CULTURAL ATTITUDES OF EMPLOYEES OF SMES IN CASE OF INTERCULTURAL RELATIONS

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Summary

In the focus of the study we can find the question of cultural attitudes of Hungarian employees working for SMEs and being in touch with foreign business partners. Therefore the present study investigates which cultural attitudes can be classified in case of the employees of Hungarian SMEs during their intercultural relations. The respondent employees work for SMEs operating in the West-Transdanubian region. The study assumes that the cultural attitude of the employees of Hungarian SMEs is not unified during intercultural business relations, but can be classified into diverse groups of business-behavioural categories. The present study also assumes that there are differences between the national culture of Hungary and the cultural attitudes of the respondent employees, because besides national culture personality also affects their attitudes. Consequently, the aim of the study is to verify or reject these assumptions by means of a quantitative research.

Key words
cultural attitudes, intercultural business relations, SMEs

Összefoglalás

A tanulmány középpontjában azon magyar alkalmazottak kulturális attitűdje áll, akik kis- és középvállalatoknál dolgoznak és külföldi üzleti partnerrel állnak kapcsolatban. Következésképpen jelen tanulmány azt vizsgálja, hogy a magyar kis- és középvállalatok alkalmazottainak milyen kulturális attitűdjei különíthetők el az interkulturális kapcsolataik során. A válaszadó alkalmazottak a Nyugat-dunántúli régióban működő magyar kis- és középvállalatoknál dolgoznak. A tanulmány feltételezi, hogy a magyar kis- és középvállalatok alkalmazottainak kulturális attitűdje nem egységes, hanem különböző üzleti-magatartási kategóriákba sorolható. Jelen tanulmány további feltételezése, hogy különbség van a magyar nemzeti kultúra és a válaszadó alkalmazottak kulturális attitűdjei között, mivel az attitűdöt a nemzeti kultúra mellett a személyiség is befolyásolja. Következésképpen a tanulmány célja ezen feltételezések igazolása vagy elvetése egy kvantitatív kutatás segítségével.

Kulcsszavak
kulturális attitűdök, interkulturális üzleti kapcsolatok, KKV-k

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Introduction

Nowadays it is well-known that the second half of the 20th century is characterised by globalisation and internationalisation. As a result of this, the number of intercultural business relations has been growing, which leads to the fact that a greater rate of small- and medium-sized enterprises (henceforth SMEs) do business with representatives of foreign countries. In course of these intercultural relations the representatives of SMEs – usually their employees – have to face with a different culture. Nevertheless, it is different from person to person how they deal with a foreign culture. The reason for this is that the business behaviour of the employees is determined on the one hand by the national culture, but on the other by their personality. Therefore it cannot be said that there is a common way with which foreign cultures can be dealt, so different cultural attitudes can be identified in case of intercultural business relations.

As a consequence of the above-mentioned, the present study investigates which cultural attitudes can be classified in case of the employees of Hungarian SMEs during their intercultural relations. The respondent employees work for SMEs operating in the West-Transdanubian region. The study assumes that the cultural attitude of the employees of Hungarian SMEs is not unified during intercultural business relations, but can be classified into diverse groups of business-behavioural categories. The present study also assumes that there are differences between the national culture of Hungary and the cultural attitudes of the respondent employees, because besides national culture personality also affects their attitudes.

Theoretical background

The question of culture regarding both the nation and the companies has been a popular topic of some pieces of research recently in Hungary (e.g. Ablonczyné – Tompos 2011a,b, Ablonczyné 2008 and 2009, Tompos – Ablonczyné 2011, Tompos 2012, Konczosné 2003, 2005 and 2009) and abroad (e.g. Dupuis 2014, Minkov – Blagoev – Hofstede 2013) as well. Due to the lack of a unified and commonly accepted definition of culture, the methods used to analyse it are very different. Every discipline defines its own definition of culture and uses its own method to examine it. If we want to give an easily understood definition of culture, we can say that culture illustrates the accepted norms and values and traditional behaviour of a group.

Researching culture is not as easy as it may seem, since it has different levels and these levels are in close contact with each other, what is more, they affect each other. From the point of view of the present study the level of national culture is important. National culture distinguishes between the representatives of cultures based on their native countries (Hofstede 1980). National culture is a key component in business, because it has an influence on almost every segment of business. Therefore national culture has an own unique dimension, the so-called business culture that includes the behaviour and ethics in meetings, negotiations and social media use, for instance. In other words, business culture determines how different levels of staff communicate with one another as well as how employees deal with clients and customers.

The research of national culture has been in the focus of more pieces of research (e.g. Hofstede 1980, Trompenaars 1995, Hall 1975 and 1990, Gesteland 2005) since the second half of the 20th century. The most known and widely used research belongs to Hofstede (1980) who examined national culture based on cultural dimensions. The present study deals with four from the seven cultural dimensions, which are the followings: power distance, individualism vs. collectivism, masculinity vs. femininity and uncertainty avoidance. Power distance has something do with the unequal distribution of power and its acceptance within the society. The cultural dimension of individualism vs. collectivism refers to whether the individual or the group is important in the society. Masculinity vs. femininity dimension deals

with the roles of men and women in society. In masculine cultures these roles are separated, whereas in feminine cultures they are mixed. Uncertainty avoidance shows to what extent the member of a society accept uncertain events.

Another well-known research of national culture is that of Trompenaars (1995). He also defined seven cultural dimensions from which only two are used in the present study. The dimension of neutral vs. affective cultures illustrates to what extent the showing of emotions is accepted in a society during business relations. The dimension of specific vs. diffused cultures has something to do with the separation or the overlap of private and professional life.

Hall (1975 and 1990) dealt with national culture based on the communicative style and the use of time in the society. Based on these he identified two cultural dimensions: monochronic vs. polychronic and low-context vs. high-context cultures. The dimension of monochronic vs. polychronic cultures deals with the use of time. Low-context vs. high-context cultures can be distinguished based on to what extent they use context in their communication.

The national culture of Hungary is not easy to define, since the different pieces of research conducted in different times in different samples led to different findings. Therefore the findings of the most recent pieces of research are taken into consideration in this study. Based on this Hofstede (2008) found that Hungarian national culture can be characterised with middle power distance, strong individualism, weak masculinity and high uncertainty avoidance. Trompenaars found that Hungary is a strongly affective and diffuse culture (Hampden-Turner – Trompenaars 2004). Finally, based on the findings of Hall (1975 and 1990) Hungary is rather a polychronic and high-context culture.

Research methodology
To be able to verify or reject the assumptions of the study, a quantitative research was used. This quantitative research was conducted by means of an online questionnaire. The survey was conducted between July and October 2012, and the so-called 'snowball' method was used to find potential respondents. The reason for this was that the sample included only those employees who work for a Hungarian SME from the West-Transdanubian region and who are active participants of intercultural business relations at the same time. Therefore the first group of the respondents were chosen from the authors' own network then other potential respondents were 'snowballed' by the members of the first group. During the above-mentioned period 147 questionnaires were collected and then analysed.

The questionnaire had four parts. The first part sought for demographic data regarding both the respondent and the SME the respondent works for. The second part asked for information in connection with the importance of cultural differences in case of intercultural business relations. The third part of the questionnaire contained attitude-statements regarding the business behaviour of the respondents. The fourth part sought for information in connection with the characteristics of the intercultural business relations between Hungarian SMEs and their Austrian partners. The present study deals with the third part of the questionnaire.

The third part contained 16 attitude-statements using the cultural dimensions of Hofstede (1980), Trompenaars (1995) and Hall (1975 and 1990). From the cultural dimensions of Hofstede (1980) and Trompenaars (1995) only those were used that were mentioned in the Theoretical background part of this study. Every cultural dimension was represented by two attitude-statements.

The respondents had to answer to these attitude-statements with the help of a 7-point Likert-type scale, where 1 meant absolutely disagree and 7 meant absolutely agree. First of all, an average was counted from the answer to determine the cultural attitudes of the

respondent employees, but later the answers were analysed by means of a multivariate statistical method, the factor analysis to decide whether the assumptions of the study are true or not. During the analysis, the relations between interrelated variables were analysed and these were then defined with the help of some explanatory factors. Thus a distinction between dependent and independent variable was not made. From factor extraction methods, main component analysis was used. To examine the suitability of data the author considered the values of Bartlett-test and Kaiser-Meyer-Olin (KMO). Based on the result of Bartlett-test (p=0,000) the variables are suitable for factor analysis since there is correlation between them. The value of KMO is 0,691 which also shows that the variables are suitable for factor analysis. This latter value was considered to determine the number of main components as well. Based on Kaiser-criterion it is appropriate to compress the 16 attitude-statements into five main components. The loss of information is almost 40% in this case, which meets the demands of social sciences.

The respondents
As for the respondents, the following pieces of information were found:
- 58% of the respondents were men, while 42% were women,
- 72% of them have a higher education diploma, 5% only have vocational education, but 5% of them have PhD of DLA,
- 50% of them are senior managers, 22% are middle managers and 28% of them are employees not in a leading position,
- 80% of the respondents speak German at some level, 63% speak English at some level, while 10% of them do not speak any foreign languages,
- 102 employees work for small-sized enterprises and 45 work for medium-sized ones,
- 32% of the respondents work in the field of production, 65% of them work in the service sector, whereas 5% of them work in both fields.

Findings
Firstly, an average was counted from the answers given to identify the cultural attitudes of the respondent employees in case of intercultural business relations. Based on the answers the following cultural attitudes were found:
- lower than middle power distance,
- weak collectivism,
- femininity,
- moderately high uncertainty avoidance,
- neutral culture with affective expectations,
- diffuse culture with specific features,
- monochronism,
- low-context communication.

To be able to decide whether the assumption, that there are differences between the national culture of Hungary and the cultural attitudes of the respondent employees, is true or false, we must compare these cultural attitudes with the characteristics of the Hungarian national culture (Table 1).

It can be seen in Table 1 that there are only some cultural dimensions (e.g. that of specific vs. diffuse cultures) in case of which similarities can be observed between the national culture of Hungary and the cultural attitudes of the respondent employees. Consequently, it can be stated that one of the assumptions of the present study is proved to be true.

Table 1: The differences between the cultural attitudes of respondent employees (N=147) and the Hungarian national culture

	The cultural attitudes of the respondent employees	**Hungarian national culture**
Power distance	lower than middle	middle
Individualism vs. collectivism	weak collectivism	strong individualism
Masculinity vs. femininity	femininity	weak masculinity
Uncertainty avoidance	moderately high	high
Neutral vs. affective	neutral	strongly affective
Specific vs. diffuse	diffuse with specific features	diffuse
Monochronic vs. polychronic	monochronic	polychronic
Low-context vs. high-context	low-context	high-context

Source: Own compilation based on own research and Hofstede (2008), Hampden-Turner – Trompenaars (2000), Hall (1975 and 1990)

As for the other assumption of the present study, multivariate statistical analysis (factor analysis) was needed to be able to verify or reject it. As a result of the factor analysis the attitudes of the respondent employees in case of intercultural business relations can be classified into five main categories of business behaviour. These categories were named by means of one cultural dimension of Gesteland (2005), which is deal-focused vs. relationship-focused cultural dimension. Deal-focused cultures mainly focus on the task during business relations, whereas relationship-focused cultures put the main emphasis on the relationship during intercultural business relations (Gesteland 2005). Based on the findings, the following main components were identified (Szőke – Kovács 2014):
  − 1. main component: deal-focused behaviour,
  − 2. main component: deal-focused behaviour with relationship-focused features,
  − 3. main component: moderately relationship-focused behaviour,
  − 4. main component: relationship-focused behaviour with deal-focused features,
  − 5. main component: relationship-focused behaviour.

The reason for using the deal-focused vs. relationship-focused cultural dimension of Gesteland (2005) to name the categories was that the main differences could be observed among the business behaviour of the respondent employees based on this dimension. This means that most of the respondents show relationship-focused behaviour but the extent of this behaviour is different in case of three groups/components. The other two main components can be distinguished based on the extent of deal-focused behaviour of the respondent employees. These findings all show that the other assumption of the present study is also verified since five different business-behavioural categories can be distinguished among the respondent employees, and this also means that the cultural attitudes of the respondent employees are not unified.

Conclusions
The present study analysed the cultural attitudes of the employees of Hungarian SMEs in case of intercultural business relations. The present study also dealt with the differences between the cultural attitudes of the respondent employees and the characteristics of Hungarian

national culture. The study assumed that the cultural attitudes of the respondent employees is not unified but can be classified into different business-behavioural categories, therefore it also assumed that the cultural attitudes of the respondent employees are a bit different from the features of Hungarian national culture due to personality.

To verify or reject the assumptions the study illustrated one part of a quantitative research and its findings. Based on these findings the differences between the national culture of Hungary and the cultural attitudes of the respondent employees working for Hungarian SMEs can be identified. As a result of the main component analysis, five business-behavioural categories could be distinguished regarding the cultural attitudes of the respondent employees. Consequently, both assumptions of the study could be verified and accepted.

To sum up the results of the present study it can be said that it proved that there are differences among the respondent employees based on their business behaviour in international business relations, and that their cultural attitudes are different in some aspects from the national culture of Hungary. These results prove that although national culture affects the cultural attitude of employees in international business relations, the cultural attitude of the employees show differences and thus there are five categories of business behaviour as well.

Obviously, the study is not without limitations, since the findings presented in this study are only valid for the group of the respondent employees. More pieces of research is needed to draw more general conclusions.

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