

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Diploma Thesis

**MANAGEMENT STYLE FOR A MODERN BUSINESS:
COMPARISON OF CZECH OFFICES OF EXXONMOBIL AND
BRITISH PETROLEUM**

Nazgul Agmanova

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Bc. Nazgul Agmanova

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Thesis title

MANAGEMENT STYLE FOR A MODERN BUSINESS: COMPARISON OF CZECH OFFICES OF EXXONMOBIL AND BRITISH PETROLEUM

Objectives of thesis

The aim of this thesis is to analyze the specificities of the styles of management applied by the two chosen corporations, and to reveal the existing specificities of the managerial approaches used in the American and the English companies.

The goals of the thesis are to analyze the key theoretical aspects pertaining to management; to reveal the main cross-cultural aspects associated with management; to consider the main specificities of management in present time; to understand how different styles of management might the overall effectiveness of corporate managerial activities and thus corporate performance; to run a detailed analysis of the managerial activities run by the chosen companies, namely ExxonMobil and BP; to analyze the differences in the management styles of the American and British companies; to discuss the results obtained, make recommendations and draw conclusions.

Methodology

The methodological tools to be used in the course of this research include secondary and primary research. Secondary research will be used in the theoretical part of the thesis for the purpose of gathering information on the theoretical aspects related to management and management styles from available print and electronic bibliographic sources. The practical part of the thesis will be based mostly on primary research. Namely, polling of employees will be run based on a survey developed by the thesis author, with the aim of revealing how the managers of the chosen companies see the effectiveness of managerial activities directed on them. Deductive thinking will be used for summarizing the results and deriving appropriate conclusions from them.

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The Diploma Thesis Supervisor

Ing. Richard Selby, Ph.D.

Supervising department

Department of Management

Electronic approval: 5. 2. 2018

prof. Ing. Ivana Tichá, Ph.D.

Head of department

Electronic approval: 6. 2. 2018

Ing. Martin Pelikán, Ph.D.

Dean

Prague on 29. 03. 2018

Declaration

I declare that I have worked on my diploma thesis titled "MANAGEMENT STYLE FOR A MODERN BUSINESS: COMPARISON OF CZECH OFFICES OF EXXONMOBIL AND BRITISH PETROLEUM" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 29.03.2018

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MANAGEMENT STYLE FOR A MODERN BUSINESS: COMPARISON OF CZECH OFFICES OF EXXONMOBIL AND BRITISH PETROLEUM

Abstract

The thesis deals with the issues associated with management in multinational corporations and the application of different management styles. The practical part of the thesis analyzes the case studies of the Czech branches of two major global oil-and-gas corporations, namely ExxonMobil and BP. The findings of the thesis prove that there are slight differences in the two companies' style of management in the Czech Republic, which is due to different nationalities of managers. However, both companies are able to achieve steadily high results thanks to their democratic approach to management and the provision of extensive opportunities of self-fulfillment for employees. Based on the findings of the thesis, the companies are recommended to focus on improving internal communication and extending the range of non-financial motivation means for making internal management more effective.

Keywords: BP, cross-cultural management, Czech Republic, ExxonMobil, organizational structure, style of management.

Styly řízení pro moderní podnikání: porovnání českých oddělení společností ExxonMobil a British Petroleum.

Abstrakt

Práce se zabývá problematikou řízení v nadnárodních korporacích a aplikací různých stylů řízení. Praktická část práce analyzuje případové studie českých poboček dvou významných globálních ropných a plynárenských společností, jmenovitě ExxonMobil a BP. Závěry diplomové práce dokládají, že ve vedení společnosti v České republice existují malé rozdíly, což je způsobeno různými národnostmi manažerů. Obě společnosti však dokáží dosahovat neustále vysokých výsledků díky demokratickému přístupu k řízení a poskytováním rozsáhlých příležitostí pro sebe-naplnění zaměstnanců. Na základě výsledků práce se doporučuje, aby se společnosti zaměřily na zlepšení interní komunikace a rozšíření rozsahu nefinančních motivačních prostředků, aby se interní řízení stalo efektivnějším.

Klíčová slova: BP, Česká republika, ExxonMobil, mezikulturní řízení, organizační struktura, styl řízení.

Table of content

1 Introduction	9
2 Theoretical Part	12
2.1 Management: Definition and Key Theoretical Aspects	12
2.2 Functions of Management.....	15
2.3 Types of Management.....	18
2.4 Specificities of Management in Present Time	22
2.5 Styles of Management and their Particular Characteristics	26
2.6 Importance of Management Style for Multinational Corporations.....	29
3 Practical Part	31
3.1 Overview of the Chosen Companies: ExxonMobil and BP.....	31
3.2 Management Structure and Managerial Activities at the Chosen Companies .	34
3.3 Interviews with Managers	41
3.4 Polling of Employees	49
3.5 Discussion and Recommendations.....	58
4 Conclusion	61
Bibliography	63
Appendix	66

List of figures

Figure 1 Logo of ExxonMobil	31
Figure 2 Logo of BP	33
Figure 3 ExxonMobil's Operations Integrity Management System.....	36
Figure 4 Organizational structure of BP	39
Figure 5 India and Czech Republic on Hofstede's power distance index	42
Figure 6 India and Czech Republic on Hofstede's uncertainty avoidance index	44
Figure 7 India and Czech Republic on Hofstede's individualism index	45
Figure 8 Level of employees' motivation according to the two companies' managers ...	46
Figure 9 Employees' answers to question 1	50
Figure 10 Employees' answers to question 2	51
Figure 11 Employees' answers to question 3	52
Figure 12 Employees' answers to question 4	53
Figure 13 Employees' answers to question 5	54
Figure 14 Employees' answers to question 6	55
Figure 15 Employees' answers to question 7	56
Figure 16 Employees' answers to question 8	57
Figure 17 Employees' answers to question 9	58

1 Introduction

At present time, multinational corporations act in conditions of rapidly changing markets. This means that companies need to be able to adapt effectively to the changing conditions of the environment, operate effectively with their supplies and customers, and withstand the fierce competitive struggle imposed by their market rivals. Innovation and flexibility become the key parameters which companies require for achieving success in their financial performance. In those conditions, the effectiveness of internal corporate management is of particular importance to multinational corporations.

Management is a complex set of differently vectored activities aimed to govern corporate business in the most effective way, with the ultimate goal of guaranteeing the best financial performance and the achievement of the goals set by the company for its market activities. In today's conditions of globalization, management in multinational corporations is becoming further more and more complex, as it is always cross-cultural, given the need to coordinate the activities of persons in different countries all over the world, taking into account their specific traits of character and other individual parameters.

There are no particular recipes for the model of management to be chosen by a company, as each business has its own specificities, goals pursued in the market and plans for the future. Therefore, it is the task of companies to build the most efficient business model using which they would be able to achieve maximum from their corporate governance.

The style of management includes those specific characteristics of managerial activities which shape the individuality of corporate governance and the ability to adapt corporate management to specific market conditions and goals of the entity. The style of management predefines to which extent corporate managers and employees are able to cooperate with each other effectively for the sake of maximizing the results obtained through corporate performance.

This thesis will be dedicated to the analysis of management styles and their impact on the effectiveness of internal corporate processes. The companies chosen as the objects of this research include ExxonMobil (incorporated in the United States) and BP (incorporated in the United Kingdom), companies making a part of the world's top oil and gas companies, and namely their subsidiaries in the Czech Republic. The choice of the corporations is due to the fact that they operate in the same market and are direct

competitors, but are located in different states, namely the US and the UK. This should allow comparing effectively the differences in the management styles of the two companies, with due account for the existing cross-cultural differences. The choice of the oil and gas sector as a basis for this research is due to the fact that oil and gas are universally required products, and thus the two companies serve the whole world, which imposes further greater requirements on the effectiveness of their managerial activities.

The **aim** of this thesis is to analyze the specificities of the styles of management applied by the two chosen corporations, and to reveal the existing specificities of the managerial approaches used in the American and the English companies.

The **goals** of the thesis are to analyze the key theoretical aspects pertaining to management; to reveal the main cross-cultural aspects associated with management; to consider the main specificities of management in present time; to understand how different styles of management might the overall effectiveness of corporate managerial activities and thus corporate performance; to run a detailed analysis of the managerial activities run by the chosen companies, namely ExxonMobil and BP; to analyze the differences in the management styles of the American and British companies as run in their Czech subsidiaries; to discuss the results obtained, make recommendations and draw conclusions.

The **research questions** of the thesis are the following:

RQ1: What are the main differences in the management styles of ExxonMobil and BP's Czech branches?

RQ2: How can the two companies improve the effectiveness of their internal management?

The **hypothesis** to be tested in the course of the research in the following:

H1: The differences in the management styles are preconditioned by the distance between the parent corporation and the Czech subsidiary.

The **methodological tools** to be used in the course of this research include secondary and primary research. Secondary research will be used in the theoretical part of the thesis for the purpose of gathering information on the theoretical aspects related to management and management styles from available print and electronic bibliographic sources. The practical part of the thesis will be based mostly on primary research. Namely, interviews with managers will be run based on the interview structure developed by the thesis author, with the aim of revealing how the managers of the chosen companies see the

effectiveness of their managerial activities. Deductive thinking will be used for summarizing the results and deriving appropriate conclusions from them.

The findings of the thesis should allow understanding deeply the differences in the managerial approaches and styles used in the United States and the United Kingdom based on the examples of the two chosen companies, and should also present a framework to be appropriate for using in the subsequent research dedicated to the topic.

2 Theoretical Part

2.1 Management: Definition and Key Theoretical Aspects

For the purpose of considering in detail the specificities of management as used in the current conditions of doing business, we should first of all identify clearly the definition of management and other key theoretical concepts related to management and its different sides.

The definitions of management can be quite different as found in different literature sources due to the fact that management itself is a complex concept encompassing a broad range of activities and governing many different fields. For instance, as defined by Burns et al. (2011, p. 56), management is “*the process of accomplishing predetermined objectives through the effective use of human, financial, natural, and technical resources.*” The authors do not identify clearly the range of authors who might use management for their purposes, however noting that management is associated tightly with the concept of leadership. While management stands for general governance based on the use of available resources, leadership is rather narrower as a concept, as it embraces those persons or authorities who are responsible for the implementation of policies and practical activities related to management and administrations. Thus, it can be stated that management is interconnected tightly with leadership, and the effectiveness of management is preconditioned by how effectively leaders in a particular entity or community are able to perform their functions related to governance and administration.

Another definition of management can be found in Chandramohan (2013, p. 3) who cites Peter Drucker: “*Management is a multi-purpose organ which manages the business, which manages managers, which manages worker and work.*” In this definition, we can see the specific approach to management focusing on it as a type of activities implemented within companies and applied to their business activities. Within the concept of management explained by Drucker, it can be stated that management is regarded not only as a set of activities, but also a body which performs such activities, thus ensuring the most effective combined use of the resources available to the entity, and effective monitoring and control of the staff employed and the activities performed by all stakeholders and business units. The role of management for business can’t be underestimated due to the fact that management includes all activities which affect the organization of business and its actual financial performance.

In Kumar and Sharma (2000, p. 5), we can find a more extended definition of management as cited from Herold Koontz: *“Management is the art of getting things done through and with people in formally organised groups. It is the art of creating an environment in which people can perform and individuals could co-operate towards attaining of group goals. It is an art of removing blocks to such performance, a way of optimizing efficiency in reaching goals.”* This broader definition of management allows us understanding that management should be regarded as a set of policies destined to ensure the best administration of a group of people in order to attain some particular goals or aims, so as to reach the desire objectives by raising mutual effectiveness of actions. We can thus state that management is indispensable for delivering the best results through maximizing the synergy of efforts within a community of group.

Tripathi (2008, p. 2) cites the definition of management as given by George R. Terry stating that management is a process *“consisting of planning, organizing, actuating and controlling, performed to determine and accomplish the objectives by the use of people and resources.”* Within this definition, we can explore the essence of management as a set of activities embracing different sides of corporate business or other organized practices. Planning stands for the creation of plans for the development of organized activities based on forecasts and the company’s expectations regarding the future. Plans allow building corporate business activities in an optimal way, so as to ensure the best fulfillment of the business goals set by the organization, and at the same time for avoiding excessive impact of negative external factors in case of force majeure events. Organization stands for the coordination of all activities and processes within the organization destined to ensure the best performance of all units and actors within the larger community, and thus in the long run to achieve the objectives of corporate business policies and strategies. Actuation stands for the process of inciting corporate staff members to achieve the best performance. Within management, actuation is achieved through effective incentives and staff motivation, which ensures the opportunity for companies to raise their staff’s interest in work and loyalty to common corporate objectives. Finally, control stands for the range of activities destined to evaluate the degree of effectiveness in the staff’s work, and thus to reveal the major drawbacks in such work, seeking to improve the overall corporate performance and to use the available resources for attaining the corporate goals set.

Based on the definitions present above, we can state that although there are slight differences in the interpretation of management as a set of practical activities, overall, all

the abovementioned definitions generally deal with the same range of aspects and describe management in a similar way. The importance of managerial activities for any kinds of entities and organizations can't be underestimated, as the effectiveness of the implementation of managerial activities preconditions to a large extent the overall effectiveness of corporate performance through the maximization of the effects contributed by each particular chain element in corporate organization.

Key actor in the performance of corporate managerial activities are managers. According to Templar (2013, p. 13), a manager is “*a person who plans, leads, organizes, delegates, controls, evaluates, and budgets in order to achieve an outcome,*” or “*an employee who forms part of the organization's management team and is accountable for exercising delegated authority over human, financial, and material management to accomplish the objectives of the organization.*” Therefore, it can be stated that a manager is a person entitled to perform managerial activities and to guide the organization's development through the definitions and implementation of its business policies and strategies, and through the fulfillment of effective control over all corporate processes. The role of managers is to drive corporate performance through the coordination of internal efforts within the overall framework of organizational business policies.

Within the framework of management, particular importance should be assigned to the most effective construction of relationships between managers and employees. As stated in Mullins (2007, p. 449), the staff consists of subordinates who perform the tasks of managers and interact with them. The relationships between managers and employees are bilateral. Managers convey tasks and orders to the employees, and the latter perform those tasks within the framework of wider corporate strategies and policies so as to ensure the effective prosperity of the entity. At the same time, managers get feedback on the part of their subordinates, and might ensure the involvement of employees in corporate management and development policies. This favors the feeling of group commitment and might contribute to an overall higher effectiveness of managerial activities.

Also, it should be noted that as management is a complex phenomenon, there are quite different approaches to management and administration in the practice of business entities, organizations and institutions. As Mullins (2007, p. 449), the entirety of all such factors can be called a style of management. Differences in the styles of management can be associated with the specificities of cultures in which companies operate, the business field of their core activities, and even the personalities of managers. Different styles of

management can be equally effective in different circumstances and can guarantee the maximization of corporate business performance for the sake of business growth. Thus, there can be no recipe for a universally effective style of business management, and its effectiveness is preconditioned by a wide range of both internal and external factors.

Now, having understood the key specificities of management and the basic concepts of management, we can proceed to the analysis of the main functions of management.

2.2 Functions of Management

The functions of management are a constituent part of any process involving administration and regulation. Here below, we are going to consider the basic functions of management and define their key characteristics.

According to DuBrin (2015, p. 5), there are four basic functions of management (organizing, staffing, leading and controlling), which serve as an instrument of achieving companies' stated aims. However, some other widespread classifications used in academic sources include planning, organization, staffing, direction and control. Despite the fact that theory distinguishes between various functions of management, in practice they overlap and complement each other. This means that all functions of management are performed at once, as management is a cyclical process. Therefore, this suggests once again the importance of effective managerial practices for companies in order to attain commercial success.

One of the abovementioned primary functions of management is planning. According to Hurd et al. (2008, p. 42), "*The planning function of management can take on many forms, including planning staff goals and objectives, long-range strategic planning that drives agency operations over a longer time frame, marketing planning, and master planning for land and facility acquisition and development.*" So, as we can see from this definition, the planning function of management serves to detect, evaluate, and develop strategies to get the highest results in future. Planning is based widely on the development of budgets and plans for the sake of ensuring the company's steady long-term development. Each commercial entity has inputs which it aims to convert into outputs throughout the course of its business activities. Such inputs include financial and other tangible resources, intangible resources such as copyrights and other intellectual property rights, human resources, and so on; while the main output is financial

performance, which each company seeks to maximize for the sake of guaranteeing opportunities of its subsequent market development.

As Hurd et al. (2008, p. 42) further note, the importance of planning in the context of management consists in the fact that it allows companies understanding how they perform, and what should be improved in their business activities. On the initial stage, companies develop plans in which they set particular performance indicators to be achieved in the subsequent business activities. Subsequently, managers get an opportunity to evaluate how the company performed and whether it achieved what was required initially. Based on this, it is possible to make corrective actions and implement more effective business strategies and policies, achieving the best ratio between resources inputs and financial outputs. The main aspects of planning are thus target-setting and the definition of the course of actions. The manager should be well informed about the company's economic conditions, its competitors, and customers' needs, so he has to be sure that the decisions he makes not only do no harm, but also provide benefits to the company. Planning requires to think systematically and find the best ways and means for accomplishing the desired goals.

The organization function of management consists in managerial activities for organizing all processes within the company. As DuBrin (2015, p. 6) notes, organization consists in the development of an environment within which all business processes would be carried out successfully through the involvement of responsible actors and the maximization of synergic effect created by the operation of individual business units within the corporation. While planning is destined first of all to develop plans for carrying out the entity's business activities, organization stands directly for the performance of managerial actions to organize the work of all staff members, departments and units.

It should be understood that each commercial enterprise's activities are quite complex, as they include a wide range of processes. Normally, those are production, sales, marketing, and so on. Each of those processes requires a well-thought approach and the consistent implementation of corporate business policies and strategies for the sake of business growth. The task of management in that context is to link the individual elements of corporate activities into a single whole, so as to make the entire company function as a single mechanism generating the best output. Managers govern the company's activity, and they organize the personnel's work in a way to guarantee the best quality of the products,

services and works delivered to target customers, customer communication, and the rest of the vectors which precondition the company's overall success in the target market.

Staffing is very specific kind of managerial activities due to the fact that it relates directly to interpersonal relations. According to Janakiraman and Sarukesi (2008, p. 8), staffing can be defined as “*employing the right person to the right job and evaluating the performance of everyone and ensuring that each works to his fullest potential.*” For any company, regardless of its size and the field of activities in which it operates, staffing plays a vitally important role. This is due to the fact that through staffing, the company selects its human resources to be used subsequently for achieving the best financial performance. Staffing is carried out in several stages. On the first stage, recruitment and selection are carried out. This allows finding those employees which fit best the company's requirements in terms of their skills, knowledge and professional aptitude, as well as personal characteristics. Thereafter, the company seeks to maintain its staff, develop its professional level, and guarantee that the staff is used in the most effective manner for the sake of generating commercial profit.

As Janakiraman and Sarukesi (2008, p. 8) explain, for any company, it is important to ensure that its staff is able to get professional development and growth, as this preconditions the opportunities for the company to use its human capital for commercial purposes. At the same time, companies need to maintain the interest of their personnel in the work, so as to maximize the staff's own performance. For this purpose, a wide range of tools can be used, including both financial and non-financial mechanisms. The main financial mechanisms which companies use for motivating their staff include appropriate salaries and payment bonuses, career growth, and other financial levers which allow the staff getting greater financial motivation. On the other hand, companies can use various non-financial motivation schemes for the recognition of the staff's contribution to general corporate performance, provide the staff with stimuli for development, and so on.

Thus, it can be stated that the function of staffing is destined to resolve all of the corporate issues associated with the selection and work of personnel, so as to ensure optimum corporate performance. At the same time, it should be borne in mind that the company's managers need to interact steadily with their employees, and therefore there should be a scheme within which this interaction would occur. DuBrin (2015, p. 6) notes that the direction function of management is destined right to ensure the best communication between the company's managers and its employees. This includes the

organization of communication, influence of formal and informal leaders in the organization, and so on. Management segregates the functions and responsibilities of all actors within the organization, and assign particular vectors and limits within which every actor is able to operate. As a result, the tracking of results and the subsequent changes to the company's policies are becoming significantly more simplified. Within the direction function of management, it should also be noted that the schemes and time schedules of corporate meetings and reporting are designed and implemented. This ensures regular feedback between different corporate stakeholders and the staff, and thus in the long run contributes substantially to an overall positive corporate performance.

The direction function of management plays a vitally important role for international corporations, where ties within the staff may be quite complex and variegated. At the same time, in such large companies there are several different management levels, and this further complicates the task of regulating the ties and relationships between all such managers and their particular subordinates within the framework of wider corporate goals.

Finally, speaking of the control function of management, DuBrin (2015, p. 6) states that it is set to ensure the best monitoring of the firm's performance and control over each relevant side of its business activities. Control is associated tightly with planning, as it is performed largely through the comparison of actual corporate results with what was initially planned. However, the limits of control are not confined solely to that. For instance, control also includes all activities related to the monitoring of the staff's activities, performance of employees' functions, and so on, thus covering not only the strategic plain, but also the operational one, and ensuring the best monitoring of corporate performance and the ensuing corrective measures to enhance it.

Therefore, as we can confirm from the information presented in this chapter, management plays a very important role for companies, which is actuated through the wide functions it brings to life. In the next chapter of the thesis, we are going to consider the main classifications of the types of management.

2.3 Types of Management

In scientific literature, there are different classifications of management and its types based on a number of different criteria and parameters. The lack of a uniform approach to the classification of management types and their definitions is due primarily to

the complexity of management as a concept and the different approaches which particular researchers take to the analysis and interpretation of management. Below, we are going to consider the main types of management and their particular characteristics.

The first classification of management types we should consider is the one by object of management. In those terms, the following types of management can be identified:

1. Internal management. This type of management is applied within an entity or organization for the sake of optimizing all internal corporate processes and guaranteeing the best outcomes of corporate activities in terms of financial results, which are the ultimate goal of any commercial entity. Within internal management, both the managers and their subordinates belong to the same commercial entity and perform activities united by the same corporate values.
2. External administration. In contrast to internal management, within external administration management functions are performed by a third party, and not by managers belonging to the corporation or hired by it. Most often, this occurs in cases such as bankruptcy, when the state appoints external managers for the purpose of putting an end to the entity's crisis and restore its normal functioning capacity. In the case of external administration, corporate stakeholders have limited to no impact on the setting of corporate policies and strategies, and thus they have very limited impact on the actual achievement of effective financial results.

In terms of the specific field of corporate activities governed by managerial decisions, the following types of management can be identified:

1. General management. This type of management stands for the general managerial practices set to ensure the best corporate performance. General management stands for the broader coordination of efforts within the organization, between all its business units and particular actors responsible for the fulfillment of business processes. General management is performed within the framework of the corporation's broader business strategies and policies, and is not focusing specifically on any particular field of the corporation's business activities.
2. Special management. This type of management focuses more specifically on particular vectors of corporate business activities or other aspects of the corporation's business development directions, and is set to maximize the company's effectiveness on those particular directions. Below we are going to

analyze more in detail the most widespread classifications of special management types.

Production management is a type of management focusing on the optimization of corporate production processes. As defined by Murthy (2007, p. 4), “*the objective of production management is to produce the desired product or specified product by specified methods so that the optimal utilization of resources is met with.*” Therefore, the researcher states that production management is destined to ensure the creation of a product and its delivery to target customers at an optimum price, which would guarantee a balance between the company’s sufficient profitability and the customers’ readiness to pay funds for such a product. Within production management, a particular role is paid to the optimization of resource expenditures, which is achieved through the integration of all processes into a single whole and the redistribution of responsibilities and functions between all participants in the associated processes.

Innovation management is another specific type of management. As noted by Friedman (2008, p. 282), innovation management stands for a range of activities destined to ensure the company’s innovation-drive growth. The main attention of managers is focused on research and development, and on the implementation of new technologies in corporate business processes. In the age of globalization and the rapid development of Internet and digital technologies, the role of innovation management becomes particularly great for companies of all sizes and operating in all fields of activities. Integrating new technologies in production, sales and marketing allows becoming more competitive in the target market and withstanding the great impact of the rivals. Furthermore, it also allows responding effectively to any major changes in the environment, and anticipating the subsequent scenarios of the development of events.

Financial management, as defined by Sofat and Hiro (2015, p. 18), is “*that segment of managerial activity in an organisation which is concerned with the planning and controlling of the firm's financial resources.*” Financial management encompasses the governance of all issues related to finance and the management of financial resources within an entity. It covers the planning, acquisition, administration, distribution, and control of the company’s financial resources. Thanks to financial management, companies administer their financial flows, and redistribute them according to their specific needs and the tasks they wish to achieve. Financial management is also destined to create effective budgeting plans within which the company would have effective mechanisms to foresee its

expected expenses and income, thus planning actions to improve the ultimate financial performance and ensure financial stability in the long term. Financial management also deals with decision-making related to the use of own and borrowed funding sources in the financing of corporate business growth, and is set to choose an optimum plan for business development within which the company's financial risks would be minimized.

Marketing management, as explained by Doyle and Stern (2006, p. 37), is "*the process of identifying target markets, researching the needs of customers in these markets and then developing the product, price, promotion and distribution to create exchanges that satisfy the objectives of the organisation's stakeholders.*" Within marketing management, the main goal of the commercial entity is to achieve the best delivery of its marketing messages to target customers, so as to ensure the maximization of customer interest in the firm's products, and so as to incite the customers' desire to spend funds on buying such products, and not any substitutes available in the market. Marketing managers are responsible for designing and implementing marketing and promotion campaigns. They develop corporate advertising policies, and all other activities associated with the company's marketing mix.

Environmental management is another specific type of management focusing on environmental issues. According to Sholarin and Awange (2016, p. 98), environmental management can be defined as "*the science of controlling and taking charge of our surroundings, especially the biological and physical elements of our lives, such as air, water, plants and animals.*" Environmental management is particularly important as of today, as the focus on environmental friendliness is one of the key issues in the global corporate sector. Environmental responsibility is one of the key factors allowing companies getting some positive image in the eyes of target customers, thus ensuring their better opportunities for achieving market growth. The task of environmental managers is thus to ensure the company's compliance with all applicable environmental regulations, and also to guarantee the company's compliance with the principles of social responsibility in the context of environment protection.

Finally, we should note another important classification of the types of management, namely the one by the focus on the long-term or short-term perspective, i.e. strategic and operational management, respectively. Operational management stands for the development and implementation of tactical activities destined to improve corporate financial performance on the short term. At the same time, as noted by Klassen et al.

(2016, p. 280), strategic management can be defined as “*management action oriented to achieving long-term goals based on thorough analysis and assessment of situation, options, and resources.*” Strategic management covers the long-term perspective and encompasses corporate business strategies set to provide the company with growth opportunities on the long-term. While operational management is generally performed by lower-level managers, strategic management is the direct responsibility of top-level managers of the corporation. The effectiveness of strategic management preconditions the overall stability which the company might achieve for its business growth over a long time period.

Now, we have considered the main types of management and its key characteristics, and thus can proceed to the analysis of the specificities of management in present time.

2.4 Specificities of Management in Present Time

In the present time, the specificities of management are preconditioned first of all by the specificities of the environment in which companies operate. We should bear in mind that today’s corporate sector is affected largely by the tendencies of globalization predominant on the global scale and affecting all countries, making their markets converge into a single whole. Under the effects of globalization, all business processes tend to be occurring more rapidly, and this raises the need for companies to be able to respond adequately and in a timely manner to any trends and tendencies in the surrounding economic, political, environmental and other conditions.

As noted by O’Higgins and Zsolnai (2017, p. 140), the main factors which allow companies surviving and performing effectively in the present conditions of high competitive struggle are their ability to remain innovative and anticipate market trends, to offer unique products or solutions to their customers, or to employ a unique business model which would allow overcoming their competitors and guarantee a firm position in the target market. If no such factor is fulfilled by a company, its actual opportunities to distinguish itself from the rest of companies operating in the market become very limited, and hence it enjoys significantly smaller chances of raising customer interest and boosting customer purchases.

Therefore, based on the factors outlined above, it can be stated that as of today management faces a range of important threats or factors which might affect its

effectiveness. First of all, managers should deal with the changing conditions of the national and global environment which might impose threats not only on the company's financial performance, but also on its very existence. The first and primary goal here is to elaborate grounded and effective business strategies and policies which would allow the company operating effectively both over the short and the long term. A particular tendency in present-day management in that context is the fact that more and more companies are leaning today toward an integrated approach within which the functions of managers would be linked tightly to the overall corporate business goals, and would be performed with due account for the corporate values which the company declares in its business activities to the wider public.

O'Higgins and Zsolnai (2017, p. 140) further note that when designing plans for corporate growth, managers seek to evaluate all available resources and ensure the most effective scenarios of their use for achieving the ultimate goals of corporate business activities. The plans developed by managers are important for companies, as they set a framework for the operation of all business units and staff members, and make it possible to evaluate all such performance in the subsequent periods. It should be noted that as of today, advanced digital computer technologies are used for the purpose of estimating the potential financial effects of all possible ways of development a company chooses. The use of such advanced technologies limits the managers' time expenditures, and allows them focusing on strategic decision-making. As managers require innovative ideas in order to create a unique business model for their company, they might resort to the employees' advice, which is particularly popular in participative cultures.

Another particularly important tendency in the corporate sector as of today is the fact that more and more companies seek to carry out their activities on the international scale, and therefore broaden the geographic coverage of its activities. This imposes additional difficulties on the managerial practices implemented within companies. Namely, this requires managers to deal with international staff, organize logistics processes with international suppliers, deliver products to international customers belonging to different cultures and so on. This means that using the same approach in management becomes simply insufficient to cover the wide range of all possible issues. This is where cross-cultural management becomes particularly important.

According to the definition provided by Holden et al. (2015, p. 59), "*the task of cross-cultural management is to facilitate and direct synergistic interaction and learning*

at interfaces where knowledge, values and experience are transferred into multicultural domains of implementation... it is also the study of the creation, evolution, and management of fusions of diversity in relation to organisations.” Therefore, based on this definition, it can be stated that cross-cultural management is a specific type of management which allows maximizing the effectiveness of managerial activities in multicultural domains. Obviously, under the impact of globalization and regionalization tendencies, the importance of cross-cultural management tends to keep steadily growing, and it is becoming an indispensable part of any international company’s managerial activities. The larger the company’s staff and the wider the geographic coverage of its market activities, the more complex the implementation of the abovementioned cross-cultural management procedures.

Next, we should understand that despite rapid technological progress, any company’s key resource is still its professional staff. Therefore, a prominent tendency in today’s management is the focus of companies on achieving the loyalty of their staff and maximizing the staff’s motivation in delivering the best possible performance. This has been covered partially in the previous chapter of the thesis. However, it should be noted additionally that, according to Webb (2013, p. 1), corporate managers as of today have greater opportunities to raise the staff’s loyalty, which is namely achieved by the expanding coverage of the company’s business activities and the opportunity to offer greater scenarios of further professional growth. Companies can provide their employees with interesting and useful education based on the implementation of advanced technologies, which contributes not only to the staff’s growing professional skills, but also its interest in the cooperation with the company which creates preconditions for its employees’ multifaceted development in different fields.

As the use of digital technologies is becoming more and more intense in all fields of corporate activities, this is becoming a prominent trend in management as well. For instance, we can note here the so-called e-operations. As noted by Leseure (2010, p. 44), companies tend to move a part of the managerial functions to the electronic environment, which allows optimizing the performance of internal corporate processes without compromising their quality and without incurring major expenses. E-operations also facilitate significantly the communication between managers and employees, and might be helpful for inciting the staff’s creative thinking, for relieving potential tensions existing

within the staff team, triggering mutual help and support as a part of common corporate values, and so on.

Cruz-Cunha (2011, p. 527) states that customer relationship management is subject to the impact of new technologies as well. In today's conditions, such managerial activities tend to keep migrating to the online environment. A particularly powerful tool or medium in that context is online social networks. Those are Internet communities which act as platforms allowing people carry out their communication on a remote basis in real time. On such platforms, people get united into groups by common interests. They follow the pages of companies in order to learn their news, keep updated on their new products, and to communicate with companies. As a result, corporate managers as of today focus on the optimization of customer communication processes in the online environment. They collect feedback form users in the online environment, and respond to it by adapting corporate activities. The Internet channel provides opportunities to fulfill those processes at minimum time expenditures, and at the same time at maximum possible output.

Also, taking into account all the factors outlined above, we should note in particular the importance of corporate managerial activities destined to mitigate the impact of crisis events and ensure normal corporate business operations in those conditions. Despite the fact that globalization opens wider opportunities for companies to succeed in their business activities, it also imposes greater risks on entities, as turbulence in the international market is rising. A specific set of managerial activities destined to resolve such issues is commonly referred to as crisis management. According to the definition provided by Coombs and Holladay (2012, p. 20), crisis management "*seeks to prevent or lessen the negative outcomes of a crisis and thereby protect the organization, stakeholders, and/or industry from damage.*" In present-day conditions, managers thus focus on the effective implementation of crisis management and the associated activities for the sake of ensuring the most rapid and effective response to any adverse changes in the external environment.

Finally, another tendency we should take account of in terms of modern management is the growing use of outsourcing. As defined by Rushton and Walker (2007, p. 4), "*Outsourcing can be defined as the strategic use of external specialized service providers to execute and manage activities or functions that are normally seen as non-core to the business.*" Companies tend to use outsourcing in management in order to optimize the structure of managerial ties, and in order to allow corporate management focusing only

on the key issues pertaining to business growth, while passing the performance of less significant functions to qualified third parties.

Therefore, based on the information outlined above, we can state that present-day management is very dynamic, and is characterized by the complexity of the underlying processes and the internal ties existing between the stakeholders. Taking into account those facts, it becomes particularly important to understand how managers can optimize their activities in order to deliver the expected results. In the next chapter of the thesis, we are going to analyze the main styles of corporate management and their particular characteristics.

2.5 Styles of Management and their Particular Characteristics

Styles of management are those specific ways in which corporate managers organize and fulfill their decision-making processes related to their employees. Management styles thus predefined the ways in which communication occurs between the managers and their subordinates, how this affects the distribution of corporate tasks and responsibilities, and how this affects the overall organizational structure existing within the company.

As stated by Lussier (2008, p. 37), traditionally, there are four styles of management in corporate business practice, namely autocratic, consultative, persuasive, and democratic. An autocratic management style is a style of management within which there is a strict hierarchy within which decision-making occurs. Normally, all decisions are made by the manager in a unilateral manner, without taking any advice from the employees, regardless of their level of qualification, skills or loyalty to the company. Communication between the manager and the employees occurs mostly in the following manner: the manager conveys tasks to the employees from above based on his vision of the situation, and the employees are required to fulfill the manager's tasks. Thereafter, when the tasks are done, employees report back to the managers on the results achieved, and the manager evaluates whether everything was done in the right manner. Autocratic managers can adopt either a directive or a permissive stance toward their employees. In the first case, the autocratic leader manages and controls his employees closely. In the second case, the employees are provided with a certain degree of freedom from control in the implementation of the manager's tasks.

As Lussier (2008, p. 37) further notes, the autocratic style of management has both its advantages and shortcomings. The main advantages of this style consist in the clear segregation of all functions and responsibilities between managers and employees, which ensures the simplification of monitoring and control, and also in the opportunity of avoiding excessive complexity in the organizational structure. As for the drawbacks, it should be understood that the autocratic style of management makes it impossible to organize any effective teamwork, which limits the opportunities of effective group achievements. At the same time, this style is rather rigid, and therefore it blocks potential new, creative and innovative ideas which could otherwise be received from the company's employees. Another shortcoming is that the autocratic managers undertakes the entire volume of responsibilities, and thus might find it hard to perform them all due to time and other constraints. Finally, employees might often be demotivated by the fact that managers do not take into consideration their suggestions and ideas, and this might lead to their impaired motivation and thus overall lower performance.

Adizes (2004, p. 15) states that a consultative style of management is a management style which is rather not autocratic, but still paternalistic. The main difference from the autocratic style consists in the fact that the manager build communication with the employees in order to learn their opinions. Within style, all communication between the manager and the employees is still largely in the downward direction. However, the opinions of employees are taken into account, if they might be useful for the company's business growth. The main advantage of this management style is that it allows for a certain degree of bilateral communication between the manager and his subordinates. However, similarly to the autocratic style, employees might often feel a sense of lack of motivation.

According to Lussier (2008, p. 37), a persuasive management style is characterized by the manager's desire to maintain control over the decision-making process. However, while autocratic managers simply convey their decisions and set tasks for their employees, persuasive managers cooperate and work together with their subordinates. Persuasive managers know their employees and their opinions better, however this doesn't mean that they support the staff's greater participation in corporate decision-making. In contrast as can be seen from the very definition of this style, persuasive managers seek persuading their subordinates that the decisions they made are correct, and therefore that they should be fulfilled by the employees without objections. While a persuasive style of management

combines clarity with closer communication between the manager and the employees, it is still characterized by largely the same shortcomings as autocratic management styles, and in the first turn by the lack of adequate employee involvement.

Finally, a democratic style of management is a style within which the focus is put on bilateral communication between the manager and his employees. As noted by Lussier (2008, p. 37), democratic managers do not seek any concentration of power in their hands. Participative mechanisms are used widely in order to guarantee the employees' interest in participating in all internal corporate processes. Employees' ideas are taken into account in the course of decision-making, and are believed to bring an innovative and creative spirit to the wide corporate decision-making. Instead of conveying tasks to his subordinates, the manager communicates with them, and discusses how particular decisions might affect the company, and which consequences it might bring in the long-term perspective. The main advantage of this management style is the fact that it allows achieving greater employee interest and loyalty, which in its turn contributes to better corporate financial performance. However, this style might be threatened by the manager's loss of effective control over his employees, and also by an excessive complexity of ties within the company's organizational structure.

According to Farmer (2008, p. 178), it cannot be said that particular styles of management are either good or bad, and it might be a common error to believe that management styles based on control are worse than participative styles. In practice, everything is predefined by the cultural environment in which the company belongs, the specificities of its market activities and business goals, the market it serves, and a wide range of other factors. Different styles of management can bring the same results in terms of the effective organization of international business processes and generation of sufficient profits, provided that the application of each particular style of management is well-thought and takes into account all the abovementioned specificities relevant for the company's effective financial results.

Therefore, based on this information presented above, we can come to a conclusion that there are quite different styles of corporate management, each of them having their specific characteristics and being grounded on the application of different approaches to management. Taking into consideration those facts, in the next chapter of the thesis, we are going to evaluate the importance of the chosen management style for multinational corporations.

2.6 Importance of Management Style for Multinational Corporations

As has been stated earlier in this thesis, managerial activities performed on international scale are quite specific. Within multinational corporations, managers are required to keep their effective control over a wide range of different issues, many business processes, and a large multinational staff involved in the performance of those business processes. In such conditions, it becomes particularly important to choose a right management style which would allow optimizing the performance of all processes within the corporation for the sake of achieving its ultimate aim, i.e. generation of business profits.

As noted by Farmer (2008, p. 178), multinational corporations tend to have different management styles, and in each particular case they can apply different management styles with the same degree of effectiveness. Therefore, there are no recipes which would allow identifying the best scenario to be applied effectively by all corporations. Furthermore, as the researcher notes, multinational corporations' managers might be using different management styles in different geographic markets and in different conditions, situationally adapting their approach to the existing conditions in order to guarantee the best effect of such activities.

Holden et al. (2015, p. 59) emphasize that the application of different management styles is indispensable due to the fact that multinational corporations operate in different cultural environments, as their activities spread to international markets. So, in order to be able to manage effectively their multinational staff located in different countries around the globe, managers have to be versatile and apply effective adaptation to their managerial approach. Thus, a more centralized approach can be applied to employees from those cultures where strict hierarchy is valued, while a more democratic stance can be applied to employees from those states where individual achievements and competitive spirit are valued most, and where participation in corporate decision-making might be one of the best ways to raise the level of the staff's loyalty and commitment to the overall corporate objectives.

As Holden et al. (2015, p. 59) further note, a particularly important role in the context of management styles in multinational corporations should be paid to conflict management. This is due to the fact that conflicts are unavoidable in large companies with international staff, where employees from different countries share different values. Regardless of whether the company's approach is rather leaning toward autocratic or

democratic, in this case, the manager's goal is to ensure the mitigation of conflicts through effective cross-cultural management, and to guarantees of equal self-fulfillment and professional growth for all employees, regardless of the culture they belong to or the country they come from.

Now, having completed the theoretical part of the research, we can proceed to the practical part, where empirical analysis will be carried out in line with the stated aim of the thesis.

3 Practical Part

3.1 Overview of the Chosen Companies: ExxonMobil and BP

The companies chosen for this research are the world's leading oil-and-gas corporations, namely ExxonMobil and BP. Before proceeding to the analysis of the management practices in the two companies, we need to provide a brief overview of their business in order to understand how the companies operate in the market and in which particular activities they compete with each other.

ExxonMobil is an American multinational oil-and-gas company which is headquartered in Irving, Texas, the United States. The company is a public corporation listed on the New York Stock exchange. Its staff employed worldwide amounts to almost 70,000 employees as of 2017. The corporation is the world's largest producer of crude oil in terms of the physical volume of oil production, and is also the world's largest oil refiner. The company's production facilities are located in the Americas, Asia, Europe, Africa, and Australia, and its petroleum products are sold worldwide (ExxonMobil, 2018a).

Figure 1 Logo of ExxonMobil



Source: ExxonMobil, 2018a

ExxonMobil was created in 1999 through the merger of two corporations, namely Exxon and Mobil. However, the company's history dates back to the late XIX century. Thus, in 1870, the corporation Standard Oil was established in the United States. The company started rapidly growing its production activities in the United States, and then expanded to Europe through partnerships with British and German oil producers. In 1911, the company was dissolved into smaller companies due to breaches of the monopoly legislation, and among the new companies, Jersey Standard and Socony were created. After World War I, the corporations became the world's largest oil producers, and started a rapid expansion through acquisition of smaller oil-and-gas companies. The development of the companies was favored by the growing demand in the global automotive market, and

by its movement to the mass segment. The companies were growing namely thanks to their innovative technologies for the production of petroleum-based products. During the period of World War II, the companies' facilities were used mostly for the needs of armed forces. However, after the end of the war, the companies again returned to rapid market expansion, and were involved not only in oil production, but also in the development of new oil and gas fields. In the 1970's, the companies started their expansion in Asia and Africa. After the two companies' merger, their market domination only consolidated further (ExxonMobil, 2018a).

The core business operations of ExxonMobil include upstream operations (such as oil exploration, extraction and shipment), downstream operations (marketing, refining and retail operations), as well as operations in the chemical industry. The corporation maintains a developed network of subsidiaries on the global scale. Among such subsidiaries, it is worth noting Mobil Producing Nigeria, SeaRiver Maritime, Esso Australia, Exxon Neftegas, FuelCell Energy, and a number of other companies, trademarks and trade names (ExxonMobil, 2018a).

ExxonMobil carries out a range of corporate social responsibility activities. Namely, the corporation invests funds in various educational programs. It finances the improvement of access to medicine and living condition in developing countries. In addition to this, ExxonMobil acts as a sponsor of a great number of sports and cultural events in the world's different countries. Most importantly, the company proclaims its adherence to the principles of sustainable development. ExxonMobil invests significant funds in research and development based on the use of energy-efficient technologies. The company seeks minimizing its harmful impact on the global natural environment, and is building a chain of integrated cooperation with its suppliers within which environment protection would be seen as a key corporate value and as a requirement of all system elements (ExxonMobil, 2018a).

ExxonMobil has an office in Prague, Czech Republic. This office acts as a business support center (BSC) for the company's extensive portfolio of business operations. As noted by ExxonMobil (2018b), *"Hosting over 1,200 employees from 70 different nations, our Prague BSC centralizes support activities for ExxonMobil's operations across Europe, the Middle East and Africa. We support multiple business lines, including Fuels & Lubricants, Logistics, Marketing Analysis, Human Resources and Information Technology. Some of our daily challenges include supporting business partners in multiple languages,*

problem-solving for customers, performing quality assurance for a global portfolio, and managing high-touch interactions with suppliers and clients.” The Prague subsidiary of ExxonMobil will be taken as the basis for subsequent research, and namely for comparison with the Czech branch of BP.

BP plc. commonly referred to simply as BP and previously known as British Petroleum, is a multinational oil-and-gas company incorporated in the United Kingdom. The corporation is a public company listed on the London Stock Exchange. Its headquarters is located in London, UK. The company’s total number of employees worldwide amounts to 74,500 persons as of 2017. The company is among the global leaders in terms of both oil production and oil refinement (BP, plc., 2018a).

Figure 2 Logo of BP



Source: BP, 2018

BP was established back in the year 1908 under the name of the Anglo-Persian Oil Company established as a subsidiary of Burmah Oil Company. By the end 1913, the British government acquired a controlling interest in the company. In 1919, the company started producing shale oil on the coasts of the United Kingdom. In the 1920’s, the corporation started expanding its activities to territories of the British Commonwealth countries. In the 1930’s, the company expanded rapidly its activities in the Persian Gulf countries thanks to concessions obtained from the local governments. In the 1960’s, the company was able to achieve high profitability rates, which was namely due to the company’s aggressive business policies in the market, and thanks to its focus on research and development as a key competitive advantage of its business. The company was able to keep growing its market share throughout the 1990 - 2000’s (BP, plc., 2018a).

As of today, BP is running a wide range of downstream and upstream business operation in the global oil-and-gas market in 72 countries. The company's hydrocarbons are sold worldwide. BP operates a developed system of international logistics, and all its subsidiaries around the globe are interconnected effectively. The company has a number of subsidiaries which specialize in the development of BP's business in particular geographic market segments (BP, plc., 2018a).

The corporation seeks maintaining its image of a socially responsible oil producer. For this purpose, BP is trying to reduce the amount of harm brought by its production activities to the environment. The corporation invests in research and development activities, and also carries out a wide range of corporate social responsibility activities in the fields of education, healthcare, sports and culture. As of today, the company is the world's third major oil producer (BP, plc., 2018a).

BP's subsidiary in the Czech Republic is called Castrol Lubricants. According to BP, plc. (2018b), *“Our Czech business has been active since 1991. We currently focus on distribution of Castrol, BP and Aral lubricants and specialities. The lubricants business is divided into automotive (Lubes Europe) and industrial (ILS) business units. We are expanding our business activities and adding services such as technical and marketing support, with an emphasis on environmental protection and fuel economy. Castrol Lubricants has 48 people working in the Czech Republic, with our head office in Prague.”* The corporation's Prague branch and its approach to management will be analyzed more in detail in the next chapters of the thesis and will be compared with the same principles of ExxonMobil.

Now, having understood the basic facts on the activities run by ExxonMobil and BP in the global oil-and-gas market, we can proceed to a more detailed analysis of the two companies' organizational structure and the overall approach to management.

3.2 Management Structure and Managerial Activities at the Chosen Companies

In order to analyze the approach to management adopted by ExxonMobil and BP, let's investigate first the companies' organizational structure.

Within the organizational structure of ExxonMobil, the main body of management is the company's Board of Directors, together with its committees. The Board of Directors is responsible for the development of the corporation's business strategy and business

policies, and also for control over the implementation of such goals and general management oversight. According to ExxonMobil (2018d), *“The Board size will be within the limits prescribed by ExxonMobil's By-Laws, which currently provide that the Board may have no fewer than 10 and no more than 19 members. Normally, the Board intends to have approximately 11 to 13 members with 2 to 3 employee directors and 9 to 10 non-employee directors.”* Most directors appointed by the company are independent directors, which means that they are hired from the outside in order to avoid possible conflicts of interests and to ensure the best management of corporate activities. The board has regular meeting 8 times a year, and additional meetings can be appointed in case of need, or when the situation requires their frequency to be increased. Every year or more frequently, the Board of Directors review the performance of the company’s Chief Executive Officer (CEO) in line with the corporation’s business goals and values.

From among its members, the Board of Directors of ExxonMobil appoints committees responsible for the effective oversight of activities on each specific direction or segment of the company’s operations. As of today, the committees of the Board of Directors of ExxonMobil include the Executive Committee, Audit Committee, Board Affairs Committee (which serves as the nominating and corporate governance committee), Compensation Committee, Finance Committee, and Public Issues and Contributions Committee.

Within its approach to management, ExxonMobil uses the so-called OIMS framework (Operations Integrity Management System). According to ExxonMobil (2018c), *“ExxonMobil’s OIMS Framework establishes common worldwide expectations for addressing risks inherent in our business. The term Operations Integrity (OI) is used by ExxonMobil to address all aspects of its business that can impact personnel and process safety, security, health, and environmental performance.”*

Figure 3 ExxonMobil's Operations Integrity Management System



Source: ExxonMobil, 2018c

As can be seen from the chart above, ExxonMobil's OIMS framework includes 11 elements, each of which has its own underlying principle and specific expectations. In order to understand better the corporation's approach to management, let's analyze more in detail each of the elements mentioned above based on ExxonMobil (2018c):

1. management leadership, commitment and accountability. The corporation's management is responsible for defining the overall directions of the company's strategic development and for setting specific targets and goals to be achieved by the corporation within particular timeframes. For the sake of achieving such targets and goals, the company's management develops particular policies to be implemented throughout the corporation, and also sets particular guidelines for the activities of subsidiaries located worldwide. Within the OIMS framework, roles are distributed and transparently assigned to all business units and corporate members throughout ExxonMobil's global presence, which ensures the best accountability and integrity of the managerial approach.
2. Risk assessment and management. As noted by ExxonMobil (2018c), *"comprehensive risk assessments can reduce safety, health, environmental and security risks and mitigate the consequences of incidents by providing essential*

information for decision-making.” Therefore, the company sets a system of regular risk assessments and the updates of risk management maps for the purpose of meeting in the most effective manner all threats impending.

3. Facilities design and construction. This is required for two main reasons: the safety of the company’s employees and assets on the one hand, and the minimization of negative impact on the environment on the other hand. Within the company’s project management procedures, particular criteria and requirements are established for design and construction, and a system of robust control and monitoring is implemented in order to guarantee the compliance with such requirements.
4. Information/ documentation. ExxonMobil (2018c) notes: *“Accurate information on the configuration and capabilities of processes and facilities, properties of products and materials handled, potential Operations Integrity hazards, and regulatory requirements is essential to assess and manage risk.”*
5. Personnel and training. Despite the growing automation and computerization of all work processes, the control of operations still depends largely on people. The performance of all operation at ExxonMobil requires a high level of professional skills on the part of the staff. Therefore, the corporation organizes regular trainings for its employees and ensures the best level of their readiness to resolve practical situation of different kinds which might affect the company’s operation.
6. Operations and maintenance. The company ensures the best operation of all its equipment by controlling such equipment’s work condition and by running regular maintenance and reports, which is essential not only for guaranteeing the uninterrupted performance of the entity’s business, but also the work safety of its employees.
7. Management of change. According to ExxonMobil (2018c), *“changes in operations, procedures, site standards, facilities, or organizations must be evaluated and managed to ensure that Operations Integrity risks arising from these changes remain at an acceptable level.”*
8. Third-parties. ExxonMobil seeks to create a system of integrated partnerships with all its suppliers and other relevant third parties. For this purpose, the company

organizes a system of detailed screening within which corporate managers of ExxonMobil check third parties for their compliance with the overall principles of ExxonMobil's business operations, including in terms of legal compliance and the adherence to the principles of sustainable development and environment protection.

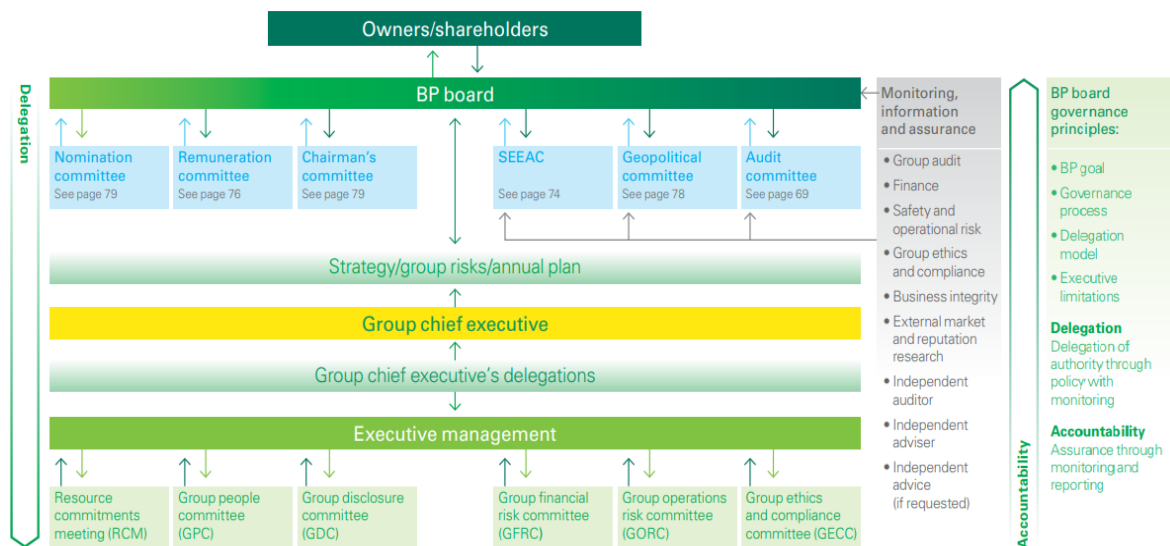
9. Incident investigation and analysis. According to ExxonMobil (2018c), *“effective incident investigation, reporting and follow-up are necessary to achieve Operations Integrity. They provide the opportunity to learn from reported incidents and to use the information to take corrective action and prevent recurrence.”*
10. Community awareness and emergency preparedness. The OIMS framework of ExxonMobil is based largely on effective management of stakeholder relationships. The main idea behind this is to consolidate and improve the confidence and trust on the part of communities where the company operates. For ensuring this, ExxonMobil organizes emergency planning, and ensures the minimization of damages to local communities in case of any force majeure events.
11. Operations integrity assessment and improvement. The assessment of its own operations is required for ExxonMobil to make improvements to such operations from the perspective of both their commercial effectiveness on the one hand and the minimization of potential damages brought to the external communities on the other hand. According to ExxonMobil (2018c), *“operations are assessed at predetermined frequencies to establish the degree to which the Operations Integrity expectations are met. The frequency and scope of assessments reflect the complexity of the operation, level of risk and performance history. Assessments are conducted by multidisciplinary teams, including expertise from outside the immediate unit.”*

According to ExxonMobil (2018c), the company's management structure on sites is similar to the structure of the parent entity. The functional directions of activities are assigned to particular executives, while the board of directors is always responsible for the development of effective corporate-wide strategies and the oversight of their implementation.

Therefore, based on the information outlined above, we can state that the management system of ExxonMobil deployed on the global scale is designed to ensure the best integration of the company's activities throughout all its business units and business processes, and the key attention of the corporation's management in the context of those processes focuses on integrating all managerial actions in a way to make the process of management uninterrupted and cyclical, where each step would have its logical continuation, thus ensuring the best application of the company's efforts and the best use of resources available to it.

Now, we can proceed to the analysis of the organizational structure and managerial practices of BP.

Figure 4 Organizational structure of BP



Source: BP, plc., 2017

The chart above illustrates the general organizational structure of BP plc. As can be seen from it, the company's main body is its Board of Directors. The Board of Directors operates within a system of corporate governance which defines the role of the Board members and precondition the specificities of their interaction with the company's executive management.

The main functions of BP's Board of Directors are the following:

1. Active consideration and direction of long-term strategy and approval of the annual plan. The Board of Directors cooperates closely with the corporation's executive team in order to understand the possible trends in the company's target

markets and their dynamics which can be expected in subsequent periods. Based on such evaluations, the Board of Directors develops the company's long-term strategy and makes amendments to its policies, and also approves the annual plan to reflect the main ideas and criteria of such strategies and policies.

2. Monitoring of BP's performance against the strategy and plan. According to BP, plc. (2017), "*the board reviews financial and operational performance at each meeting. It receives regular updates on the group's performance for the year across a range of metrics as well as the latest view on expected full-year delivery against external scorecard measures. Updates are also given on various components of value delivery for BP's business.*" The board is responsible for reviewing quarterly and full-year results in order to evaluate to which extent the goals set by the company initially were achieved and reveal potential factors affecting the company's performance.
3. Ensuring that the principal risks and uncertainties to BP are identified and that systems of risk management and control are in place. Risk management plays an important role in the structure of the Board of Directors of BP. The board is responsible for assessing regularly the effectiveness of the group's system of internal control and risks management, revealing the main risks affecting the company's activities, and developing effective strategies and policies to prevent such risks from bringing any major damages to the corporation's business.
4. Board and executive management succession. According to BP, plc. (2017), "*the board, in conjunction with the nomination and chairman's committees, reviews succession plans for executive and nonexecutive directors on a regular basis. The board needs to ensure that potential candidates are identified and evaluated as current directors reach the end of their recommended term of office, including in the event of a director needing to leave unexpectedly.*"

Thus, as can be seen from the information above, similarly to ExxonMobil, BP aims to create an integrated system of management within which all its managerial activities would complement each other and would bring the desired effects in terms of wider corporate management and the results expected to be achieved by the corporation in terms of its financial performance. According to BP, plc. (2017), the company's Board of Directors is also set to control the operation of all corporate subsidiaries around the globe.

The organization of managerial practices in such subsidiaries is done in line with the overall corporate principles of management, and the managers on site are able to make the required adaptations to make their policies more effective locally.

Now, taking into account the above facts, we can proceed directly to interviews with the managers of ExxonMobil and BP.

3.3 Interviews with Managers

In order to carry out primary research dedicated to revealing the actual practices of management used in ExxonMobil and BP, interviews were held with the companies' managers in the Czech Republic. The main idea behind this type of research was to analyze how the subsidiaries of large international corporations in the Czech Republic organize their internal processes and what role the effectiveness of cross-cultural management plays in the maximization of corporate performance in this case.

The managers who took part in the interviews were contacted directly through corporate contacts. The interviews were held by phone. The duration of each interview took approximately 1 hour +/- 10 minutes. The interviews were thereafter transcribed by the thesis author in order to analyze their results. The structure of the interviews was developed in a way to analyze those issues associated with the companies' managerial practices which are of major importance in the context of this research and in line with its goals and tasks. The structure of the interview is provided in Annex 1 to this thesis.

Prior to proceeding to the analysis of the two interviews, it should be noted that both managers are mid-level managers in their respective Czech subsidiaries of ExxonMobil and BP. The manager of BP has 23 subordinates, and the manager of BP has 25 subordinates. Furthermore, the manager of ExxonMobil in the Czech Republic is a native Indian, and the manager of BP in the Czech Republic is a native Czech.

Now, let's proceed to the analysis of the answers provided by the managers.

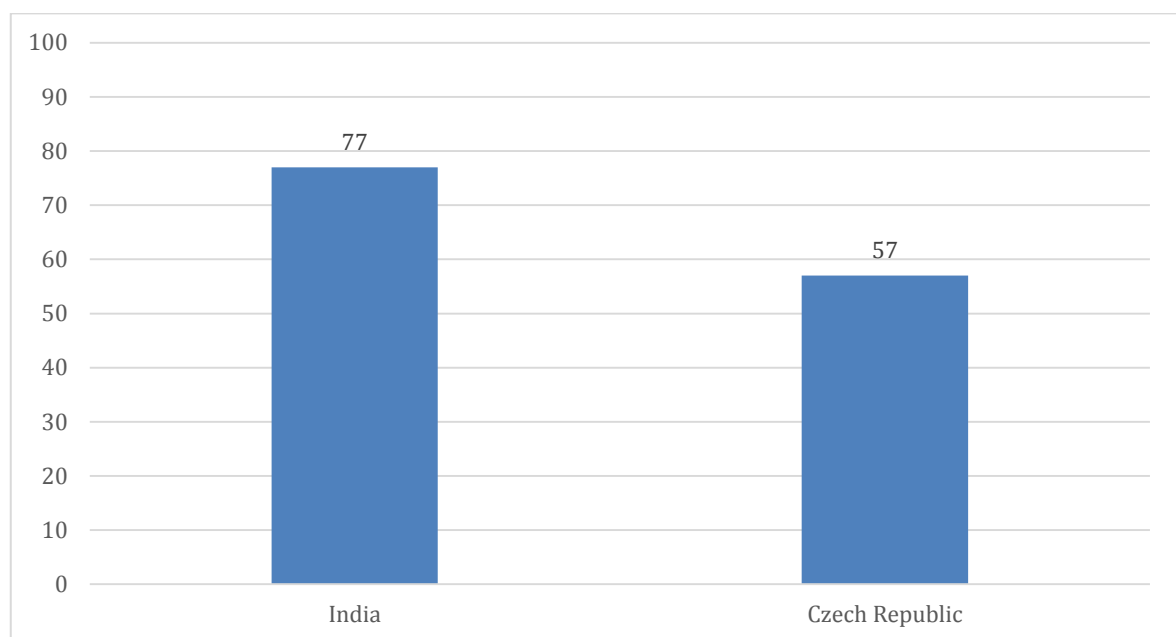
1. What is your general approach to management?

Answering this question, the Indian manager of the Czech branch of ExxonMobil stated that his approach is focused on organizing a clear and understandable hierarchy within the organization, where the rules of accountability would play an important role and would be complied with by all employees. The main idea behind this system is to ensure the best control from the top to the bottom and to achieve a situation in which there would

be a distinctive division of responsibilities and roles within the company, and within which all elements of the hierarchy would work for reaching the common effect.

As for the Czech manager of the Czech branch of BP, he stated that his approach to management is rather democratic. The company has a clearly stated hierarchy of roles and responsibilities and the guidelines for formal communication, which rather serve as the general framework. At the same time, employees are offered opportunities of creative thinking and self-fulfillment, and informal communication within the company is seen as a substantial opportunity for future progress.

Figure 5 India and Czech Republic on Hofstede's power distance index



Source: Hofstede Insights, 2017

We can explain this situation based on the model of Geert Hofstede, and namely the power distance index, which evaluates to which extent cultures are prone to accept firm leadership and hierarchy. As can be seen from the chart above, India's score testifies that the country's culture is characterized by a high distance between those who make decisions and those who execute them. In the Czech Republic, the score is significantly lower, and people are much more prone to a more democratic style of management. This is why we can trace such differences in the general approach to business management in the practices of the two managers.

2. Do you tend to get the employees involved in the decision-making process?

As for this question, the manager of ExxonMobil's Czech branch stated that the company's employees indeed participate in corporate decision-making processes, however solely in terms of advisors, as managers collect and analyze their ideas. Therefore, the employees do not have any direct levers of corporate management in terms of decision-making, but the managers of the company tend to communicate with them for the purpose of learning their ideas and implementing in practice those which might be most beneficial to the company's business performance.

The manager of BP's Czech branch stated that the company relies largely upon its employees and tries to involve them in the decision-making process. This is mostly done through common work meetings where the company's results are discussed and where new ideas are suggested for the company's subsequent development. However, in terms of direct involvement in the decision-making processes, similarly to the manager of ExxonMobil, BP's managers didn't mention any facts of such practices.

Therefore, we can say that in those terms, the two companies' approaches are rather similar: they tend to apply a democratic approach which would allow increasing the involvement of their employees in corporate management processes, but still they maintain a solid hierarchical system where only managers have direct levers of power.

3. How often do you have meetings with employees, and what do you discuss there?

The Indian manager of ExxonMobil's Czech branch stated that the company organizes regular meeting between employees and their managers, as this is seen as a key precondition for ensuring normal communication, revealing the existing problems, suggesting recommendations for the company's business growth, and all other issues of key importance to the corporation. Such meetings are generally of a formal character, and they serve for comparing figures, controlling the achievement of goals and tasks within particular projects or programs, and so on.

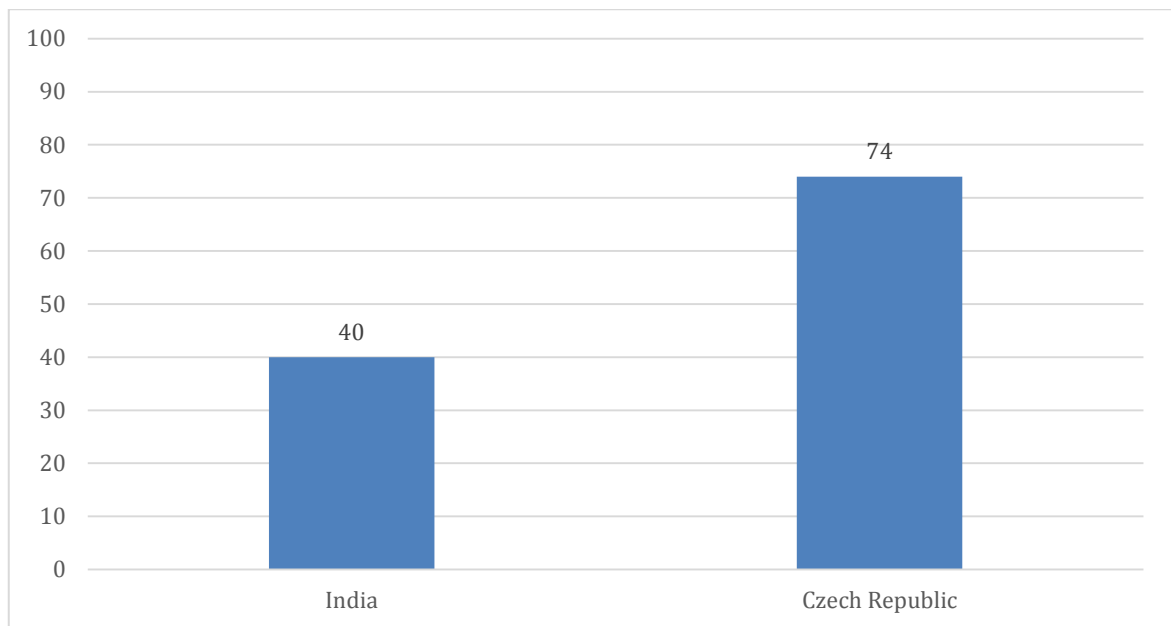
As for the Czech manager of BP's Czech branch, he stated that there are two types of meeting in the company: ongoing and review meetings. Review meetings are held on a monthly basis. They are rather formal and serve to evaluate the actual financial results achieved by the company, measure its progress in the achievement of such results, and suggest recommendations for improvement. At the same time, every two weeks there are ongoing meeting, which are less formal, and where methods such as brainstorming are used in order to incite the employees to generate their best ideas.

4. How do you control and measure the achievements of your subordinates?

Answering this question, the manager of ExxonMobil's Czech branch stated that there is a system of key performance indicators. Such indicators serve to control the actual effectiveness in the company's operation. However, the indicators are rather set as general guidelines. They are subject to changes, and therefore do not play the ultimate role in the evaluation of each particular business unit or employee's actual performance.

BP's manager in the Czech Republic stated that the company has a developed set of control indicators which serve to evaluate the performance of both employees and, more widely, business units. Such control indicators are set not only for the entire company for a particular period of time, but also for each specific project implemented within a project team. Thanks to this, the company achieves a high level of ongoing control over the achievement of the desired business result, and is able to modify its respective tasks rapidly.

Figure 6 India and Czech Republic on Hofstede's uncertainty avoidance index



Source: Hofstede Insights, 2017

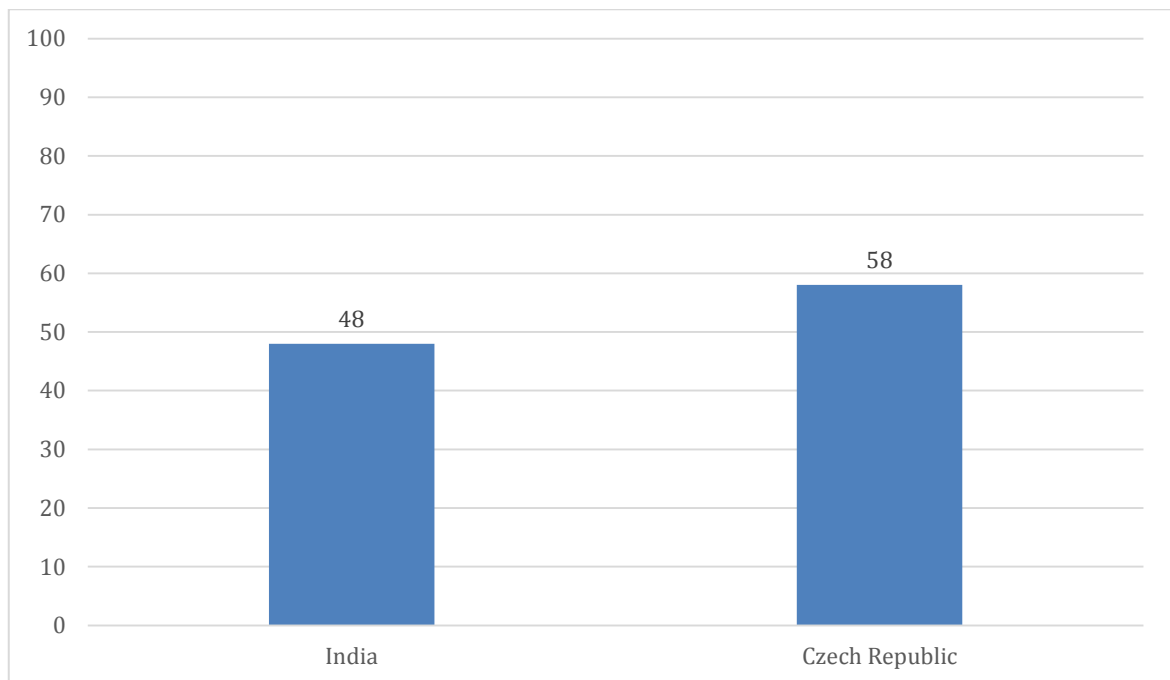
We can explain this situation within Hofstede's model by the uncertainty avoidance index. India ranks significantly lower compared to the Czech Republic, which means that the Indian culture is more prone to accept uncertainty. The Czech culture tends to avoid any kinds of uncertainty, and therefore the use of a detailed system of performance indicators in it for the sake of control is destined to ensure the maximum avoidance of any kinds of uncertainties and for guaranteeing long-term corporate stability.

5. What financial and non-financial rewards do you offer?

The manager of ExxonMobil stated that the company focuses mostly on financial motivation of employees: they are paid their standard wages, and additionally bonuses and benefits for positive overall corporate performance. At the same time, employees are provided with all social guarantee and medical insurance. In terms of non-financial benefits, the employees of ExxonMobil's Czech branch are offered opportunities of career growth, including rotation on the international scale within the corporation.

The manager of BP claimed that in addition to offering all traditional financial benefits, the company focuses largely on the provision of additional benefits, namely recognition of the employees' value for the company in terms of their individual performance, provision of individual space at the workplace, organization of mutual teambuilding events, and so on.

Figure 7 India and Czech Republic on Hofstede's individualism index



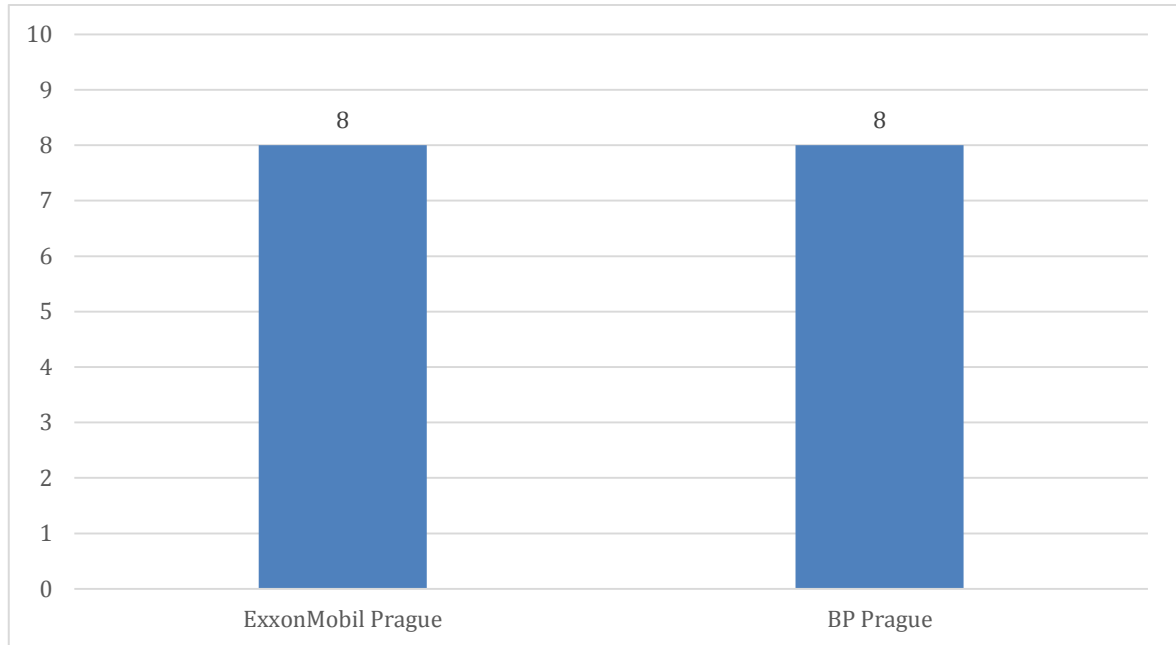
Source: Hofstede Insights, 2017

We can note that there are slight differences between the two managers, as the Czech manager of BP's Prague branch rather stated that the company has a more diversified structure of non-financial benefits compared to ExxonMobil's Czech branch. This might be explained by the fact that the Czech culture is more prone to individualism compared to the Indian culture, as can be seen from the chart above. As a result, the Czech

manager of BP might be more prone to ensure the best opportunities for individual self-fulfillment to his employees compared to the Indian manager of ExxonMobil.

6. How high would you rate your employees' motivation and why?

Figure 8 Level of employees' motivation according to the two companies' managers



Source: Hofstede Insights, 2017

As can be seen from the chart above, both managers believe that the actual level of their subordinates' motivation can be rated 8 points out of 10. This proves that both managers believe their employees are quite motivated to achieve high performance in their work. The reasons for this confidence are similar for both managers: they believe that their respective company provides beneficial financial conditions and the general conditions for personal development and growth. As a result, employees are interested in the work and are incited to maximize their performance.

7. What role do corporate values play in your company's business?

Answering this question, the Indian manager of ExxonMobil Czech Republic stated that the corporation shares the same values throughout the parent company and all subsidiaries, and those values are among the key factors which shape the development of corporate business. Namely, this relates to the company's focus on the quality of its products and services delivered to customers, research and development, sustainable growth and social responsibility.

Similarly, the Czech manager of BP's Prague branch stated that the corporation believes its key values to be the guiding principles of all its market operations, and thus the company's values are of essential importance for its business development. Moreover, as we already know from previous research, the corporate values of BP are quite similar to the corporate values of ExxonMobil, and focus on the quality of products, sustainable growth and social responsibility.

Therefore, we can state that for both companies, according to their managers, corporate values play an important role for consolidating mutual activities and achieving the best standards of business operations.

8. What are the advantages and disadvantages of the manager-manager and manager-employee communication processes in your company?

The Indian manager of ExxonMobil stated that the manager-manager communication in the corporation's Prague branch occurs regularly on a monthly basis. This process includes the discussion of all ongoing processes in the company, effectiveness of management in particular business units and on particular directions, investigation of those factors which affect corporate performance and development of recommendations for improvement. According to him, the main problem in this kind of communication is that local Czech managers might be more pragmatic, while for him time is not linear. However, the overall quality of communication is good. Moreover, there are quarterly conferences with the participation of managers from the parent company, which is set for the mutual coordination of efforts, and the Indian manager believes such information exchange to be very effective. The manager-employee communication is evaluated positively as well. However, the Indian manager states that sometimes some misunderstandings might occur as his requirements to hierarchical submission might be rather stricter compared to what is usual for the company's employees.

As for the Czech manager of BP's Prague branch, he stated that communication between managers occurs on a weekly basis for the sake of consolidating the occurrence of all processes within the company, and also for the purpose of eliminating any possible negative occurrences. Once a month review meetings occur, where the actual achievements are assessed. Also, monthly video conferences are held in order to ensure communication with the managers of the parent company. The manager is overall satisfied with the quality of regular and daily communication with his subordinates, and doesn't see any major problems in these terms.

Later in this thesis, we will also analyze the employees' opinion on the same matter.

9. What would you change in the aforesaid processes?

The Indian manager of ExxonMobil stated that he likes the overall situation in the company, and he wouldn't make any major changes to the current processes of communication. The only improvement he would recommend is to make more intensive mutual cross-cultural trainings, particularly for employees, which he believes would contribute to the overall broadening of their professional mindset.

The Czech manager of BP Prague stated that among the main improvements, the company could pay greater attention to the informal communication between managers of different regional subsidiaries of the parent corporation, as this would contribute to more effective information exchange between them.

10. In your opinion, what would your employees change in your management style?

The Indian manager of ExxonMobil Czech Republic stated that he knows surely that the subordinates would like him to be more democratic in his approach to management and provide them with greater freedom. However, he states that he is totally loyal to his employees, and the only reason for the strict hierarchy and direct control is his desire to organize all business processes in the company in the most effective manner, for the purpose of achieving the best corporate business performance.

The Czech manager of BP believes that the employees would like to reduce the intensity of the formal review meetings with the analysis of the achievement of key performance indicators and development of subsequent ideas. The manager states that he is working on integrating informal elements in such regular communication in order to incite greater interest on the part of his subordinates.

11. Does cross-cultural management play an important role in your activities?

Here, both managers answered unanimously. As they work as managers in two large international corporations' Czech subsidiaries, they have to operate with international staff members and international managers on a daily basis, without speaking of international customers. This means that for managing effectively the entirety of such ties and connections, they need to be proficient in cross-cultural management.

Now, having analyzed the opinion of ExxonMobil and BP's managers in the Czech Republic on the actual deployment of corporate management processes in their entities, we

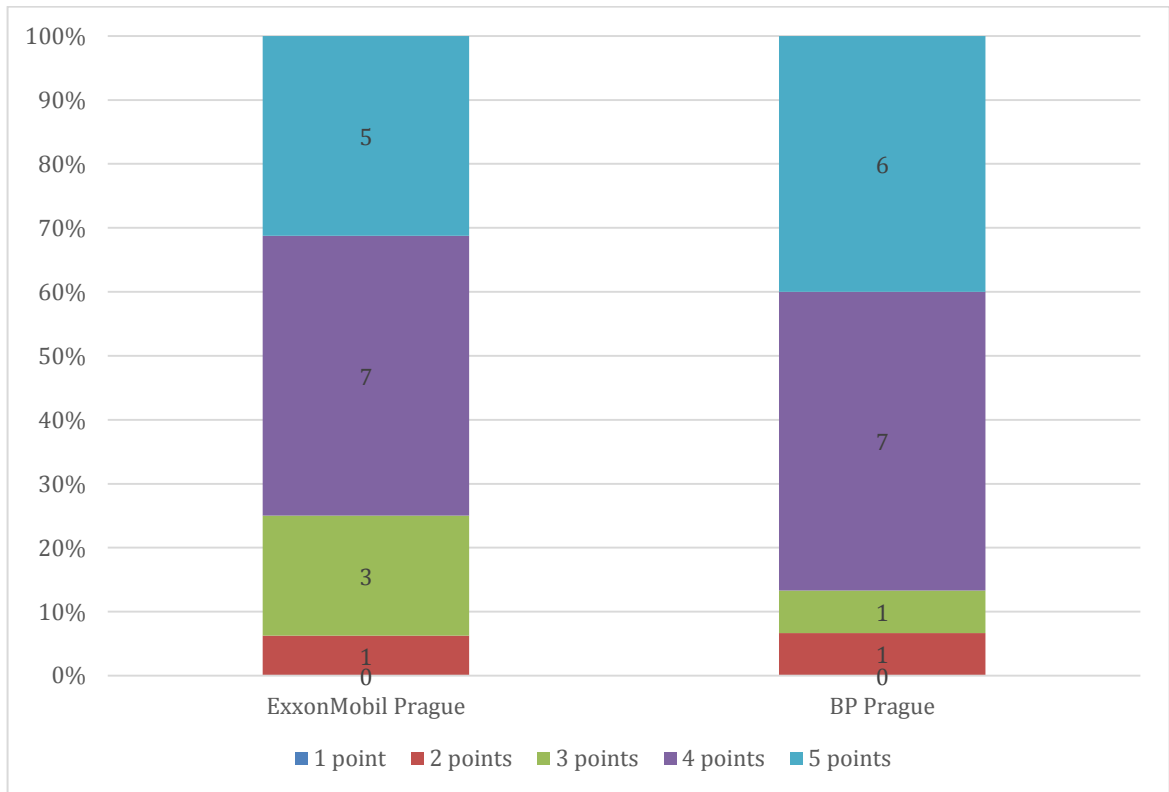
can proceed to the analysis of the polling of employees, which should allow us reveal the employees' opinion on the same issues.

3.4 Polling of Employees

For the purpose of running the polling of employees within the framework of this thesis, 15 employees were chosen among the staff of the Czech branches of ExxonMobil and BP respectively. The choice of respondents for this polling was done randomly, without any specific selection of the age or demographic characteristics of the respondents, which are of relatively small relevance for this research. The polls were distributed in hands to the company's employees. Most staff members are Czech citizens residing constantly in the Czech Republic. All questions were developed in the form of closed questions with several options of answers available. The questions were designed by the thesis author in order to complement the questions asked to corporate managers within the structure of interviews. The structure of the survey is provided in Annex 2 to the thesis. The poll was held anonymously in order to guarantee accurate and unbiased results.

1. To which extent are you satisfied in overall with your manager? Please rate 1 to 5.

Figure 9 Employees' answers to question 1

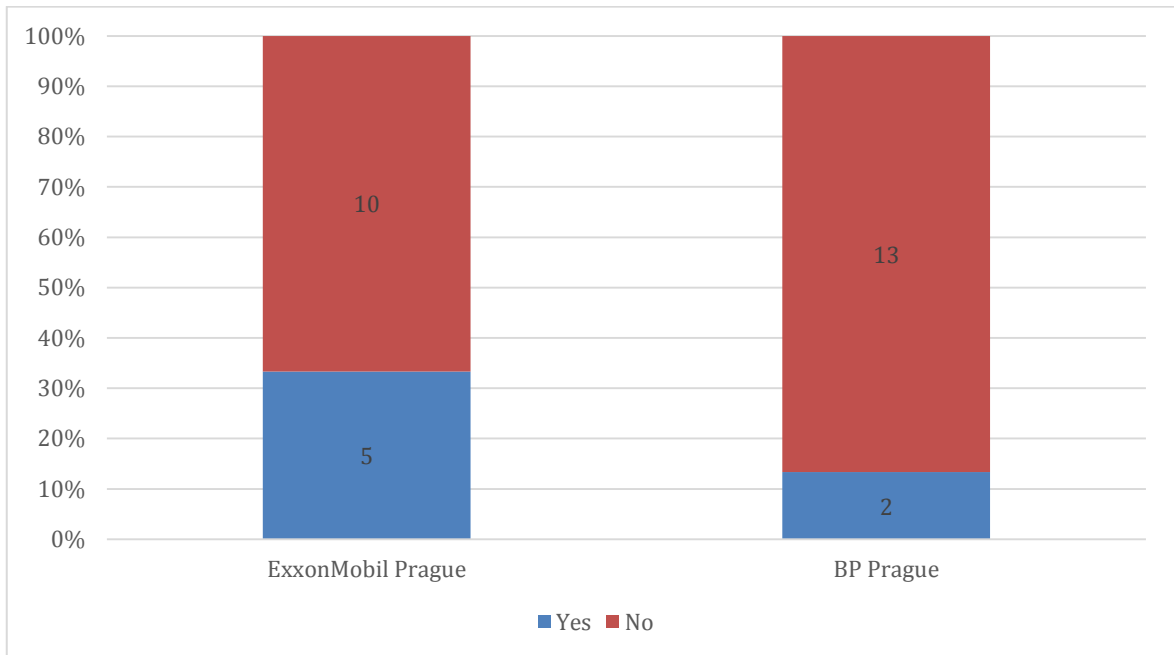


Source: Own research

As can be seen from the chart presented above, both companies' employees show an overall high level of satisfaction with the quality of managerial activities performed by their respective manager: 12 employees from ExxonMobil' Prague branch rated the quality of their manager's work as 4 - 5 points out of 5, and 13 employees of BP's Prague branch assigned the same score to their manager. This proves that overall, despite the different approaches to management applied by the two managers, they are both quite effective, and the employees evaluate high their efforts.

2. Do you believe that the style of your manager is autocratic?

Figure 10 Employees' answers to question 2

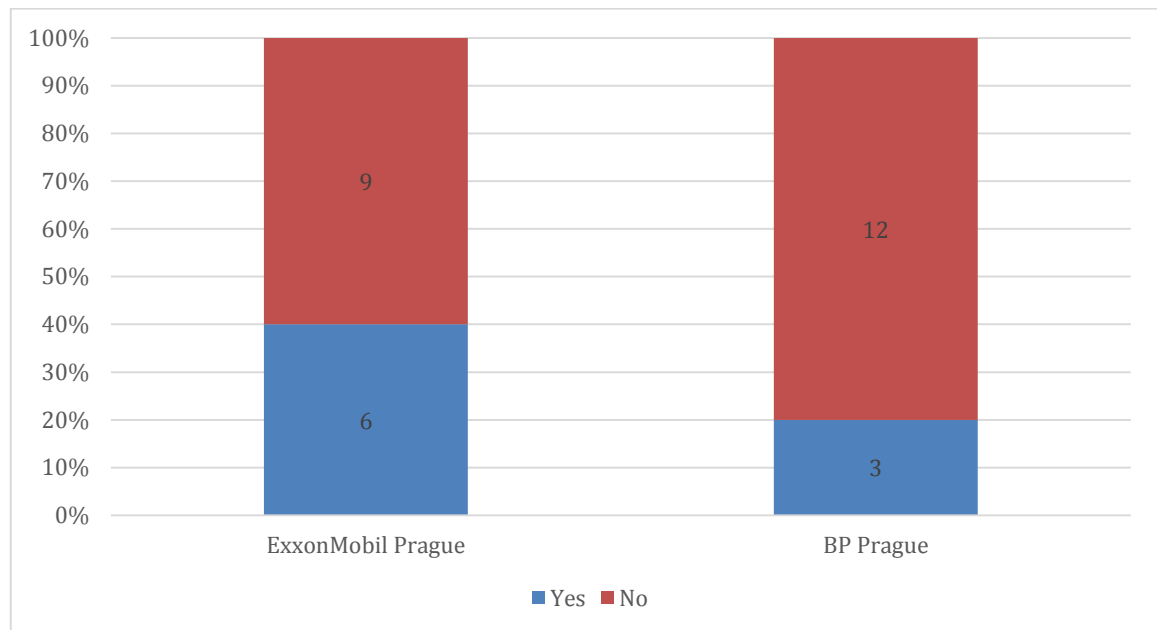


Source: Own research

As we can see from the chart above, 1/3 of the respondents from ExxonMobil believe that the managerial approach of their Indian manager is autocratic. At the same time, only 2 employees of BP's Prague branch noted that they believe their manager to be autocratic. This correlates with the previous findings of our research, which proved indeed that the Indian manager of ExxonMobil's Czech office is more prone to an autocratic style of management and establishes a clearly visible firm hierarchic structure in his entity.

3. Would you like to have smaller control on the part of your manager?

Figure 11 Employees' answers to question 3

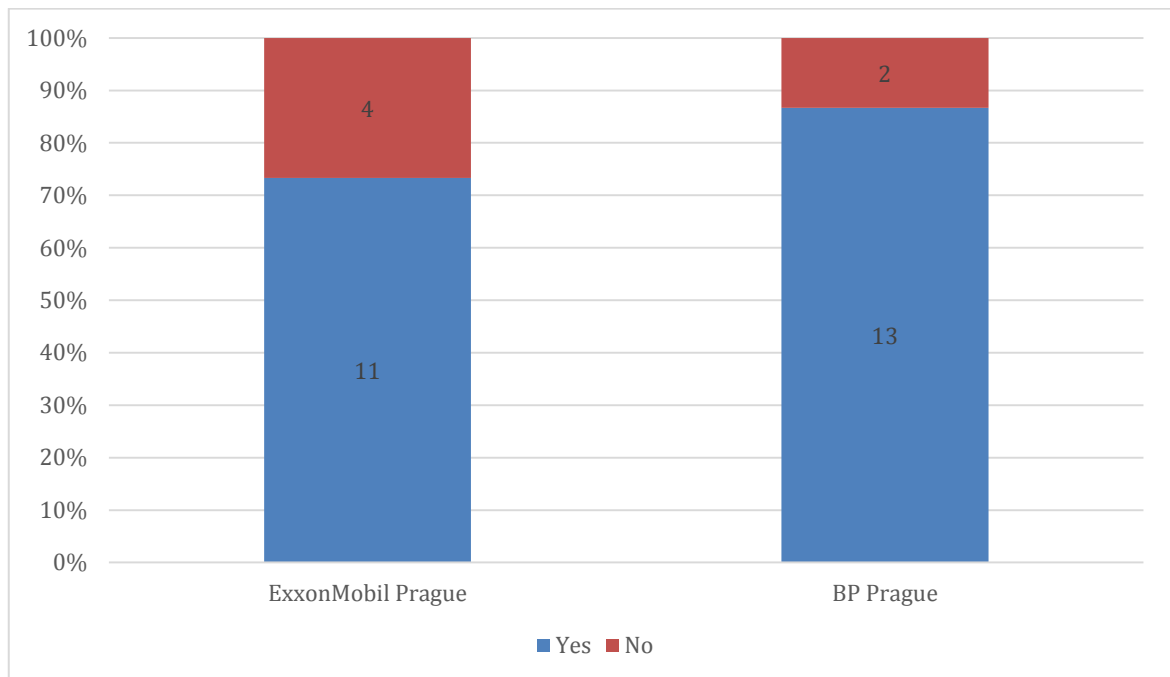


Source: Own research

The findings illustrated in the chart above correlate with the employees' answers to the previous question. Thus, 6 out of the 15 respondents from ExxonMobil's Czech branch state that they would like to have smaller control on the part of their manager. For BP Prague, this figure is twice smaller. Based on Hofstede Insights (2017), we can explain it by the fact that the Czech culture is more prone to individualism and smaller power distance compared to the Indian culture to where ExxonMobil's manager belongs. Therefore, Czech employees would like to have less control and more freedom. In the Czech branch of BP, they have such freedom, as their manager is Czech as well, and hence the difference in these perceptions.

4. Are your opinions taken into account in the course of corporate decision-making?

Figure 12 Employees' answers to question 4

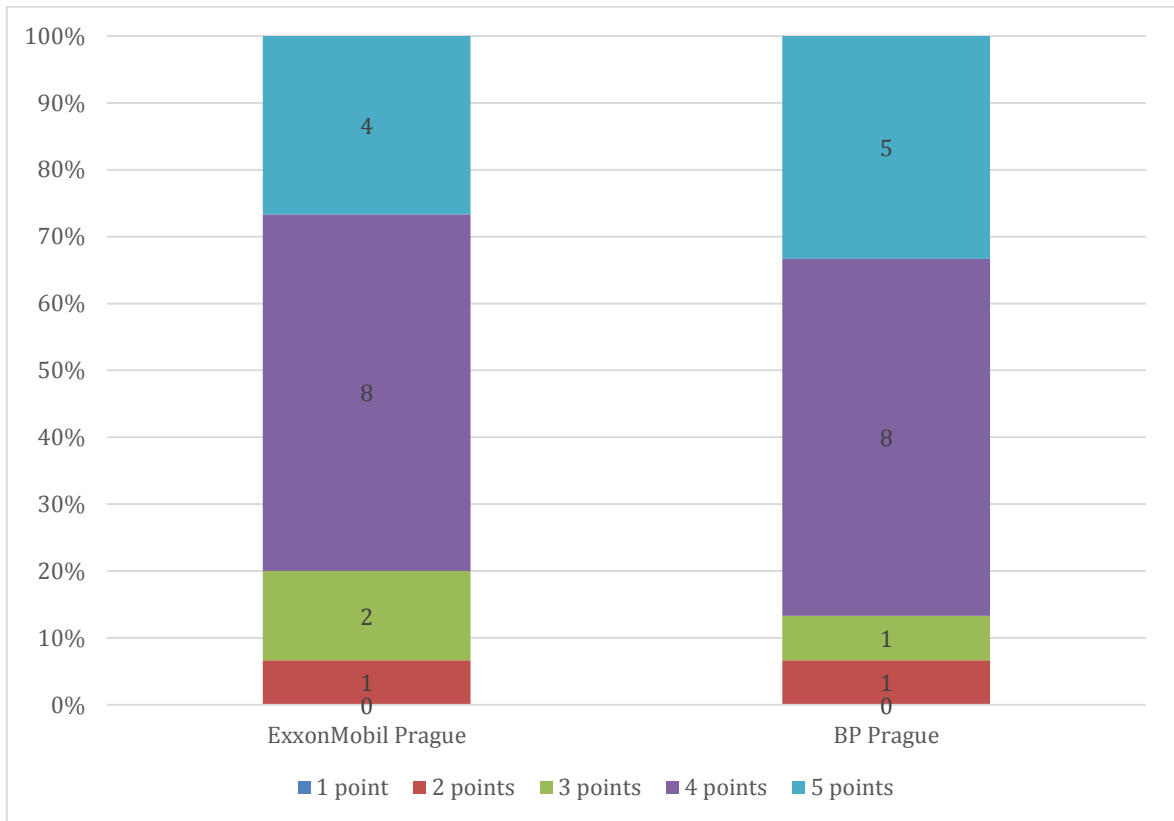


Source: Own research

However, despite the claims of a part of employees that they would like to have smaller control, as can be seen from the chart above, most employees of both ExxonMobil and BP's employees in the Czech Republic believe that their opinions are taken into account by their managers. This proves that the Czech branches of the British and the American corporation indeed provide a favorable environment for the self-development of their staff.

5. What is the quality of communication between managers and employees in your company? Please rate 1 to 5.

Figure 13 Employees' answers to question 5

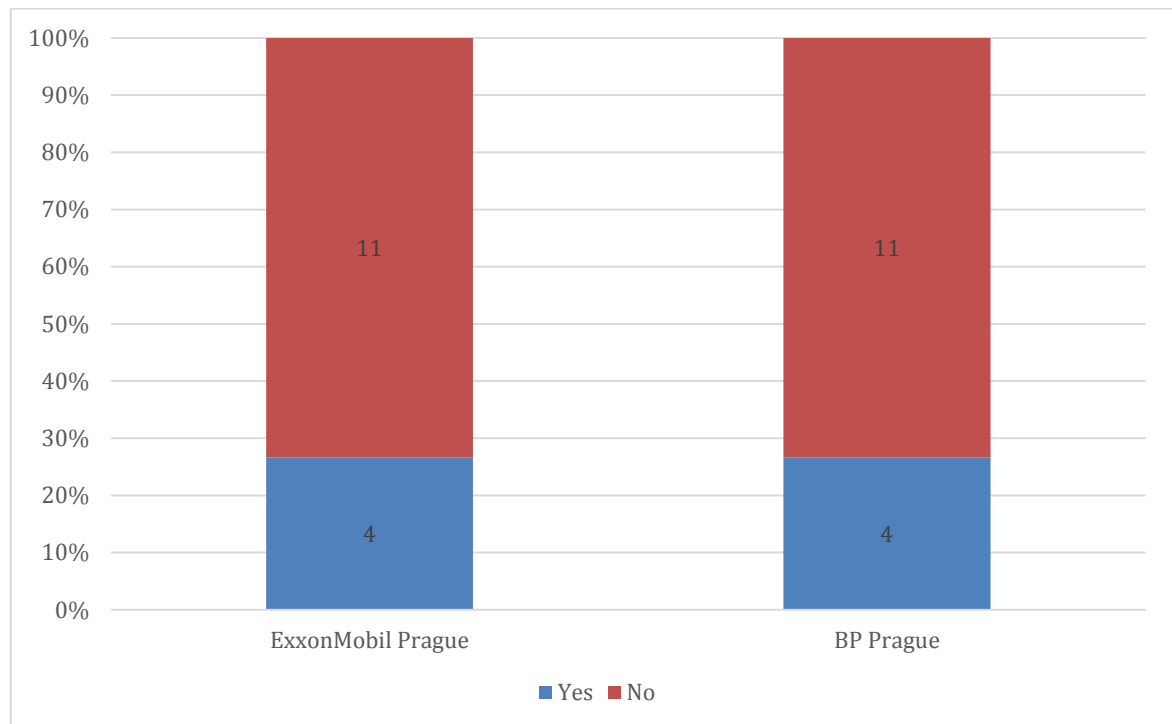


Source: Own research

The patterns in the employees' perception of the quality of communication between managers and employees in their company are generally very similar. Both in ExxonMobil and BP's branches in the Czech Republic, employees are satisfied with the quality of communication. This means that the companies are able not only to involve their employees in the decision-making process, but also to arrange quite effective communication between managers and employees.

6. Do you believe the communication processes to be excessively formal?

Figure 14 Employees' answers to question 6

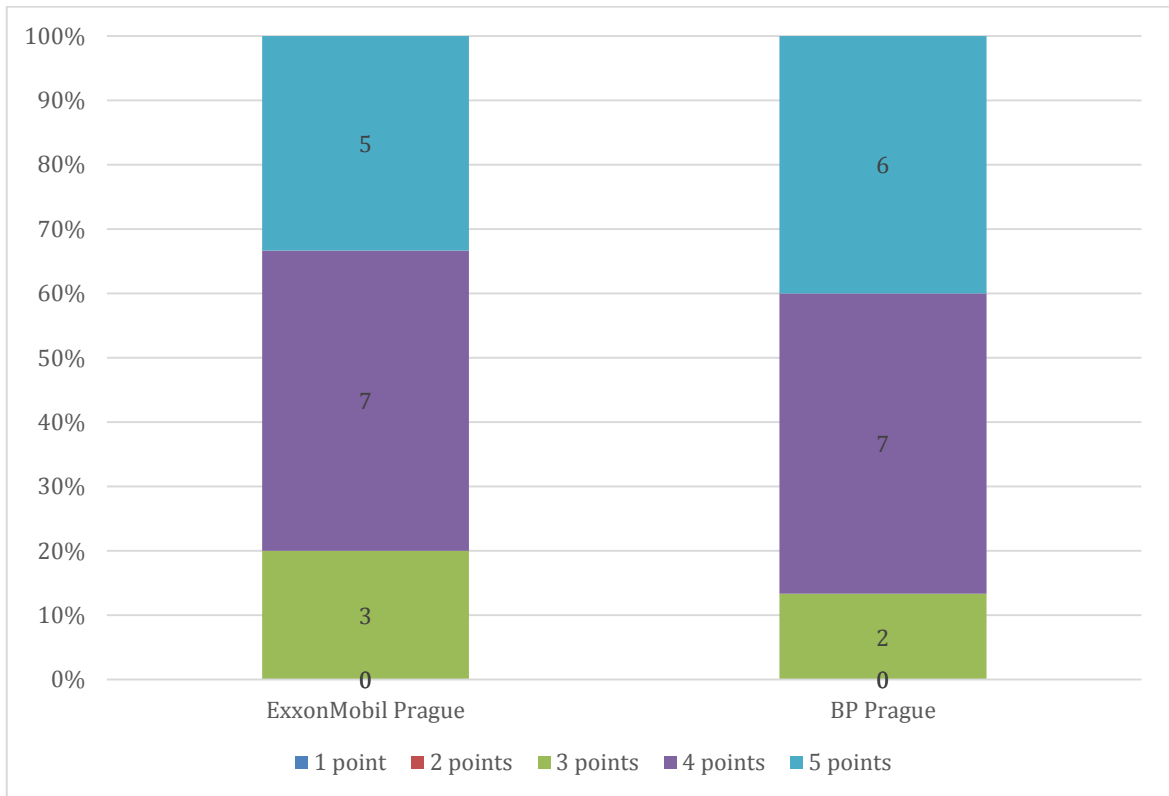


Source: Own research

The number of employees in the two companies who believe that the communication processes are excessively formal is similar: 4 employees in each of the companies. On the one hand, this proves that informal communication in the two companies is quite sufficient for most employees. However, at the same time, this suggests clearly that there is significant room for improvement, and namely by increasing the intensity and importance of informal communication for the sake of higher employee satisfaction.

7. To which extent are you satisfied with the quality of financial motivation? Please rate 1 to 5.

Figure 15 Employees' answers to question 7

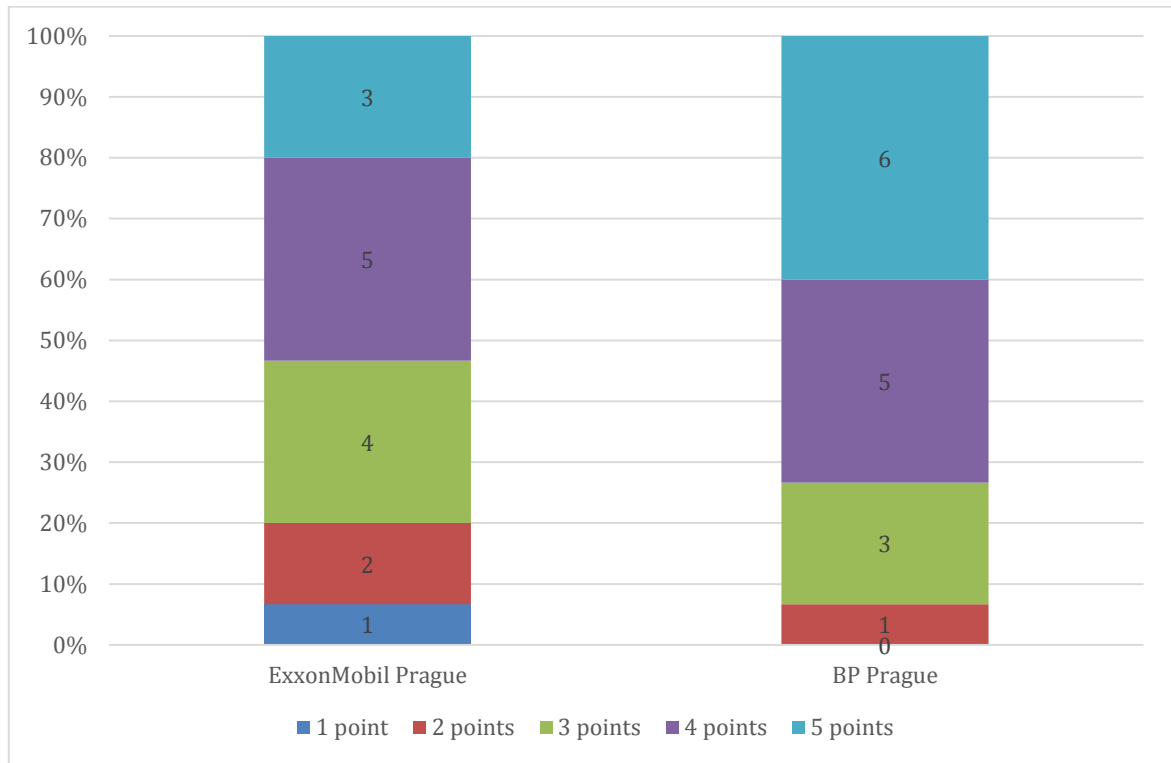


Source: Own research

As we can see from the chart above, the quality of financial motivation in the two companies is quite high. There are no employees who would rate it as 1 or 2 points out of 5 in either of the entities. This proves that by providing effective financial motivation, the two companies create an environment in which their employees would be incited to demonstrate higher individual performance, and at the same time greater commitment to general corporate goals and objectives.

8. To which extent are you satisfied with the quality of non-financial motivation?
Please rate 1 to 5.

Figure 16 Employees' answers to question 8

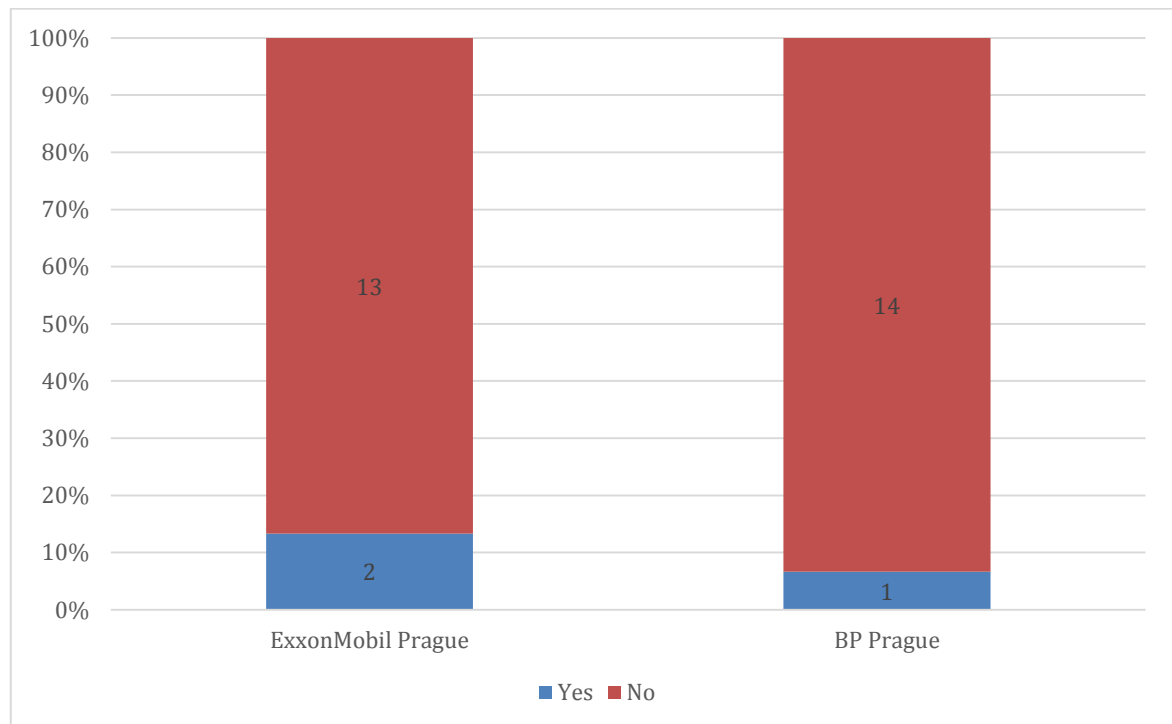


Source: Own research

The chart above illustrates that the situation with non-financial motivation is slightly different. Namely, in the Czech branch of ExxonMobil, there are employees who are either dissatisfied with the quality of non-financial motivation or assign mediocre points to it when evaluating its level. In BP Prague, the situation is slightly better, as less employees assign smaller points to the quality of corporate non-financial motivation. Although we can state that the situation is not bad, as most employees are satisfied with the overall quality of non-financial motivation they get, hence being motivated to deliver the best individual performance, we should still emphasize that both companies have room for improvement in those terms, and this is particularly true speaking of ExxonMobil's Prague branch.

9. Do you believe that the situation with management is better in other companies in the sector?

Figure 17 Employees' answers to question 9



Source: Own research

Finally, when comparing the situation with management in their respective company, the respondents from ExxonMobil and BP's Czech branches stated that they mostly believe the situation in other entities not to be better. This proves once again the fact that the companies' employees are generally satisfied with their managers, and this illustrates their commitment to the achievement of corporate goals and tasks.

Therefore, based on the findings of the survey, we can state that the employees of the Czech branches of both ExxonMobil and BP are generally satisfied with the efforts of their managers. However, the two entities have still opportunities to increase the quality of their management, and thus to raise the level of their employees' satisfaction with the work and loyalty.

Taking into account these facts, we are now going to discuss the findings obtained and to provide recommendations for the companies.

3.5 Discussion and Recommendations

Based on the findings of this research, it can be stated that the systems of management at ExxonMobil and BP, and namely in the corporations' Czech branches, are quite effective and allow achieving the corporations' business goals, namely maintaining

their leading positions in the global oil-and-gas market. The system of management is established on the level of the parent company in both cases, and is transferred to the local level with the required adaptations made by the local managers to meet the specific conditions of doing business in the Czech Republic. This is a key precondition for the companies' effective operation, as this ensures the best spreading of common corporate values and the guidelines for the establishment of powerful systems of management.

The fact that both companies' employees show a high level of their satisfaction with both the work conditions they have and the attitude of managers toward them proves that the systems of management implemented in both ExxonMobil and BP's Czech branches are indeed quite effective. This fact is positive, as it proves not only that the two companies are able to manage the staff effectively, but also that the local managers in Prague have high skills of cross-cultural management, and this is critical for multinational corporations, which run their activities in a great number of different geographic markets at once.

Speaking of the issues which we were able to reveal, it is worth noting that the manager of the Czech branch of ExxonMobil is an Indian, while his subordinates are Czechs. There are significant differences between the Indian culture and the Czech culture, and this needs to be taken into account. For instance, the Czech culture is prone to individualism and to small power distance. In contrast to this, the Indian culture is more prone to collectivism and to high power distance. As a result, the style of management of the Indian manager is more autocratic than might be appropriate for Czech subordinates.

Nevertheless, our research revealed that most employees still do not believe the Indian manager's approach as excessively autocratic. This can be explained by the fact that ExxonMobil is an American multinational corporation, and the Indian manager works within the conditions created by the standards of the parent company. The American culture is characterized by total aspiration for individualism and small power distance, and therefore the Indian manager's approach is preconditioned not purely by his own culture, but also by the culture of the branch located in the Czech Republic and of the parent corporation.

Still, the Czech branch of ExxonMobil might benefit from greater freedom provided to employees. The Indian manager might consider being involved more in informal communication for the sake of becoming closer to the subordinates, and thus for ensuring the most effective bilateral communication with them.

The same recommendation can also be provided to the Czech branch of BP. This was stressed by the company's Czech manager, and we can state indeed that improving the quality of informal communication in the company might be an important step toward the optimization of its internal management. This should contribute to the better exchange of information between the manager and his employees, and should also incite the employees' creative spirit, promote their involvement in all corporate process, and contribute to their better performance in the long run. In the Czech culture, those are important elements for any individual, and therefore by ensuring the opportunity to achieve this, BP's Prague branch would be able to achieve some improvement in its performance.

Another recommendation which can be provided to the Czech branch of ExxonMobil is to focus more on the non-financial means of employee motivation. As testified by the polling held among the company's employees, their level of financial motivation is quite high. However, the level of satisfaction with non-financial benefits is lower compared to the Czech branch of BP. The company might benefit significantly by investing more time and resources in corporate teambuilding, by promoting employees based on their individual performance, showing recognition of their work results and applying all other non-financial methods of motivation available to it. This should contribute to a higher level of employees' interest in raising their performance, and should also increase the staff's loyalty to the company.

For the Czech branch of BP, another recommendation might be to increase the intensity of regular communication between the managers and the employees. The timely and effective identification of all issues and development of ideas for their resolution is only possible when managers of different levels and employees cooperate intensively and exchange their ideas. Therefore, this should be a key step to promote the interest of employees and at the same time to identify in a timely manner all possible threats, and to develop measures for greater effectiveness. If the Czech branches of ExxonMobil and BP are able to implement the recommendations described above, they will be likely to further increase the quality of internal management, and thus to raise their performance in the long run.

4 Conclusion

The findings of the thesis prove that effective management is indispensable for any commercial entity to succeed in its business activities. The quality of corporate management is what predetermines the effectiveness of the internal organization of all business processes and the uninterrupted nature of corporate business.

Different companies might apply different managerial approaches, and this is preconditioned by a wide range of factors, including the country of the company's incorporation, field of its activities, number of staff, and so on. Different styles of management can be applied with the same effectiveness in different circumstances and by different companies. They are reflected in the organizational structure of companies and in their particular managerial activities.

Cross-cultural management is a set of activities designed to allow companies managing effectively the entirety of ties with foreign counterparties. In the case of multinational corporations, managers have to deal with multinational staff, foreign suppliers and governments, buyers in different markets, and in these conditions effective cross-cultural management plays a key role.

RQ1: What are the main differences in the management styles of ExxonMobil and BP's Czech branches?

The management systems of ExxonMobil and BP's Czech branches are very similar. They both are based on the general recommendations and guidelines set by the parent corporations and are operating effectively, allowing the two companies achieving effective business results. However, the particular styles of management are rather different, as the companies employ different managers for their positions. Namely, ExxonMobil's manager in the Czech Republic is an Indian, while BP's manager is a Czech. The Indian culture is characterized by a more autocratic approach, with greater power distance, and is at the same time more prone to the collective than to the individual. On contrast, the Czech Republic's culture is prone to the individual, and also doesn't accept the great power distance inherent of the Indian culture. Therefore, the management at ExxonMobil's branch in Prague is rather more hierarchically structured. Nevertheless, as the two entities are subsidiaries of their American and British parent companies respectively, they are democratic in their approach to management, and ensure a high degree of freedom for their employees.

RQ2: How can the two companies improve the effectiveness of their internal management?

The main recommendation which can be provided to the Czech branch of ExxonMobil is to raise the level of the employees' involvement in corporate decision-making. As for the main recommendations which can be provided to the Czech branch of BP, the company might benefit significantly from improving the quality of communication between its managers and employees. Another important recommendation is to focus on the improvement of non-financial motivation means, which is critical for raising the level of the staff's interest and long-term loyalty to the company.

The hypothesis which was tested in the course of the research was the following:

H1: The differences in the management styles are preconditioned by the distance between the parent corporation and the Czech subsidiary.

In the case of the two companies analyzed in the course of this thesis, it can be stated that the distance between the parent corporation and the subsidiaries doesn't play any major difference in terms of the style of management applied within the two entities. The main reason for it is the fact that the local branches of the two oil-and-gas corporations base their principles of management on the wider principles applied by the parent corporations. Thanks to this, certain consolidation is achieved throughout the entire system of corporate business, and integrity is achieved on the corporate-wide scale. Therefore, based on this, the hypothesis can be rejected.

Overall, it can be stated that effective management is indispensable for any company. In the case of large multinational corporations, cross-cultural management plays an essential role, as it preconditions largely the overall business performance achieved by such companies.

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Appendix

Annex A Structure of the Interview with Managers

Annex B Structure of the Survey Held Among Employees

Annex A Structure of the Interview with Managers

1. What is your general approach to management?
2. Do you tend to get the employees involved in the decision-making process?
3. How often do you have meetings with employees, and what do you discuss there?
4. How do you control and measure the achievements of your subordinates?
5. What financial and non-financial rewards do you offer?
6. How high would you rate your employees' motivation and why?
7. What role do corporate values play in your company's business?
8. What are the advantages and disadvantages of the manager-manager and manager-employee communication processes in your company?
9. What would you change in the aforesaid processes?
10. In your opinion, what would your employees change in your management style?
11. Does cross-cultural management play an important role in your activities?

Annex B Structure of the Survey Held Among Employees

1. To which extent are you satisfied in overall with your manager? Please rate 1 to 5.
2. Do you believe that the style of your manager is autocratic?
3. Would you like to have smaller control on the part of your manager?
4. Are your opinions taken into account in the course of corporate decision-making?
5. What is the quality of communication between managers and employees in your company? Please rate 1 to 5.
6. Do you believe the communication processes to be excessively formal?
7. To which extent are you satisfied with the quality of financial motivation? Please rate 1 to 5.
8. To which extent are you satisfied with the quality of non-financial motivation? Please rate 1 to 5.
9. Do you believe that the situation with management is better in other companies in the sector?