

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of economics



Master's Thesis

**The impact of cultural diversity on the performance
of chosen company.**

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

DIPLOMA THESIS ASSIGNMENT

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Economics and Management

Economics and Management

Thesis title

The impact of cultural diversity on the performance of chosen company

Objectives of thesis

The main purposes of my Diploma Thesis are to evaluate the impact of cultural diversity on a company's performance (annual profit) and to create suggestions for the company regarding cultural diversity in the workplace. The object of my research is a branch of Guerbet company in the Czech Republic which is currently located in Prague.

Methodology

The theoretical part of the diploma thesis will describe the definition of cultural diversity, the main impacts of cultural diversity on international companies, advantages and disadvantages of diversity at the workplace. It will also include the main characteristics of the company and the history of the company's development in international trade.

The practical part will consist of the OLS model which will represent the impact of gender and the number of nationalities on the company's annual profit in the period between 2017 and 2020 years. In the Practical part will also be included suggestions for the company regarding cultural diversity. The main methods of research in this diploma thesis are: Descriptive method, Econometric model (OLS),

Software GRETL, Time period 2017-2020.

The proposed extent of the thesis

60-80

Keywords

Cultural diversity, Guerbet company, profit, gender, nationality, impact, multinational companies

Recommended information sources

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Expected date of thesis defence

2021/22 SS – FEM

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Declaration

I declare that I have worked on my master's thesis titled "The impact of cultural diversity on the performance of chosen company" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the master's thesis, I declare that the thesis does not break any copyrights.

In Prague on 31.03.2022

Acknowledgement

I would like to thank professor prof. Ing. Mansoor Maitah, Ph.D., my family and friends for their advice and support during my work on this thesis.

The impact of cultural diversity on the performance of chosen company

Abstract

Nowadays, cultural diversity strongly affects performance in many companies, and it doesn't exclude the French pharmaceutical company Guerbet, which has branches all over the world.

This diploma thesis will study the impact of cultural diversity on one of the Guerbet company's branches, which is currently located in the capital of the Czech Republic, Prague.

The main work of the diploma thesis will be divided into two parts, theoretical and practical, where qualitative (research-based) and quantitative methods (data-based) will be used.

The theoretical part of the diploma thesis will describe cultural diversity, the significant impacts of cultural diversity on international companies, advantages, and disadvantages of diversity at the workplace. It also will include Guerbet company's description and the history of company development on international trade.

The practical part will consist of 3 OLS models, which will represent the impact of gender and number of nationalities as exogenous cultural variables in the company on the company's annual profit, which will be defined as an endogenous variable. The time series for the model will include four observations from 2017 till 2020. Results and discussions of this model will be presented as well as recommendations for the company regarding cultural diversity at the workplace.

Keywords: Company, cultural diversity, culture, gender, Guerbet, impact, multinational, nationality, OLS model, profit.

Vliv kulturní rozmanitosti na výkonnost vybrané společnosti

Abstrakt

Kulturní rozmanitost v dnešní době silně ovlivňuje výkonnost mnoha společností a nevyklučuje francouzskou farmaceutickou společnost Guerbet, která má pobočky po celém světě.

Tato diplomová práce se bude zabývat vlivem kulturní diverzity na jednu z poboček společnosti Guerbet, která se v současnosti nachází v hlavním městě České republiky, Praze.

Hlavní práce diplomové práce bude rozdělena do dvou částí, teoretické a praktické, kde budou použity kvalitativní (založené na výzkumu) a kvantitativní metody (založené na datech).

V teoretické části diplomové práce bude popsána kulturní diverzita, významné dopady kulturní diverzity na mezinárodní společnosti, výhody a nevýhody diverzity na pracovišti. Bude také obsahovat popis společnosti Guerbet a historii vývoje společnosti v oblasti mezinárodního obchodu.

Praktická část bude sestávat z 3 modelů OLS, které budou reprezentovat vliv pohlaví a počtu národností jako exogenních kulturních proměnných ve firmě na roční zisk firmy, který bude definován jako endogenní proměnná. Časová řada pro model bude zahrnovat čtyři pozorování z let 2017 až 2020. Budou prezentovány výsledky a diskuse tohoto modelu a doporučení pro společnost ohledně kulturní diverzity na pracovišti.

Klíčová slova: Firma, gender, Guerbet, kultura, kulturní diverzita, model OLS, nadnárodní, národnost, společnost, zisk.

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1 Introduction

Increasing cultural diversity in the workforce is one of the most important challenges facing companies today in terms of personnel policies, a fact that is especially relevant in multinational companies where workforces are made up of people from very different backgrounds.

Nowadays, thanks to the advancement and accessibility of long-distance transportation, the world has changed significantly over the last ten-twenty years. People can travel beyond the borders of their own countries and continents. They can explore the world and interact with different cultures and civilizations.

The recognition of cultural diversity is relatively recent. In the 19th century, the intellectual community in Europe was simply unaware of the depth and breadth of culture that existed in the rest of the world. The wars and globalization of the 20th century made the people of all countries, including those of Western Europe, aware of the world's cultural diversity. Culture also poses today's most important economic and political tasks.

Modern megacities are often compared to mythical Babylon: the same pandemonium of peoples, languages, and cultures. This variegated diversity poses a serious challenge for cultural policy. To understand this, in the countries of Western Europe, in the 1990s the concept of cultural diversity was introduced. In the 2000s, it became one of the key points of national and city cultural development strategies.

One of the primary drivers of the increased interest in cultural studies is the globalization of business. When conducting business with partners from another region of the world, not just economic factors, but also cultural differences, might be critical. Mentality and ethics vary from one culture to the next. This variation may be exciting and extend our ideas, but it also raises the possibility of misunderstandings and cultural shock.

In connection with the active development of processes such as globalization and the internationalization of the world market in recent decades, entering foreign markets is becoming an integral part of business activity. The success of a company on an international scale is determined by a combination of various factors, among which cultural factors play an important role. In addition to economic and political factors, important cultural differences, which include, among other things, values, religious beliefs,

and norms of negotiation behaviour, as well as language, must be explored in advance and taken into account.

Cultural diversity enriches our lives every day in countless ways. It is an important source of identity and fundamental human rights. Today's cultural diversity is the result of many millennia of human interaction with nature and with other peoples, with other customs, beliefs, and ways of life. Having received this invaluable heritage, we must take care to pass it on to future generations.

Globalization and cultural differences have influenced and evolved many companies. The company Guerbet, which will be discussed today, is also no exception. The company's history started long time ago, in 1901, with discover of the first iodinated contrast agent by Marcel Guerbet. Nowadays, company has branches all over the world, not excluding Czech Republic, and over than 2700 employees from different countries.

2 Objectives and Methodology

2.1 Objectives

The main purposes of this Diploma Thesis are to evaluate the impact of cultural diversity on a company's performance (annual profit) and to create suggestions for the company regarding cultural diversity in the workplace. The object of my research is a branch of Guerbet company in the Czech Republic which is currently located in Prague.

- **Hypothesis**

- The more nationalities of employees, the higher annual profit of the company
- The lower level of gender diversity, the lower annual profit of the company.

2.2 Methodology

The theoretical part of the diploma thesis will describe the definition of cultural diversity, the main impacts of cultural diversity on international companies, advantages, and disadvantages of diversity at the workplace. It will also include the main characteristics of the company and the history of the company's development in international trade and description of main products of the company.

The practical part will consist of the OLS models which will represent the impact of gender and the number of nationalities on the company's annual profit in the period between 2017 and 2020 years. Each model will separately show dependence of endogenous variable which will be representing by annual profit of the company Guerbet on exogenous variables, which will be represented in first model by number of nationalities and unit vector, in the second model by number of women per year in company and unit vector, and in the end, in the third model it will be represented by number of men in the company per each year and again, unit vector. For the application of models, the coefficient of elasticity is going to be used. So, by the checking the change of dependent variable (profit of the company) if the explanatory variable (number of nationalities, men, women) increases by 1%. The part Results and Discussions will include all results of the model with explanations and suggestions for the company regarding cultural diversity. The main methods of research in this diploma thesis are:

Descriptive method, Econometric model (OLS), Software GRET, Time period 2017-2020.

3 Literature Review

3.1 Definition of cultural diversity

“Cultural differences should not separate us from each other, but rather cultural diversity brings a collective strength that can benefit all of humanity”¹

Robert Alan

Starting with the definition of „culture” is a good place to begin in order to properly comprehend the term „cultural diversity”.

Hundreds of definitions have been offered by dozens of writers under the umbrella word "culture." The term is likely to be interpreted in a variety of ways by each of us. Our understanding of culture as something that binds people together in terms of beliefs, habits and customs that have been passed down through the generations is founded on common sense.

From a semantic standpoint, the term "culture" derives from the Latin word „cultura”, which literally translates as "agricultural, cultivation, or tilling." The term "culture" was first used in English in the 15th century, according to historical records.²

Tylor Edward, a nineteenth-century English anthropologist, was the first to define culture as socially structured human thinking and behaviour: “Culture, or civilization, taken in its broad, ethnographic sense, is that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society” (Tylor, 2010).

Author Geert Hofstede, a Dutch social psychologist, is unquestionably the most well known in this discipline. He sees culture as a kind of communal brainwashing: “Culture is the collective programming of the human mind that distinguishes the members of one human group from those of another. Culture in this sense is a system of collectively held values.”

He is certain that the essence is “a system of societal norms, consisting of the value systems (the mental programs) shared by most of the population” as stated by him, culture

¹ Ritter and Hoffman, 2010

² Online Etymology Dictionary, 2019

is an “interactive aggregate of common characteristics” and this phenomenon “is learned, not inherited” (Hofstede, 2010).

As a way to summarize the many approaches to culture, the Usheens in their book *Human Organizations* proposed a basic definition: "Culture has been defined in a number of ways, but most simply, as the learned and shared behaviour of a community of interacting human beings" (Caramel, 2009).

As a result of comprehending the definition of culture, it can be stated that culture has a profound impact on our perspectives, actions, and identities, which helps to explain why we are and who we are. In a society, "cultural variety" refers to the existence of individuals from a wide range of ethnic and cultural origins living peacefully together.

Kimberly Amadeo said „Cultural diversity means that a group contains people of different races, religions, ages, ethnicities, genders, sexual orientations, socioeconomic statuses, nationalities, and more” (Alghamdi, 2021).

With understanding of term „culture” it makes sense to move towards definition of cultural diversity.

Kargapolov was writing that „Cultural diversity characterizes the special state of the cultural space of the world.”

The great definition of cultural diversity was presented in chapter of Constitution of the Donetsk Republic „Cultural diversity - the distinctiveness and variety of forms of culture, both modern and historical, as embodied in cultural heritage objects, manifested in the characteristics inherent in various socio-demographic groups, ethnic, territorial, and other cultural communities, particularly indigenous peoples and representatives of national cultures, which are common property and a source of human development.”³

According to first article of Universal Declaration on Cultural Diversity: „Culture takes diverse forms across time and space. This diversity is embodied in the uniqueness and plurality of the identities of the groups and societies making up humankind. As a source of exchange, innovation and creativity, cultural diversity is as necessary for humankind as biodiversity is for nature”(Matsuura, 2005).

³ Constitution of the Donetsk Republic, 2015

The term "cultural diversity" is frequently used in conjunction with the idea of "multiculturalism," and vice versa. Multiculturalism may be characterized as follows:

“...a system of beliefs and behaviours that recognizes and respects the presence of all diverse groups in an organization or society, acknowledges and values their socio-cultural differences, and encourages and enables their continued contribution within an inclusive cultural context which empowers all within the organization or society” (Grishaeva, 2012).

Increasing cultural variety is a powerful force for progress, both in terms of economic growth and in terms of providing a way to live a fuller intellectual-emotional-moral-spiritual existence.

3.2 Elements of cultural diversity

3.2.1 Nationality

All have a gender, ethnicity, sexual orientation, and nationality, to name a few characteristics. A people's nationality refers to the country in which they are legally recognized as citizens, which is generally the country where they were born. For example, in Czech Republic, people are considered to have Czech nationality, in England, people have British nationality. Individuals with same nationality are likely to share traditions and practices, and they may even seem to be a bit identical in appearance. People are drawn together by a variety of characteristics, one of which is their nationality.

Dr. Arellano Garcia, professor of national university of Mexico was writing that nationality is the attribute or legal belonging that corresponds to a person by virtue of the legal link or nexus with the State, it means that legal relationship links the individual with the State. For the purposes of constitutional and local law, this legal connection that unites a person with the state, is given in an original or derived manner.

Nationality is the legal attribute that identifies the individual as a constituent member of a State. It is the legal bond that relates an individual to a State (Arellano García, 1992).

3.2.2 Gender

The World Health Organization defines „Gender refers to the characteristics of women, men, girls and boys that are socially constructed. This includes norms, behaviours

and roles associated with being a woman, man, girl or boy, as well as relationships with each other. As a social construct, gender varies from society to society and can change over time” (WHO, 2019).

Gender by Collins dictionary is „ the state of being male or female in relation to the social and cultural roles that are considered appropriate for men and women.”⁴

„Gender refers to the economic, social, political, and cultural attributes and opportunities associated with being women and men. The social definitions of what it means to be a woman, or a man vary among cultures and change over time. Gender is a sociocultural expression of particular characteristics and roles that are associated with certain groups of people with reference to their sex and sexuality.”⁵

In biology, gender refers to the biological and physiological features that separate men and women from one another. It is determined at birth whether humans are male or female, and this becomes a social and legal actuality from that point on. At the moment of birth, some persons are born with an uncommon mix of physical qualities (bodily characteristics) that distinguishes males from females in the normal course of events. Such individuals are referred to as "intersex."

Gender identity refers to the gender that individuals feel themselves to be, which may or may not be the same as the gender that was assigned to them at the time of their conception. Unique experience of gender identification refers to each person's profoundly felt inner individual experience of gender identity, which encompasses personal experience of the body and various forms of expression such as clothes, language, and demeanour.

Gender orientation refers to the socially constructed set of thoughts and expectations, behaviours and activities of women and men that are attributed to them based on their gender. Social expectations for any given set of gender roles depend on the particular socioeconomic, political, and cultural context and are influenced by other factors, including race, ethnicity, class, sexual orientation, and age. Gender roles are taught and are very different in and between different human societies, and they change over time. Humans are socialized from the moment of their birth. People develop, grow, and learn how to behave in accordance with the expected norms of the society in which we live,

⁴ Collinsdictionary.com, 2019

⁵ Johns Hopkins University Affiliate, 2019

while being greatly influenced by our family, school, professional environment, media, new information technologies and popular culture. Socialization is an important process in order to become a real member of a group of people. However, not all of the information that we receive as part of our socialization can be considered as useful for ourselves and for society. Gender socialization can limit boys and girls from fully discovering their talents and interests. In addition, often unrealistic and conflicting expectations can lead to internal conflicts, psychological problems, and unwillingness or inability to meet these expectations can lead to certain forms of persecution by other people.

Transgender is a general term often used to describe a wide range of identities and experiences; this generally refers to individuals who have a gender identity that is different from the gender assigned to them at birth, and those who wish to express their gender identity differently from the one assigned to them at birth. Transgender persons are those whose gender expression and/or gender identity differs from the usual expectations based on the physical sex they were born into and in which they were legally registered at birth (Stanborough, 2020).

3.2.3 Sexual orientation

Professor William J. Hall said in his work that „Sexual orientation is a multidimensional phenomenon involving a person’s sexual attraction, sexual behavior, and sexual orientation identity” (Hall, 2019).

British-American neuroscientist Simon LeVay defined sexual orientation in his book as "the direction of sexual feelings or behavior toward individuals of the opposite sex (heterosexuality), the same sex (homosexuality), or some combination of the two (bisexuality)" (LeVay, 1994).

In the context of sexuality, sexual orientation refers to how a person is positioned on the three aspects of sexuality that are: sexual attraction, sexual activity, and identification as a sexual orientation. In the context of sexual attraction, a person's physical and emotional attraction to another person is defined as felt feelings inside a person that are triggered by another person who is the object of desire. Physical closeness and sexual contact between individuals are referred to as sexual conduct. Personal identity and group affiliation are defined in terms of sexual orientation by a person's notion of their

personal identity and group affiliation in terms of who they are sexually or romantically attracted to and/or who they are engaging in sexual conduct with. In certain cases, the phrase "sexual orientation identification" is used to refer to a person's sexual orientation, nevertheless this is not always the case.

Sexual orientation describes a pattern of emotional and sexual attraction to men, women, both, or neither. Sexual orientation is not related to gender identity; for example, a transgender man may be heterosexual or homosexual in the same way that another man may be heterosexual or homosexual. However, these two aspects of identity are often confused and lead to the corresponding treatment and perception of lesbian, gay, bisexual and transgender (LGBT) persons (Sell, 1997).

3.2.4 Age

„Aging, progressive physiological changes in an organism that lead to senescence, or a decline of biological functions and of the organism's ability to adapt to metabolic stress" (Rogers, 2019).

Age is defined as the length of time that has elapsed between the birth of a live creature and the present, or any other precise moment in time. When we say "age," we usually mean the calendar age (passport age, chronological age), which does not take into consideration the developmental elements that affect the organism's growth and development.

The exact age is the period of time between the moment of birth and a certain moment in a person's life. The need to introduce this concept is due to the fact that people's lives take place in time and the age of each person or generation of people is constantly changing. In demographic analysis, the frequency of all demographic events, as a rule, is presented as a function of age, and therefore it is necessary to know at what age death occurred, a child was born, and so on. In this case, age, like time, is considered as a continuous variable and is indicated either as a point of age at the time of the event, or as an age interval in which it occurred.

Age classification is age grouping, the distribution of the ages of people into more or less large groups that unite them on the basis of the similarity of any social or demographic functions. It is usually applied to the entire population or large populations of people. Age classification is based on the idea of age periodization. Age classification allows

to separate certain age contingents. Age classification criteria depend on the purpose of the study. In demography, it is preferable to classify age into 1-year or 5-year groups; in the latter case, often (for example, when calculating brief tables of mortality), the first 5-year group is subdivided into 1-year groups due to its particular importance. When studying marriage and fertility, marriageable ages and the reproductive age of women are distinguished. From an economic point of view, ages are divided into 3 groups - pre-working, working and post-working (pre-working able-bodied and post-working), the boundaries of which are different. years and older or 0-14, 15-64, 65 years and older). This classification of age is accepted in international practice (Rogers, 2019).

3.2.5 Religion

Intuitively, it seems that we have a good grasp on what religion entails. Deities, miracles, rituals, churches, mosques, and synagogues, sin and repentance, and the afterlife are all part of religion. Disputations over "religion" in the social sciences have not gone away, and they continue to go on.

There are many distinct meanings of the word "religion," each of which is valid in its own way. *The following are some definitions of religion:*

- a worldview and behavior of people that determines the belief in the existence of any supernatural force;
- a system of symbols, moral rules, rituals, and cult actions that are based on the idea of the general order of being;
- belief in the supernatural (in God);
- a set of views and ideas, a system of beliefs and rituals that brings people together into a single community;
- one of the forms of adaptation of a person to the world around him.

Religious awareness is strongly associated with religious faith, and the two ideas are sometimes used interchangeably. Unconditional acceptance of anything as true without further investigation or rationalization is what mined by the word "faith."

Religion is defined by the following characteristics:

- irrationality - belief in ultimate truth;
- dogmatism - a lack of need for proof;
- rituality - prayers and other holy activities;
- supernatural belief and groundlessness⁶.

The primary roles of religion are:

To provide a worldview. Religion instills a certain view of the universe in the minds of its adherents. A person's perception and understanding of the world, society, and himself/herself are filtered through the lens of religion.

Value-semantic. Answers to issues about the meaning and purpose of life are provided by religion, which also contributes to the development of value orientations.

Psychological adversity (compensatory). Prayer, meditation, or turning to God, the believer obtains solace in tough times and is able to ease tension and anxiety.

Communicative. People are brought together by a shared religion, which allows them to feel engaged and not alone. Additionally, a believer might turn to saints, God, angels, and other deities via religious practices.

Cultural transmitting. Religion may have a role in the evolution of art; religious works serve to convey cultural legacy to future generations.

Educational. Instilling certain principles of conduct in society via religion helps to socialize a person and make him or her more accepted in society.

Regulatory. A person's objectives and behaviors are governed by their religious beliefs.

Integrating and dissolving at the same time. Religion brings together communities of believers, but it also pits social groupings professing different faiths against one another, a phenomenon known as religious conflict.

There are three sorts of religious beliefs that exist today:

- Totemism, shamanism, fetishism, and animism are all examples of tribal beliefs. Communities, such as the African tribes or the Native Americans of North

⁶ Monk, 2003

America, have managed to preserve these ancient beliefs throughout the course of time;

- Nationalism and state religions are intimately linked to the existence of a distinct people, an ethnic group. Hinduism and Jainism, for example, are largely dispersed in India, whereas Judaism is mostly distributed in Israel, Shintoism is predominantly distributed in Japan, and Taoism and Confucianism are predominantly distributed in China;
- Religions that are practiced by millions of people over the globe are referred to as "global religions." Christianity, Buddhism, and Islam are all examples of these faiths.⁷

3.2.6 Education

Education is the acquired skills of independent thinking, the ability to critically evaluate what is happening, the ability to find cause-and-effect relationships and move along the chain “yesterday-today-tomorrow”, while determining one’s own place in a changing social space.

Conditionally, education can be divided into levels:

General type of education is education in preschool and school institutions. Children study such subjects as their native language and literature, biology, physics, and others, which form the basis of the worldview of any person. With their help, the child develops his/her abilities, mental capabilities, and professional inclinations.

Professional - this is a specialized type of education, which is training in schools with a special bias, circles and sections, lyceums and colleges, institutes. Here a person is preparing to become a specialist in a certain field of work.

In this regard, the following functions of education can be distinguished:

Educational - instilling individual moral and moral provisions, cultural and historical experience, and rules of conduct and then the actual training.

Socialization - entry into society and successful stay in it.

⁷ Malashenko and Filatov, 2005

Training of specialists who will work for the good of the country, improve the quality of life.

Introduction to new technologies and other cultures.

Economic - the state needs competent specialists who can cover the needs of labor resources in all spheres of the economy. Without trained personnel, the economy will wither away.

Social - the country needs people who can work in a team and get along well with each other. Person cannot live a full life without socialization. It starts in the family but continues at school and other educational institutions.

Cultural - the transfer to the future generation of all the culture, experience, traditions, and worldviews accumulated over the centuries. Without knowing the past, it is impossible to build the future.

The education system has its own structure, which includes institutions (for example, a school), social groups (teacher and student) and the learning process (knowledge transfer).

The whole process involves 3 stages of education:

Preschool - nursery, kindergarten, developing circles.

General (school) - allows the child to receive basic knowledge. In turn, it is divided into:

- *Primary school* - these are junior school classes. At this level, children get acquainted with primitive scientific knowledge about reality, discover their talents, develop their personality in the process of solving applied problems;
- *Middle school* -during this period, students develop discovered abilities and interests;
- *High school* – at this level students get knowledge that is mandatory for entering a university.

Professional - is also divided into 4 levels of education:

- *primary* - professional lyceums and vocational schools;
- *secondary* - colleges and technical schools;

- *higher* - institutes and universities that give bachelor's, specialist's, and master's degrees;
- *postgraduate* - postgraduate and doctoral studies (the highest forms of education). The first is advanced training and preparation for obtaining the degree of candidate of sciences. The second prepares the candidate for the title of Doctor of Science.⁸

Forms of education

Full-time (traditional) - the student goes to school every day, except weekends.

Correspondence - the material provided by the educational institution is independently studied at home, it is possible to attend special lectures and seminars, passing exams in person. The correspondence form gives the student the opportunity to work and study at the same time.

External - self-study with certification in an educational institution. At the same time, a student can pass exams for programs for 2 or even 3 years at a time (or within a year).

Individual training plan - is drawn up, according to the capabilities of the student.

Distance form - the process of education takes place at a distance using the Internet.

According to the direction, education is usually divided into branches (types) such as psychological education; architectural; law; mathematical; artistic; historical; religious; economic; business; musical; medical; agricultural; natural science; journalistic atd.⁹

3.2.7 Personality

Individuality is derived from the Latin phrase *individuum*, which literally translates as "individual.". Essentially, each individual person is endowed with his or her own unique set of psychological and physiological characteristics that distinguish him or her as a unique individual. These characteristics include habits, appearance, character, manners, abilities, experiences, and points of view, to name a few.

⁸ Roland Lee Swink and Chambliss, 2018

⁹ Encyclopedia Britannica, 2020

On the face of the globe, it is impossible to find two persons who are completely similar to one another. Even identical twins have a variety of variances from one another, both externally and inside.

In a particular scenario, individuality is represented in the way people respond and act, as well as the way they think about it. Some of these characteristics are hardwired into DNA, while others are formed via experiences as children and members of society.

Various scientific disciplines use the idea of an individual to refer to a distinct representative of the human race in a variety of contexts. In other words, we are all distinct people.

Personality is a mix of all of person's psychological characteristics as well as his or her social duties, and it is the lens through which he or she experiences the world. Human's personality is what distinguishes him/her from the rest of the pack.

Human individuality is already manifested at the biological level. Nature itself preserves in person not only his/her generic essence, but also what constitutes biological uniqueness. This uniqueness also distinguishes animals, but in human it is associated not only with external manifestations, but also with inner spiritual wind.

The uniqueness of a person is explained by many factors: natural abilities that represent a certain integrity, hereditary characteristics, the unique conditions of the microenvironment in which a person is located, the uniqueness of experience. At the same time, it should be borne in mind that individuality is not some kind of absolute, something given once and for all, possessing a shelf and final completeness. It is constantly changing, being at that time the most stable invariant of a person's personality structure.

The diversity of individuals is the greatest social value, the urgent need of a reasonably organized society and an essential condition for its successful functioning. The concept of individuality acts both as a biosocial given and as a characteristic of the individual. Individuality as a characteristic of a person is a unique, original way of being of each person, an individual form of human social life.

Individuality expresses the individual's own world, his/her special way of life, which in its content is determined both by social conditions and by own life-creation.¹⁰

3.2.8 Language

Interaction within and between different cultures takes place through language (the term verbal communication is also used) and so-called non-verbal communication.

There have been several attempts to define language. A well-known phonetician and linguist in the United Kingdom, Henry Sweet, remarked: “Language is the expression of ideas by means of speech-sounds combined into words. Words are combined into sentences, this combination answering to that of ideas into thoughts” (Crystal, 2020).

Bernard Bloch and George L. Trager, two American linguists, came up with the next definition: “A language is a system of arbitrary vocal symbols by means of which a social group cooperates” (Robins, 2020).

According to Cambridge dictionary „language is a system of communication used by people living in a particular country”.¹¹

Specialists identify such Language's characteristics as follows:

- Character with a good tone. Human language, in contrast to other semiotic systems, is characterized by its emphasis on sonic expression as its most significant quality;
- Linearity. Speech is included into a stream of communication. The ability to pronounce many sounds at the same time, followed by words in a manner that is understandable, is limited;
- Language actions, in contrast to physical messages, occur quickly and without leaving any traces. In the case of writing, the only apparent exception is the capability of preserving this act, which has just recently emerged as a result of evolution;
- Feedback. The person who pronounces anything is aware of his or her own speech and has the ability to regulate it;

¹⁰ Rom Harré, 1977

¹¹ Cambridge Dictionary, 2022

- Specialization. The sounds made by a person are only for the purpose of transmitting information to the listener;
- Significance. The words that the speaker chooses to employ have a meaning that is understood by both him and the person who will hear them;
- Intentionality. The channels of communication that the speaker employs are selected by him in consideration of the purpose that he has set for himself before to delivering his speech;
- Character with a symbolic meaning. People have the option to speak about things or items that are not visible or accessible to them in their daily lives;
- Non-heritability. Language competence is not a natural talent, but rather a learned ability that develops with time;
- Productivity. Although there is no hard limitation to the number of lexemes available, the system is continually developing and being updated.¹²

Russian linguist T.V. Zhrebilo distinguished three main features of language such as:

- Communicative. Language is used as the most important means of communication, exchange of thoughts, transmission of any information, to influence the interlocutor;
- Accumulative (cumulative). Thanks to the presence of a single sign system of such a complex level, humanity can reflect, store and transfer knowledge to the next generations;
- Cognitive. The ability to convey one's thoughts clearly and concisely is made possible via the language use.¹³

3.2.9 Non-verbal communication

Every person participates in the social life of society. Any act of communication contributes to the achievement of a particular goal by establishing contact with the interlocutor: to obtain the necessary information, to induce the interlocutor to action, to satisfy the mental need for communication, etc. Communication is the process

¹² Robins, 2020

¹³ Zhrebilo, 2005

of exchanging information for effective communication. Non-verbal communication that occurs without words makes up a greater percentage of communication.

Non-verbal communication is a human behaviour that signals the emotional states and nature of the interaction of communicating personalities. Non-verbal means of communication are expressed in clothes, hairstyle, facial expressions, posture, objects surrounding a person. Recognition and understanding of such behaviour contribute to the achievement of the highest degree of mutual understanding. Such information allows us to understand the mood, feelings, expectations, feelings, intentions, as well as the moral and personal qualities of communicating people.

Non-verbal cues can play five roles:

- Repetition- non-verbal cues can "repeat" a message a person makes verbally;
- Contradiction- may contradict the message the person is trying to convey;
- Substitution-can replace the verbal message;
- Addition- increases the impact of the message;
- Emphasis- can emphasize the verbal message. For example, hitting a table with a fist.

Knowing the types of non-verbal communication, one can better understand the ways of their expression, since communication of this type is carried out by all sense organs, from which the communication channel is formed (Kelley, 1975).

Main types of non-verbal communication are:

Tactile behaviour - it was found that when communicating, all people use various types of touches to those interlocutors who has closer relations. Different types of touch are of a different nature and have a different efficiency and significance. Tactile behaviour can conditionally be divided into the following types: professional, ritual, friendly and love. Each type of touch is necessary for a person to weaken or strengthen the process of communication. However, there are several factors that are undoubtedly worth considering since non-verbal elements have different designations in different cultures.

Eye contact: since visual perception is dominant for most people, the role of eye contact in non-verbal communication cannot be overestimated. The way person looks at someone can convey a lot of information, including interest, affection, hostility, or attraction. Eye

contact is also essential for maintaining a fluent conversation, as well as the appraisal and reaction of the interlocutor.

Gestures: gestures are tightly woven into the fabric of our daily lives. People wave, point, and actively use their hands when arguing or talking animatedly. Often gestures are unconscious. However, the meaning of gestures can vary greatly across cultures and countries, so it is important to be careful to avoid misinterpretation.

Sensory is one of the types of non-verbal communication, which is based on sensory perception by all cultures. Attitude towards a partner is formed on the sensation of the sense organs: smells, taste sensations, perception of sound and colour combinations, sensations of the body of the interlocutor and the warmth emanating from him or her.

Proxemics is a type of non-verbal communication based on the use of spatial relationships. This type of communication implies the direct influence of distances and territories on the manifestation of interpersonal relationships between people. As a result of some studies, four zones of non-verbal communication of a spatial type were identified: intimate, personal, social, and public.

Chronicle - this type involves the use of time in non-verbal communication.

Paraverbal communication - the meaning of communication depends on the manifestation of the level of rhythm, intonation, and timbre of the voice, which are used to directly convey the utterance (Key, 1980).

3.2.10 Time

In different countries, people treat such a category as time quite differently. The American psychologist Edward Hall considers the value of admissible lateness to a meeting as a criterion of relation to time. He identified 5 time slots for being late in Western countries:

- time of indistinct muttering (instead of an explanation, a person mutters something inarticulate since the delay is insignificant) - up to 5 minutes;
- time for a casual apology - up to 15 minutes;
- light offense time - 20-30 minutes;
- delay of medium rudeness - up to 40 minutes;

- insulting delay - more than 40 minutes.

The issue of time is characterized by the case of the American ambassador to a Latin American country. He arrived at the meeting with the minister ahead of schedule. However, he was not accepted even 15 minutes after the agreed time. The ambassador tried diplomatically to find out through the secretary whether the minister knew that he was expected in the waiting room. But it had no effect. Finally, 45 minutes passed - that waiting time, which by American standards is evidence of a deliberate desire to offend a person. The ambassador spoke rude things, which complicated relations. According to the minister, there was absolutely no need to worry. After all, 45 minutes in Latin America is the time of "indistinct mumbling" (Hall, 1996).

Depending on the relationship to time, monoactive, polyactive and reactive cultures are distinguished. In monoactive cultures (Germany), managers carefully plan their activities in a certain sequence, make schedules. In multiactive cultures (Spain), things are done depending on momentary preferences. Residents of such countries easily violate schedules. Russia occupies an intermediate position between these two cultures. For example, when arranging to meet with a partner in a week, Russian managers usually say: "Let's phone the day before." This means that the possibility of cancelling an appointment is not ruled out.

In the cultures of the Islamic world, time moves cyclically: in accordance with the sunrise and sunset, the change of seasons. Managers from these cultures take their time. They follow the Arabic proverb: "When Allah made time, He made enough of it." For them, such motivation as: "Hurry, otherwise you'll be late!", "There may not be a second chance!" is completely unacceptable. Residents of these countries believe that there is always a second chance. And in the next cycle, the person will be wiser and better prepared. Saudi Arabia and Afghanistan are prominent representatives of reactive cultures (Šroněk, 2001).

3.3 Hofstede's cultural dimensions theory

The typology of organizational cultures by G. Hofstede was developed in the early 1980s based on the results of a large-scale study conducted in various divisions

of the transnational company IBM (116,000 employees in 40 countries were surveyed). This classification is one of the most famous typologies of corporate cultures.

To study national culture as a basic factor in organizational behaviour, Hofstede suggested using the following parameters, which are continuums of such behavioural characteristics:

- distance from power;
- individualism vs collectivism;
- acceptance - non-acceptance of uncertainty;
- masculinity - femininity;
- short-term - long-term orientation;
- pragmatism - restraint.

Distance from power, or hierarchical distance (PDI). Reflects the orientation to power and authority, it is the degree to which relatively less powerful members of organizations and institutions (for example, families) expect and accept uneven distribution of power. This dimension does not characterize the level of distribution of power in a given culture, but rather analyses its perception by society. A low index of distance from power means that the culture expects and accepts democratic relations with power, and members of society are treated as equals. A high index of distance from power means that less powerful members of society accept their place and are aware of the existence of formal hierarchical structures. This is a status division between members of society who are at different levels of the social ladder. This index measures the society's tolerance for inequality between higher and lower individuals (Hofstede, 2001).

Table 1: Characteristics of PDI

PDI	Characteristics
High	<ul style="list-style-type: none"> • Organizations that are centralized. • Hierarchies that are more complicated. • Significant disparities in salary, power, and respect.
Low	<ul style="list-style-type: none"> • Organizations that are more flat. • Supervisors and workers are practically on an equal footing.

Source: Hofstede, 2001

Individualism/collectivism (IDV). Based on the self-orientation of the individual, this dimension is not related to politics and concerns more groups than individuals. Individualistic cultures place more emphasis on achieving personal goals. In societies characterized by collectivism, public goals and welfare are placed above personal ones, the relationship between the individual and society is reflected. Based on this, it is obvious that a high index of individualism means the concentration of the individual on himself and his own achievements, while a high index of collectivism indicates the subordination of the individual to the collective. In this case, differentiation is based on basic socio-cultural values.¹⁴

Table 2: Characteristics of IDV

IDV	Characteristics
High	<ul style="list-style-type: none"> • People's time is highly valued, as is their demand for privacy and independence. • Individual incentives for hard effort and a desire to take on new tasks. • Privacy must be respected.
Low	<ul style="list-style-type: none"> • The goal is to improve one's knowledge and abilities by becoming an expert in a certain field. • People go to work because they like it. • Group harmony is more important than any other moral considerations.

Source: Kim and Han'guk Simni Hakhoe, 1995

Acceptance/non-acceptance of uncertainty (UAI). It characterizes the level of willingness to take risks, the reaction of society to unfamiliar situations, unforeseen events and the pressure of change. Cultures for which this index is high are less tolerant of change and tend to avoid the anxiety that comes with the unknown by imposing strict rules, regulations, and/or laws. Societies with a low index are more open to change and use fewer rules and laws, and their customs are less strict. It is the degree to which risk is avoided or taken. The index reflects the tolerance and readiness of members of society for the uncertainty of the situation, as well as their resistance to stress. (Hofstede, 2001)

¹⁴ Kim and Han'guk Simni Hakhoe, 1995

Table 3: Characteristics of UAI

UAI	Characteristics
High	<ul style="list-style-type: none"> • Conservative, strict, and regimented, until the risk of failure necessitates a more accommodating approach. • Numerous social customs. • Individuals are outspoken and are permitted to vent their anger or feelings when required. • A high-energy society is possible if individuals feel in control of their lives rather than being overwhelmed by life's whims.
Low	<ul style="list-style-type: none"> • Adaptability to changes or innovations, as well as general inclusiveness. • More receptive to unstructured learning or decision-making. • There is a diminished feeling of urgency.

Source: Hofstede, 2001

Masculinity/femininity (MAS). This dimension characterizes the level of importance for the culture of traditionally masculine values, such as assertiveness, ambition, the desire for power and materialism, and traditionally feminine values, such as human relationships. Cultures with a more pronounced "masculine" type are usually characterized by clearer differences between the sexes and are prone to competition and achievement of goals. A lower index on this dimension means that the culture is characterized by less significant differences between the sexes and a higher value of relationships. Fierce competition, exactingness, striving for achievements belong to the male type of behaviour. Societies with a high index (according to the male type) are also characterized by the desire for profit and the accumulation of money, the lack of concern for others. In contrast, in countries with dominant female-type behaviour, the prevailing values are sympathy, modesty, an emphasis on emotional comfort, and altruism. In countries with a "male" type, work is valued that allows one to achieve recognition, make a career, in countries with a "female" type - work in a pleasant team, mutual assistance (Moulettes, 2007).

Table 4: Characteristics of MAS

MAS	Characteristics
High	<ul style="list-style-type: none">• Status is associated with strong egos — sentiments of pride and significance.• Money and success are crucial.
Low	<ul style="list-style-type: none">• Relationship-oriented and cooperative in nature.• More emphasis should be placed on the overall quality of life.

Source: Moulettes, 2007

Short-term/long-term orientation to the future (PRA). This dimension describes the time horizon of a society. Short-term cultures value traditional methods, spend a lot of time developing relationships, and generally view time as a vicious circle. This means that the future and the past are linked for them, and what cannot be done today can be done tomorrow. The opposite of this approach is a long-term orientation to the future, in which time is viewed as a vector, and people tend to look more into the future than to be interested in the present or remember the past. Such a society is goal-oriented and highly values results. Long-term orientation represents the formation of properties aimed at rewarding the future, in particular perseverance and economy. The opposite pole - short-term orientation - stands behind the formation of other qualities, such as those that relate to the past and the present, in particular respect for tradition, preserving one's "face" and fulfilling public duty (Schein, 2017).

Table 5: Characteristics of PRA

PRA	Characteristics
Long-term	<ul style="list-style-type: none"> • People often inquire as to how they might determine what is true. For example, queries such as "What?" and "How?" are requested more often than inquiries such as "Why?" • Saving money and obtaining an education are seen as good qualities. • Modesty. • The importance of virtues and duties is highlighted.
Short-term	<ul style="list-style-type: none"> • People often inquire, "Why?" • Convictions that are strong. • Due to the fact that individuals often exaggerate their abilities, others will scrutinize their statements. • The importance of values and rights is underlined.

Source: Schein, 2017

Indulgence/restraint (IVR). Indulgence to weaknesses versus restraint. This dimension characterizes the ability of culture to meet the immediate needs and personal desires of members of society. In societies where restraint is a value, strict social rules and norms prevail, within which the satisfaction of personal desires is restrained and discouraged. “Indulgence in weaknesses” refers to a society that allows relatively free satisfaction of basic human needs related to the enjoyment of life and enjoyment (rest, entertainment, etc.). "Restraint" corresponds to a society that suppresses the satisfaction of needs and regulates it with the help of strict social norms. G. Hofstede also refers freedom of expression here: in a “condescending society” it is encouraged, while in a “restrained society” it is considered an unnecessary luxury (Schein, 2017).

Table 6: Characteristics of IVR

IVR	Characteristics
High Indulgence	<ul style="list-style-type: none">• Optimistic and positive point of view.• The significance of freedom of expression.• Concentrate on your own particular happiness.
High Restraint	<ul style="list-style-type: none">• Pessimistic.• More controlled and rigid behaviour.

Source: Schein, 2017

At the same time, G. Hofstede emphasizes that cultural measurements are only a basis to help evaluate a particular culture in order to facilitate decision-making. There are other factors to consider, such as personal qualities, family history and personal wealth. The proposed measurements cannot predict the behaviour of individuals and do not take into account the personal characteristics of each person.

Table 7: Measurements of G. Hofstede on the example of different countries

Country	Individualism/ collectivism.	Hierarchical distance	Acceptance/ non-acceptance of uncertainty	Masculinity/ femininity
Russia and SNG countries	Collectivism	Large	High	High
Australia	Individualism	Small	Medium	High
Canada	Individualism	Medium	Low	Medium
UK	Individualism	Small	Medium	High
France	Individualism	Large	High	Low
Greece	Collectivism	Large	High	Medium
Italy	Individualism	Medium	High	High
Japan	Collectivism	Medium	High	High
Mexico	Collectivism	Large	High	High
Singapore	Collectivism	Large	Low	Medium
Sweden	Individualism	Small	Low	Low
USA	Individualism	Small	Low	High
Venezuela	Collectivism	Large	High	High

Source: Hofstede, 2001

The first scale considers categories "individualism" and "collectivism". In individualistic cultures, children are taught independence and independence from childhood. Growing up, children tend to separate from their parents. In personal and professional life, they rely on themselves, having great personal freedom. Collectivism is typical for countries where the life of the majority of the population is quite difficult and requires mutual assistance, or where the population often faces general disasters. In collectivist cultures, the interests and well-being of the family, clan, village, etc. are a priority. People in such countries are characterized by mutual assistance, social solidarity, modesty and respect for others. It is public relations and public interests that largely determine the behaviour of people here.

The second scale reflects society's attitude to inequality between people in social status, wealth, and individual manifestations. Countries where the hierarchy of inequality has

become the fundamental principle on which all relations are based belong to countries with a large distance of inequality.

The third scale characterizes people's attitude to the unknown future. Societies in which people accept every day easily, G. Hofstede called societies "with weak elimination of uncertainty." In such countries, people are tolerant of opinions different from their own, because they do not perceive them as a threat, they do not avoid risky actions. Countries with "strong uncertainty elimination" are characterized by people's attempts to influence their future, which still remains unpredictable. According to G. Hofstede's research, in such countries people have a higher level of emotionality, personal anxiety and aggressiveness.

The fourth scale has the poles of "femininity" and "masculinity" and reflects the division of gender (sex) roles of men and women. In "masculine" cultures, a man is expected to be dominant, assertive, competitive, and rational. He is not actually involved in raising children, does not do homework. The role of a woman extends to the function of giving birth to children, their upbringing, housekeeping (in a number of agricultural countries, her duties also include work in the field). A woman in such countries should be modest, interested in beauty, sociable and have good intuition. In "feminine" cultures, the significance of the partial coincidence of the social roles of men and women is taken into account. In such countries, men often play with children, sometimes they do household chores, and not only dominate, just like women, they are interested in beauty.

As G. Hofstede notes, all the countries of Southeast Asia are collectivist (in which the unit of society is the family, not the individual), the Netherlands and the USA are individualistic, and Japan is somewhere in the middle of this scale. In Indonesia and Singapore, as in a number of other Asian countries, the distance of inequality is large. Group affiliation and the social status of a person play an important role here. The US and the Netherlands are countries with smaller distances. In Indonesia, Singapore is quite calm about the uncertainty in the future, Japan demonstrates the other extreme. Japan is a "masculine" country (the maximum score on the "femininity - masculinity" scale). The US is also masculine. The Netherlands is "feminine" and most Southeast Asian countries are somewhere in the middle of this scale (Hofstede, 2001).

3.4 Theory of Seven Dimensions of Culture

Fons Trompenaars and Charles Hampden-Turner, management consultants, established the Seven Dimensions of Culture and published the concept in their book "Riding the Waves of Culture."

Trompenaars and Hampden-Turner created the model after conducting a decade-long study of people's preferences and values in dozens of countries worldwide. They did so by sending surveys to over 46,000 managers in 40 countries.

They discovered that individuals from various cultures do not vary arbitrarily; rather, they differ in very definite, even predictable, ways. This is because every culture has its specific way of thinking, values, and beliefs, as well as distinct preferences for a range of various aspects.

Trompenaars and Hampden-Turner determined what differentiates individuals from one culture from another is where their preferences lie on one of seven dimensions:

- Universalism versus particularism;
- Individualism versus communitarianism;
- Specific versus diffuse;
- Neutral versus emotional;
- Achievement versus ascription;
- Sequential time versus synchronous time;
- Internal direction versus outer direction.

Universalism vs Particularism

Table 8: Universalism vs Particularism

Dimension	Characteristics	Strategies
Universalism	People put a great emphasis on laws, regulations, values, and responsibilities. They attempt to treat individuals equitably based on these standards, but regulations take precedence over relationships.	<ul style="list-style-type: none"> • Assist individuals in comprehending how their employment relates to their beliefs and values. • Ensure that instructions, methods, and procedures are clear. • Keep your commitments and be dependable. • Allow individuals time to make choices. • Make your own conclusions objectively, and explain your choices if others are involved.
Particularism	Individuals believe that their behaviour is governed by their surroundings and connections. Their response to a situation may vary based on the circumstances and surroundings.	<ul style="list-style-type: none"> • Allow individuals to make their personal choices. • When making choices, consider the needs of others. • Be adaptable in your decision-making. • Spend time developing connections and getting to know individuals in order to have a deeper understanding of their requirements.

Source: Trompenaars, 2020

The United States, Canada, the United Kingdom, the Netherlands, Germany, Scandinavia, New Zealand, Australia, and Switzerland are all examples of universalist cultures.

Russia, Latin America, and China are all examples of particularistic cultures.

Individualism vs Communitarianism

Table 9: Individualism vs Communitarianism

Dimension	Characteristics	Strategies
Individualism	Individuals believe in personal liberty and success. They think that you make your own choices and that you are responsible for your own well-being.	<ul style="list-style-type: none"> • Individual performance should be praised and rewarded. • Allow individuals the freedom to make their own choices and take initiative. • Make connections between people's needs and the needs of organization. • Encourage individuals to be inventive and learn from their failures.
Communitarianism	People consider the collective to be more significant than the individual. In return for allegiance, the club offers assistance and protection. The collective always takes precedence over the individual.	<ul style="list-style-type: none"> • Recognize and praise collective accomplishments. • Don't publicly congratulate others. • Allow individuals to consult with others before making decisions. • Do not exhibit preference.

Source: Trompenaars, 2020

Individualist cultures are prevalent in the United States, Canada, the United Kingdom, Scandinavia, New Zealand, Australia, and Switzerland.

Latin America, Africa, and Japan all have typical communitarian cultures.

Specific vs Diffuse

Table 10: Specific vs Diffuse

Dimension	Characteristics	Strategies
Specific	<p>People keep their professional and personal life apart.</p> <p>As a consequence, they feel that relationships have little influence on work goals, and that, although excellent connections are vital, individuals may work with each other without having an acceptable relationship.</p>	<ul style="list-style-type: none"> • Be succinct and to-the-point. • Prioritize people's goals before focusing on connection building. • Give detailed instructions, protocols, and procedures. • Allow individuals to divide their professional and personal life.
Diffuse	<p>Individuals see a connection between their professional and personal lives. They feel that strong connections are critical to achieving company goals and that their interactions with people will remain consistent regardless of whether they will be at work or socializing. Individuals spend time with colleagues and customers outside of business hours.</p>	<ul style="list-style-type: none"> • Prioritize relationship development above commercial goals. • Learn as much as possible about the individuals with whom you work and the companies with whom you do business. • Prepare to talk business at social gatherings and personal matters at work. • Avoid declining invites to social gatherings.

Source: Trompenaars, 2020

The United States, the United Kingdom, Switzerland, Germany, Scandinavia, and the Netherlands are all examples of typical specific cultures.

Argentina, Spain, Russia, India, and China are all examples of diffuse cultures.

Neutral vs Emotional

Table 11: Neutral vs Emotional

Dimension	Characteristics	Strategies
Neutral	Individuals make a concerted effort to maintain control of their emotions. Their behaviours are far more influenced by reason than by emotion. Individuals do not share their thoughts or feelings.	<ul style="list-style-type: none"> • Effectively control your emotions. • Monitor your body language to ensure it does not express negative sentiments. • "Stay on topic" throughout meetings and discussions. • Pay close attention to people's responses, since they may be hesitant to express their genuine sentiments.
Emotional	People want to convey their feelings at work, even spontaneously. It is acceptable and encouraged in these cultures to express emotion.	<ul style="list-style-type: none"> • Be receptive to others in order to develop trust and rapport. • Use emotion to convey your message. • Develop excellent conflict management skills before it turns personal. • Maintain a good body language. • Maintain an optimistic outlook.

Source: Trompenaars, 2020

The United Kingdom, Sweden, the Netherlands, Finland, and Germany are all examples of neutral cultures.

Italy, France, Spain, and Latin American nations are all examples of emotional cultures.

Achievement vs Ascription

Table 12: Achievement vs Ascription

Dimension	Characteristics	Strategies
Achievement	People think that you really are what you are doing, and they assign a monetary value to you as a result. Performance is valued in these societies, regardless of who you are.	<ul style="list-style-type: none"> • Appropriately reward and acknowledge excellent achievement. • Use only titles when they are relevant. • Take on a positive role.
Ascription	People feel that you should be recognized for your uniqueness. In these societies, power, title, and status are important, and these roles dictate conduct.	<ul style="list-style-type: none"> • Make use of titles, particularly when they define a person's position within an organization. • Demonstrate respect for those in positions of power, particularly while contesting decisions. • Avoid "shaming" those who is in positions of power. • Do not allow your authority to interfere with your ability to execute successfully in your position.

Source: Trompenaars, 2020

The United States, Canada, Australia, and Scandinavia all have typical achievement cultures.

France, Italy, Japan, and Saudi Arabia are all examples of ascription cultures.

Sequential Time vs Synchronous Time

Table 13: Sequential Time vs Synchronous Time

Dimension	Characteristics	Strategies
Sequential Time	People prefer that events occur in chronological sequence. They put a premium on timeliness, preparing (and adhering to your goals), and maintaining a consistent schedule. In this society, "time is money," and individuals are dissatisfied when their schedules are disrupted.	<ul style="list-style-type: none"> • Concentrate only on one process or project at the same time. • Be on time. • Establish explicit deadlines. • Maintain adherence to timelines.
Synchronous Time	The past, present, and future are seen as entwined eras by the public. They often work on many tasks concurrently and consider planning and commitments as malleable.	<ul style="list-style-type: none"> • Be adaptable in your approach to work. • Wherever feasible, allow workers to be flexible with jobs and projects. • Emphasize the critical nature of timeliness and deadlines if they are necessary for attaining goals.

Source: Trompenaars, 2020

Germany, the United Kingdom, and the United States are all examples of sequential-time cultures.

Japan, Argentina, and Mexico are examples of synchronous-time cultures.

Internal Direction vs Outer Direction

Table 14: Internal Direction vs Outer Direction

Dimension	Characteristics	Strategies
Internal Direction	<p>Individuals feel they can exert control over nature or their surroundings in order to accomplish objectives. This includes their interactions with others in teams and within organizations.</p>	<ul style="list-style-type: none"> • Enable individuals to improve their talents and take ownership of their education. • Establish clear goals that everyone can agree on. • Be candid about conflicts and disagreements
Outer Direction	<p>People think that nature, or their surroundings, regulates them and that they must cooperate with it to accomplish objectives. They direct their efforts toward others and avoid confrontation wherever feasible at work or in relationships. Individuals often want reinforcement that they are doing an adequate job.</p>	<ul style="list-style-type: none"> • Equip employees with the necessary resources to do their duties successfully. • Provide guidance and frequent feedback to individuals so they are aware of the impact of their activities on their surroundings. • Assure them that they are doing an excellent job. • Resolve disagreements swiftly and softly. <p>Do everything possible to bolster people's confidence.</p> <ul style="list-style-type: none"> • Maintain a healthy balance of negative and positive comments. • Encourage individuals to take ownership of their work.

Source: Trompenaars, 2020

Israel, the United States, Australia, New Zealand, and the United Kingdom all have typical internal-direction cultures.

China, Russia, and Saudi Arabia are all examples of typical outer-direction cultures (Trompenaars, 2020).

3.5 Cultural diversity at workplace

“When employees respect each other and get along in the workplace, it’s amazing how productivity increases, morale increases, and employees are more courteous to customers.”¹⁵

Maureen Wild

When discussing cultural diversity at the workplace, it worth to refer to the inclusion of people from diverse origins, ethnicities, sexual orientations, and political beliefs.

Incorporating the concept of cultural diversity fosters a collaborative work environment in which people from diverse cultural backgrounds may join to achieve common goals.

„Cultural differences can be named a phenomenon that no one can afford to ignore when facing the realities of today’s business world, regardless of where they are physically located, where they conduct their work, or what their specific discipline or function may be” (Vlad and San, 2018).

3.5.1 Advantages of diversity at workplace

Increased productivity

Diversity brings together people with a wide range of abilities who are all working toward a shared goal while using a variety of skills.

The authors of a study titled „The economic value of cultural diversity: evidence from US cities” come to the conclusion that "these findings are consistent with a dominant positive effect of diversity on productivity: a more multicultural urban environment makes US-born citizens more productive," according to their findings.¹⁶

Companies will also benefit from each employee's experiences, as they learn from one another's mistakes and apply their newly acquired knowledge to their jobs. Employees from a variety of various backgrounds benefit from the experiences of their coworkers because they get a new perspective on their own. As a result, people are able to contribute new ideas to the project by thinking outside of their usual thought patterns.

¹⁵ Bradley, 2020

¹⁶ Ottaviano, Peri and Enrico, 2004

Keep in mind that a diverse workplace brings together people from a variety of different backgrounds, ethnicities, and life experiences, all of which contribute to a more productive workplace.

Increased profits

Cultural variety in the workplace has various advantages, such as increasing collaboration and the capacity to come up with a more diversified range of answers to particular challenges.

According to the authors of this Forbes article, "Research on creativity and invention has consistently shown the importance of exposing people to experiences that represent a variety of viewpoints and world views." New concepts "pop up" as a consequence of the innovative method in which these varied views are brought together.

Many more answers will emerge as a result of the large number of distinct and various brains coming together and cooperating, as each individual brings their own unique style of thinking, functioning, and solving issues and making choices to the table. Employers that foster diversity in the workplace empower all of their workers to achieve to their maximum potential.¹⁷

Increased creativity

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According to the author of Forbes article „Research on creativity and invention has consistently shown the importance of exposing people to experiences that represent a variety of viewpoints and world views.’’¹⁸

Reduce employee turnover

Immediately, a firm that welcomes cultural diversity in the workplace will attract a larger pool of people to apply for its open positions. Students who have had a positive experience

¹⁷ Peterson and Mikael Søndergaard, 2008

¹⁸ Malcolm, 2020

with diversity while at university may believe that a diverse organization is more progressive and will want to work for one that is diverse as well.

The greater the number of people that apply for a position with a firm, the greater the pool of candidates available to the company; the corporation is therefore more than spoiled for choice.

Positive reputation

Having cultural diversity in the workplace has numerous advantages, one of which is the excellent reputation that the organization will get. A good employer is one that recruits and encourages employees from a diverse variety of backgrounds, and companies who do so typically get a good reputation in the community.

Potential customers often feel more appreciated as a result of these organizations' efforts, and as a result, they offer them more business.

A broad array of abilities and experiences enables a firm to deliver service to consumers on a worldwide scale because the company is better able to connect to and comprehend its clients on a more personal level, and for some, on a more immediate basis (Schein, 2017).

Wider range of skills

When businesses recruit a more diverse workforce from a variety of backgrounds, these individuals always bring their own set of particular abilities, which might be equally as varied as the workforce as a whole.

Because they have a greater variety of skills and expertise at their disposal, these businesses are able to provide a more broad and adaptive range of goods and services to their particular markets.

Diversity in cultures translates into diversity in abilities and, therefore, in the goods and services offered.

Improvement of insights and reducing racism

Employees spend more time in their everyday lives with individuals from cultural backgrounds to which they are typically never exposed as a result of having a more culturally varied staff.

As a consequence, workers get new cultural understanding, which minimizes bad feelings such as racism, homophobia, sexism, and so on.

Increase in marketing opportunities

The fact that a firm promotes a diverse workplace gives prospective workers and consumers the impression that they can more easily connect to the organization. Advertisements that include mature-aged, differently abled, or ethnically diverse persons stimulate application, create a favorable reputation, boost market awareness, and develop a more diversified client-base, according to the American Advertising Federation.¹⁹

More comprehensive products

A diversified skill set enables a company to provide a more comprehensive and adaptive variety of goods and services to its customers.

Because companies are able to hire individuals with a broader variety of talents that are not always available when recruiting locally, they gain from drawing from a culturally diversified talent pool. Companies with a global focus may expand their service offerings by using the talents and expertise that their multinational workers bring to the table.

A more diversified skillset and a more potentially diverse offering of goods and services may assist your company in gaining the competitive advantage of flexibility in the marketplace. In today's chaotic and uncertain global economic climate, firms who are flexible and adaptive will outperform their competitors.

Adaptability implies that planning, development, and execution may be completed more quickly and efficiently. A corporation having a diverse range of cultural and cognitive perspectives may be better positioned to identify opportunities in the market. It will also have the worldwide (or market-specific) understanding and experience to assist a new or modified product in adapting to changing customer behavior - and ultimately succeeding in this endeavor.

Global impact

Consider the larger picture: a diverse workforce, comprised of people of varied talents, creeds, and experiences, makes a positive contribution to the organization. The company

¹⁹ Minkov and Hofstede, 2011

can make a difference in the lives of its workers in every community in which it works, which is something that it strives to do.

Apart from that, a diverse workforce provides an opportunity to gain a diverse and global perspective – a point of view rich in the incredible nuances of the human experience and culture – which means that the company will have a better chance of communicating with and expanding to more diverse markets, both domestically and internationally. The opportunity to effectively develop a firm in a global market is represented by diversity (Coelho, 2011).

3.5.2 Disadvantages of diversity at workplace

Colleagues from certain cultural backgrounds may be less prone to speak out for themselves

However, the mere availability of a diversified pool of brainpower is insufficient. It's also vital to foster an open and inclusive workplace culture so that all team members feel empowered to share their ideas and suggestions.

This may be especially difficult for co-workers who come from cultures that are courteous or subservient. Professionals from Asian nations such as Vietnam or Japan, for example, may feel less comfortable speaking up or contributing ideas when they are new to the team or in a more junior position.

However, outspoken colleagues from the United States or Western Europe, as well as those from Scandinavian nations that stress flat organizational structure, may be more likely to speak up during meetings or negotiations while others are quiet.

When faced with prejudice or unfavourable cultural preconceptions, integrating into a multicultural team may be tough

In addition to fostering team cohesion to prevent colleagues from various countries working in isolation and restricting knowledge transfer, local experience is a very valuable asset.

This may be a difficult obstacle to overcome, especially if there are underlying stereotypes amongst cultures that make people less eager to work well together. Negative cultural stereotypes may have a major negative impact on employee morale and productivity

in the workplace. For example, the centuries-old animosity that exists between the British and the French, or between the Poles and the Germans, might sometimes seep into the workplace.

However, although not all stereotypes are inherently bad (for example, the idea that Americans are self-assured or that Asians are brilliant), they are all oversimplifications that may be restrictive or divisive in the workplace. Furthermore, although overt prejudice or stereotyping is a major problem, established and unconscious cultural prejudices might be a more difficult barrier to overcome in the context of an increasingly diverse workplace (Smit, 2017).

Professional communication may be misunderstood or difficult to comprehend when it is conducted across cultures and languages

Even while high-quality translations are essential for successful marketing, there is a significant danger that communication will be lost in translation when working with multi-cultural co-workers. Language hurdles are just one of the difficulties. In an organization where everyone speaks English, understanding a variety of accents or idioms used by a native speaker might be challenging, even though everyone speaks the same language.

Furthermore, good cross-cultural communication is comprised of much more than only the words that are said. A sensitive and subtle aspect of cultural interaction, nonverbal communication may lead to misunderstandings or even anger amongst team members from different cultures. Factors such as appropriate amounts of physical distance, initiating or keeping eye contact, and gesture may all vary significantly across cultures.

It may be tough to navigate the complexities of visa regulations, employment legislation, and the costs of fulfilling workplace needs

Despite the obvious advantages of recruiting people from abroad, it may be a challenging HR task. This includes the time-consuming process of managing employment rules and visa procedures for overseas employees, which is not the least of which. The requirements and laws fluctuate from nation to country and across countries, and they might change on a regular basis.

In addition to visas, further concessions for attracting and keeping a culturally diverse staff should be considered. It is possible to make a workplace more inviting and inclusive for workers who hold a variety of religious views by, for example, offering a quiet room for prayer and taking into consideration various cultural or religious holidays. In addition to being a potential source of additional company costs, these concerns and accommodations might also provide a logistical issue.

Different people have different ideas on what professional etiquette is

Colleagues from various cultural backgrounds might bring with them a variety of attitudes, beliefs, behaviours, and workplace etiquette to the workplace. In a varied work setting, they might be stimulating and even advantageous; nevertheless, they can also produce misunderstandings or unpleasant sentiments amongst team members.

For example, the expectations of formality (or relative informality), organizational structure, and even working hours might differ from one culture to the next depending on the context. A Swedish professional may be used to working a 6-hour day, yet a Japanese colleague may not consider it proper to leave work before their boss (or anybody else).

Additionally, diverse attitudes to timeliness, confrontation, and coping with disagreement might provide a problem for individuals.²⁰

Working styles that differ across teams are problematic

Working habits and attitudes about work, on the other hand, may be vastly different among cultures, reflecting cultural values and compounding disparities. Conflicting approaches to work may have a negative impact on productivity if they are not recognized and acknowledged.

For example, approaches to teamwork and cooperation might differ significantly from one another. Collective agreement is highly valued in certain cultures, such as those in Asia and Central America, while working towards a common objective. Others, such as Germany and the United States, place a strong emphasis on the individual's right to self-

²⁰ (Primecz, Romani and Sackmann, 2009)

determination. It is also possible that an organization's focus on order and rigor over flexibility and spontaneity reflects underlying cultural values in the same way.

Hiring managers place an excessive amount of emphasis on leadership abilities

As a result of workplace diversity, employers look for specialists who thrive in their chosen careers, job functions, and team environments. The ultimate objective is to develop a set of strengths that will enable everyone to develop throughout time. This is a benefit in and of itself, but it may become an issue when recruiting managers bring in individuals who all want to be the boss. Competition may be beneficial, but it can also be hazardous if it spirals out of control, as it often does.

When the purpose of a diversity project is to promote the individual rather than the team, the initiative will fail. It is necessary to go beyond the obvious in order to build a team that works well together. To do this, there must be leaders, people who are satisfied with their existing positions, and individuals who come to work because they are passionate about their jobs. There must also be a range of emotional responses.

Workers who are overqualified for particular positions might result from a diverse workforce

Naturally, when the economy settles into a comfortable routine, communities expand and fall in their own right. The presence of diversity in the workplace may result in more stable working conditions and more job security, but it can also lead to a number of difficulties as people become overqualified for the jobs they are performing. When someone loses their work for any reason, it might be difficult for them to locate new employment.

These were issues that were prevalent across the United States during the Great Recession. The employment of employees who were prepared to labour for nearly any salary was becoming more popular among employers. In other cases, persons with doctorates in hand were attempting to fill cashier jobs at fast-food restaurants since there were no other employment prospects available in their region.²¹

²¹ Ferraro and Briody, 2017

When a diversity project is implemented, the number of complaints generally increases

It is more common for individual team members to disagree in a varied setting than in an atmosphere where the majority of individuals have the same viewpoint, according to research. Different habits and working styles may produce a variety of unsatisfactory outcomes. Consider the scenario of sitting next to a co-worker who is continually clicking a pen to think; that is how some people see the current method. If proactive management is not implemented, a rise in complaints and grievances is likely to occur, resulting in an increase in the amount of time and money spent on investigations.

This disadvantage may grow so severe that certain firms can see a spike in resignations as a result of employees' dissatisfaction with being put in a "uncomfortable" environment. This implies that a company will have to cover the expenses of replacing the employees who have left, and it may take months (or years) to return the expenditures of the investments made.

It is simpler to give lip respect to diversity by highlighting specific tales rather than by generalizing about it.

Female CEOs are found in less than 5% of the Fortune 500 corporations in today's world. In this leadership position, there are more males with the same first name than there are women with the same first name. When it comes to declaring that they are diverse, many businesses rely on individual success stories to do so, deluding themselves into thinking they are forward-thinking when the truth is quite the contrary.

The presence of a single woman on a board of directors does not automatically make a leadership team more diversified. In Furthermore, hiring a single African American woman to work on a team of Caucasian males is hardly a good example of inclusivity. To make this process successful, businesses must be honest with themselves and the job they do.

Diversity in the workplace might have a negative impact on the level of trust that exists

It is immediately apparent that the level of confidence in the workplace decreases when a company chooses to prioritize a diversity program as a high priority. People from every

demographic – even those with the same culture, educational background, and work experience – are disadvantaged as a result of this disadvantage.

Despite the fact that this disadvantage does not result in silos or team isolation, it might cause hurdles in the process of collaborating. Some individuals will contact others less often, and if they are compelled to do so, they will suffer dread, and this problem will ultimately restrict their productivity (Schein, 2017).

4 Basic characteristics of chosen company (Guerbet)

Table 15: Basic characteristics of Guerbet Czech Republic, s.r.o

Name of company	Guerbet Czech Republic, s.r.o
Legal form	Limited liability company
Location	Jankovcova 1603/47a, 170 00 Praha 7-Holešovice
Indification number	05742382
Basic capital	1 CZK
Area of activity	Manufacture of diagnostic and therapeutic equipment used for medical purposes

Source: Guerbet Czech Republic, s.r.o

Guerbet Czech Republic s.r.o. is a branch of the French pharmaceutical company based in Prague city (Jankovcova 1603/47a, 170 00 Praha 7-Holesovice), Czech Republic. It has operations at the departments of the Accounting, Tax Preparation, Bookkeeping, and Payroll Services business and HR. The firm was founded on the 24th of January in the year 2017. It was created as limited liability company with basic capital 1 CZK and got an ID number 05742382.²²

4.1 History of Guerbet

A family-controlled corporation Guibert Group is a major specialized manufacturer of contrasting agents for medical imaging operations in France, with over 30 years of experience. In addition, the firm has established a dominant position in its speciality on the European market, and it has successfully preserved its independence from bigger rivals for a long time. Eighty percent of the worldwide market is controlled by four major corporations: Mallincrodt, which is located in the United States; Nycomed Amersham, which is based in Norway and the United Kingdom; Bracco, which is based in Italy; and Schering, which is based in Germany. Guerbert, a pioneer in its field, manufactures

²² Guerbet Czech Republic s.r.o, 2022

chemical compounds that are injected into or ingested by patients undergoing medical imaging procedures (such as x-rays, magnetic resonance imaging, and the like) in order to enable and enhance the visualization of internal organs and structures during the procedures. Guerbert's most successful product is Xenetix, an X-ray agent that accounts for 25 percent of total sales. The business also manufactures Hexabrix and the MRI compound Dotarem, among other things. In 2002, the company, which had been looking for a stronger entry into the United States market (its U.S. distribution had previously been handled by Malincrodt), reached an agreement with the Cook Group of the United States to acquire all assets for that company's Oxilan x-ray imaging product, which is similar to Xenetix. The agreement was signed in the summer of 2002. To promote this product as well as to introduce its Dotarem MRI compound in the United States, Guerbet sought to establish an American subsidiary in the country. Guerbet has also been expanding its worldwide presence since the turn of the century, establishing new subsidiaries and affiliates in countries such as Italy, Japan, Austria, Turkey, the United Kingdom, Korea, Taiwan, and Germany. France contributes for around 30% of Guerbet's total sales in 2000, which totaled almost EUR 200 million; Europe as a whole accounts for 77 percent of the company's total revenues. Listed on the Euronext Paris stock market, the firm is controlled by the Guerbet family, which owns more than 70% of the company's shares, both personally and indirectly via a holding corporation. Michel Guerbet, the company's chairman and CEO is the grandson of the company's founder. Philippe Décazes is the company's CFO.

X-rays were discovered in 1895, and they were a watershed moment in medical history since they allowed for the first time the imaging of the inside of a patient's body. The use of X-rays allowed physicians to see the skeleton, but imaging of the soft tissues—and notably interior organs—was not feasible for a long time due to technological limitations.

Marcel Guerbet was a French chemist who, around the beginning of the twentieth century, created a novel chemical called Lipidiol, which was generated from pawpaw seeds and based on the oil extracted from them. Guerbet introduced the iodine-containing Lipidiol as a therapy for cardio-vascular illnesses in 1901, and it has been in use ever since. Guerbet started developing Lipidiol for the medical market in collaboration with a partner in 2009.

In 1918, a significant characteristic of Lipiodol was found entirely by coincidence. When the substance was injected into the body, it was discovered to have opacifying qualities, allowing clinicians to see soft tissue and interior organs for the first time. Guerbet was first to see the potential for contrast agents and other diagnostic imaging substances when they were first discovered. Guerbet urged his son, André Guerbet, to begin doing research into the production of contrast agents, and the business swiftly established itself as a leader in this field.

In 1926, Guerbet's original partner passed away, providing Guerbet's son André with the chance to acquire a 10% ownership in the firm, which was subsequently formed as Laboratoires Guerbet in Saint Ouen, north of Paris, at a cost of \$1,500. When Marcel Guerbet died in 1938, André Guerbet inherited management of the corporation, giving him a 60 percent stake. Within 30 years, Guerbet had established itself as one of France's most active contrast media developers, producing compounds for a variety of applications such as angiography (for measuring blood flow), bronchography, hysterosalpingography, and urography (visualization of the kidneys and urinary tract), as well as compounds for producing images of the digestive tract.

After becoming terminally sick in the early 1960s, André Geurbet started planning to transfer his ownership interest in the firm to his wife and ten children, all of whom were still relatively young and some of whom were still minors at the time. Guerbet's will provided that his son Michel Guerbet, a physician, would take over as the company's president and chief executive officer. The firm's other stockholders were skeptical of the young Guerbet's abilities to run the company, and they chose to sell their 40 percent ownership to the Guerbets in exchange for their confidence. Using the proceeds from the sale of land owned by Marcel Guerbet's widow, the acquisition was made possible, and the Guerbet family now owned 100 percent of the corporation. The firm, which was renamed SA Laboratoires André Guerbet in 1964, remained modest, employing just 100 people and earning FFr 5 million in annual sales.

Michel Guerbet, on the other hand, proved to be a successful businessman. A series of breakthrough products were produced by the business throughout the 1960s, allowing it to establish itself as a major producer of diagnostic contrast media in France and across the rest of Europe. A license arrangement to produce and commercialize Conrix, a chemical created in the United States, for the French market contributed to the funding

of the company's research and development program. Telebrix, another ground-breaking invention created in the company's laboratory, was introduced in 1964 by Geurbet Corporation.

Guerbet grew fast as a result of the success of Telebrix, and it started to see an increasing proportion of its sales coming from its European neighbors. In 1968, the expanding firm relocated its operations to the Parisian neighborhood of Aulnay-sous-Bois, where it has remained ever since. During this time period, the company's activities were more diverse along two principal lines: those of pharmaceutical goods and those of basic chemical compounds, which included active substances for medical purpose such as barium, among others.

When the company's scientists introduced a novel imaging agent in 1974, it quickly rose to become one of the company's most successful products, remaining so for more than two decades. Meanwhile, the company's two major activities grew to such an extent that it was forced to reorganize by the end of the 1970s. Guerbet SA was created in 1977 as a holding company, with two primary subsidiaries: Guerbet, which took over the firm's pharmaceuticals business, and Guerbet Chimie Aulnay, which took over the company's active ingredients activities. Guerbet SA has its headquarters in Paris.

Guerbet reorganized once again in 1981, this time establishing distinct export, marketing, and research units. Within a few months of opening its first plant, the business opened a second one in Lanester, which served as the company's principal manufacturing site for its active ingredients division. Meanwhile, Michel Guerbet started to open up the business's capital to its workers, offering them the opportunity to purchase shares in the still-private corporation, which they did. It was via this offering that Guerbet was able to gain admission to the Paris Stock Exchange, a step that the business took in 1986 when it became public on the Paris Secondary Market. As part of the offering, the Guerbet family, along with its employee-shareholders, transferred a large portion of their stock to a new holding company, Chandey, which became the company's majority shareholder, holding 46 percent of the company's stock and 51 percent of its voting rights, and became the company's majority shareholder. While this was going on, the Guerbet family was directly controlling an extra 20 percent of the company's shares.

Guerbet's continuing development led to the establishment of a new headquarters in Villepinte, next to the company's main Aulnay manufacturing plant, in 1987. By then,

Guerbet had established itself as the market leader in its speciality in the French market; the success of Hexabrix, notably in the United States, had resulted in overseas sales accounting for an increasing proportion of the company's revenues.

Guerbet's initial public offering (IPO) towards the end of the 1980s allowed the firm to accelerate its growth. In 1987, the business made two significant acquisitions: Simafex, which added fine chemicals to the mix, and another subsidiary, called Guerbet Biomedical, which was acquired in 1988 and added medical devices to the mix. Additionally, Guerbet increased the number of products available in its product range during this time period, adding Dotarem and Optiray x-ray contrast compounds to its lineup.

The increasing proportion of overseas sales in the firm's revenues prompted the corporation to establish foreign subsidiaries towards the beginning of the 1990s to better serve its customers. It was in 1990 that the firm established a subsidiary in the Netherlands, which was followed two years later by the establishment of a subsidiary in Germany. In 1994, the firm launched subsidiaries in Istanbul and London, bringing the total number of subsidiaries to four by the middle of the 1990s.

During the period in which the company's exclusive patent rights for the chemical were expiring—the compound was made available to generic competition in the United States in 1995--Guerbet started developing other products to take its place. Lumirem was introduced by the firm in 1993. With the introduction of Xenetix a year later, Guerbet had yet another commercial hit on its hands. It quickly rose to become one of Geurbet's best-selling items, accounting for around 25% of the company's total sales by the end of the decade. In 1995, a new chemical, Endorem, was introduced to the market to complement these previous medications. Guerbet's revenues had increased to FFr937 million at that point.

Despite this, the corporation was met with disappointment at the turn of the twentieth century. When experts questioned the device's performance in 1996, Guerbert, who had held an option for the European commercialization of an ultrasonic imaging product in development by an American company, decided to walk out of the project. Instead, the corporation was compelled to go elsewhere for an ultrasound device to round out its product line. Meanwhile, the firm was struck severely by a more than doubling in the price of its primary iodine component throughout the later part of the twentieth

century. At the same time, its four primary rivals, who together controlled around 80% of the international market, had engaged into a price-fixing agreement.

Guerbet embarked on a massive reorganization initiative in 1998 with the goal of restoring the company's financial health. As part of its reorganization, the corporation, which had been operating via its two principal branches since the restructuring at the end of the 1970s, has now consolidated these two divisions, therefore eliminating a significant amount of unnecessary overhead expenses and increasing efficiency. Guerbet moved a significant proportion of its output to its Lanester factory, which eventually became the company's primary manufacturing base. Michel Guerbet, who was planning the company's succession, was also responsible for reorganizing the company's executive board into a management board and a supervisory board, among other things. Philippe Decazes, who had been in charge of the business's Simafex subsidiary since 1995, was elevated to the position of company CEO by the corporation.

After more than three years of planning, the reorganization was completed in a matter of months, and Guerbet was back in the black by the end of 1999. Following the restructuring effort, the company's net earnings increased by roughly 67 percent the following year, demonstrating the effectiveness of the endeavor. During this time, Decazes and Michel Guerbet, who remained on as company chairman, guided the firm into a new phase of worldwide growth.

Guerbet established a new international subsidiary in Italy in 2000, which had grown to become Europe's second-largest market for contrast media at the time. The corporation has made an attempt to get a greater piece of the Asian market by establishing subsidiaries in Korea and Taiwan, among other places. A branch office in Hong Kong was also established by Guerbet to provide distribution for the company's sales in Australia, New Zealand, and other countries in the Pacific area.

Guerbet was also showcasing its most recent product introductions, including Sinerem, a contrast medium for Magnetic Resonance Imaging, and P792, a blood pool agent. Sinerem is a contrast medium for Magnetic Resonance Imaging. As part of this process, Guerbet started selecting new research topics that would be important for the firm's future development. The company is focusing on three critical areas for the next decade: colon cancer imaging, detection of atheromatous plaque, and detection of a universal cancer marker.

With its unique ownership structure, Guerbet was able to withstand a wave of mergers and consolidation that swept through its rivals in the global chemicals and pharmaceuticals industries, while maintaining a laser-like concentration on its contract media specialization. Even in this new millennium, Guerbet continued to pursue its expansionist goals. The Cook Group's Imaging subsidiary in the United States stated in January 2002 that it had acquired the global rights to produce and commercialize Oxilan, a non-ionic x-ray imaging product, from the Cook Group's Imaging subsidiary in the United States. In a similar vein to the Xenetix purchase, the Oxilan acquisition provided Guerbet with a solid entrance into the United States, where the firm has committed to opening a subsidiary by the middle of the year. This year, Guerbet made a strong statement about its commitment to being a major participant in the global contrast media business for the foreseeable future (Guerbet, 2016).

4.2 Guerbet's products

Guerbet's products are divided to several sections such as contrast agents for MRI, CT and CathLab, Injectors, Accessories & Consumables, Digital solutions, Pharmaceutical Drugs, drugs for women health and urology and products for interventional radiology. Below are most popular products of company.

Lipiodol Ultra Fluid

Poppyseed oil ethyl esters of fatty acids that have been iodinated. Lipiodol® Ultra Fluid was the first iodinated contrast agent to be introduced onto the market, having been discovered by Marcel Guerbet in 1901. It was originally employed in radiology in France in 1921, and it is still in use today. The most common applications for Lipiodol® Ultra Fluid are in interventional radiology and women's health at the present time. There are 47 countries that you can get Lipiodol® Ultra Fluid from.

Dotarem

Gadoteric acid is also known as gadoterate meglumine. Dotarem® was first introduced in France in 1989 and is now accessible in more than 70 countries worldwide.

DraKon Microcatheters

DraKon™ is a conventional microcatheter that may be used for peripheral embolizations of any kind (including cTACE). DraKon™ is a medical device that has been approved for commercialization in the United States and Europe. Besides the United States, they are also registered in other countries such as Australia, Brazil; Hong Kong; Israel; New Zealand; Peru; Thailand; and Turkey.

Hydra Vision™ Digital Imaging System

Imaging Acquisition Technology that allows for real-time digital X-ray imaging and low X-ray dosing in urological, gastroenterological, and gynaecological procedures, including treatment, planning, and diagnostic procedures.

Vectorio

An innovative mixing and injecting system for Conventional Trans-Arterial Chemo-Embolization, Vectorio comprises of medical equipment such as syringes, stopcocks, and sample devices that are made of Lipiodol® Ultra Fluid-resistant medical devices.

Contrast & Care Injection Management Solution

A contrast product injection management solution called Contrast & Care makes it possible for imaging centres to gather and archive injection data on a variety of topics, including contrast products and adverse events as well as injector activity and information on glomerular filtration rate estimations (Guerbet, 2016).

5 Practical Part

Some of the companies have already proved that with higher cultural diversity, profits, productivity, and other performance of company are higher too. One of the most valuable research projects were done by McKinsey company. They state that more diversified company has better results at trade, it is more productive and profitable.

Their most recent research underlines the strong financial rationale for gender diversity as well as ethnic and cultural diversity in corporate leadership — and indicates that this business argument is only becoming stronger. The most diverse businesses are now more likely than ever to outperform non-diverse businesses in terms of profitability.

According to their 2019-year data, organizations in the top quartile of gender diversity on executive teams were 25 per cent more likely than their peer companies in the fourth quartile to have above-average profitability. Compared to 2017-year, this is an increase from 21% and 15%, respectively.

Furthermore, they discovered that the greater the degree of representation, the greater the chance of outperformance. Firms with more than 30% women on their executive teams outperform those with between 10% and 30% women on their executive teams. These companies, in turn, outperform those with fewer or no women on their executive teams, according to the research. This has resulted in a significant performance gap (48 per cent) between the most and most minor gender-diverse organizations.

Findings on ethnic and cultural diversity are as intriguing as they are in other areas of study. In terms of profitability, they discovered that firms in the top quartile outpaced those in the bottom quartile by 36 per cent in 2019, a slight increase from the previous years' findings of 33 per cent and 35 per cent, respectively.²³

McKinsey research became a motivation for this diploma thesis. For research in my diploma thesis will be used OLS models for each variable, which will help to understand if there any dependence between annual profit of company and number of nationalities, number of women and men. The model will show if company can be more profitable with more developed cultural diversity.

²³ Dixon-Fyle et al., 2020

5.1 One-equation model

To evaluate the impact of cultural diversity which will be representing by number of nationalities, number of woman and men will be used statistical technique of analysis known as ordinary least squares (OLS) regression. This regression method helps to evaluate the connection between one or more independent variables and a dependent variable.

This one-equation model deals with the annual profit of Guerbet company in the Czech Republic in the years 2017-2020. The assumption is that annual profit of the company Guerbet (endogenous variable y_1) set in mil.CZK/year will be most affected by number of nationalities (x_2), number of women (x_3) and number of men (x_4). The constant in the model is represented by a unit vector.

5.1.1 Economic Models

Formulation of the economic models:

$$Y_1 = f_x(x_1; x_2)$$

$$Y_1 = f_x(x_1; x_3).$$

$$Y_1 = f_x(x_1; x_4).$$

5.1.2 Econometric Models

Formulation of the econometric models:

$$Y_{1t} = \gamma_{11}x_{1t} + \gamma_{12}x_{2t} + u_t$$

$$Y_{1t} = \gamma_{11}x_{1t} + \gamma_{13}x_{3t} + u_t$$

$$Y_{1t} = \gamma_{11}x_{1t} + \gamma_{14}x_{4t} + u_t$$

Table 16: Showcase of the model variables

Variable	Name	Type of Variable	Unit
Y1	Annual profit of the company (Guerbet)	Endogenous	Mil. CZK/year
X1	Unit vector	Exogenous	constant
X2	Number of nationalities	Exogenous	Nationalities/year
X3	Number of women	Exogenous	Women/ year
X4	Number of men	Exogenous	Men/year
U1t	Stochastic variable	Exogenous	-

Source: own interpretation

5.1.3 Data Set

Table 17: Data set

	Annual profit of the company	Unit vector	Number of nationalities	Number of women	Number of men
time series	y1t	x1t	x2t	x3t	x4t
2017	1,002	1	7	9	7
2018	1,116	1	10	12	9
2019	1,37	1	12	14	11
2020	2,083	1	17	21	12

Source: Excel (Guerbet Czech Republic, s.r.o)

The Data set table represents all the information about data of Guerbet company which were changing between 2017 and 2020. It includes data about annual profit, number of nationalities per year, amount of women and men per each year.

The data were selected based on their impact on the company's profit, as assumed every variable has a different impact on the profit as it will be discussed in detail in the next chapter.

5.2 Model 1

Figure 1: Parameters estimation for model 1

File Edit Tests Save Graphs Analysis LaTeX				
Model 1: OLS, using observations 2017–2020 (T = 4)				
Dependent variable: y1t				
	coefficient	std. error	t-ratio	p-value
x1t	0.0998679	0.223395	0.4470	0.6986
x2t	0.112425	0.0185201	6.070	0.0261 **
Mean dependent var	1.392750	S.D. dependent var	0.485194	
Sum squared resid	0.036357	S.E. of regression	0.134828	
R-squared	0.948520	Adjusted R-squared	0.922780	
F(1, 2)	36.85001	P-value(F)	0.026080	
Log-likelihood	3.725561	Akaike criterion	-3.451121	
Schwarz criterion	-4.678533	Hannan-Quinn	-6.144584	
rho	-0.307582	Durbin-Watson	2.020641	

Source: Gretl (own interpretation)

From the figure above it is shown the results of the first model as the following:

$$Y_{1t} = 0.09987X_{1t} + 0.112425 X_{2t}$$

0.09987 is the constant of the model which represents an initial level of profit of the company in the selected period, meaning if the impact of other variables (X_2 , number of nationalities) in this case would be omitted then the profit of the company will be .09987 million per year.

0.112425 is related to the number of nationalities, where it explains if the number of nationalities of employees in the company increases by 1 employee, then the profit of the company will increase by 0.112425 million per year.

P-value, it checks the statistical significance of the parameter in the model based on selected level of significance, in this model the level of significance 0.05 is selected.

As shown from the figure $p\text{-value} = 0.0261 < 0.05$, meaning the parameter is statistically significant.

Adjusted R-squared

It checks the quality of the model from the statistical point of view and level of dependence between variables. In the current model the value of Adjusted R-squared is 0.923 which is > 0.70 meaning the model is very good from the statical viewpoint and almost 92.3% of the variables are explained by the analysed relationship of the model. It also means that level of dependence between exogenous and endogenous variables are high.

5.2.1 Model Application 1

For the application of model, the coefficient of elasticity is going to be used. So, by the checking the change of dependent variable (profit of the company) if the explanatory variable (number of nationalities) increases by 1%.

$y_i = f(x_i, x_j)$ for the purpose of calculation of the elasticities, the last period 2020 is selected.

The model equation will be used by substituting the independent variables based on the type of the elasticity as the following:

$$Y_{1t} = 0.09987X_{1t} + 0.112425 X_{2t}$$

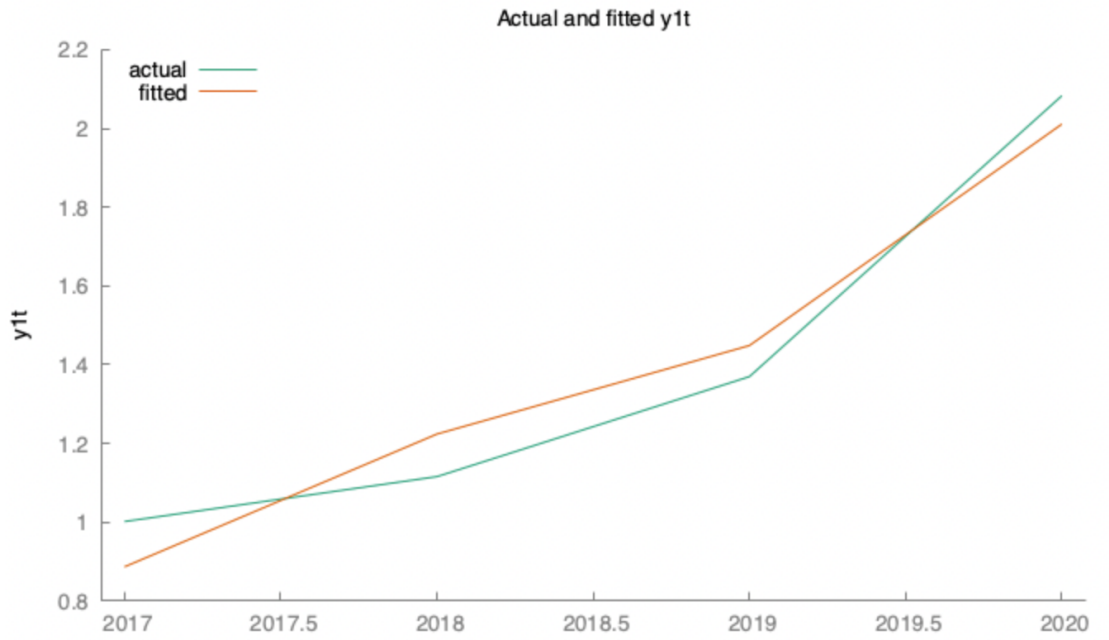
- Cross-price elasticity – the influence of value of commodity and profit of another commodity, by substituting 17 in all Xs in the model to find \bar{Y}_i .

$$\bar{Y}_i = 0.09987 + 0.112425(17) = 2.042$$

$$e_{ij} = \frac{\partial y_i}{\partial x_j} \times x_j / \bar{Y}_i = 0.112425 \times 17 / 2.083 = 0.92$$

If the number of nationalities increases by 1%, the profit of the company increases by 0.92%.

Graph no. 1: The actual Vs. the fitted plot of the profit related to number of nationalities



Source: Gretl (own interpretation)

Graph 1 shows the actual Vs. the fitted plot of the profit for the selected time series, as it is shown, the values of Y (profit) increase annually with increasing the nationalities and it has declined slightly between 2019-2020, and that might be due to the current pandemic.

From the graph it can be said there is a significant similarity between the fitted and the actual plots.

5.3 Model 2

Figure 2: Parameters estimation for model 2

Model 1: OLS, using observations 2017-2020 (T = 4)				
Dependent variable: y1t				
	coefficient	std. error	t-ratio	p-value
x1t	0.0754936	0.147335	0.5124	0.6594
x3t	0.0940897	0.0100365	9.375	0.0112 **
Mean dependent var	1.392750	S.D. dependent var	0.485194	
Sum squared resid	0.015714	S.E. of regression	0.088640	
R-squared	0.977750	Adjusted R-squared	0.966624	
F(1, 2)	87.88587	P-value(F)	0.011188	
Log-likelihood	5.403226	Akaike criterion	-6.806451	
Schwarz criterion	-8.033862	Hannan-Quinn	-9.499914	
rho	-0.391688	Durbin-Watson	2.265680	

Source: Gretl (own interpretation)

From the figure above it is shown the results of the first model as the following:

$$Y_{1t} = 0.0755X_{1t} + 0.0941 X_{3t}$$

0.0755 is the constant of the model which represents an initial level of profit of the company in the selected period, meaning if the impact of other variables (X2, number of women) in this case would be omitted then the profit of the company will be .0755 million per year.

0.0941 is related to the number of women, where it explains if the number of women who work in the company increases by 1 woman, then the profit of the company will increase by 0.0941 million per year.

P-value, it checks the statistical significance of the parameter in the model based on selected level of significance, in this model the level of significance 0.05 is selected.

As shown from the figure p-value =0.0112 < 0.05, meaning the parameter is statistically significant.

Adjusted R-squared

It checks the quality of the model from the statistical point of view and level of dependence between variables. In the current model the value of Adjusted R-squared is 0.967 which is > 0.70 meaning the model is very good from the statical viewpoint and almost 96.7% of the variables are explained by the analysed relationship of the model. It also means that level of dependence between exogenous and endogenous variables are high.

5.3.1 Model Application 2

For the application of model, the coefficient of elasticity is going to be used. So, by the checking the change of dependent variable (profit of the company) if the explanatory variable (number of women) increases by 1%.

$y_i = f(x_i, x_j)$ for the purpose of calculation of the elasticities, the last period 2020 is selected.

The model equation will be used by substituting the independent variables based on the type of the elasticity as the following:

$$Y_{1t} = 0.0755X_{1t} + 0.0941 X_{3t}$$

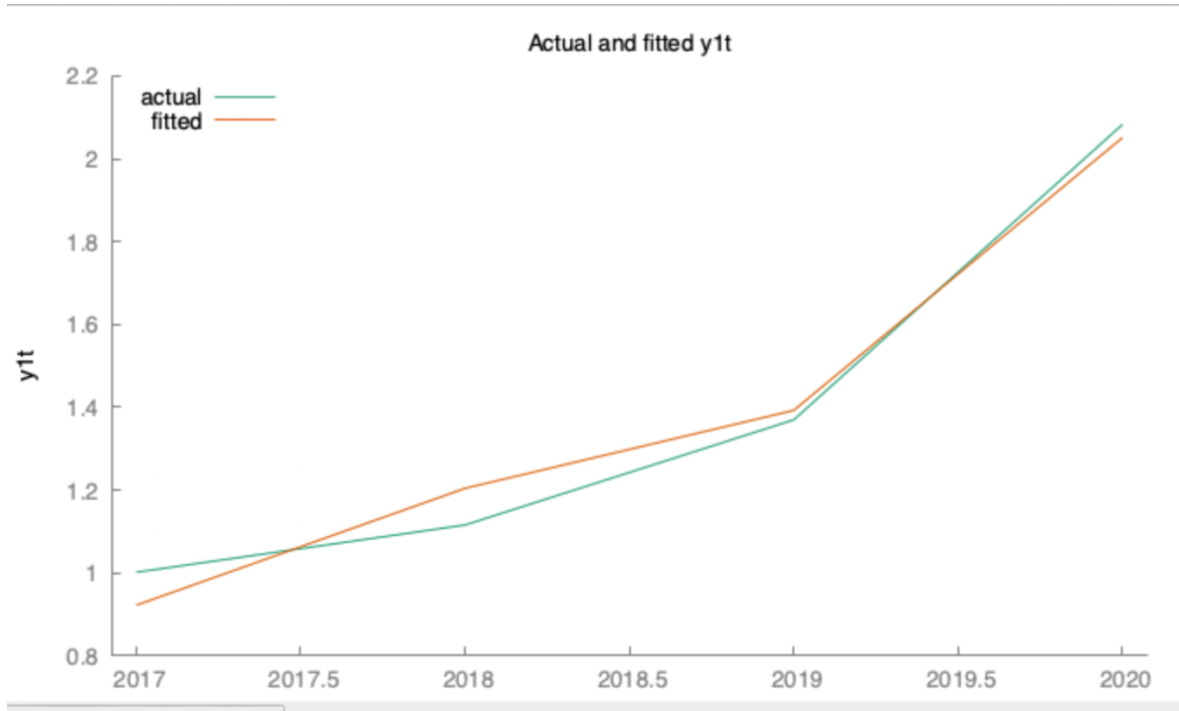
- Cross-price elasticity – the influence of value of commodity and profit of another commodity, by substituting 17 in all X_s in the model to find \bar{Y}_i .

$$\bar{Y}_i = 0.0755 + 0.0941(17) = 2.042 = 1.675$$

$$e_{ij} = \frac{\partial y_i}{\partial x_j} \times \frac{x_j}{\bar{Y}_i} = 0.0941 \times \frac{1.675}{2.083} = 0.076$$

if the number of women increases by 1%, the profit of the company increases by 0.076%.

Graph no. 2: The actual Vs. the fitted plot of the profit related to number of women



Source: Gretl (own interpretation)

Graph 2 shows the actual Vs. the fitted plot of the profit for the selected time series, as it is shown, the values of Y (profit) increase annually with increasing of women in the company and it has declined slightly between 2019-2020, and that might be due to the current pandemic.

From the graph it can be said there is a significant similarity between the fitted and the actual plots.

5.4 Model 3

Figure 3: Parameters estimation for model 3

Model 3: OLS, using observations 2017–2020 (T = 4)				
Dependent variable: y1t				
	coefficient	std. error	t-ratio	p-value
x1t	-0.462559	0.759116	-0.6093	0.6043
x4t	0.190288	0.0763905	2.491	0.1304
Mean dependent var	1.392750	S.D. dependent var	0.485194	
Sum squared resid	0.172148	S.E. of regression	0.293383	
R-squared	0.756247	Adjusted R-squared	0.634371	
F(1, 2)	6.205041	P-value(F)	0.130375	
Log-likelihood	0.615642	Akaike criterion	2.768717	
Schwarz criterion	1.541306	Hannan-Quinn	0.075254	
rho	-0.494353	Durbin-Watson	2.093043	

Source: Gretl (own interpretation)

From the figure above it is shown the results of the first model as the following:

$$Y_{1t} = -0.46256X_{1t} + 0.11903X_4$$

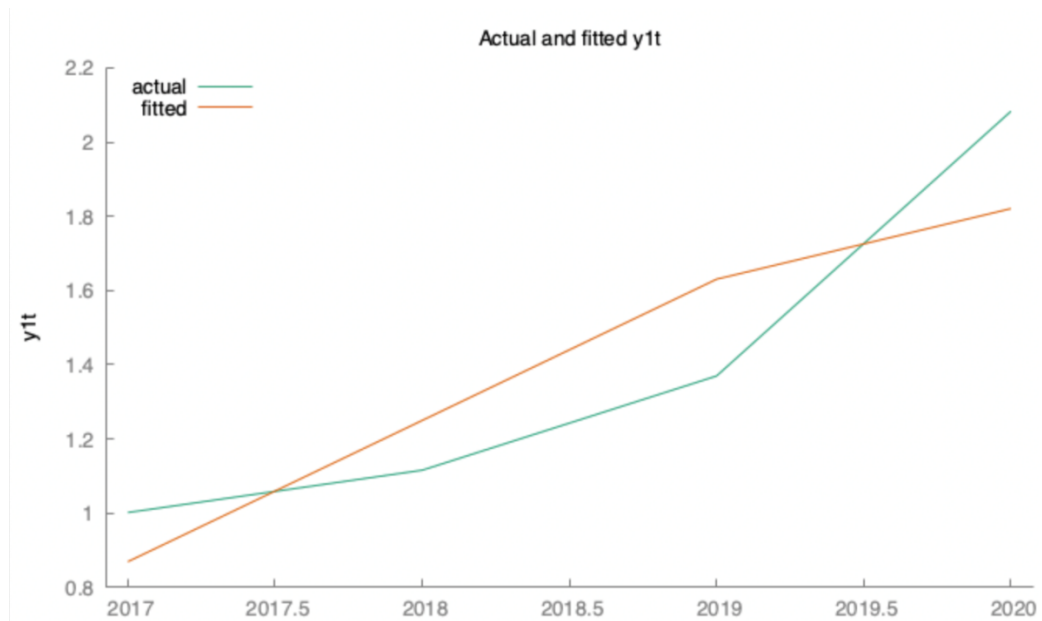
-0.46256 is the constant of the model which represents an initial level of profit of the company in the selected period, meaning if the impact of other variables (X4, number of men) in this case would be omitted then the profit of the company will be -0.46256 million per year, which means the company will lose.

0.1903 is related to the number of men working in the company, where it explains if the number of men who works in the company increases by 1 employee, then the profit of the company will decrease by 0.1903 million per year.

Adjusted R-squared

It checks the quality of the model from the statistical point of view and level of dependence between variables. In the current model the value of Adjusted R-squared is 0.634 which is < 0.70 meaning the model is not the best from the statical viewpoint, but it is still a good model as almost 63.4% of the variables are explained by the analysed relationship of the model. The level of dependence between variables is lower than in previous models, but still it exists, but on medium level.

Graph no. 3: The actual Vs. the fitted plot of the profit related to number of men



Source: Gretl (own interpretation)

Graph 3 shows the actual Vs. the fitted plot of the profit for the selected time series, as it is shown, the values of Y (profit) increase annually with increasing men in the company and it has declined slightly between 2019-2020, and that might be due to the current pandemic.

From the graph it can be said there is a significant similarity between the fitted and the actual plots.

5.4.1 Model Application 3

For the application of model, the coefficient of elasticity is going to be used. So, by the checking the change of dependent variable (profit of the company) if the explanatory variable (number of men) increases by 1%.

$y_i = f(x_i, x_j)$ for the purpose of calculation of the elasticities, the last period 2020 is selected.

The model equation will be used by substituting the independent variables based on the type of the elasticity as the following:

$$Y_{1t} = -0.46256X_{1t} + 0.11903X_4$$

- Cross-price elasticity – the influence of value of commodity and profit of another commodity, by substituting 17 in all Xs in the model to find \bar{Y}_i .

$$\bar{Y}_i = -0.46256 + 0.11903(17) = 1.571$$

$$e_{ij} = \frac{\partial y_i}{\partial x_j} \times \frac{x_j}{\bar{Y}_i} = 0.11903 \times \frac{1.571}{2.083} = 0.090$$

if the number of men increases by 1%, the profit of the company increases by 0.090%.

6 Results and Discussions

6.1 Results of OLS model

Above, in practical part chapter were done research for each variable, more precisely exogenous variable X2 (number of nationalities), X3 (number of women), X4 (number of men) and endogenous variable Y1 (annual profit of the company). For time series was used period of time between 2017, when branch of the company was open in the Czech Republic and 2020 years.

In first model, where was considering exogenous variables X1 (unit vector) and X2 (number of nationalities) and endogenous variable Y1 (annual profit of the company), was identified a strong dependence between variables. It was proved via OLS model by getting a result of Adjusted R-squared. In first model the value of it was 0.923 which is > 0.70 meaning that dependence level is high and amounts to 92,3%.

In second model, where was considering exogenous variables X1 (unit vector) and X3 (number of women) and endogenous variable Y1 (annual profit of the company), was also identified a strong dependence between variables. It was also proved via OLS model by getting a result of Adjusted R-squared. The value of it was 0.967 which is > 0.70 meaning that dependence level is even higher than in the first model and amounts to 96,7%.

As a final point, the third model was done, where was considering exogenous variables X1 (unit vector) and X4 (number of men) and endogenous variable Y1 (annual profit of the company). In contrast to the first and second models, there was identified a medium dependence between variables. The result of Adjusted R-squared in the third model was 0.634 which is < 0.70 , meaning that dependence level is medium and amount to 63,34%.

To be more general in results, while checking the model application for each model, it seen that in case of increasing of all exogenous variables such as X2 (number of nationalities), X3 (number of women), X4 (number of men) by 1 %, the endogenous variable Y1 (annual profit of the company) increases too. That proves the positive impact of cultural diversity which is representing by number of nationalities, women, and men in this case, on Guerbet's performance which is representing by annual profit. It means that more diversified company will be a higher annual profit it gets.

6.2 Suggestions for the company

After the research which were done above in this work, can be tracked a positive relationship between cultural diversity and performance of the Guerbet company, in this case annual profit.

Due to the cultural diversity has a positive effect on the company, it could develop towards this area to be more profitable. There are some strategies, which can be suggested them for developing the level of diversification.

One of the most important things that the company should do, is to make sure that there are set anti-discrimination regulations within the company. All employees have to be treated equally. They should feel protected and respected, despite their nationality, gender, etc.

The company can hold a diversity training session. Diversity training will very certainly be required for the executive team and other top-level executives, who will be surprised when the program reveals its own flaws. They may then use this newfound understanding to implement significant culture and sensitivity training throughout the firm.

The company can enrol in a course on global citizenship. First and foremost, it should work to increase workers' cultural awareness. In order to educate them about diverse cultural norms, the company might organize training sessions. It is important that these lessons be structured in such a manner that the company's staff learn how to cope with the issues and challenges of working in an increasingly mixed global economy and culture.

The Guerbet can provide a variety of mentoring opportunities. Mentorship programs serve to guarantee that everyone has the chance to progress and also help to build stronger employee connections in the workplace. The establishment of an inclusive mentoring program may aid in promoting diversity.

They also can offer targeted internships and scholarships to qualified candidates. Increase the number of high-value internships and scholarships available to workers from under-represented groups, which will enable them to rise more swiftly into critical positions within the business.

Also, the company can participate in traditional holidays, festivals, and cuisine. Cultural literacy, knowledge, and acceptance may all be improved by recognizing and celebrating differences. Starting with the company's email or news bulletin, include holidays

and festivals from various cultures and then celebrate them at work when it is acceptable. This will demonstrate to staff that the company understands and embraces their cultural differences. The company might also organize dinner or an international food day with the topic of cultural awareness as the central focus and ask workers to bring a traditional dish from their motherland to share with others. By exposing employees to different cultures' practices, the company will raise their awareness of cultural diversity. It also provides an opportunity to acquire vocabulary in a foreign language, which they may ideally utilize while talking with international co-workers and business clients.

The firm should pay close attention to cultural differences. It may also encourage staff to be more culturally aware by instructing them to pay close attention to distinctions in the culture of a foreign consumer. They won't disturb them on national or religious holidays, and they'll be aware of the dangers of bringing up or discussing politics or religion if they don't want to get into problems.

The company should also instruct its personnel to do a preliminary study on the local traditions and etiquette of a foreign consumer before engaging in business with them. Because certain cultures are uncomfortable with discussing costs upfront, workers will need to adapt the way they communicate their estimates for a project. Aside from that, the 'hard sell' is seen as a turn-off in other nations.

During work, employees should be aware of the various time zones. The firm should inform its staff that while communicating with international consumers and fulfilling deadlines, they must be mindful of the various time zones. This involves taking note of the customer's business hours and lunch hours at the location where they are located. Because they are aware of the different time zones, they may avoid communicating with a client after they have completed their job or, worse, while they are sleeping. They'll also be aware of when to say, "good morning," "good afternoon," or "good evening," depending on the situation. The company should instruct its personnel to check the World Clock to keep track of the time zones of international consumers.

7 Conclusion

Globalization and the development of all areas of business does not stand still and continues to develop more and more every day. Back in the 19th century, most people could not imagine of the depth and breadth of culture that existed in the rest of the world. The wars and globalization of the 20th century made the people of all countries, including those of Western Europe, aware of the world's cultural diversity. Nowadays, cultural diversity is part of our life. So many companies becoming international and opening their branches all over the world. The Guerbet company is no exception. The company has come a long way, and with a history of more than 100 years has made many discoveries.

Today Guerbet is multinational company which have branches all over the world, not excluding the Czech Republic, where currently is located one of the branches, which was used as a subject of this work.

The main purposes of this Diploma Thesis are to evaluate the impact of cultural diversity on a company's performance (annual profit) and to create suggestions for the company regarding cultural diversity in the workplace. With a help of OLS model, which were created for each exogenous variables such as X2 (number of nationalities), X3 (number of women), X4 (number of men) has been shown a positive effect on endogenous variable Y1 (annual profit of the company). It means that cultural diversity, one of the factors of company's growth, has a positive impact on company's profitability. Based on the results was suggested strategies, which company can use to increase the level of diversification.

Despite the fact that the branch of the company was opened relatively recently, more precisely in 2017, it is already showing good results and can grow more, by developing of all company's sectors, and of course by increasing of the level of cultural diversity.

Thus, from the foregoing, it can be concluded that cultural diversity, along with other factors, have a significant impact on doing business internationally. Study and accounting cultural differences are necessary to achieve high performance, being a part of foreign markets.

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