionnaire based on this information. The employees of the selected company were asked to answer the 29-question survey. The results of the questionnaire are evaluated in this chapter as well.

The third part of the thesis contains proposals based on the evaluation results. The suggestions were mainly prepared for the management to increase the cultural awareness and understanding in the company. These suggestions focus on the personal and professional development of the workers, and also on the improvement of their productivity. To improve the intercultural management in the company, the creation of a manual on cultural awareness has been proposed. Besides handing the manual to employees, enrolling them in intercultural trainings, providing language courses, and organising off-work activities like teambuildings is discussed. Another described proposal is the reorganising of the group meetings in a more efficient way so that employees working different shifts can attend. In the specific proposals, a rough estimated financial cost of the suggestions is given as well as a time schedule for implementation.

The presented situation analysis and proposals may be used to improve intercultural management and employee relations at the selected company.

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LIST OF ABBREVIATIONS

ARM – Armenia

BRA – Brazil

CAN – Canada

CZE – Czech Republic

FRA – France

GBR – Great Britain

GEO – Georgia

GHA – Ghana

GRC – Greece

IRL – Ireland

ITA – Italy

MLT – Malta

POL – Poland

RUS – Russia

ROM – Romania

SRB – Serbia

SVK – Slovakia

SYR – Syria

TUN – Tunisia

UKR – Ukraine

USA – United States of America

ZAF – South Africa

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