Abstract. For the last twenty years, G. Hofstede’s classification of cultural factors has been one of the basic approaches to the development of the majority of modern typologies of national business cultures. The purpose of the research is to compare cross-cultural characteristics of modern Ukrainian and Polish business cultures with regard to G. Hofstede’s classification of cultural factors. To achieve this goal, we have compared modern Ukrainian and Polish business cultures according to Hofstede’s classification of cultural factors. Key cross-cultural differences of Ukrainian and Polish business cultures have been defined, which are a higher level of collectivism in Ukrainian culture, masculinity of Polish culture versus femininity of Ukrainian culture and medium-term orientation in Ukrainian culture in comparison with short-term orientation of Polish culture. Further research will be devoted to the development of practical recommendations regarding cross-cultural interaction with representatives of modern Ukrainian and Polish business cultures based on the defined cross-cultural peculiarities of the Ukrainian and Polish management.

Keywords: Power Distance; Individualism; Collectivism; Femininity; Masculinity; Uncertainty Avoidance; Long-term Orientation; Restraint; Ukrainian Business Culture; Polish Business Culture

Modern Ukrainian and Polish business cultures: G. Hofstede’s classification

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1. Introduction and Brief Literature Review

The differences in cultures of different countries and peoples have been known for centuries. However, only since the mid 20th century the idea of holistic description of a cultural phenomenon has been further developed in research with the aim to create a typology of national business cultures. At that time, ethnometry began to develop as a new direction of ethno-social research, which analyses mental characteristics of different groups using formal methods.

On the basis of empirical studies, scientists and researchers tried to determine variables («cultural factors»), which can identify cultural characteristics of each country and classify countries according to these parameters. According to M. Myers and F. Tan (2002) [1], researchers of various scientific schools have identified over 30 cultural factors, which are associated with the behaviour of the representatives of different national cultures and their cross-cultural interaction.

According to A. Gutterman (2016) [2], the most famous modern classification concerning the typology of national cultures is the classification of cultural orientations by F. Kluckhohn and F. Strodtbeck (1961). Also, there are Hall’s classification of cultural context (1976), Hofstede’s classification of cultural dimensions (1980, 1984, 1991) and Trompenaars’ parametric classification (1993).

F. Kluckhohn and F. Strodtbeck (1961) [3] suggested one of the earliest classifications of national culture and proposed a theory of culture based on value orientations, arguing that there is a limited number of principles that are common for human groups and for which there is a limited number of solutions. Therefore, in any culture there is a set of dominant types of value orientations (cultural orientations). The theory initiated further studies in this direction. However, the shortcomings with respect to the cultural orientation classification by F. Klakhon and F. Strodtbeck include the use of research tools, which were originally developed in the USA without the adaptation of them for use in other societies [4].

E. Hall’s (1963) [5] cultural context classification is based on the results of the ethnographic research in several societies (Germany, France, the USA and Japan). Hall’s theory focuses on how representatives of culture vary in interpersonal communications, personal space and time [5]. However, as A. Gutterman (2015) [6] mentioned, this theory is focused on psychological characteristics of managers and their employees in the workplace.

Trompenaars’ parametric model is focused both on variations in values and personal relationships across societies. The first five cultural factors focus on relationships among people (it has been known for centuries). How time management and society’s relationship with nature (close to R. D. Lewis’s (2006) model) [7]. But the results of the evaluation of the first five cultural factors are significantly different from Hofstede’s classification, especially in the «individualism/collectivism» cultural factor [8]. Therefore, the results of the classification for this parametric model are controversial.

G. Hofstede [4], the founder of etnometry, showed the origins of cultural factors in basic social institutions (religion and family) and their implications for such secondary institutions as (economics, politics and business organisations) and argued that these cultural dimensions define the ways of structuring and managing organisations. According to the first results (1967), Hofstede [4] identified five cultural dimensions for measuring the interaction of national cultures: «power distance»; «individualism versus collectivism»; «masculinity versus femininity»; «uncertainty avoidance». As M. Tayeb (1994) mentioned [9], Hofstede’s work has been criticised as being biased toward American ownership and types of jobs. As a result, the studies which were conducted in China, Japan and Southeast Asia, G. Hofstede [4] added an eastern dimension - the factor of Confucian dynamism («long-term orientation»), which explains the fundamental difference between Western and Eastern mentality. Recently, he proposed the last cultural dimension, which is «indulgence versus restraint» concerning human needs and wants related to the joy of living [4].

Hofstede’s classification of cultural orientations (6-D model) by G. Hofstede [11] is used nowadays [12, 13]. As A. Gutterman (2015) [6] mentioned, each of these models has been used to investigate how cultural differences might impact national styles of management (leadership styles, human resource policies). However, as M. Myers [1] noted, Hofstede’s approach, which is the basis for developing the majority of the models of national cultures typology, is most popular in many different fields of management.

2. Purpose

The purpose of this study is to determine and compare cross-cultural characteristics of modern Ukrainian and Polish business cultures according to G. Hofstede’s classification of cultural dimensions. To achieve this goal, a set of tasks has been performed: modern Ukrainian and Polish business cultures have been analysed according to the 6-D model; the peculiarities of modern Ukrainian and Polish business cultures have been defined and systematised in the context of the systems of management in Ukrainian and Polish companies.

3. Results

The cultural dimension «power distance» (PDI) is conceptually linked to the idea of «concentration of power» (centralisation) and indicates to which extent society approves the uneven distribution of power in institutions and organisations. The value of «power distance» reflects the extent of uneven power distribution in social structures (the family, the organisation or society) and tolerance to inequality.

According to the Cultural dimensions by Geert Hofstede [11], Ukraine (PDI = 92) and Poland (PDI = 68) both have large «power distance», but Ukrainian business culture has a higher level of internal inequality and more hierarchical pyramid structures. At the same time, as A. Jackowicz and S. Pettitt (1993) mentioned [13], Polish managers also have a tendency to adopt an autocratic management style and to resist everything that could dilute managerial authority. G. Hofstede (2005) [12] suggested that corruption is common and income distribution is even in large «power distance» societies. These are the key issues in the political system of Ukraine to a greater extent than in Poland.

Ukrainian and Polish enterprises have a high level of power distance and cultural characteristics which are defined by [4; 14-16] and classified in Table 1.

According to the Cultural dimensions by Geert Hofstede [11], Ukraine is a country with collective culture (IDV = 25), where there is a system of values, in which an individual is primarily part of a group, and only then he is a personality; all employees are focused on achieving collective goals and collectives success; all structures are linked to the idea of «concentration of power» (centralisation) and indicates to which extent society approves the uneven distribution of power in institutions and organisations. The value of «power distance» reflects the extent of uneven power distribution in social structures (the family, the organisation or society) and tolerance to inequality.

Another indicator of power distance level is the Corruption Perceptions Index [8]. In 2016, this Index was 131 for Ukraine and 29 for Poland (out of 176). It explains the reason why the power distance index in Ukraine is 25% higher than in Poland.

The cultural dimension «individualism versus collectivism» (IDV), also known as «social orientation», is offered to define how the people of a particular country act as individuals or as members of a particular group.

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According to the 6-D model, Ukrainian and Polish enterprises have a high level of power distance and cultural characteristics which are defined by [4; 14-16] and classified in Table 1.

The indicator of decentralisation level of power and its influence on the country’s economic system shows the Doing Business Index [17]. In 2017, the size of this Index was 80 for Ukraine and 24 for Poland (out of 189), which proves a higher level of power centralisation in Ukraine compared to Poland.

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At present, the national styles of Ukrainian and Polish management are at the opposite ends of the cultural dimension of "individualism versus collectivism" on the management systems in these countries is defined by [4; 14-16; 19] and systematised in Table 2. Yet, over the past years the scientists [19-21] have noted some changes in the IDV index in Ukraine from collectivism to individualism. The reason for such changes is a number of factors: dualism of the Ukrainian mentality, the combination of collectivism features (the influence of the Soviet past) and individualism (the manifestation of the Zaporozhian Cossacks’ morale) in Ukrainian culture, as stated by T. Blyznyuk and T. Lepeyko [21]. There are two types of mentality in Ukraine [21]: the Eastern Ukrainian mentality and the Western Ukrainian mentality. The mentality of West Ukrainian regions is closer to the Polish cultural values (individualism). The mentality of the Eastern, Southern and some Central regions of Ukraine explicitly combines the post-Russian and post-Soviet cultural values (collectivism).

This is the reason why over the next 10-20 years, along with the generation change in Ukraine, the culture of individualism, which will be close to Polish culture, will be formed. At the same time, Poland shows the medium level of individualism in Polish culture there are features of collectivism. As J. N. Yanouzas and S. Boukis (1993) [22] mentioned, Poles are more inclined to form a group with strong trust relations and work together in “beating the enemy”. According to L. Kolman, N. G. Noorderhaven, G. Hofstede and E. Dienes (2003) [16], Poland is much more collectivistic than Western European countries.

The cultural dimension «masculinity versus femininity» (MAS), also known as «focus on achieving goals», reveals a method for motivating people to perform certain tasks. According to Geert Hofstede [11], Polish culture (MAS = 64) is characterised by medium masculinity and active target behaviour where there is dominance of traditional male values such as success, money, wealth, ambition, career, competition. There is a clear division of gender: femininity and passive target behaviour are inherent in Ukrainian culture (MAS = 27) [11] where there is harmony and inclination to compromise, and the quality of life and care for others dominate. Femininity dominance in Ukrainian culture has deep historical roots, as it is connected to the Ukrainian archetype of the «Great Mother», which is part of the Ukrainian mentality [21].

Peculiarities of the impact «masculinity versus femininity» on the Ukrainian and Polish management systems are defined by [4; 14-16; 19] and systematised in Table 3.

The indicators of this cultural dimension are opportunities for females to realise themselves as professionals and to get equal salary. According to the Global Gender Gap Report by the WEF (2014) [23], the subindex of economic participation and opportunity of Ukraine is 31, whereas it is 61 for Poland (out of 142). According to the Wage equality survey, the Ukrainian rank is 46 and the Polish rank is 120.

The cultural dimension «uncertainty avoidance» (UA) is associated with the ability to manage the uncertainty in the organisation and many levels in organisational structure in large companies such as ZA PUŁAWY and Polski Holding Obrony.

<table>
<thead>
<tr>
<th>Management system: «masculinity versus femininity» impact</th>
<th>Ukraine</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>System components</td>
<td>Ukrainian management (masculinity)</td>
<td>Polish management (masculinity)</td>
</tr>
<tr>
<td>Aims</td>
<td>focus on the role; difficulty (quality) of work</td>
<td>Target orientation; amount of work</td>
</tr>
<tr>
<td>Leadership</td>
<td>ability to organise conflict-free team work, to achieve consensus, to develop fair motivation; importance of the relations</td>
<td>Respect for strength, fast decision-making, scale of approach, determination and rigor; appreciated expert knowledge</td>
</tr>
<tr>
<td>Management decision-making</td>
<td>validity in decision-making; decisions are more intuitive; interest in the problems the solution of which is directed to a new application; attention to the views of others</td>
<td>Novel independence in solving problems; decisions are made on the basis of logic; interest in the problems, the solution of which is aimed at obtaining a new one; attention to facts</td>
</tr>
<tr>
<td>Career</td>
<td>men and women want a career in various fields</td>
<td>men are promoted in traditionally male activities</td>
</tr>
</tbody>
</table>

Tab. 1: Management system of Ukrainian and Polish companies: large power distance impact

<table>
<thead>
<tr>
<th>System components</th>
<th>Large power distance (PD≥50)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational structure</td>
<td>Hierarchy - natural inequality; multilevel structure of the organisation; tendency towards centralisation</td>
</tr>
<tr>
<td>Aims</td>
<td>highly formalised aims; distributed by the levels of hierarchy</td>
</tr>
<tr>
<td>Authority</td>
<td>power base is the strength and charisma; advantage of individual power base; delegation through decentralisation</td>
</tr>
<tr>
<td>Management style</td>
<td>authoritarian management style and the principle of «strong hand»; significant makeup of management and control specialists; senior management is out of reach</td>
</tr>
<tr>
<td>Management decision-making</td>
<td>only structured problems are taken into account; priority of political decisions; difficult to find the person responsible for the decision</td>
</tr>
<tr>
<td>Motivation</td>
<td>big difference in privileges and salaries of different rank employees; differentiation in payment due to direct payments and privileges; subordinates are willing to get orders; subordinates' initiative is not approved by leadership</td>
</tr>
</tbody>
</table>

Tab. 2: Management system: «individualism versus collectivism» impact

<table>
<thead>
<tr>
<th>System components</th>
<th>Ukrainian management (collectivism)</th>
<th>Polish management (individualism)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identified as part of the organisation</td>
<td>moral participation; affiliation; the aim is to be a member of the organisation</td>
<td>sensible engagement; an emphasis on individual initiative and achievements</td>
</tr>
<tr>
<td>Leadership</td>
<td>attention to the relationship in the structure; managing the group of individuals</td>
<td></td>
</tr>
<tr>
<td>Authority</td>
<td>participatory, mainly status as a resource; relationships prevail over task fulfilment</td>
<td></td>
</tr>
<tr>
<td>Management decision-making</td>
<td>collective decisions; coordination based on integration; focus on internal issues</td>
<td></td>
</tr>
<tr>
<td>Motivation</td>
<td>the reward is proportional to the achievement of the team</td>
<td>own interests are above the interests of the company; taking into account individual abilities</td>
</tr>
<tr>
<td>Career</td>
<td>the company’s interests dominate own interests; group opinion is important</td>
<td></td>
</tr>
</tbody>
</table>

Tab. 3: Management system: «masculinity versus femininity» impact

<table>
<thead>
<tr>
<th>System components</th>
<th>Ukrainian management (femininity)</th>
<th>Polish management (masculinity)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aims</td>
<td>focus on the role; difficulty (quality) of work</td>
<td>Target orientation; amount of work</td>
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<td>men and women want a career in various fields</td>
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</table>

Source: Systematised by the authors based on [4; 14-16]
The cultural dimension «long-term orientation versus short-term orientation» (LTO) determines the necessity of long-term (or short-term) plans for the future in terms of work, life and other aspects of social life.

According to the Cultural dimensions by G. Hofstede [11], Ukrainian business culture (LTO = 55) has medium-long-term orientation. This is manifested in the desire of members of society to save and accumulate, as well as in their willingness to sacrifice current consumption in order to achieve long-term results. At the same time, Polish business culture (LTO = 38) is relatively closer to the short-term pole. It testifies to the pursuit of fast results and a high inclination to consumption, not accumulation.

The features of the impact of «long-term orientation versus short-term orientation» on the management systems in Ukraine and Poland are systematised in Table 5.

The macroeconomic indicators, which are confirmed by the correlation of this cultural dimension, form the structure of gross savings of each country [17]. Even at a level of income which is 5 times lower than that of the Poles, Ukrainians accumulate savings for 4.8 times more often than the Poles.

The cultural dimension «indulgence versus restraint» (IND) shows the solution level of the problems of socialisation of children and the attitude to control impulses and desires as a result of education and socialisation. It has appeared in the methodical approach recently.

According to the Cultural dimensions by Geert Hofstede [11], Ukraine (IND = 18) and Poland (IND = 29) have restrained cultures, which means a relatively strong control over desires and impulses within the culture. This culture is characterised by inhibition of needs and its regulation by means of strict social norms. There is a tendency to pessimism and cynicism in such societies. Unlike indulgent cultures, restrained cultures do not pay special attention to leisure time and control the satisfaction of wants. People with this orientation think that social norms control their actions and consider the satisfaction of their wants to be a wrongdoing [11].

4. Conclusions

As the result of the analysis and comparison of the dimensions of Ukrainian and Polish business cultures on the basis of G. Hofstede’s classification cultural factors, the following results have been obtained. Ukrainian and Polish business cultures are similar with respect to three cultural dimensions: 1) rather large power distance is common both for Poland and Ukraine, but in Ukraine this index is higher, and Poland has a medium level of power distance; 2) within the framework of cultural dimension «level of uncertainty» Ukrainian and Polish business cultures are very close, as they demonstrate very high level of uncertainty; 3) Ukrainian and Polish business cultures are restrained. The research shows cross-cultural differences in Ukrainian and Polish business cultures: Ukranian collectivism versus Polish individualism; masculinity of Polish business culture versus femininity of Ukrainian culture; medium-term orientation of Ukrainian culture versus short-term orientation of Polish culture.

4.1. Differences of cultural dimensions

4.1.1. Long-term orientation (LTO)

Polish business culture (LTO = 38) is relatively closer to the short-term pole. It testifies to the pursuit of fast results and a high inclination to consumption, not accumulation.

4.1.2. Indulgence versus Restraint (IND)

The cultural dimension «indulgence versus restraint» (IND) shows the solution level of the problems of socialisation of children and the attitude to control impulses and desires as a result of education and socialisation. It has appeared in the methodical approach recently.

4.1.3. Power Distance (PDI)

Poland has a medium level of power distance; in Ukraine, this level is higher.

4.1.4. Uncertainty Avoidance (UAI)

The level of uncertainty avoidance is higher in Ukraine than in Poland.

4.1.5. Masculinity (MAS)

Polish business cultures are more masculine than Ukrainian ones.

4.1.6. Femininity (FEM)

Polish business cultures are more feminine than Ukrainian ones.

4.1.7. Long-Horizons (LTO)

Ukrainian business culture has medium-long-term orientation, while Polish business culture has medium-short-term orientation.

4.1.8. Indulgence versus Restraint (IND)

Ukrainian business culture is restrained, while Polish business culture is more indulgent.

4.2. Conclusion

The research shows that Ukrainian and Polish business cultures are similar with respect to three cultural dimensions: 1) rather large power distance; 2) within the framework of cultural dimension «level of uncertainty»; 3) Ukrainian and Polish business cultures are restrained. The research shows cross-cultural differences in Ukrainian and Polish business cultures: Ukrainian collectivism versus Polish individualism; masculinity of Polish business culture versus femininity of Ukrainian culture; medium-term orientation of Ukrainian culture versus short-term orientation of Polish culture.


databases, 2015 (in Ukr.).

Tab. 5: Management system: «long-term orientation versus short-term orientation» impact

Source: Systematised by the authors based on [4, 14-16; 19]

Tab. 4: Management systems of Ukrainian and Polish companies: impact of high level of uncertainty avoidance

Source: Systematised by the authors based on [4, 15-16; 19]

References


Received 3.06.2017