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**Cultural Differences and Business Relationship:
Evidence of Poland and China**

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Introduction

Business relationships indicate the connections between all entities that engage in commerce, in other words, the relationships between various stakeholders in a business network, such as those between employers and employees or employers and business partners. Nowadays, as globalisation expands, cross-cultural and international business relationships are becoming more and more common. The modern global business relationships combine diverse etiquettes, ideas, customs, and social behaviour.

The aim of this study is to present a spectrum of cross-cultural experiences of Poles cooperating with Chinese people in the business environment, such as Polish entrepreneurs cooperating with Chinese partners, as well as Polish employees working with Chinese people. Subsequently, the study aims to verify and assess if cultural differences affect the business relationship between Poland and China.

The business and economic relations between Poland and China combine numerous levels, in particular trade and investments. Poland is China's largest trade partner in the region of Central and Eastern Europe and China is the largest trade partner of Poland in Asia. Nevertheless, despite these relations, Poland and China represent different cultural circles, which may affect the business relationship. This paper, focusing on these two countries, provides useful information and insights that has not been studied well yet.

The research is based on literature, internet resources and interviews. Moreover, the paper provides an evaluation of an effect of cultural differences based on national culture models of E. Hall, G. Hofstede and F. Trompenaars, as well as a qualitative case study based on gathered data and conducted interviews.

The paper consists of four chapters, two theoretical ones and two empirical ones. Theoretical chapters gather and present the theory of culture, several culture dimensions models, globalisation as well cross-cultural communication in business practices. In the empirical chapters the research provides insights on Polish and Chinese national cultures, an analysis and comparison of Poland and China in national culture models, as well as presentation of experience of Polish entrepreneurs and employees working with Chinese people, along with characteristics of their cross-cultural interactions.

Chapter 1. Culture and national culture models

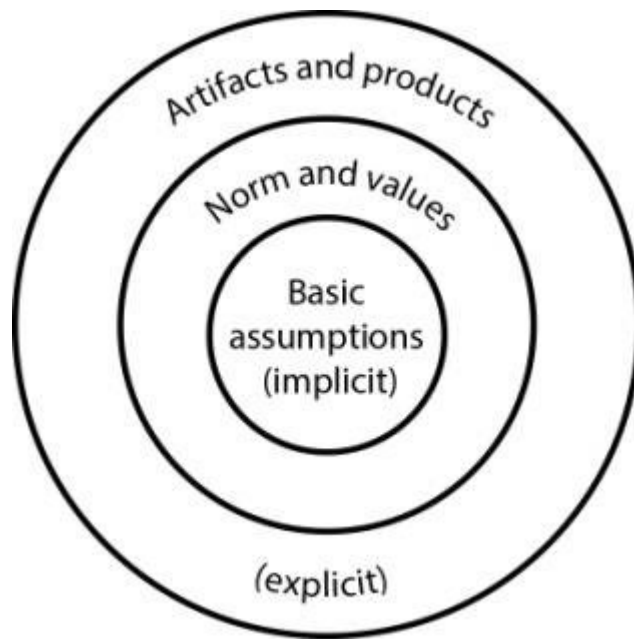
1.1. The concept of Culture

“A fish discovers its need for water only when it is no longer in it. Our own culture is like water to a fish. It sustains us. We live and breathe through it. And we are not very conscious of it. What one culture may regard as essential, a certain level of material wealth, for example, may not be so vital to other cultures” (Trompenaars, Hampden-Turner, 1997, p. 20).

Culture is a concept that often involves things such as literary works of Leo Tolstoy, Fryderyk Chopin polonaises, or ballerinas in a production of Swan Lake. In common belief, culture often refers to the arts. A person that is cultured has knowledge of and is a patron of the arts. Then there is popular culture, which refers to what trends are current and in vogue. Within the study of human societies and cultures – anthropology, all these things are simply just aspects of culture. The anthropological concept of culture is broad and holistic, it covers many different aspects of the human experience, as well as human biological and physiological characteristics and their evolution (Brix, 2011).

Culture as a general concept consists of both material and non-material culture (see figure 1.1). The term material culture refers to the physical items embracing everyday objects, such as goods and products, food and utensils, furniture, pieces of art, medications and medical devices, also roads, monuments, and even modern technology, all produced by humans and interconnected by and with a local and global mindset, culture, tradition and social life (Aronin, Hornsby, Kiliańska-Przybyło, 2018). These objects demonstrate the historical, geographic, and social conditions of societies. Various social and cultural attitudes can be understood through the cultural relationship to these material objects, as the perception of them is socially and culturally dependent, for instance, religious relics may reveal specific religious rituals. In archaeology, scientists study the material culture, ancient objects and artefacts, to understand cultures and societies from the past (Tilley, Keane, Kuechler, Rowlands, Spyer, 2006).

Figure 1.1. Model of culture



Source: Trompenaars, Hampden-Turner, 2021.

In contrast to material culture, non-material or symbolic culture does not include physical objects or artefacts, it covers the norms, values, behaviours, ideas, and beliefs that play a part in culture. The norms function as laws that govern behaviour, they indicate what is considered normal, appropriate, or ordinary for a particular group of people, also how members should behave in a given context (Griswold, 2013). Norms are separated into two types: folkways and mores. Folkways are a loose gathering of the usual manner in which the members of a particular cultural community behave. Examples include: how people greet one another, how they dress, what and how they eat, how they handle interpersonal conflict, etc. (Griswold, 2013). Mores are stricter than folkways. They are the standards of moral conduct and ethical behaviour that the people in a cultural community expect of one another (Griswold, 2013). They include such things as rules against killing, rules about who can or cannot have physical intercourse with whom, and so forth.

Values are associated with the norms of a culture, but they are more symbolic and abstract concepts that stand for the ideals of a group. While norms direct behaviour in specific situations, values point out what should be judged as good or evil, they represent what a particular community considers right and good, beautiful and desirable etc. (Schein, 2004). Flying the national flag on a holiday is a norm, but it exhibits patriotism, which is a value. Wearing dark clothing and appearing solemn are normative behaviours at a funeral. In certain cultures, they reflect the values of respect and support of friends and family. Different cultures honour different values. Values are deeply rooted in and critical for transmitting and

teaching a culture's beliefs.

Beliefs are convictions or ideas about the nature of reality that an individual or group accepts as true, it is the way people think the world operates (Schein, 2004). Beliefs can be religious or secular, and they can affect any aspect of life. For instance, many societies believe that hard work is the key to success and anyone who works hard enough will be successful and wealthy. Underlying this belief is the value that wealth is good and important. Members take part in a culture even if each member's values do not entirely agree with some of the normative values sanctioned in the culture. Norms, values, and beliefs are all deeply interconnected. Together, they provide a way to understand the culture (Winthrop, 1991).

This view of culture as a symbolic system with adaptive functions differs from place to place, different cultures have distinct patterns of enduring conventional sets of meaning. Hence, anthropologists distinguish between material culture and symbolic culture, as both of them reveal separate types of social activities and require different methods and data to investigate. This perspective on culture has come to anthropology just between World War I and World War II and led to widespread nowadays cultural relativism. The concept of cultural relativism, in opposition to popular before ethnocentrism, suggests that there are no 'better' or 'worse' cultures, there are just different cultures (Winthrop, 1991).

1.2. The definition of culture

The first attempts to define a culture were originally made by the nineteenth-century British anthropologist, Edward Tylor. He defined culture as socially patterned human thought and behaviour, "Culture...is that complex whole which includes knowledge, belief, art, law, morals, custom, and any other capabilities and habits acquired by man as a member of society" (Tylor, 1920, p. 1).

E. Tylor, defined culture in evolutionary terms, echoing the French idea of civilization progressing from a barbaric state to "science, secularism, and rational thought", he believed that all human culture passed through stages of development with the peak being that of 19th-century England (Brix, 2011). He believed, as many others of his time did, that all other cultures were inherently inferior. E. Tylor's evolutionary theory of culture emphasises gradual development, based on outstanding individuals within a society, whose creativity and innovations allowed a culture to improve. Culture, then, was related to a society's habits, beliefs, and so forth, nevertheless, some cultures were superior. For E. Tylor (1920, p. 1),

civilised Western societies were the first-ranked of all possible societies.

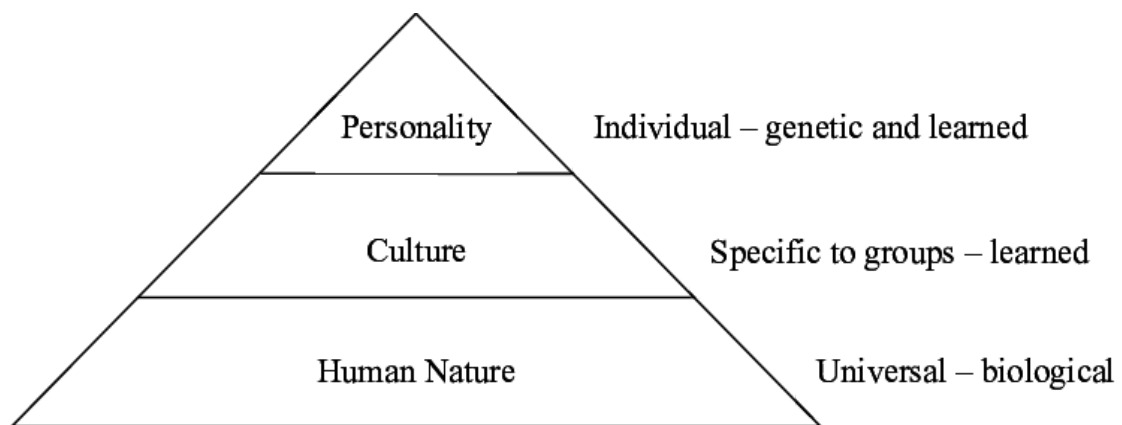
The word culture is considered one of the most complicated words in the language. Welsh writer and academic, Raymond Williams (1983) in his work mentions that the earliest meaning of culture was associated with the tending of crops and animals as in agriculture. Later, in the times of the Enlightenment, culture became a synonym for civilisation, it represented a path of progress leading to the European civilisations (Williams 1983). Culture then was typically used in the singular. In the nineteenth century, culture became related to different and specific ways of life, particularly those of different nations and regions of the world. Cultures then could be comfortably used as a plural Williams (1983). By the second half of the nineteenth century, cultures were divided into better and worse types of culture. Eventually, the term culture became associated with the high arts, such as philosophy, classical music and literature, painting, sculpture, and so on. At the turn of the twentieth century, along with the rise of the human and social sciences, especially anthropology and sociology, culture became most closely associated with its meaning (Kendall, Wickham, 2001).

“Culture is a description of a particular way of life which expresses certain meanings and values not only in art and learning but also in institutions and ordinary behaviour. The analysis of culture, from such a definition, is the clarification of the meanings and values implicit and explicit in particular ways of life, a particular culture” (Williams, 1965, p. 57).

1.3. The characteristics of culture

Culture is a human means of adapting to circumstances and transmitting this coping skill and knowledge to subsequent generations. Culture gives people a sense of who they are, of belonging, how they should behave, and of what they should be doing. Culture is often considered the driving force behind human behaviour everywhere. The concept has become the context to explain politics, economics, progress and failures (Moran, Harris, Moran, 2007).

Figure 1.2. Levels of human mental programming



Source: Hofstede, 2010.

Culture can be seen as a collective programming of the mind that separates one group of people from another. As illustrated on figure 1.3 people are not born with a particular culture, that is part of their nature, but with the capacity to learn any culture. Therefore culture is learned. Through the process of enculturation, people from infancy learn through observation, and imitation of the actions of family and community, to become a member of the group (Hofstede, 2010). This process of learning is a key characteristic of culture, it frames learned behaviours, and shapes societies from generation to generation. Therefore, if culture is learned, then the teaching and the way culture is taught is also crucial characteristic (Brix, 2010).

Culture is dynamic. Individuals learn, react, and change. The relationship between learning and teaching is not universal or absolute, some of the teaching is lost or modified, while innovations are constantly being created, and this brings change to the culture. Thus, culture is dynamic, not static. Those changes appear in response to both internal and external factors, and allow culture to evolve through the process of discovery and invention (Brix, 2010).

Culture is shared. “Today’s parents were yesterday’s children [...] Shared beliefs, values, memories, and expectations link people who grow up in the same culture. Enculturation unifies people by providing us with common experiences” (Kottak, 2015, p. 23). People share culture and each of us shares a great part of the culture with others, however, that does not indicate all members of a group think or act in the same way. One’s behaviour and practices can vary within a culture depending on age, gender, social status, and other characteristics (Kottak, 2015).

Culture is symbolic. A symbol is something that is used to represent a quality or idea,

it may be verbal or non-verbal and it stands for something else, but frequently it does not have an obvious connection (White, 1959). Culture consists of tools and objects, such as clothing, but also customs, beliefs, rituals, or language. The process of creating a culture began, when our ancestors obtained the ability to use symbols and comprehend their meaning. Cultural symbols powerfully convey either shared or conflicting meanings across space and time (White, 1959).

Culture is holistic. In anthropology, culture includes far more than education, literature or appreciation of the fine arts. Culture covers nearly all aspects of life, for instance, what people wear, eat and drink, what people read and what music they listen to. Culture includes social and political organisations and institutions, legal and economic systems, family groups, descent, religion, and language. Culture also indicates how to respond and act in any given circumstances (Kottak, 2015).

Culture is integrated. Humans are not fully bound by culture, as culture is dynamic, humans can transform it. As a matter of course, when one part of culture changes, so do other parts. This is because nearly all parts of a culture are integrated and interrelated. Changes in the economy, changes in values, ideas and judgements impact how society functions. For instance, the progress of the attitude toward women's right to vote, or to work had a remarkable impact on the economy, politics and society (Kottak, 2015).

Culture is adaptive. Culture is an adaptive mechanism that targets humans' biological needs and urges that people share with other animals, i.e. hunger, thirst, sex, elimination, etc. In consequence, culture is crucial to make us humans, and cultural practices impact our biology, growth, and development. Humans' ability to change and adapt, both culturally and biologically, makes us one of the most dynamic species on Earth. It allows us to persist for millions of years and to thrive in diverse environments. These characteristics of culture make a way for understanding that people everywhere are thinkers and actors shaped by their social contexts (Brix, 2010).

1.4. The levels of a culture

Anthropologists recognize three basic levels of culture: international, national, and subculture (Schein, 2004). The term level here indicates the degree to which the cultural phenomenon is spread over society. A culture starts developing in circumstances where a group of people share experience, for instance, members of a family, share a life together and

develop a strong sense of togetherness. Smaller subgroups, without blood relations, can also develop closeness through creating a cultural distinction, i.e., their symbols, meanings and behaviours (Schein, 2004). However, while anthropologists have classified these three general patterns, it is acknowledged that there is variation within any given culture.

International culture refers to cultural traits that extend beyond national boundaries. These cultural traits and patterns spread through diffusion, migration, colonisation, and globalisation (Kottak, Kozaitis, 2012). Many cultural traits and patterns have become international in scope. For example, Roman Catholics in many different countries share beliefs, symbols, experiences, and values transmitted by their church. English-speaking countries share many similarities due to ancestral and cultural heritage they inherited from ancestors in Great Britain (Kottak, 2015). Other examples are visible in the adoption and use of technology and social media across continents. In consequence, people live and operate beyond the national level. Electronic devices allow to create and sustain an international culture around a common interest or purpose, i.e., Olympics, World Cup, etc.

As opposed to international culture, national culture contains the beliefs, behaviour patterns, values, cultural traits, and institutions shared by citizens of the same nation. Every country is considered to contain a relatively homogenous culture, which is transmitted across generations through the observation, and imitation of the actions of family and community. This is what G. Hofstede called the “collective programming of the mind”, with national culture operating as a “software” that is inserted into individuals during their childhood and education (Hofstede, 1983). On this level culture appears in the form of symbols, namely national flags and colours, music such as national anthems and musical styles, as well as traditional clothing and appearance.

Some institutions contribute to the establishment of national culture, such as family, religion, education, mass communication media and multinational companies, whose products and services can influence the way people live (Browaeys, Price, 2015). Noteworthy, in cross-cultural matters, the terms culture and nation should be distinguished. For instance, the Kurds are a people with a distinctive cultural identity, nevertheless, they live in three nation states – Turkey, Iraq and Iran (Tayeb, 2003).

On another level of culture, there are subcultures, which are smaller subgroups within a larger society, that have contact with the external culture. Subcultures have shared experiences, cultural traits, and patterns and have common cultural distinctions, furthermore they develop their own culture that has significant meaning to the members of the group and binds them together (Griswold, 2013). Subcultures operate their own powerful sets of

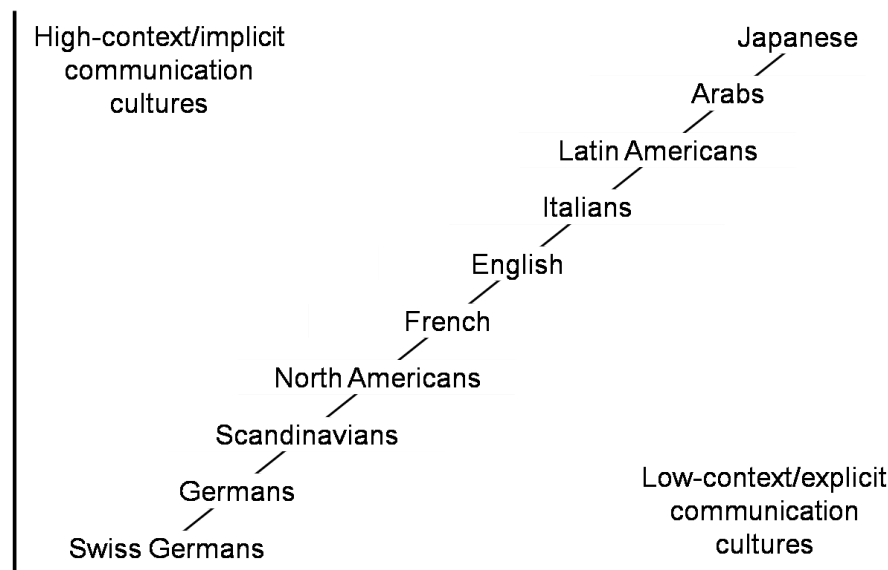
symbols, meanings and behaviours, which are developed by interacting with one another, frequently opposing those in the greater culture (Griswold, 2013). In a large nation like the United States or Canada, subcultures originate in region, ethnicity, language, class, and religion. French-speaking Canadians contrast with English-speaking people in the same country. In the US, Italian Americans have ethnic traditions different from those of Irish, Polish, and African Americans (Kottak, 2015).

1.5. Edward Hall's Cultural Dimensions

In 1959 American psychologists Edward Hall and Mildred Hall analysed the cultural differences between US and European companies and employees, and published their results in the book “The Silent Language”. Later on, in 1990 they expanded upon these results in “Understanding Cultural Differences”. Psychologists particularly examined the different communication styles used and the impact of behaviour on how people do business with those from different cultures. Their research helped establish cross-cultural communication as a research discipline (Hurn, Tomalin, 2013).

During their research about communication between different cultures, E. Hall and M. Hall introduced two styles of intercultural communication, which they called high-context and low-context communication.

Figure 1.3. High-context and low-context communication scale



Source: Browaeys, Price, 2015

According to E. Hall and M. Hall, high-context communication is based on suggestions rather than directly. In High-context cultures (i.e. Japan, China, India, African and Arab countries, etc.) people rely on a culture-based system of symbols, body language, intonations of speech and other hidden meanings. In communication, most of the information is already in the person, whereas only a little part of the information is coded, explicit and transmitted. In this type of culture, people assume that everyone already has the most essential information they need, and there is minimal need for clarifying rules and statements, therefore communication can be economical, quick and efficient (Hall, Hall, 1990).

On the contrary, low-context communication is exactly the opposite of high-context communication. In these cultures (i.e. Netherlands, Switzerland, US, Germany, Scandinavian countries, etc.) people do not take for granted that everyone has the essential information they require, and therefore communication needs to be more obvious and include detailed information. The context of the message is less important, hence to avoid mistakes, the message must be clear, direct and complete (Hall, Hall, 1990). Even though a low-context communication message is noticeably clear and obvious, it is often seen as too direct, even arrogant by a person from high-context culture.

E. Hall and M. Hall's second research about culture differences reviews societal approaches to time. In the book "The Dance of Life: The Other Dimension of Time", E. Hall and M. Hall analyse monochronic (m-time) cultures and polychronic (p-time) cultures. Monochromatic time cultures perceive time as tangible and concrete. Time can be saved,

spent or wasted, etc., these metaphors show that monochromatic time scheduling orders life. Appointments are taken seriously and society emphasises punctuality (Hurn, Tomalin, 2013).

On the contrary, polychromatic time cultures have a flexible attitude to time, the involvement of people, and the completion of transactions. Appointments are not necessarily taken seriously. Hence, a person from polychromatic time culture will suggest an approximate time in the coming future without putting pressure on the specific moment (Hurn, Tomalin, 2013).

Table 1.1. Monochronic and polychronic dimensions

Monochronic cultures	Polychronic cultures
Are low-context	Are high-context
Do one thing at a time	Do many things at once
Take time commitments (deadlines, schedules) seriously	Consider time commitments an objective to be achieved, if possible
Concentrate on the job	Are highly distractible and subject to interruptions
Are committed to the job	Are committed to people and human relationship

Source: Hurn, Tomalin, 2013.

1.6. The Hofstede Dimensions Model

In the 1970s G. Hofstede carried out his research about national cultural differences, the initial one was conducted among employees of a multinational corporation IBM in 64 countries. G. Hofstede, who worked at IBM Europe, got access to a large survey database containing over 100,000 questionnaires among employees worldwide. He re-analysed the figures and based on the survey developed a tool consisting of four national culture dimensions (Browaeys, Price, 2015). G. Hofstede was the first researcher, who quantified cultural orientations in more than 60 countries. Later on, he added two more dimensions using the World Values Surveys. G. Hofstede's current framework consists of six dimensions (Beugelsdijk, Welzel, 2018).

- Power distance (high/low): attitudes to authority, the distance between individuals in a hierarchy (Hofstede, 2011).

Table 1.2. Power distance dimension characteristics

Small Power Distance	Large Power Distance
Use of power should be legitimate and is subject to criteria of good and evil	Power is a basic fact of society antedating good or evil: its legitimacy is irrelevant
Parents treat children as equals	Parents teach children obedience
Older people are neither respected nor feared	Older people are both respected and feared
Hierarchy means inequality of roles established for convenience	Hierarchy means existential inequality
Student-centred education	Teacher-centred education

Source: Hofstede, 2011.

- Uncertainty avoidance (high/low): the degree of tolerance for uncertainty or instability (Hofstede, 2011).

Table 1.3. Uncertainty avoidance dimension characteristics

Weak Uncertainty Avoidance	Strong Uncertainty Avoidance
The uncertainty inherent in life is accepted and each day is taken as it comes	The uncertainty inherent in life is felt as a continuous threat that must be fought
Ease, lower stress, self-control, low anxiety	High stress, emotionally, anxiety, neuroticism
Higher scores on subjective health and well-being	Lower scores on subjective health and well-being
Tolerance of deviant persons and ideas: what is different is curious	Intolerance of deviant persons and ideas: what is different is dangerous
Comfortable with ambiguity and chaos	Need for clarity and structure

Source: Hofstede, 2011.

- Individual versus group orientation: independence and interdependence, the loyalty towards oneself and a group (Hofstede, 2011).

Table 1.4. Individualism dimension characteristics

Individualism	Collectivism
Everyone is supposed to take care of him- or herself and his or her immediate family only	People are born into extended families or clans which protect them in exchange for loyalty
“I” – consciousness	“We” – consciousness
Right of privacy	Stress on belonging
Others classified as individuals	Others classified as in-group or out-group
Personal opinion expected: one person one vote	Opinions and votes predetermined by in-group

Source: Hofstede, 2011.

- Masculine versus feminine orientation: the importance of work goals (earnings, advancement) compared with personal goals (co-operation, relationships) (Hofstede, 2011).

Table 1.5. Masculinity dimension characteristics

Femininity	Masculinity
Minimum emotional and social role differentiation between the genders	Maximum emotional and social role differentiation between the genders
Men and women should be modest and caring	Men should be and women may be assertive and ambitious
Balance between family and work	Work prevails over family
Sympathy for the weak	Admiration for the strong
Many women in elected political positions	Few women in elected political positions

Source: Hofstede, 2011.

- Short-term versus long-term orientation: fostering virtues related to the past and present or virtues related to the future (Hofstede, 2011).

Table 1.6. Long-term orientation dimension characteristics

Short-Term Orientation	Long-Term Orientation
Most important events in life occurred in the past or take place now	Most important events in life will occur in the future
Personal steadiness and stability: a good person is always the same	A good person adapts to the circumstances
There are universal guidelines about what is good or evil	What is good or evil depends upon the circumstances
Supposed to be proud of one's country	Trying to learn from the other countries
Slow or no economic growth of poor countries	Fast economic growth of countries up to a level of prosperity

Source: Hofstede, 2011.

- Indulgence versus Restraint: relatively free gratification of basic and natural human desires (i.e. enjoying life and having fun) and controlled gratification of needs by strict social norms (Hofstede, 2011).

Table 1.7. Indulgence dimension characteristics

Indulgence	Restrained
Higher percentage of people declaring themselves very happy	Fewer very happy people
A perception of personal life control	A perception of helplessness: what happens to me is not my own doing
Freedom of speech is seen as important	Freedom of speech is not a primary concern
In countries with an educated population, higher birth rates	In countries with an educated population, lower birth rates
Maintaining order in the nation is not given a high priority	number of police officers per 100,000 population

Source: Hofstede, 2011.

Each country has been positioned according to a score on each dimension. The dimensions are statistically distinct and occur in all possible combinations, yet some combinations are more frequent than others (Hofstede, 2011).

G. Hofstede's cultural framework nowadays is used in a variety of fields including cross-cultural management, international business, cross-cultural psychology, as well as the economy (Beugelsdijk, Welzel, 2018).

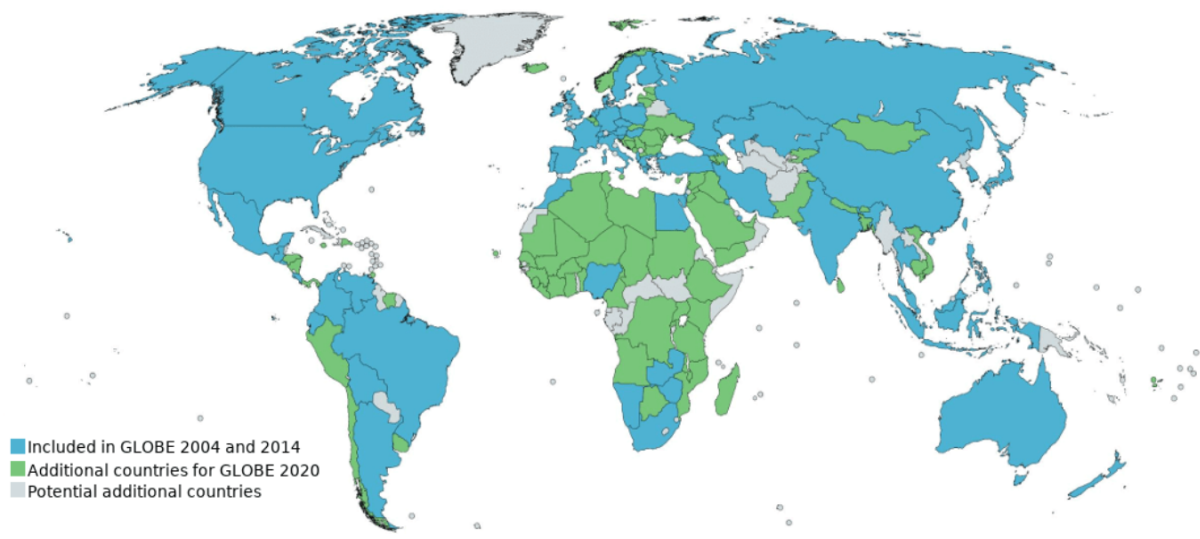
1.7. The GLOBE

The Globe Leadership and Organisation Behaviour Effectiveness Project (GLOBE) was conducted in 1993 by Robert J. House of the Wharton School, University of Pennsylvania, and involved 170 researchers in total. The project aimed to build a framework for assessing culture and leadership. The data was collected from over 17,000 managers in local, non-multinational organisations involved in food processing, financial services and telecommunication in 62 societies worldwide (Hurn, Tomalin, 2013). The GLOBE expanded G. Hofstede's dimensions to nine. House kept Power Distance and Uncertainty Avoidance, but divided Individualism versus Collectivism into Collectivism I: Societal Collectivism and Collectivism II: In-Group Collectivism. The Collectivism I dimension indicates an emphasis on collectivism in society, with low scores showing individualistic emphasis and high scores showing collectivistic emphasis by the use of laws, social programs or institutional practices. The Collectivism II scale indicates family and/or organisation collectivism, i.e. pride and loyalty to family and/or organisation. G. Hofstede's Masculinity versus Femininity dimension was divided into Gender Egalitarianism and Assertiveness. Where, Gender Egalitarianism indicates the extent to which an organisation or society minimizes gender role differences and discrimination, and Assertiveness expresses the degree to which individuals in an organisation or society are assertive, confrontational and aggressive in social relationships. Moreover, researchers added Future, Performance and Human Orientation. Future Orientation is the level at which individuals in organisations or society engage in future-oriented behaviours, namely planning, investing in the future, and delaying gratification. Performance Orientation points out the extent to which an organisation or society encourages and rewards group members for performance improvement. Finally, Human Orientation is the degree to which individuals in organisations or society encourage and reward individuals for being fair, altruistic and for caring for others (House, Javidan, Hanges, Dorfman, 2002).

In 2020 the project was updated. The authors aimed to answer the question of to what extent the cultures of the countries in the original GLOBE study changed. To do it, they have

used the original GLOBE instruments with a few additional questions to survey primarily middle managers, and doubled the number of target countries.

Figure 1.4. Countries included in GLOBE project and potential additional countries



Source: globeproject.com (August 20th, 2022).

1.8. Trompenaars' Model of National Culture Differences

Fons Trompenaars and Charles Hampden-Turner of Wharton Business School, Pennsylvania, developed a seven dimensions model based on the observation of management practices around the world. F. Trompenaars surveyed 1,500 managers from 28 countries over ten years. His research was in many ways similar study to that conducted by G. Hofstede. In 1993 F. Trompenaars wrote the first edition of his book "Riding the Waves of Culture", which based on his 15 years of academic research, explained how cultural differences affect business life and management (Hurn, Tomalin, 2013).

In the perspective of F. Trompenaars, each culture has its specific solutions or universal problems. He does not agree with the opinion that there is one 'best way' of doing business. F. Trompenaars promotes a better understanding of the cultural dilemmas faced by international companies. According to him, even if internationalisation leads to a common culture worldwide, and many products and services are becoming common in world markets "what is important to consider, however, is not what they are and where they are found physically, but what they mean to the people in each culture" (Trompenaars, Hampden-Turner, 1997).

In "Riding the Waves of Culture" F. Trompenaars identify seven fundamental dimensions of culture:

- Universalism versus particularism. "The universalist approach is rough: "What is good and right can be defined and always applies." In particularist cultures, far greater attention is given to the obligations of relationships and unique circumstances" (Trompenaars, Hampden-Turner, 1997, p. 8).
- Individualism versus communitarianism. "Do people regard themselves primarily as individuals or primarily as part of a group?" (Trompenaars, Hampden-Turner, 1997, p. 8).
- Neutral versus emotional. "Should the nature of our interactions be objective and detached, or is expressing emotion acceptable?" (Trompenaars, Hampden-Turner, 1997, p. 9).
- Specific versus diffuse. "When the whole person is involved in a business relationship there is a real and personal contact, instead of the specific relationship prescribed by a contract" (Trompenaars, Hampden-Turner, 1997, p. 9).
- Achievement versus ascription. "Achievement means that you are judged on what you have recently accomplished and on your record. Ascription means that status is attributed to you, by birth, kinship, gender or age, but also by your connections (whom you know) and your educational record (a graduate of Tokyo University or Haute Ecole Polytechnique)" (Trompenaars, Hampden-Turner, 1997, p. 9).
- Sequential versus synchronic time. "In some societies what somebody has achieved in the past is not that important. It is more important to know what plan the person has developed for the future. In other societies, you can make more of an impression with your past accomplishments than those of today" (Trompenaars, Hampden-Turner, 1997, p. 10).
- Inner-directed versus outer-directed. "Some cultures see the major focus affecting their lives and the origins of vice and virtue as residing within the person. Here, motivations and values are derived from within. Other cultures see the world as more powerful than individuals. They see nature as something to be feared or emulated" (Trompenaars, Hampden-Turner, 1997, p. 10).

Chapter 2. Communication and business

2.1. Globalisation

“Globalization is an inconsistent concept, and definitions of it abound. However, most anthropologists agree that, experientially, globalisation refers to a reorganisation of time and space in which many movements of peoples, things, and ideas throughout much of the world have become increasingly faster and effortless” (Brix, 2011, p. 865).

There are various definitions of globalisation depending on the perspective with which the topic is approached. In the early 1980s, American economist and marketing expert Theodore Levitt used the term globalisation to represent growing cultural homogeneity caused by increased communication, technological convergence, and their impact on marketing (Asgary, Walle, 2002).

“The exploding network of cultural interconnections and interdependencies in the last decades has led some commentators to suggest that cultural practices lie at the very heart of contemporary globalisation. Yet, cultural globalisation did not start with the worldwide dissemination of rock’n’roll, Coca-Cola, or football” (Steger, 2013, p. 81). Cultural exchanges between countries and continents are much older, nevertheless, the level and scope of those exchanges in the modern world surpassed those of the past.

Nowadays, cultural homogeneity is often referred to as “McDonaldisation”. This term implies that the economic activities and popular consumer culture of the West are dominant, thus impacting and transforming the rest of the world, which leads to cultural globalisation and homogeneity (Asgary, Walle, 2002). According to Manfred B. Steger (2013, p. 81) “Cultural globalization refers to the intensification and expansion of cultural flows across the globe”. Obviously the rich culture of the East influences the West, just as the West transforms the East. Today, the internet and mobile devices allow us to easily operate across the border and expand popular culture, like never before. Material culture is adopted more easily than nonmaterial, changes in beliefs and values of societies may take long years, meanwhile, new technology expands almost immediately.

According to American sociologist Wendy Griswold, this technological development and its impact have brought a contradiction to culture and communication, she says: “Once again, the paradox: Just as electronic globalization seems to unite people geographically, it

also seems to separate them relationally on the one hand, a global village; on the other, the self-absorbed worlds of the soccer fans and other cultural enclaves. Both are communities, but both seem to lack depth” (Griswold, 2013, p. 157).

All these actions have a profound impact on people's experiences and their everyday lives across the globe. Cultural activities are not rooted in cities and nations anymore, eventually, they acquired new, global aspects. Nowadays can be observed increasing penetration of local communities and nations from the outside, i.e. a global culture replaces a national culture (Steger, 2013).

2.1.1. Globalisation and economic activities

Globalisation in regard to the economy, indicates the intensification and stretching of economic connections across the globe, as a result of the growing cross-border trade of commodities and services, flow of international capital, as well as rapid spread of technologies. The advancement of these new technologies and science has hugely reduced the cost of transportation and communication, which led to globalisation of the economy on a scale like never before (Das, 2004).

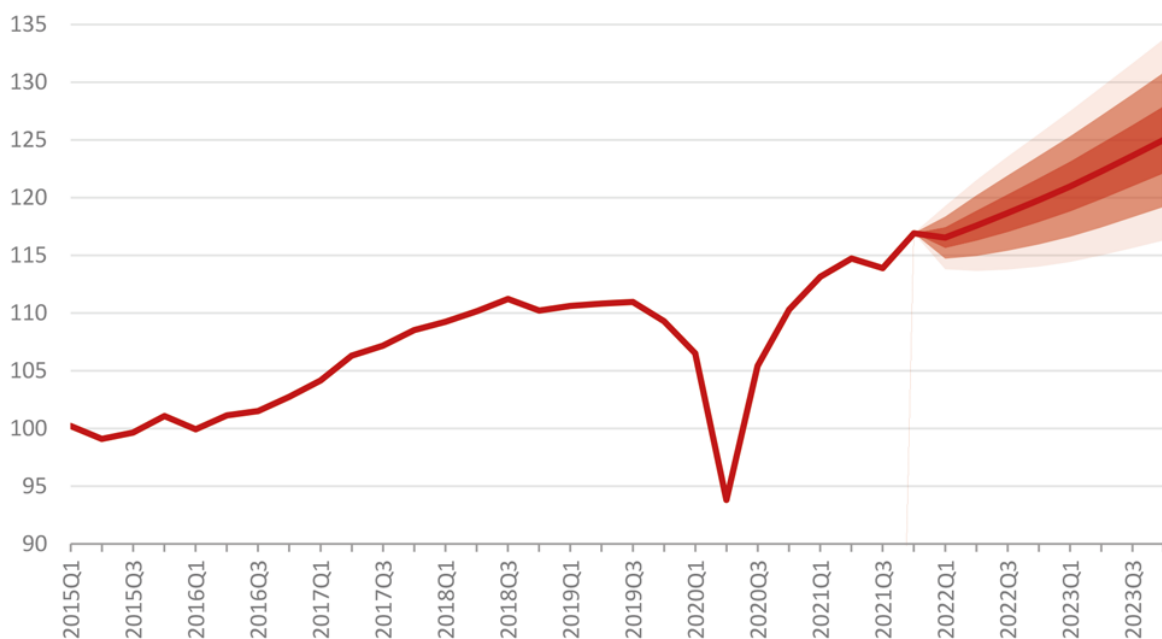
Contemporary economic globalisation began around the 1980's. During this time, a group of developing countries began to participate in the global economy. They took advantage of their abundant human resources, and produced labour-intensive manufactured goods and services, in which they had comparative advantage, and exported them. It led to rapid economic transformation in a short period of time, with an outstanding performance of China. Thanks to the adoption of Deng Xiao Ping's 'open door' policy, by the early 1990s China had become a middle-income country and by 2000, it was the largest developing country trader and the seventh largest global exporter, followingly in 2010 China has become the world's second largest economy power (Das, 2004).

The main carriers of economic globalisation are global corporations. These companies have shifted from an emphasis on customising items to global mass products that are advanced, functional, convenient and inexpensive. They achieve long-term success by concentrating on what everyone wants rather than bothering about the details of what everyone thinks they might like. In contrast with the multinational corporation that operates in several countries at high costs, the global corporation operates at comparatively low cost, in the same way everywhere, as if the whole world were the same entity (Levitt, 1983).

Over the past decades, globalisation has been a huge social and economic transformation. It brings advantages such as a decline in the global income inequality. However, the global village also brings threads. The Covid-19 pandemic has had devastating global economic and world trade consequences, and even though cross-border flows have recovered since the early part of the pandemic, Russia's invasion of Ukraine in 2022 led to a new wave of global issues.

The ongoing war brings down many types of international business activities and causes changes in their geography, although it will not lead to a fall down in international flows. According to World Trade Organisation, the merchandise trade volume growth of 3.0% in 2022 will be down from its previous forecast of 4.7%, and 3.4% in 2023 (figure 2.1), however, these estimates are less certain than usual due to the fluid nature of the conflict and the ongoing lockdowns in China to prevent the spread of Covid-19. Considering current GDP assumptions, merchandise trade volume growth in 2022 could be as low as 0.5% or as high as 5.5%.

Figure 2.1. WTO merchandise trade volume growth in 2022



Source: WTO.org (September 7th, 2022).

2.2. Communication across cultures

“Communication, in short, is the process by which individuals interact and influence each other. Communication may occur face-to-face or through technological media and may flow from one to one, one to many, or many to many, but in all formats, it involves (contrary to the phenomenological view) interposed elements that mediate between individuals” (Craig, 1999, p. 143).

Communication can be classified into four broad areas (Hurn, Tomalin, 2013):

- verbal communication
- non-verbal communication (body language)
- written communication
- internet communication (the use of technology in communication, also specific elements of language used on the Internet, such as emojis, Internet slang, etc.)

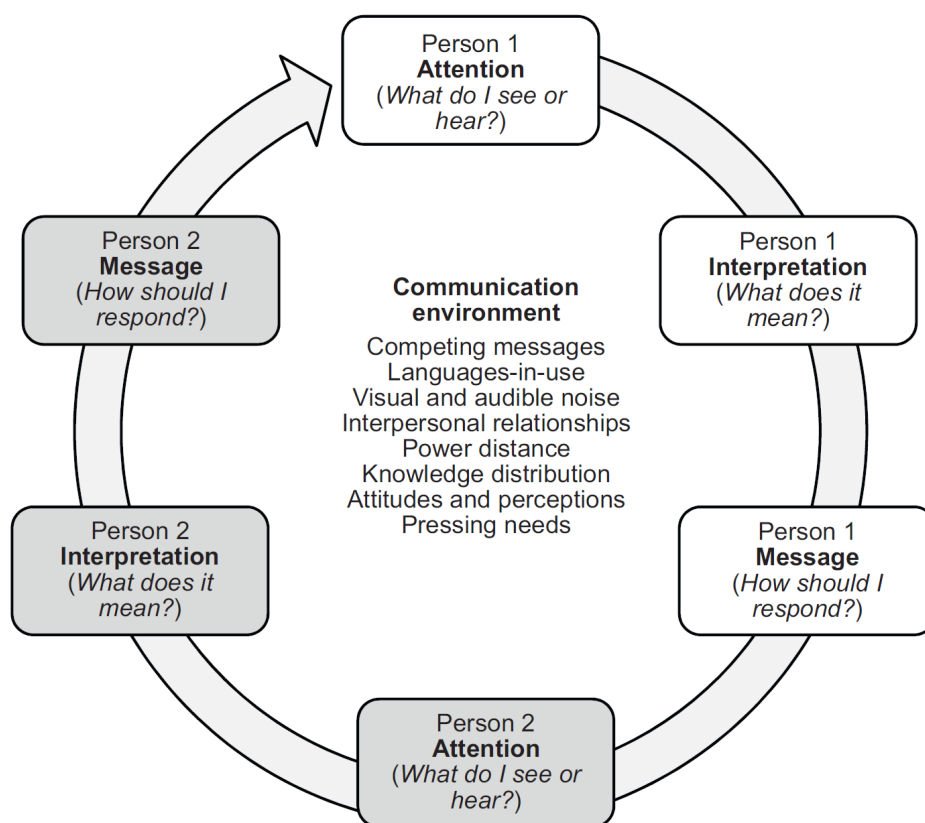
Communication is strongly influenced by semiotics. Semiotics, also known as semiology, is the study of signs and sign-using behaviour, i.e. the concept of the bilateral sign which consists of 'the signifier', a linguistic form, e.g. a word and 'the signified', the meaning of the form. It was defined by the Swiss linguist Ferdinand de Saussure, as the study of the life of signs within society. To illustrate the concept, it can be taken the word 'friend'. A friend may mean someone with whom one can have a cordial association, be a close companion, or someone who opposes the same things. Similarly, the word 'boyfriend' or 'girlfriend' may signify a romantically involved person or in other countries simply a friend. The point is that 'friend' is a common word in all languages, but has very different connotations according to the society that uses it. Therefore, part of semiology is to find out whether the same words mean the same thing in different cultures (Hurn, Tomalin, 2013).

Communication is all about transferring meaning. Spoken language or body language, as well as activity or inactivity, all are sources of communication. In other words, all behaviour is communication because all behaviour contains a message, whether intended or not. The way how messages are received and interpreted is significantly dependent on the culture, reference and personal experiences, and even worldviews. For instance, at the company level, financial analysts tend to pick up threads of conversation involving money, while sales managers pick up on market opportunities. And then what was heard is interpreted through a particular cultural lens (Steers, Osland, 2020).

Figure 2.3 presents the AIA model, which highlights three key ingredients in effective interpersonal communication (Nardon, Steers, Sanchez-Runde, 2011, p. 86):

- **Attention:** first, when messages are sent, recipients must notice them – that is, they must select out the intended messages from a barrage of other often simultaneous messages for particular attention. The basic question here is: “What do I see or hear?”
- **Interpretation:** secondly, once a message is selected out for attention, the recipients must interpret or decode it. Here the questions are: “What does this message mean to me? How do I make sense out of it?” Cultural differences can play a key role during this phase.
- **Action:** finally, the recipient must decide whether or not to take action (verbally or nonverbally) and, if so, how to construct and transmit a response. The question in this stage is: “What is an appropriate response?”

Figure 2.2. AIA Model



Source Nardon, Steers, Sanchez-Runde, 2011.

The AIA model stresses not only what people are doing or saying, but also to what they are thinking. As it was mentioned before, language and culture guide the communication process, moreover they also focus attention on different parts of the exchange and provide

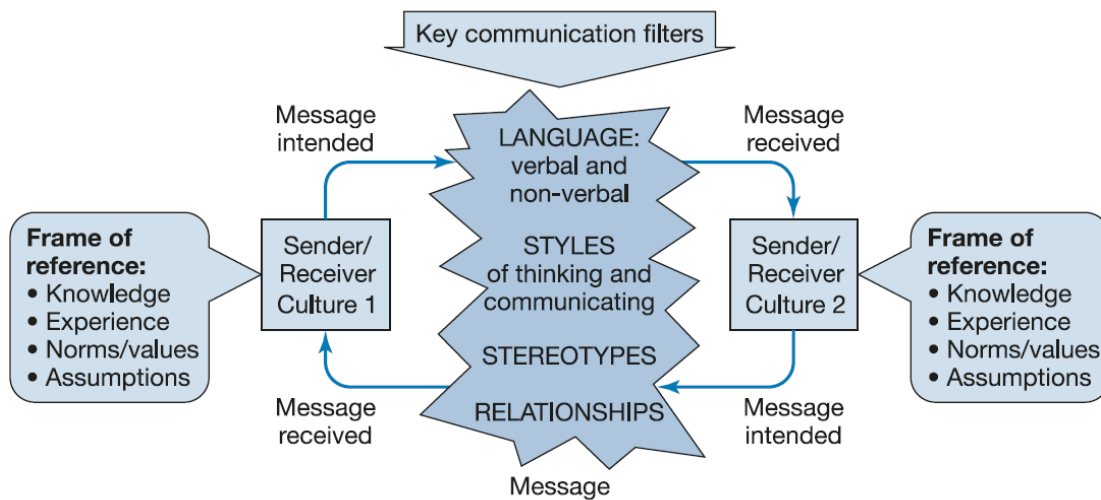
parameters for interpretation of information. Therefore, understanding the ways in which culture influences attention, interpretation and response creation is a key component in creating understanding across cultures (Nardon, Steers, Sanchez-Runde, 2011).

Within communication across cultures, there can be distinguished international communication, intercultural communication, and cross-cultural communication (Gudykunst, 2003). The first type focuses on the exchange of messages between nation-states. Second one indicates the exchange of information between groups of people with significantly different cultural backgrounds and comprises all aspects relating to the study of culture and communication, for instance studying speech convergence when Japanese and U.S. American communicate. Finally, cross-cultural communication, often considered as an area within intercultural communication, pays most attention to the comparison of cultural groups, how they differ in the aspects of communication behaviour, and their implications for the process of communication, for example the comparison of face-to-face communication across cultures or comparing speech convergence in initial interactions in Japan and United States (Gudykunst, 2003). Cross-cultural communication is a complex concept which combines several disciplines, such as anthropology, linguistics, philosophy and psychology. Culture is an ever-present part of any communication activity. Cross-cultural communication regards the way people from different cultural backgrounds communicate and deal with each other either at a distance or in person. This communication can involve spoken and written language, body language and the language of etiquette and protocol (Hurn, Tomalin, 2013).

2.2.1. Cross-cultural communication styles

People, when communicating, rely on the culture to which they belong. This very culture creates the basics of their communication style and regulates it. The cultural component has come to be considered the key cause of struggles in cross-cultural interactions. Figure 2. presents the communication process between the two representatives of different cultures. When communicating, each sender and receiver is unconsciously referring to this framework. The process includes the frame of reference each communicator uses, i.e. their knowledge of the subject under discussion, their experience in professional or individual terms, the norms of the society in which they live, and their assumptions, in other words, what is taken as fact or believed to be true. Followingly, the process includes key filters through which messages sent and received must pass, i.e. language, communication style, stereotypes and relationship (Browaeys, Price, 2015).

Figure 2.3. Communication process between the two representatives of different cultures



Source: Browaeys, Price, 2015.

Brian Hurn and Barry Tomalin (2013, pp. 7-8) have developed a framework to help determine the crucial differentiating characteristics in communication, it allows one to identify dominant communication styles, to avoid misunderstanding. In the framework authors applied the relevant communication ideas of E. Hall, G. Hofstede and F. Trompenaars. The key communication features are presented in opposition to each other.

The first features are 'direct or indirect'. Direct communicator does not adapt the message to the listener or reader, their words are straightforward and transparent, and the transmitted meaning is obvious. Direct communicators, for instance, are North Americans, Scandinavians, Germans and the Dutch. On the other hand, indirect communicators rather carefully act out their meaning, the major concern of the message is to not cause offence. Good examples are generally Asian cultures.

Second communication features are 'details or suggestions'. In cultures representing detailed communication, especially East Asian, it is important to go into all details, and make sure that everything is well understood, and no mistake can be made. On the contrary, suggestions communicators usually leave space for interpretation, their message is rather general, moreover, they may consider detailed communication as time-consuming and excessively tangled.

Following features are 'what/why or why/what'. In a what/why culture people say what they want and then why they want it. People tend to get to the point efficiently, and then explain the context afterwards. An example is North European countries. On the contrary, an why/what communicator would rather provide the context and background first, before

explaining what she or he wants. They primarily focus on context and come to the conclusion at the end.

‘Formal or informal’ features correspond to Hofstede’s power distance. It points out how power and status affect the communication style. High power distance equals more formal language, for instance, the use of titles, namely Mrs or Mr. The more informal communication style has been adopted in English-speaking countries or Scandinavia, where in general perception, the formal language indicates a wish to maintain a distance.

The fifth features are ‘emotional or neutral’. In an emotional society, people believe that emotions are an important aspect of self-expression. Members of emotional society use expressive gesticulation and tone of the voice. The most emotional societies are the Mediterranean and Latin American cultures. On the contrary, a neutral society prefers to maintain control over emotions, facial expression and gesticulation. Examples include Northern Europe and Japan.

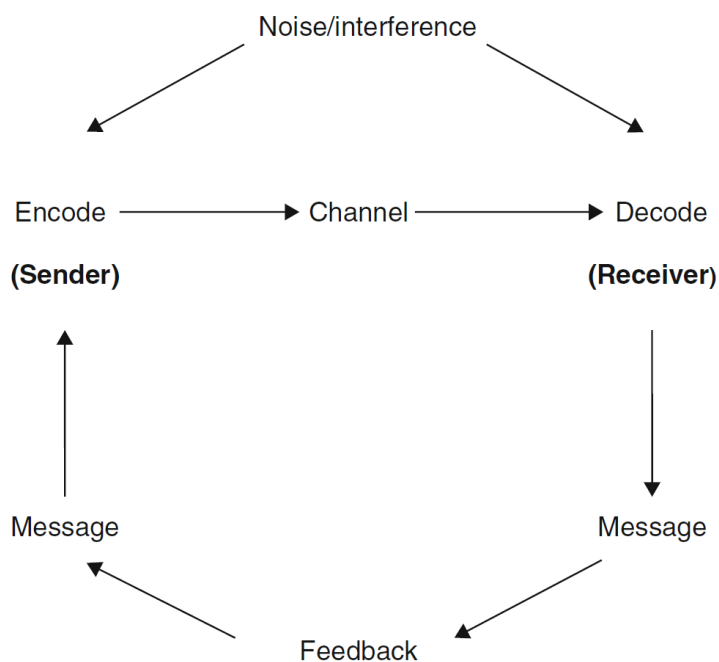
The last ‘fast or slow’ features refer to whether the speed of communication is fast or slow. Consequently, in a fast culture, a conversation moves quickly, and people interrupt each other and do not mind it. In the slow culture, people take time while communicating, they give themselves time to reflect before speaking, and interrupting is considered to be highly disrespectful (Hurn, Tomalin, 2013).

2.2.2. Communication barriers

In theory, for communication to go seamlessly, cultural norms and values should not be in conflict. Nonetheless, there are many issues to face while communicating across cultural boundaries, Trompenaars (1997, p. 74) says: “Communication is of course essentially the exchange of information, be it words, ideas or emotions. Information, in turn, is the carrier of meaning. Communication is only possible between people who to some extent share a system of meaning”.

The message may often become distortion or misinterpreted, as it travels across cultures. The misunderstandings occur in the transmission of the message encoded by the sender and decoded by the receiver. The figure 2.4 presents a typical situation, where the noise/interference has an impact on the message (Hurn, Tomalin, 2013).

Figure 2.4. Communication barrier.



Source: Hurn, Tomalin, 2013.

When it comes to verbal and non-verbal communication. Verbal communication is a frequent cause of misunderstandings between cultures. Linguistic differences can be the main component in any communication barrier and can even be insurmountable. Translating from one language to another can create a challenge to convey the full meaning of the expression, also among countries that share the same language, subtle differences can cause problems (Browaeys, Price, 2015).

Non-verbal communication can also be a source of misunderstanding and disagreement. Although facial expressions communicating joy, anger, sadness or shock are considered to be universal, other gestures, however, may not be so universal. Research has shown that at least 75% of all communication is non-verbal (Trompenaars, 1997). Within body language and gestures alone, there may be significant differences across the globe. One sign or a gesture in one culture can have a positive meaning, while in others it can be the opposite. Eye contact similarly, may be an object of dispute. For instance, in many Western cultures, a person who does not maintain good eye contact is regarded as slightly suspicious. People who avoid eye contact are unconsciously considered unfriendly or insecure. In contrast, the Japanese in a gesture of respect lower their eyes when speaking to a superior (Moran, Harris, Moran, 2007). Therefore, when representatives of different cultures communicate with each other, the non-verbal behaviour can be crucial in face-to-face interaction.

Non-verbal communication also includes paralinguistics, proxemics, haptics, artefacts and one's appearance, together with body posture. Paralinguistics refers to vocal communication that is separate from actual language, it includes factors such as tone of voice, loudness, inflection, and pitch (Berger, 2014). In the intercultural aspect, these factors may be strongly influenced by language itself, for instance most Chinese languages are tonal, therefore the different tones, loudness and pitch are basics of speaking. If one is not familiar with these characteristics, it may lead to incorrect interpretations of one's intentions. Followingly, proxemics and haptics are especially sensitive to socio-cultural influence. The first one refers to the amount of distance and personal space one needs during communicating and the second one, haptics, indicates communication through touch, which can be used to communicate affection, familiarity, sympathy, and other emotions (Wood, 2019). These features are vastly different among cultures, Scandinavia and Southern Europe can serve as an example. In Scandinavia the need for personal space is definitely sizable in comparison with Southern European countries like Italy, Spain or Portugal. Also physical touch in Scandinavia requires building some personal relationships first, which is not always the case in the Southern countries (Wood, 2019). It has been shown that touch is also often used to communicate both status and power. High-status individuals tend to invade other people's personal space with greater frequency and intensity than lower-status individuals. Gender differences also play a huge role in how people utilise touch to communicate meaning. Women tend to use touch to express care, concern, and solicitude. Men, on the other hand, are more likely to use touch to assert power or control over others (Wood, 2019). Finally, one's appearance, together with body posture also plays an important role in communication, especially appearance has a significant influence on how people are perceived and judged.

These attitudes and cultural assumptions underlie the way people behave, and communicate and the way they interpret messages from others. Therefore, ethnocentrism is another major source of interference in cross-cultural communication. Members of a certain culture tend to judge members of the other according to their beliefs, values and traditions, and vice versa (Deresky, 2017). Ethnocentrism leads to stereotyping, which is a frequent cause of misunderstanding in intercultural communication. Stereotyping is a categorization of other cultures in the simplest and most lazy manner. The result is often a negative and destructive way to find out about other societies. To create successful communication it is necessary to be aware of the dangers of cultural stereotyping and to deal with each person as an individual with whom one may form a unique relationship (Deresky, 2017).

2.3. International teams

The word ‘team’ can be defined as any group of people acting together, who need each other to accomplish a result (Senge, 1994). This definition includes many people who traditionally have been excluded from it, i.e. internal and external suppliers, customers, and associates. A “team” might indicate a global network of specialists, communicating through electronic mail, telephone, and occasional face-to-face meetings. Large organisations like IBM, design their infrastructures around these broad definitions of teams (Senge, 1994).

Teams can vary depending on their objectives, they can make products, provide services, negotiate deals, coordinate projects, offer advice, and make decisions. There can be identified four types (Robbins, Judge, Breward, 2016, p. 188):

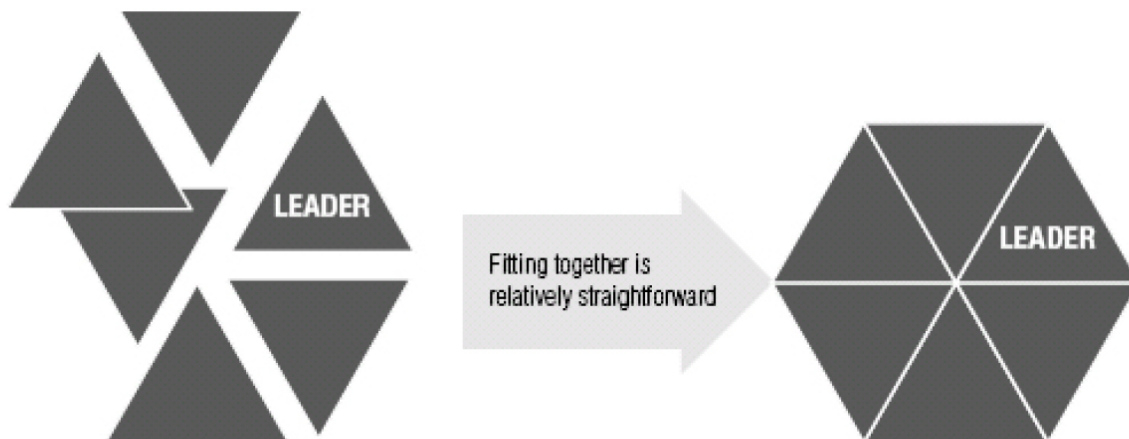
- Problem-solving teams: this type of team meets regularly to discuss ways of improving quality, efficiency and the work environment.
- Self-managed work teams: such teams have no supervisor, and employees in these teams are directly involved in the supervisory responsibilities.
- Cross-functional: in this type members come from different departments and work together to complete a task.
- Virtual teams: such teams do their collaborative work using computer technology, such as corporate social media, videoconferencing, and e-mail. Members of this team can be nearby or continents apart. In business, companies are increasingly becoming more dependent on virtual teams.

With increasing globalisation and migration the world becomes increasingly complex and diverse, thus multicultural teams are becoming more and more common. However, multicultural teams are more complex and therefore more difficult to establish and manage, than monocultural teams, largely because of the value differences between cultures.

The superficial distinctions such as greetings and language are relatively simple to describe, understand, and manage. Values, on the other hand, are not so visible and are associated with strong emotions, therefore more complicated to articulate. These values are implicit in the culture. Members of a particular culture assume that their ways of doing things are “normal” and “right”, rather than just one of many ways (Hibbert, 2014). In addition, people are often not aware of the values they hold, until their teammates from other cultures contradict them. Even then, a team member whose value has been questioned is frequently unable to explain what has happened but feels confused, puzzled or angry. That is why, in a

multicultural team the team values need to be negotiated, explicitly articulated, and agreed on (Hibbert, 2014).

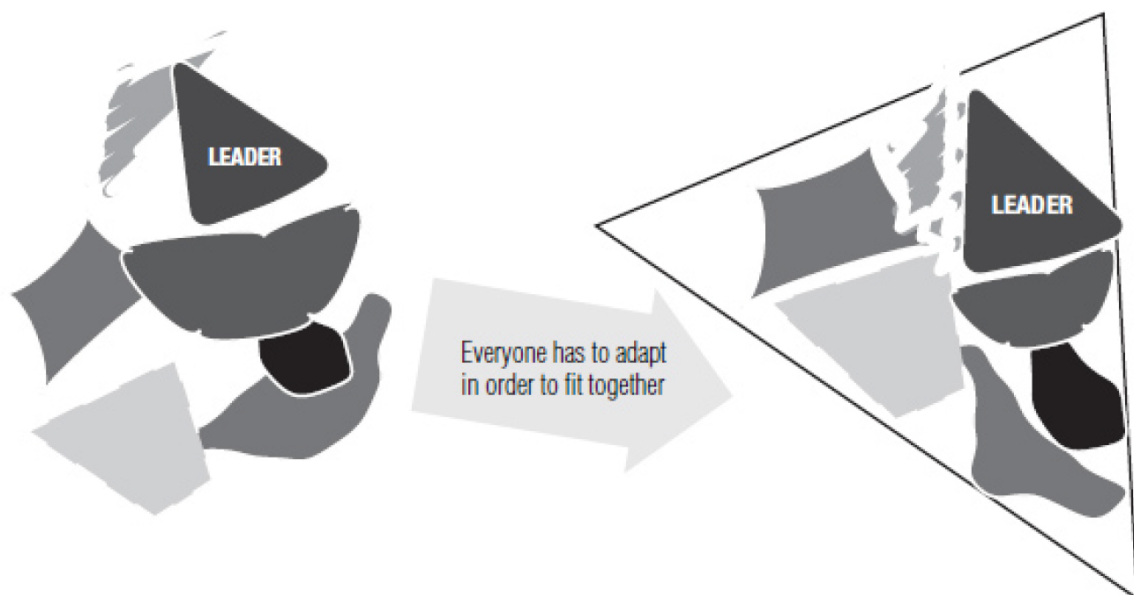
Figure 2.5. Process of monocultural team formation



Source: Hibbert, 2014.

The figure 2.5 illustrates the process of monocultural team formation. The team-building process is comparatively simple as team members and the leader share cultural values. The team leader and members all come from the same cultural background and there is no need to compromise any values to work together (Hibbert, 2014).

Figure 2.6. Multicultural team formation



Source: Hibbert, 2014.

The figure 2.6 illustrates multicultural team formation. The team leader and all members come from different cultural backgrounds and do not have any shared team values. The absence of shared values, in addition to the lack of awareness of held cultural values,

makes building relationships especially hard. The process of adapting and negotiating so all individuals fit well together is complex and highly demanding for all team members, the team leader particularly (Hibbert, 2014).

An exceptionally challenging are global teams. These teams are created by companies operating on the worldwide market. Global teams not only comprise people from several countries around the world, various cultures, and probably different languages, but also they often belong to the virtual team type. Team members will be located and working remotely in different places around the globe. Companies usually create global teams to gain specific cross-cultural expertise on some aspect of the business, such as developing a new product marketing strategy for a particular geographic region, or when they create a partnership with a foreign firm (Robbins, Judge, Breward, 2016).

Culture values held by global team members influence, for instance, the way members see the role of the leader, the relations between superiors and subordinates, participation in meetings, the deadlines, together with decision-making and problem-solving. To illustrate it, for example, task-oriented cultures such as Germany, Switzerland, and the US, will meet obstacles in building a team with relationship-oriented cultures such as Latin America, the Middle East and Southern Europe. Task-oriented cultures spend little time getting to know each other before getting into the business, on the contrary, those from relationship-oriented cultures, need to spend much more time establishing a personal relationship. Such teams may find it more difficult to build a strong team in comparison with monocultural teams (Deresky, 2017). Nonetheless, well-managed global teams can often offer a more efficient performance than monocultural teams. Global teams provide broader social, cultural, and business perspectives, as well as innovative skills positively affecting the success of international operations (Deresky, 2017).

2.4. Leadership and culture

Leadership is defined as the ability to influence and motivate others to achieve a vision or set of goals, as well as improve the effectiveness and success of the enterprise (Robbins, Judge, Breward, 2016). This influence may be formal, i.e. provided by managerial rank in an organisation. However, not all managers are leaders, nor are all leaders managers (Robbins, Judge, Breward, 2016).

Research has shown that some cultures (e.g., France, Russia, and the United States) prefer leaders who take charge and are visible and assertive, while others (e.g., China and Japan) prefer leaders who are much less visible and move behind the scenes to accomplish things. Some cultures (e.g., Mexico and Spain) prefer leaders who stand above the crowd and command respect, while others (e.g., Malaysia and Laos) prefer leaders who are humble and remain part of the crowd (Deresky, 2017).

Leadership itself is a cultural construct, and the way it is perceived and interpreted is strongly influenced by culture. The contrasting basics of leadership in Eastern and Western cultures can be traced to ancient Chinese and Greek thought. These differences come from separate paths between these two civilizations and their cultural and philosophical development. These leadership patterns can be characterised as presented in the table 2.1 (Sanchez-Runde, Nardon, Steers, 2011, p .210).

Table 2.1. Leadership patterns

	Western traditions	Chinese traditions
Leadership beliefs	Seek to achieve the ideal end state (eîdos and télos)	Seek to balance countervailing forces (yin and yang)
Leadership goals	Establish and pursue aspirational goals; manage the results	Create conditions conducive to success; manage the process
Leadership logic	Logic of application; articulate objectives and determine reasonable means to desired ends	Logic of exploitation; place oneself in a position to exploit opportunities as they emerge
Leadership bias	Bias for action; capture the initiative	Bias for patience; let events come to you

Source: Sanchez-Runde, Nardon, Steers, 2011.

When Westerners interact with Chinese managers and leaders, they often come away from the experience confused and frustrated. From the Western perception, Chinese leaders do not act decisively, fail to respond candidly, and are ambiguous about their goals and objectives, making it very difficult to build good working relationships. However, this situation, if examined from a cross-cultural perspective, can look quite different (Sanchez-Runde, Nardon, Steers, 2011).

Eastern culture emphasises following reality in a more passive way. A Chinese would rather flow within the potential of each situation and the dynamics that the situation affords than try to establish a set of objectives for action. Traditionally, leaders should locate themselves in a position that the desired path of events becomes the only viable alternative. They do not begin by delineating an action plan based on a particular set of agreed-upon objectives. Instead, he or she assesses the favourable and unfavourable elements in the surrounding situation, so that the favourable elements can be appropriated as the situation evolves. Therefore, there is no sense of goal or finality, but a constant benefiting from the evolution of events (Sanchez-Runde, Nardon, Steers, 2011).

Performance in the Western tradition results from minimising the gap between the goal and the achievement. Action in the West is seen as a separate entity, an external disruption to the natural order of things. In Eastern Asia, on the other hand, performance results from a minimization of the action itself, leaving the situation to achieve its full potential in terms that benefit the organisation. Eastern leaders thus focus on continual processes following their internal dynamics, uninterrupted. Western action is seen from the Asian perspective as being extemporaneous, quick, direct, and costly, while the Eastern action is slow, indirect, progressive, and natural. As a result, Western leaders act, while Asian leaders transform (Sanchez-Runde, Nardon, Steers, 2011).

Working with people from different cultural backgrounds can be vastly challenging, however, it can also be very rewarding. Business success in the global area is based on achieving and maintaining a competitive edge, managers outperform their opponents with the help of the toolkit that is available to them. Generally, the better the toolkit, the bigger the probability of success. Undoubtedly, an understanding of cultural differences, as well as how these differences influence interpersonal and group relationships, is a key tool, a better understanding of it equals greater success.

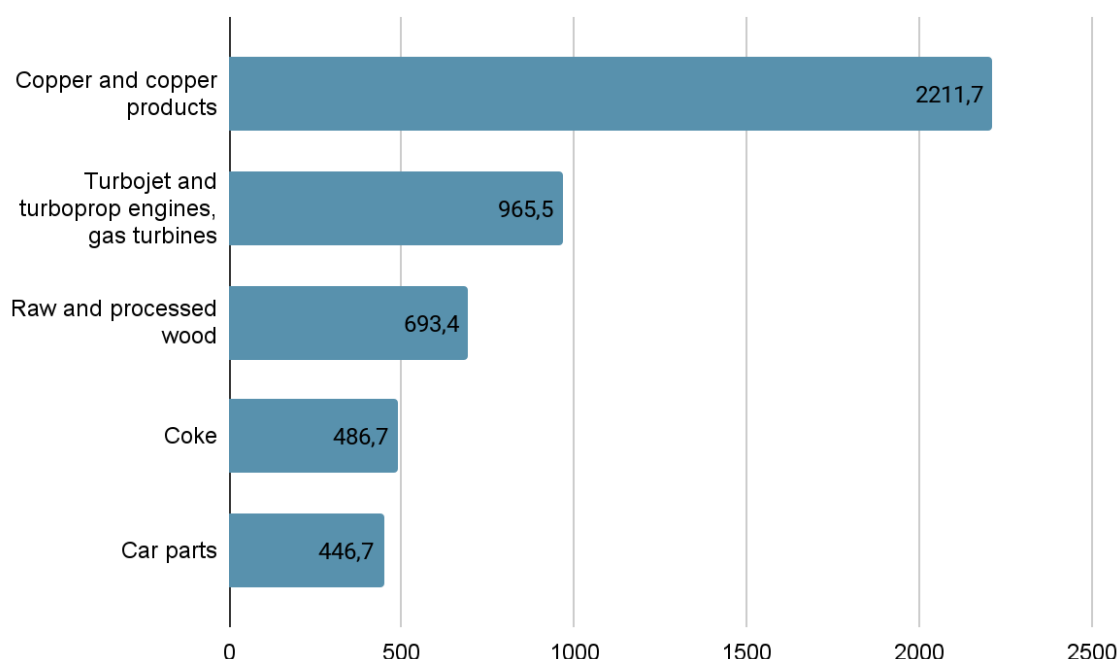
Chapter 3. Cross-cultural interactions in business between Poland and China based on cultural dimensions model

3.1. The bilateral economic relationship between Poland and China

Polish-Chinese business and economic relations cover many levels, such as trade and investment exchange, finance, new technologies, maritime economy, climate policy as well as environmental protection. China is currently the largest trade partner of Poland in Asia, and Poland is China's largest trade partner in the region of Central and Eastern Europe. However, the import of Chinese goods to Poland vastly exceeds the Polish export to China, which transfers in a high trade deficit. Polish export to China mostly covers copper and copper products. In the case of Chinese imports to Poland, almost half of the goods belong to the group of electronic devices (Serwis Rzeczypospolitej Polskiej, September 10th, 2022). According to the Polish National Bank, in 2020 the inflow of Chinese direct investments in Poland totalled 15.6 million USD, and the liabilities at the end of 2020 were 286.3 million USD (Serwis Rzeczypospolitej Polskiej, September 10th, 2022). Many Chinese investments in Poland are made by entities registered outside of China, which are not included in official statistics as investments from China. Estimates of the Economic Department of the Embassy of the Republic of Poland in Beijing indicate the possible value of total investments and Chinese assets in Poland at the end of 2020 at approximately 2.2 billion USD (Serwis Rzeczypospolitej Polskiej, September 10th, 2022).

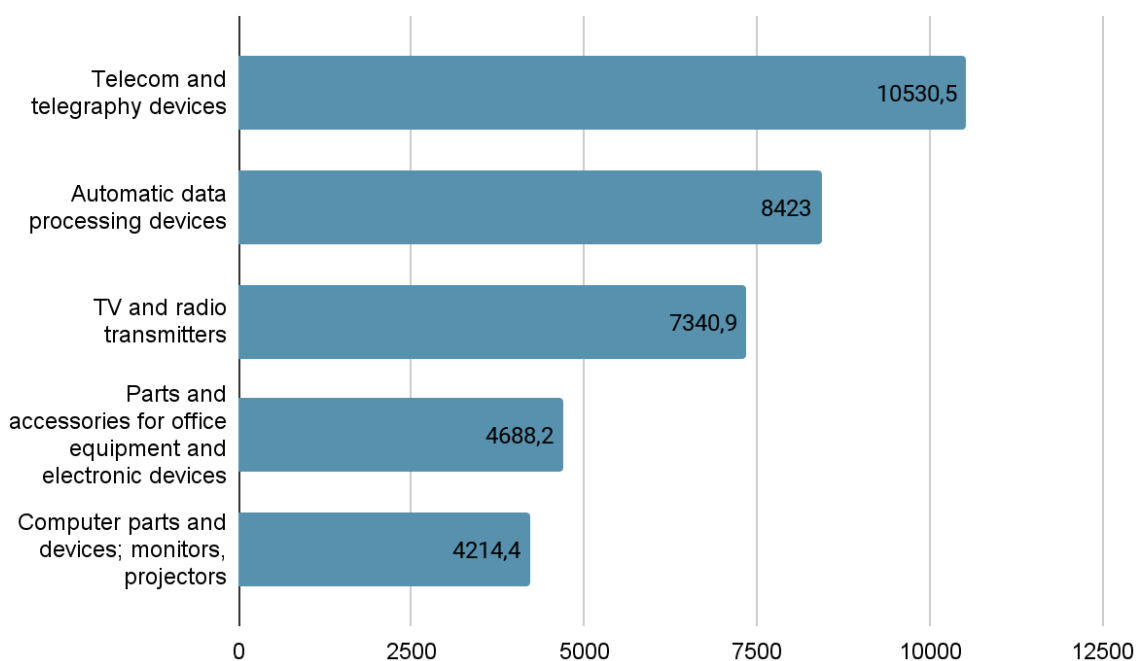
As it is shown in figure 3.1 the most profitable goods exported from Poland to China are copper and copper products. The following goods are engines and turbines, raw and processed wood, coke from coal lignite and peat, also car parts and accessories. In the case of Chinese imports to Poland, figure 3.2 indicates that the most profitable goods are electronic and digital devices, such as telecommunication and telegraphy devices, television and radio transmitters, automatic data processing devices, or office equipment.

Figure 3.1. Polish export to China in 2020 in million PLN



Source: Serwis Rzeczypospolitej Polskiej (September 10th, 2022).

Figure 3.2. Chinese import to Poland in 2020 in million PLN



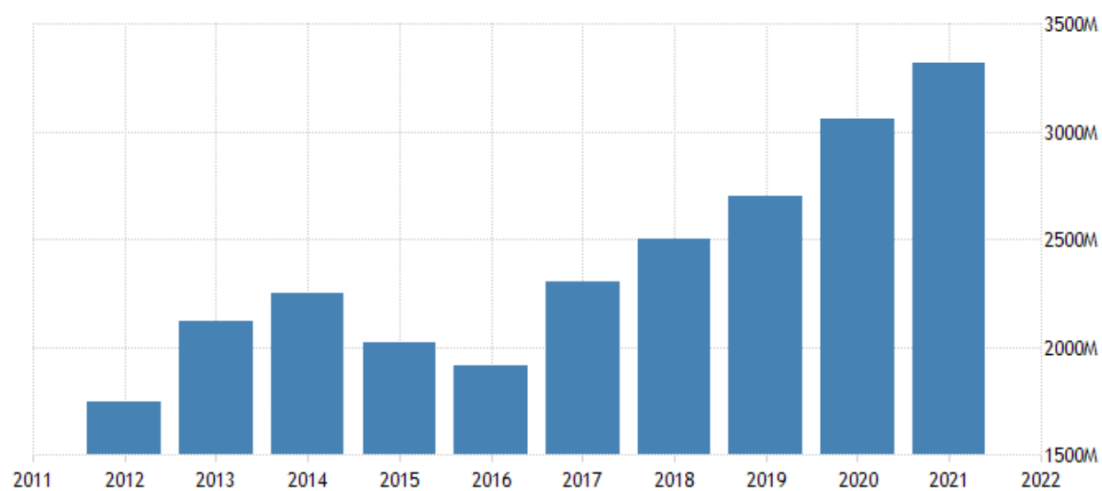
Source: Serwis Rzeczypospolitej Polskiej (September 10th, 2022).

Over the past years Polish exports to China are gradually growing (figure 3.3), nevertheless Chinese exports to Poland are growing significantly faster (figure 3.4). It causes a serious trade deficit. Polish-Chinese economic relations seem to have good prospects, both

sides have shown their commitment to deepen the cooperation in many areas such as trade, investment or logistics. However, the coming years will be difficult due to the world crisis caused by the global pandemic as well as the Russian invasion of Ukraine.

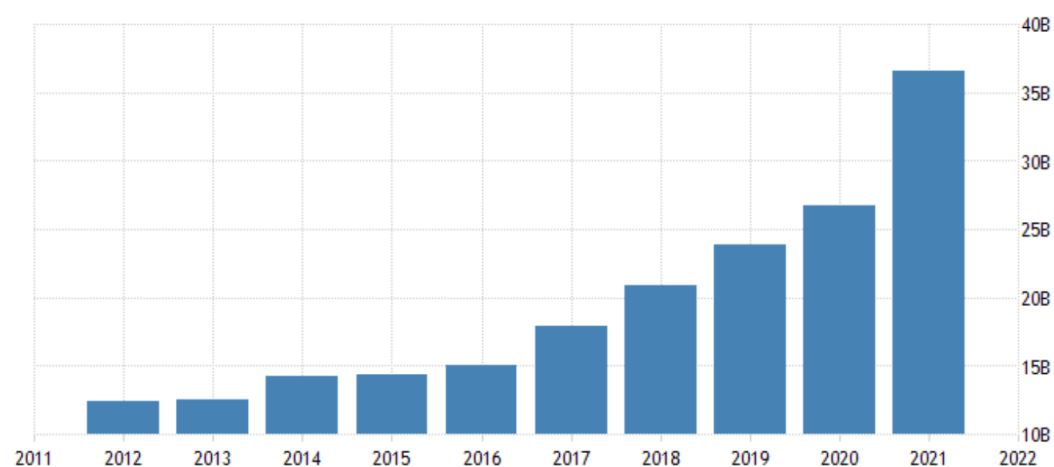
In order to level out the trade balance, it is necessary to take actions, both Polish and Chinese, to increase the presence of Polish goods on the Chinese market and Chinese investments in Poland. It is also crucial to boost the cooperation between Polish and Chinese business, to get to know the other party and mutual expectations. The presence of Polish companies at China International Import Expo 2022 is an important element of these activities, as it is a place for dialogue, exchange of experience and promotion of Polish companies in China (China International Import Expo, October 28th, 2022).

Figure 3.3. Poland exports to China 2012-2021 in million USD



Source: Trading Economics (October 28th, 2022).

Figure 3.4. China exports to Poland 2012-2021 in million USD



Source: Trading Economics (October 28th, 2022).

3.2. Poland and China in Edward Hall's Cultural Dimensions

According to E. Hall's model of low-context and high-context dimensions (figure 3.3) Poland is considered a low-context country. In communication Poles are rather straightforward, messages are relatively explicit and there is little to decode from the context. Polish communication culture emphasises verbal, direct messages. The context is less important, therefore the message must be clear and complete (Meyer, 2014). People from low-context societies try to avoid uncertainty when communicating by expressing clearly and directly, misunderstandings are usually attributed to the speaker. Furthermore, low-context communicators rely on genuine reactions and straightforward responses as part of the communication process (Meyer, 2014).

Figure 3.5. Countries on the low-context and high-context dimensions scale



Source: Meyer, 2014.

Yet, as a consequence of Poland not being a very low-context culture, Polish business people exhibit some features of high-context cultures, such as preference for tight, long-term relationships. In the business environment, Poles combine both low and high-context approaches to doing business: a deal-focused and a relationship-focused approach. These are quite unique combinations of cultural traits. In other words, Polish business people are willing to build solid relationships with their partners, also on private grounds. However during negotiations they tend to be verbally direct at the bargaining table. Legal contracts are written and binding and the negotiation process is expected to be quick and efficient, the focus is on technical issues, presenting facts and important information.

There are similar observations in the terms E. Hall's time dimensions: monochronic (m-time) cultures and polychronic (p-time) cultures. Poland is a monochronic culture, although it embraces some polychronic characteristics as well. In monochronic countries one thing is done at a time and people tend to handle events subsequently. Taking into

consideration the business aspect, as in a m-time culture, Poles concentrate on the job and take deadlines and schedules seriously. It is worth noting that Polish people are famous for being committed and concentrated on their job, which is typical of the monochronic culture. At the same time, Poles have a tendency to build long-lasting relationships with their business partners, which is a characteristic of polychronic culture.

China is a very high-context country, thus the approach to communication is to set the context first. A Chinese person will present an issue thoroughly, the background, any side details and so forth, and only then give their personal views or recommendations (Chee, West, 2004). Often in a tortuous way in the eyes of Westerners. Chinese culture emphasises a concept of a 'face' ('mianzi'), and because of this phenomenon Chinese people do not speak directly, the main objective of the speaker is to never offend, minimise any potential disagreements and ensure that no one will lose face or is being treated unfairly or aggressively.

Regarding time dimensions, China is traditionally polychronic, however nowadays western influence has moved some aspects of business more towards monochronic time (Chee, West, 2004). Unlike monochronic countries like Poland, in polychronic ones people do several things at the same time and are able to handle many events simultaneously. Generally, the Chinese have a flexible approach to time, which allows them to switch from one task to another if the need occurs (Chee, West, 2004). Chinese people are famous for being hardworking, even workaholics. In China, staying overtime at work is a common practice. At the same time, a Chinese person might show up thirty minutes later than the scheduled time and not think anything of it. In polychronic culture people usually assume that there is no need to rush, time is not necessarily seen as a linear concept.

Considering the results, Poland and China are not extremely separate from themselves on the dimensions, as is the case of the U.S. or Germany and China, therefore there is a cultural common ground. In both countries, business relationships are not restricted only to doing business. Polish and Chinese entrepreneurs are willing to build a relationship also on private ground and get to know each other. In China, these relations are connected with a phenomenon known as 'guanxi', an essential part of Chinese culture. In a nutshell, 'guanxi' is a personal contact network, both in the professional and the personal area of life. It operates on personal, familial, social, business and political levels (Wong, 2007). This way, in China business relationships are not strictly limited to work. Creating friendly relationships on professional grounds creates certain obligations and a sense of responsibility. If it comes to doing business with friends, people tend to be more loyal, and care more about mutual

benefit and satisfaction. Moreover, having good, bad or no guanxi can seriously impact one's influence and ability to get things done.

Yet, the first cultural obstacle arises from the Chinese concept of 'face' ('mianzi'). In the business environment, it may lead to misunderstanding, as Polish businessmen prefer more direct communication. If there is a lack of knowledge of cultural differences between Poland and China, communication may be ineffective, problematic and slow. During negotiations Polish business person may be considered too direct and offensive to the Chinese partner, on the other hand from a Polish perspective Chinese may be perceived as unwilling to express their opinion, thus troublesome in negotiation. Another obstacle may be differences in approaches toward time. As mentioned before, the Chinese do not mind being late, doing business may go on at the same time the phone is ringing and staff interrupting the conversation. Polish people do not have a vastly strict approach to the time, however, would not like to be interrupted and even may find Chinese attitudes disrespectful. Eventually, from examining the findings, the basic difference lies in the approach. In China, business communication is about building relationships, while in Poland even though business relations are somehow important, the main emphasis goes on the efficient exchange of information and getting things done as quickly as possible according to what has been agreed.

Referring to E. Hall's research Poland and China can be classified into the following dimensions presented in table 3.4.

Table 3.1. Poland and China classified into E. Hall's Cultural Dimensions

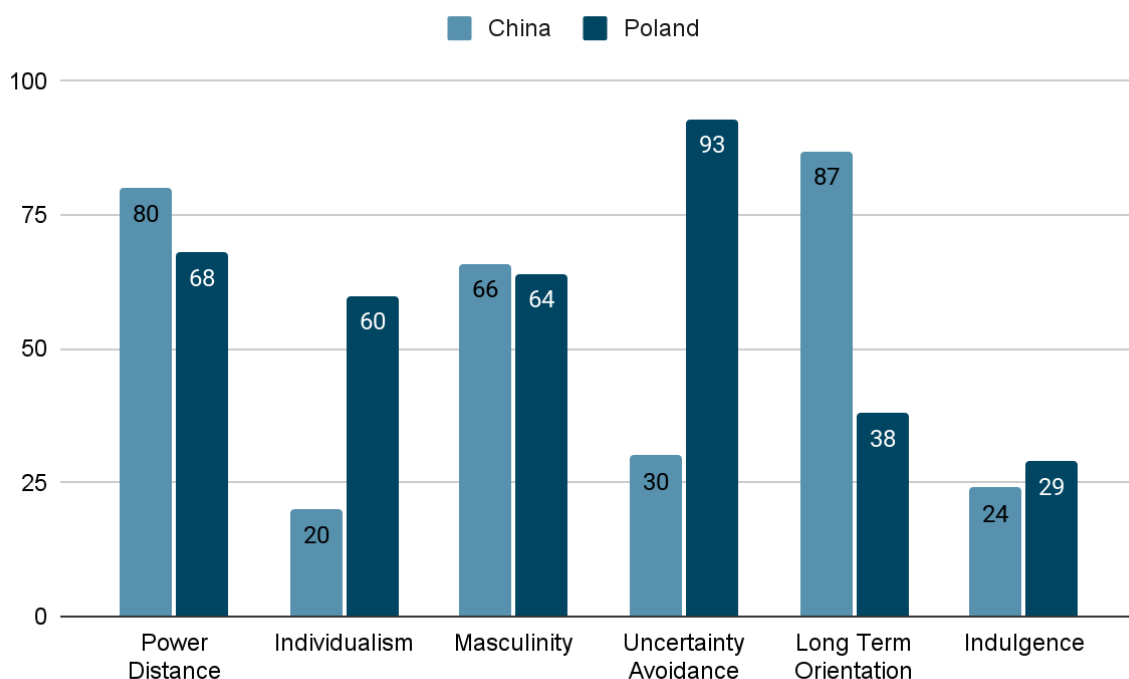
Poland	China
Low-context (with some high-context features)	High-context country
Monochronic culture (with some polychronic features)	Polychronic culture

Source: Own study based on E. Hall's Cultural Dimensions.

3.3. Poland and China in Hofstede's Cultural Dimensions Model

The first dimension Power Distance measures attitudes to authority and the distance between individuals in a hierarchy. In this dimension both countries score high at power distance, with a score of 80 for China and 68 for Poland. The Polish score exhibits acceptance for hierarchy in an organisation, centralization is common, subordinates expect to be told what to do and the ideal boss is a sympathetic autocrat. Junior colleagues usually show respect to their superiors, moreover people who achieve higher status like to demonstrate it (Hofstede, 2011).

Figure 3.6. Scores of China and Poland in Hofstede's Cultural Dimensions Model



Source: Hofstede Insights (September 10th, 2022).

In the case of Poland, high power distance is connected with the importance of having a good working relationship with their direct superior, and being consulted by her or him. In general, office jobs are valued much higher than physical work. Usually, there are significant differences in wages between higher and lower positions in companies. However, currently, some changes can be observed in this approach in Poland. The perception of the power distance in Poland depends on the company. It is considerably higher in traditional, family-run companies, than in international or run by young people firms. Also, the younger generation is much less willing to accept inequalities.

China's score of 80 indicates that Chinese society agrees and accepts inequalities among people. The subordinate-superior relationship tends to be polarised and there is no defence against power abuse by superiors. Individuals are influenced by formal authority and sanctions (Hofstede, 2011). Also, people should not have aspirations beyond their rank. These cultural traits originate from the dominant in China Confucian philosophy. Confucianism lays stress on these inequalities, as the ethical and desirable behaviour in a society is based on saving face and showing respect and obedience towards elders or superiors. This Confucian perspective is a key factor in building relations, negotiations, teamwork and management. Therefore when doing business in China, Chinese people will expect from their business partners that high-rank managers will be involved and consulted, as a sign of respect and politeness (Hill, 2006).

According to the second dimension Individualism versus Collectivism”, Poland scores 60 and is an individualistic society. In contrast, China with a score of 20 is a highly collectivistic society. In Polish culture, individuals are expected to take care of themselves and their immediate families only. In the workplace, hired or promoted are only people who earned it and have the best performance (Hofstede, 2011). Poles in general are competitive and care about their own achievements.

G. Hofstede (2011) mentioned that Individualism and a high score on Power Distance create a specific contradiction in Polish society. He advises managers to establish a certain way of communication on a personal level, which will give the impression that everybody in the organisation, while may be unequal, is important.

China is a highly collectivist society. Chinese people perceive themselves as a part of a group, that in exchange for loyalty will protect them. The interest of the group exceeds those of individuals (Hofstede, 2011). Saying of Confucius ‘the gun always shoots the first bird in a flock’ (‘qiang da chu tou niao’) expresses Chinese disapprobation toward showing off. Standing out of the crowd is rather undesirable behaviour. In the workplace, when hiring or promoting, Chinese people often rely on their social network. Skills and knowledge are not the most important factors, also the closer relation in the group (for example family members) the more favourable treatment they get.

In the third dimension Masculinity, both countries have quite similar scores, with 64 for Poland and 66 for China, therefore the two of them are definitely masculine. According to G. Hofstede (2011), in masculine countries, people live to work and success is defined by achievement. In the case of China, the environment is extremely competitive, as the population exceeds one billion. People are willing to work long hours and sacrifice their

private life for the sake of success and achievements. In the case of Poland, people are also competitive, however, the attitude toward work is rather less drastic. The younger generation has been influenced by the Western Europe and American standards, therefore it tries to find a work-life balance, and does not want to sacrifice their private life for the sake of work.

According to Hofstede's fourth dimension Uncertainty Avoidance, Poland is one of the countries with the highest result, with a score of 93. In general, Polish society is not tolerant of unconventional ideas and behaviour, everything that is different is perceived as somewhat dangerous. Poles do not like uncertain situations, and are nervous and impatient. Time is money, and deadlines and schedules have to be respected.

On the contrary, China's score is only 30. This low score reflects the Chinese flexible approach to time, schedules and deadlines. Laws and rules are adjustable to suit situations and circumstances. Chinese language, which is based on polysemous characters, and Chinese culture vastly emphasises ambiguity. Chinese people because of this linguistic influence, and also the cultural phenomenon of 'face' ('mianzi') are comfortable with indirectness and ambiguity, which on the other hand may be difficult for Polish people to follow and understand.

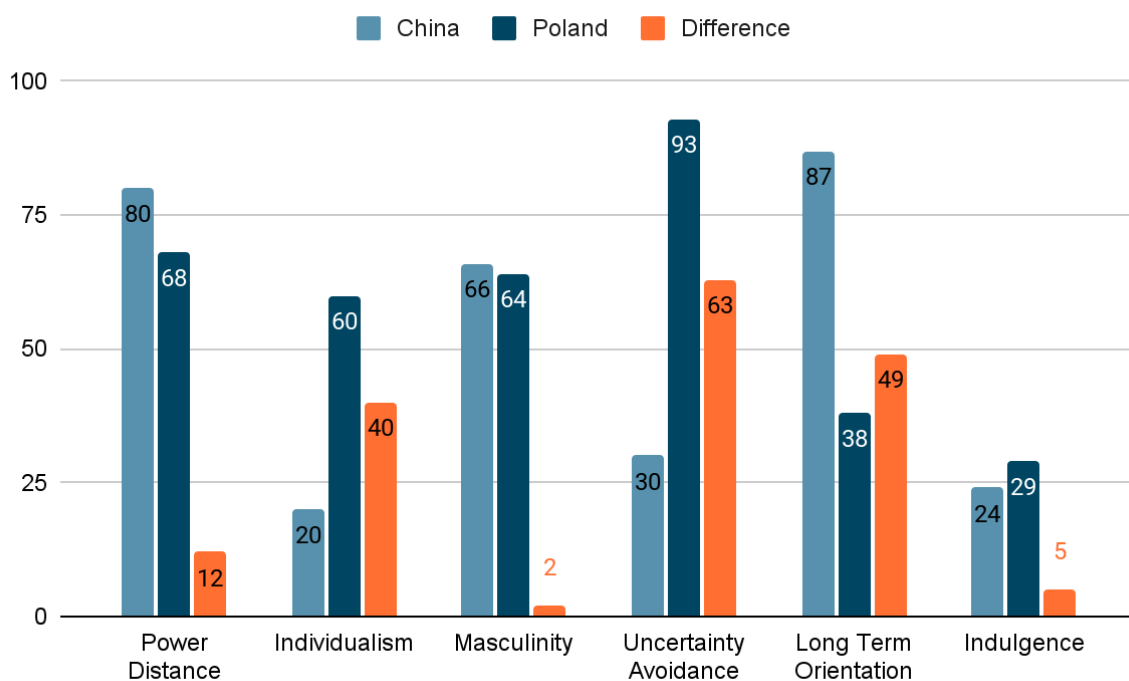
Referring to the fifth dimension Long-term Orientation, Poland scores only 38 and is a short-term-oriented country. Poles are greatly attached to tradition and the past. There is a relatively small tendency for saving and planning for the future. They expect quick results, which can be observed in the terms of politics and business: profits and achievements gained now are more important than what could be gained in the future (Hofstede, 2011). China on the other hand stands on the very opposite side of this dimension and is a long-term-oriented country. The score shows that Chinese culture is pragmatic, traditions can be adapted to conditions, and people are persistent in achieving the best results (Hofstede, 2011). Since China aspires to be the next global superpower, there is a tendency to think big and think ahead.

Hofstede's last dimension is Indulgence. According to this dimension, both countries have low scores, with 29 for Poland and 24 for China, which means that the cultures are restrained. These types of societies tend towards pessimism, there is not much emphasis on leisure or time off. There is also a tendency for delayed gratification (Hofstede, 2011). These characteristics have a clear reflection in Polish culture, where people often believe that the most certain way to succeed is to work very hard. If someone runs a prosperous business without sacrificing their personal life, people from the outside do not look well at it and even

perceive it as somewhat wrong. From examining this dimension, it can be concluded that Poles and Chinese both are strongly restricted by the social norms they live in.

Figure 3.6 shows that the smallest cultural difference between Poland and China is in the Masculinity dimension (2). The second smallest difference can be noticed in the Indulgence dimension (5). Followingly, in a Power Distance dimension, the difference is on the medium level (12). Finally, in the three cultural dimensions, the difference is comparably large: Individualism (40), Long Term Orientation (49), and Uncertainty Avoidance dimension (63).

Figure 3.7. The difference between China and Poland in Hofstede's Cultural Dimensions Model



Source: Own study based on Hofstede Insights.

Referring to G. Hofstede's research, China and Poland can be characterised by the following cultural dimensions presented in Table 3.2.

Table 3.2. China and Poland classified into Hofstede's Cultural Dimensions Model

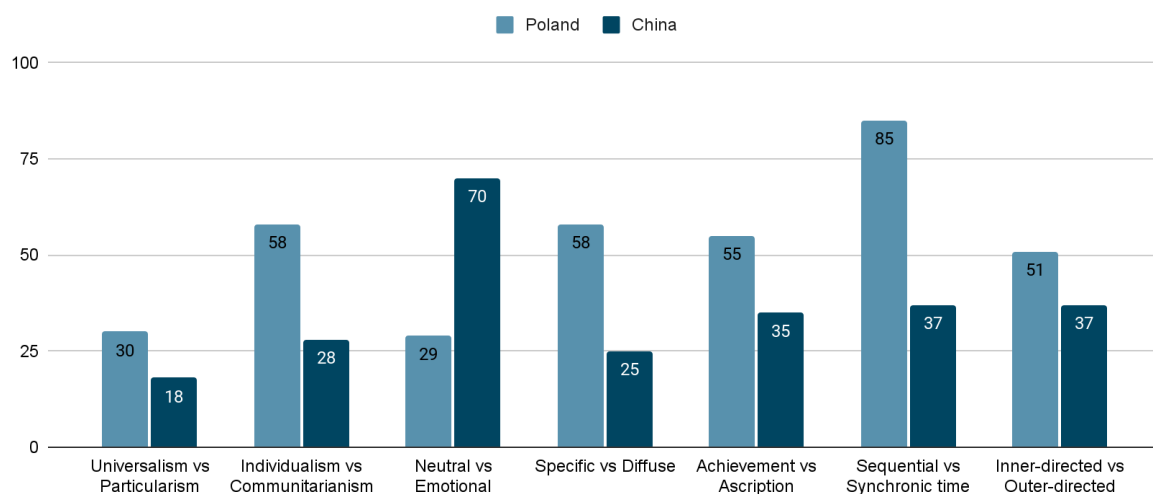
China	Poland
High power distance	Medium power distance
Collectivism	Individualism
Masculinity	Masculinity
Low uncertainty avoidance	Very high uncertainty avoidance
Very long-term orientation	Short-term orientation
Restraint	Restraint

Source: Hofstede Insights (September 10th, 2022).

3.4. Poland and China in Trompenaars' Model of National Culture Differences

The first dimension presents a scale of Universalism versus Particularism (rules versus relationships) (figure 3.8).

Figure 3.8. Poland and China in Trompenaars' Model of National Culture Differences



Source: Own study based on Trompenaars' Model of National Culture Differences.

The scores indicate that both Poland and China are particularist cultures. In the case of Poland, F. Trompenaars (2020, p. 56) says: “Catholic cultures retained these features of religion, which are more relational and particularist. People can break commandments and still find compassion for their unique circumstances. God for the Catholics is like them”. Poles even though respect the importance of rules, do not always follow them, they believe that sometimes circumstances dictate the rules. It leads to the conclusion that in the business environment Polish people consider law and legal contracts as a necessity, on the other hand, they also understand that there may be specific cases and situations that require flexibility in decision-making.

As for China, it is a highly particularistic country, and again it is mostly because of the cultural phenomenon of building relationships ‘guanxi’. For such particularistic culture, it is vastly important to take time to create connections and get to know people. Therefore, it can be noticed that the Chinese value more relations, than formal contracts and agreements. F. Trompenaars (2020, p. 51) points out “Given the rise of Chinese, Japanese, and Indian economic power, the automatic superiority of the universalist position can no longer be assumed. Good customer relationships and good employee relationships may involve doing more than the contract requires. Moreover, relationships have flexibility and durability that contracts often lack”.

Referring to the second dimension, Individualism versus Communitarianism, similarly, as in G. Hofstede’s research, Poland is an individualistic country and China communitarian (collective). Both countries represent opposites of the scale. International business is seriously influenced by individualist or communitarian preferences within a country. The important strategy to keep in mind is to praise and reward individual performance in an individualistic country and to praise and reward the performance of a group in a communitarian country, such as China. In those countries appreciation of individuals is not wrong, however, should not be public (Trompenaars, 2020).

The Neutral versus Emotional dimension score shows the extent to which exhibiting emotion at work is not acceptable. Poland’s low score indicates that Poles are rather emotional and exhibit their feelings even at work. Generally speaking, this kind of honesty is typical for Polish people, they traditionally do not like to hide emotions. It mostly influences customer service. For instance, in Poland shop assistants who feel upset will not hide it from the customers and vice versa. Therefore encountering rude behaviour at the store is not a surprise. In China, on the other hand, the quite high score means that Chinese society is neutral and showing emotions is not acceptable, especially in the workplace.

In the dimension Specific versus Diffuse the score shows the extent to which work and private life are separated. The score of Poland indicates it is a specific country, and people try to find a work-life balance. China on the contrary is a diffuse country (Trompenaars, 2020). Once again it is deeply rooted in Chinese culture. In this type of society where connections are extremely important, everything seems to be connected. A Chinese business partner may wish to know private aspects of one's life, where they went to school, who their friends are, and what they think of art, literature, or music. Polish culture, even though specific, also exhibits these features at some point. Therefore, there can be found a common ground for Polish and Chinese businessmen, despite representing the opposite dimensions. Yet it is worth noting that it also leads to different work styles, especially in the case of Polish employees working at Chinese companies, if one does not wish to adapt to the Chinese tradition, setting boundaries may be challenging.

The fifth dimension is Achievement versus Ascription. Achievement refers to accord social status to people based on their achievements, and ascription refers to accord social status based on age, class, gender, education, etc. A high score indicates a culture in which status is mainly achieved. In this dimension Poland with a medium score of 55 represents features of both dimensions, as F. Trompenaars (2020) notices there is a correlation between the score and the Catholic religion. Usually, Catholic countries do not score very high on this dimension, in comparison with Protestant countries.

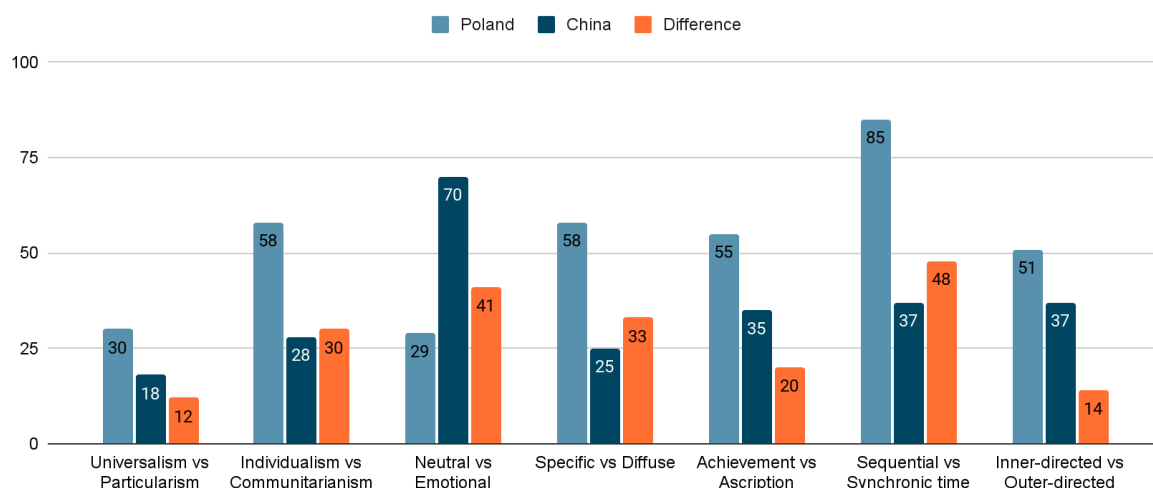
Generally, achievement orientation is seen as part of modernization, a crucial element to economic and business success. Nonetheless, countries with ascribed social status and a high level of economic development such as China, India, Japan and South Korea prove this theory wrong. China's score of 35 indicates it is a society where status is ascribed, rather than achieved. It is deeply rooted in Confucian hierarchism. Chinese people are expected to obey elders and people with higher status than their own. In this culture, it is vastly important to use proper titles, and show great respect to superiors.

Sequential versus Synchronic time dimension refers at some point to E. Hall's monochronic and polychronic cultures. In F. Trompenaars' research Poland scored 85, and is considered a highly sequential country. Poles like events to happen in order, prefer single-tasking, they emphasise punctuality and respect deadlines (Trompenaars, 2020). In essence, in Poland time is money. At the other end of the spectrum, China's low score of 37 indicates the opposite. Chinese people have a more flexible approach to work, they often work on several projects at once, and view plans, commitments and deadlines differently depending on circumstances.

In the last dimension, Inner-directed versus Outer-directed, the score that has been taken into consideration represents the role people assign to their environment. Inner-directed societies either believe that they can and should control the environment they live in by imposing their will on it, on the contrary, outer-directed societies believe that humans should follow their fate and live in harmony with it. The higher the score the more inner-directed the society is (Trompenaars, 2020). In this dimension Poland scores in the middle of the scale. Therefore, Poles believe that life is influenced by one's own decisions as well as by external forces such as fate or God's will. In the case of China, the score indicates it is an outer-directed country, people do not believe that they hold enough power to significantly change their lives and fate (Trompenaars, 2020). In the workplace, Chinese employees strongly rely on resources, directions and feedback to work efficiently, thus to Polish colleagues they may seem passive and highly obedient.

Figure 3.9 shows that the smallest difference between Poland and China is in Universalism versus Particularism (12) and Inner-directed versus Outer-directed (14) dimensions. The dimension where the difference is on the medium level is Achievement versus Ascription (20). Finally, in the four dimensions, the difference is relatively large: Individualism versus Communitarianism (30), Specific versus Diffuse (33), Neutral versus Emotional (41) and Sequential versus Synchronic time dimension (48).

Figure 3.9. The difference between China and Poland in Trompenaars' Model of National Culture Differences



Source: Own study based on Trompenaars's Model of National Culture Differences.

Taking into consideration discussed F. Trompenaars' research, its characteristics, as well as own interpretation and calculations, Poland and China can be classified into the following cultural dimensions presented in Table 3.3.

Table 3.3. Poland and China classified into Trompenaars' Model of National Culture Differences

Poland	China
Medium particularist	Highly particularist
Individualism	Communitarianism
Emotional	Highly neutral
Specific	Diffusive
Medium achievement orientation	Ascription orientation
Highly sequential	Synchronic
Medium inner-directed	Outer-directed

Source: Own study based on Trompenaars' Model of National Culture Differences.

3.5. Conclusions

Cultural differences have a significant impact on international business. Business people involved in international cooperation should always take into account the fact that such collaboration causes exceptional struggles, in comparison with business conducted on a national level. Therefore, cooperation between Polish and Chinese companies is liable to many difficulties caused by differences in culture. Company's structure, supervisors and employees relationships, as well as negotiations, business ethics and general work habits are vastly sensitive to these differences. One strategy to manage cross-cultural issues, which will be effective in all countries around the globe does not exist. Every relationship and partnership is unique and requires a special approach.

F. Trompenaars (2020, p. 278) says "Every country and organisation faces certain universal dilemmas. A nation's culture is expressed in the way people within it approach these dilemmas. Once we have learned to recognize differences and respect that cultures have the right to self-determination, we need to consider how we can both overcome problems of misunderstanding that can easily arise and leverage the business benefits of the different viewpoints by connecting them and securing the benefits of both". Therefore, building cultural awareness and understanding and identification of these cultural differences are one

of the most crucial skills of international business in our times. Poor knowledge of cultural differences leads to inefficient and unsatisfactory outcomes. Nowadays knowing foreign languages is no longer sufficient, and even though the language barrier may be challenging to overcome, one should be familiar also with norms, values and customs. Learning only more or less detailed information about other countries and cultures will only enhance the particular stereotypes about them. Hence, to develop cross-cultural competence it is necessary to go beyond one's cultural frames and look at the culture from an objective point of view.

Analysed and discussed cultural dimensions models of E. Hall, G. Hofstede and F. Trompenaars are the most valued and popular frameworks that are based on experiences and scientific research. Cultural dimensions are sources of very useful information about the sociocultural conditions of countries around the world. Moreover, the variety of the different combinations of these dimensions gives the models depth and goes beyond stereotypes. These frameworks can be used in various areas, however, are especially helpful in preparation for business operations on an international level. They allow diving deeper into values, habits and customs, helping to understand the background and reasons for specific cultural differences, which is an essential skill for successful cross-cultural business transactions.

Chapter 4. Cultural and business interactions between Poland and China

4.1. Aim and methods of the study

As mentioned in previous chapters, business activities are vastly sensitive to cultural differences. Having gathered and understood the theory of culture, culture dimensions models, globalisation, as well cross-cultural communication in business practices, followingly it is crucial to investigate how it is reflected in reality, in the case of the business relationship between Poland and China.

The objective of this study is to present a spectrum of cross-cultural experiences of Poles cooperating with Chinese people in the business environment, such as Polish entrepreneurs cooperating with Chinese partners, as well as Polish employees working with Chinese people. Subsequently, the second objective is to verify and assess if cultural differences affect the business relationship between Poland and China.

Therefore, the research question of this study, which reflects the objectives and sets the direction and focus of the research is as follows: Do cultural differences affect the business relationship between Poland and China?

The research applies a qualitative approach and thus is based on conducted in the chapter three analysis and comparison of Poland and China in culture dimensions models of E. Hall, G. Hofstede and F. Trompenaars, as well as individual interviews with Polish entrepreneurs cooperating with China and Polish employees working with Chinese people.

This research employs a case study as the research strategy. A case study is "a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real-life context using multiple sources of evidence" (Robson, 2002, p. 178). There can be distinguished three types of case study research designs, such as exploratory, explanatory, and descriptive (Hancock, Algozzine, 2011). This thesis applies an explanatory design. The purpose of this design is to establish cause-and-effect relationships. Their primary purpose is to determine how events occur and which ones may influence particular outcomes (Hancock, Algozzine, 2011). Additionally, Yin (2018) points out two case study strategies: single case and multiple case. This thesis applies a single case strategy as it provides an appropriate methodology to conduct focused

research and to analyse in depth the individual experience of each interviewee. Subsequently, Yin (2018) identifies two types of case studies referred to as the research unit of analysis: holistic and embedded. This research is an embedded case because the case study involves multiple units of analysis. The case focuses on an analysis of individuals and their experiences and perceptions.

4.1.1. Data collecting methods

Having identified a research method and design for the investigation, as mentioned in the previous subsection, the research applies a qualitative approach in the form of individual interviews. Interviews are a very common form of data collection in case study research (Mason, 2002). This is because qualitative research provides useful data and is often designed to investigate new areas of existing theories (Miles, Huberman, 1994). Furthermore, data collected through qualitative research allows gathering detailed and personalised information.

Based in Poland Polish entrepreneurs cooperating with China and Polish employees working with Chinese people have been identified as key participants of the interviews. The study applies a convenience sampling technique. This sampling technique includes people who are available or volunteer or can be easily recruited and are willing to participate in the research study (Johnson, Christensen, 2016).

Nine individual interviews have been conducted, including three entrepreneurs and six employees. The sample of nine participants provided completely sufficient data. The choice of a relatively small sample was taken on the grounds of aiming to show precise insights into each interviewees' views, opinions and experiences, which were necessary to achieve the objectives of the study.

4.1.2. Characteristics of interviews

All interviews were conducted online, in the Polish language. The questions were based on the theoretical knowledge gained in chapters one and two, and the comparison of Poland and China in culture dimensions models in chapter three. Questions were open and flexible, focused on gaining personalised data. The first group of questions regarded the characteristics of interviewees, i.e. their age, sex, level of education and languages they speak. Followingly, participants have been asked about their status and position in the company (entrepreneurs or employees) and to describe the terms of their interactions with Chinese people, i.e. years of experience, type of relationship (e.g. colleagues,

purchaser-supplier or boss-employee) and communication online or in-person. Further questions regarded communication and negotiations, i.e. language barrier, workplace habits, encountered cultural differences such as attitude towards the time, directness or indirectness, power distance, and general experiences regarding the concept of building relationships ‘guanxi’ and the concept of face ‘mianzi’. Following questions regarding trust and loyalty, teamwork and encountered obstacles in building intercultural teams, if the respondent worked in one. All mentioned questions navigated participants to gain specific data, therefore interviews also included questions about their general satisfaction and experience, to allow each participant to share their individual narrative, very dependent on their personal circumstances, such as their ability to speak Chinese, visiting China and knowledge about Chinese culture.

4.2. Characteristics of the respondents

Used in the study convenience sampling technique provides the right methodology to describe the individual characteristics of the participants (Johnson, Christensen, 2016). Presented interviews include informations in table about each respondent age, sex and educational background (table 4.1) and followingly focuses on questions of the interviews and individual personal experiences.

Respondent 1

Table 4.1. Respondent 1

Age	Sex	Education
25	Female	Master's degree

Source: Own study.

The first respondent is an employee of a Chinese company based in Poland and has been working on-site for half a year. Interviewee has visited China, speaks English and Chinese fluently, and is familiar with Chinese culture, thus has about five years of experience in communication with Chinese people, but not on professional grounds. The company is run by Chinese people, with Chinese and Polish employees. The respondent is the only Polish employee, who speaks Chinese at the company, therefore personally does not encounter any significant language barriers, however other local employees do. Everyone at the company

speaks English, but not everyone at a communicative level. At the office, Chinese and Polish colleagues created two separate groups and do not have a close established relationship.

According to the respondent, the company has adapted Western attitudes and workplace habits, thus she does not encounter issues regarding her attitude toward time or the concept of the face ('mianzi'). Communication is relatively direct, with a maintained rather high power distance. Despite adapting European attitudes, Chinese managers emphasise building relationships ('guanxi') also on a private level. On occasions such as Chinese holidays, managers' birthdays etc. all crew is invited to dine and drink together. There is also the habit of giving small occasional gifts.

Respondent 2

Table 4.2. Respondent 2

Age	Sex	Education
28	Male	Bachelor's degree

Source: Own study.

The second respondent is an employee of a Chinese company based in Poland. The company hires both Chinese and Polish employees. The respondent has visited China, speaks fluent Chinese, is familiar with Chinese culture and has been working on-site as a translator since November 2021. Before this position the interviewee had about three years of experience in communication with Chinese people, but not on professional grounds. The respondent has been hired through a social network of connections ('guanxi') of a Chinese manager, who was looking for a translator. Respondent points out this is a common practice of Chinese employers. They believe this way they can find a better and more trusted employee. Moreover, regarding 'guanxi', at the company Chinese managers emphasise building relations also on a private level, thus on occasions, all employees are invited to dine together.

At the company, there are constant obstacles brought up by the language barrier between Polish and Chinese employees. Specifically, between Polish and Chinese physical workers, who only speak their mother tongue. Respondent has to often step in as an intermediary. As for cultural differences, the respondent notices a strongly polychronic attitude toward the time of Chinese people. Their approach to deadlines, in the eyes of a Pole, seems like doing things at the last minute. Moreover, according to the respondent, there is a

lack of trust from Chinese people, especially physical workers, who tend to not listen to the suggestions of Polish specialists. The interviewee points out that particularly female engineers, and prefer to do things in their ways, which often are contrary to the rules in Poland. Regarding the cultural phenomenon of the face ('mianzi'), the interviewee points out that Chinese do not refuse directly and do not feel comfortable with direct questions when they have to answer yes or no.

Respondent 3

Table 4.3. Respondent 3

Age	Sex	Education
27	Female	Master's degree

Source: Own study.

The respondent currently is an individual entrepreneur, who runs their own online shop and imports from China. The respondent speaks the Chinese language fluently and is very familiar with China, as studied and worked there for five years. The interviewee has rich experience in both online and in-person communication in the Chinese language. According to the respondent, before establishing cooperation with Chinese people, they expect to get to know each other first and create friendly relationships. Also, looking for an employee through a social network of connections 'guanxi' is a very common practice. When working in China, the respondent noticed a flexible attitude toward deadlines and the indirectness of Chinese people, as they strongly avoid expressing their dislike. The general experiences of the respondent are rather negative. The interviewee reported that during her stay in China she encountered unreliableness in terms of job specification, as well as sexism and preference for hiring men, even of inferior qualifications. Nevertheless, the interviewee admitted that Chinese people offer very attractive salaries.

Respondent 4

Table 4.4. Respondent 4

Age	Sex	Education
25	Female	Master's degree

Source: Own study.

Respondent works on-site at a Chinese company based in Poland, as a Polish-English translator for almost a year and does not speak Chinese. The company hires both Polish and Chinese employees. Regarding the concept of ‘guanxi’, the respondent applied herself for the position and has been hired without building any relationship first. However, she is aware of the practice of looking for an employee through a social network and building a relationship first. In addition to that, at the workplace gatherings after work are common practice.

The company employs both Polish and Chinese people, and according to the respondent, there is no language barrier, as everyone speaks fluent English. Nonetheless, Chinese colleagues and the boss strongly avoid expressing their opinions directly. The respondent needs to read between the lines. Yet, in the perception of the interviewee, Chinese people are very open and willing to find solutions of mutual satisfaction. The respondent also noticed that the Chinese attitude toward time is rather flexible. The crew pays attention to understanding cultural differences and Polish customs. The interviewee reported a relatively better attitude in terms of gender equality than in Polish companies.

Respondent 5

Table 4.5. Respondent 5

Age	Sex	Education
31	Male	Master's degree

Source: Own study.

The following respondent is an entrepreneur and imports from all over China. The respondent has about seven years of experience in cooperating with Chinese people, although does not speak Chinese. Communication with Chinese suppliers is held online in English, therefore obstacles caused by language barriers are common. Moreover, according to the respondent when importing it is crucial to carefully monitor the whole process of packing and transporting goods to Poland, to avoid neglects. There have been situations when the goods were not packed properly and arrived in Poland damaged.

The interviewee reported he often encounters typical Chinese people, with polychronic attitudes toward time and indirectness. Regarding the ‘guanxi’ phenomenon, suppliers are willing to establish relationships also on private grounds. Long-term suppliers are friends, on occasions, they send gifts and suggest meeting during their travel to Europe.

Respondent 6

Table 4.6. Respondent 6

Age	Sex	Education
28	Female	Master's degree

Source: Own study.

The respondent is also an entrepreneur importing from all over China. The interviewee has two years of experience in cooperating with Chinese people and does not speak Chinese. Communication is held online and in English. The respondent sometimes encounters difficulties caused by the language barrier, and reported that Chinese partners often do not speak English very well. During negotiations, Chinese suppliers avoid directness and confrontations, such as admitting their neglects and are characterised by a polychronic approach toward deadlines, which sometimes leads to delays in delivery.

According to the Polish perspective of the respondent, negotiations tend to be unnecessarily prolonged, however, the Chinese side is willing to negotiate till solutions of mutual benefits are found. Regarding the ‘guanxi’ phenomenon, similarly to the previous interviewee, suppliers are willing to establish relationships also on private grounds.

Respondent 7

Table 4.7. Respondent 7

Age	Sex	Education
25	Female	Master's degree

Source: Own study.

The respondent works on-site at a very small Chinese firm, based in Poland. The firm is run by a Chinese person and employs Polish people. The interviewee has visited China, is familiar with Chinese culture, speaks Chinese and uses the language daily at work. The respondent has one year of experience in working with Chinese people, and about two years of non-professional interactions. The firm’s owner and a significant majority of Chinese customers of the firm do not speak English or Polish. The Chinese boss avoids assessing tasks directly, however, expects results. In terms of salary, respondents point out she feels her work is more appreciated than would be at a Polish company. Regarding the phenomenon of ‘guanxi’, invitations to dine together, and occasional small gifts are common practices,

moreover the respondent has been recommended for the position, by an acquaintance of the boss.

According to the respondent, Chinese people have a very enthusiastic attitude toward cooperation with Polish people. However, she also reported her knowledge of Chinese culture was crucial to succeed at her position. The interviewee points out that Polish collaborators outside of the firm, who do not understand cultural differences, express their discontent with a strongly polychronic Chinese attitude toward time and deadlines. She describes her function at the firm as a filter between Chinese and Polish people.

Respondent 8

Table 4.8. Respondent 8

Age	Sex	Education
27	Male	Master's degree

Source: Own study.

The respondent works on-site at the Polish branch of a large global Chinese corporation. The interviewee has visited China, speaks Chinese and uses the language daily at work, since 2019. The corporation implements Western strategies and standards at the workplace and employs both Chinese and Polish people. According to the respondent, knowledge of the Chinese language is a vastly useful tool in communication. Speaking the language not only makes communication significantly more effective but also changes the attitude of Chinese people. One is instantly taken more seriously and their opinions are more regarded. Interviewee, as previous ones, mentioned that for Chinese people, looking for a new employee through social networks is a common practice, however usually at more traditional Chinese enterprises.

At the workplace, the respondent praises general cooperation and trust. Even though there is an important focus on effectiveness, the attitude toward schedule and work is relatively laid back, to employees' advantage. Yet, Chinese colleagues often choose to stay overtime. The interviewee also noticed that the corporation hires many women, including high positions, and has not encountered any indications of gender inequality.

Respondent 9

Table 4.9. Respondent 9

Age	Sex	Education
25	Female	Master's degree

Source: Own study.

Respondent works at the Polish branch of Beijing-based international corporation for one month. The interviewee has visited China, speaks fluent Chinese, has about 5 years of experience in communicating in the Chinese language and is familiar with Chinese culture. The respondent works online in a virtual team consisting of Chinese and Polish colleagues. Regarding the concept of ‘guanxi’, the interviewee has not been hired through the social network of the employer. In addition to that, due to the remote type of work, building relationships on the private level is rather hard.

According to the interviewee, Chinese teammates speak relatively fluent English, and she does not encounter any language barrier. General communication and cooperation with teammates are satisfactory. The Chinese company hires many women in high positions. As for cultural differences, the interviewee does not encounter many, besides typical for Chinese people indirectness. Chinese supervisor respect deadlines and emphasize the efficient performance of the team. In terms of salary, the respondent mentioned that her position is better paid than would be at a Polish company. The general experience of the respondent is very positive.

4.3. Results

The group consisted of nine interviewees in total, including six females and three males. The youngest respondent was 25 years old and the oldest was 31 years old. The average age of respondents was 26 years old. The group includes three entrepreneurs and six employees. All participants are university graduates, eight with a master's degree, and one with a bachelor's degree. Six interviewees speak Chinese, and all of them speak English fluently.

Only two interviewees personally encounter noticeable language barriers at work, it is worth noting that they do not speak Chinese. One interviewee, who is also a non-Chinese

speaker, reported that she does not personally encounter language barriers, as everyone at her workplace speaks communicative English.

Six respondents have visited China, the longest period spent in China was 5 years of the interviewee three, and the remaining three interviewees have never visited China. Five interviewees interact with Chinese colleagues and bosses. One has only a Chinese boss, and three of the interviewees cooperates with Chinese suppliers, including respondent number three, who also had an experience in working with Chinese colleagues and a Chinese boss before. As for the form of communication with Chinese people, five respondents communicate mostly in-person, and four online.

The longest professional experience in cooperating with Chinese people was equal to seven years of respondent five, and the shortest was equal to one month of respondent nine. Yet, it is worth mentioning that interviewee nine has visited China, speaks fluent Chinese, and has about 5 years of experience in communicating with Chinese people.

Four respondents described the Chinese attitude toward time as strongly polychronic and three as rather flexible, including respondent number eight, who indicated a laid-back attitude, to employees' advantage. Two interviewees reported that they do not encounter any issues with their attitude toward time, including interviewee nine who mentioned that the Chinese supervisor respects deadlines and puts emphasis on the efficient performance of the team.

Regarding financial aspects, this question was not included in the interviews, however, some interviewees mentioned this issue when asked about their general satisfaction and experience. It is worthy of note, that three out of six interviewees, who are employees of Chinese companies, reported that in their perception their work is more appreciated by Chinese employers, and they have a comparatively higher salary than they would have at a Polish company.

Regarding gender equality in workplace, this question was not included in the interviews as well. According to two out of nine interviewees, they have experienced gender inequality. Respondent number three has experienced sexism and preference for hiring men, even of noticeably inferior qualifications. In addition to that, respondent number two mentioned that at some point he noticed the dismissive attitude of Chinese physical workers toward Polish female engineers, in comparison to Polish male engineers.

In the case of positive experiences regarding gender equality, according to respondent number four, at her workplace gender equality is on a relatively higher level in comparison

with Polish companies and respondent number eight points out that at his workplace many women are holding high positions.

Regarding the concept of the face ('mianzi') six out of nine interviewees mentioned that Chinese people avoid directness, in the case of respondent number seven it even applies to the employee-boss relationship, as she mentioned her Chinese boss avoids assessing tasks directly, yet expects results and tasks to be done, thus the respondent had to adapt to the environment where she rather has to read between the lines than expect clear instructions from the supervisor. The remaining three interviewees responded that they do not encounter any issues regarding the concept of the face ('mianzi'), yet it is noteworthy that they mentioned their workplace has adapted the Western workstyle.

Concerning the cultural phenomenon of relationships 'guanxi', two out of six interviewees, who are employees, have been hired through a social network of their employer, the following three are familiar with this practice but have not been hired through guanxi. Four interviewees are not familiar with it and have not been hired through the social networks of employer either, this group includes two entrepreneurs, as well as two employees. Seven out of nine interviewees have experienced the importance of building relationships on private grounds, such as dining together or exchanging little gifts.

Eight out of nine interviewees are in general satisfied with the cooperation with Chinese people. Despite some cultural differences and barriers, both sides are willing to find solutions of mutual satisfaction. When asked the question of final thoughts on Polish-Chinese cooperation all interviewees described it as an interesting, exciting as well as profitable experience that gives many opportunities.

4.4. Discussion

The overall objective of this paper was to verify and assess if cultural differences affect the business relationship between Poland and China. Taking into consideration all the gathered theoretical data and conducted in the chapter three comparison and analysis of Poland and China in culture dimensions models of E. Hall, G. Hofstede and F. Trompenaars, as well as individual interviews with Polish entrepreneurs co-cooperating with China and Polish employees working with Chinese people, the results indicate that cultural differences affect business relationship between these two countries.

Analysing first the group of six Polish employees, who have taken part in the study, it is clear that their knowledge of Chinese culture was crucial to succeed at their job. As it was mentioned in the previous chapters, communication strongly relies on culture, and culture creates the basics of communication style and regulates it (Browaeys, Price, 2015). Five out of six interviewees in a group of Polish employees speak Chinese, have visited China before and are familiar with Chinese culture. Thus, based on the interviews, it can be concluded that they often act as a kind of filter between Polish and Chinese cultures, which is essential for Chinese entrepreneurs to succeed in the Polish market. Their knowledge and expertise ease cultural and communication barriers between the two nations.

Regarding the group of three Polish entrepreneurs co-cooperating with China, they mostly rely on their experiences and lessons they learned from intercultural interactions. Their experiences clearly show that cultural differences affect many levels of business activities. The two non-Chinese speakers encounter obstacles caused by language barriers, as according to them Chinese people do not speak English very well, and all three entrepreneurs encounter obstacles caused by different attitudes toward time and indirect communication.

The differences in perceiving time were the most often mentioned cultural differences by interviewees, even before they have been asked a question about it. The cultural gap between Poland and China in this case can be perceived as rather large. As it was also presented in chapter three in the analysis of E. Hall's time dimensions and F. Trompenaars' Sequential versus Synchronic time dimension, the two countries stand on opposite sides of the scale. This difference seriously impacts business relationships, as Polish and Chinese people differently perceive the concept of time, thus deadlines and schedules. According to respondents it profoundly affects relationships with stakeholders, in-team cooperation, as well as import of goods from China.

The second most often mentioned cultural difference by interviewees was the indirectness of Chinese people, which in the case of respondent number seven even applies to employee-boss relationship. It can be concluded that Chinese people feel very uncomfortable with direct questions, especially when they have to answer yes or no, and sometimes even with giving direct commands to their employees. This finding may suggest that Chinese communication is rather based on suggestions than details, which opposes the framework developed by B. Hurn and B. Tomalin (2013). In this framework, presented in chapter two, the authors imply that East Asian cultures are detailed. The empirical data in the study is not sufficient enough to prove this theory wrong, yet it shows different aspects of the Chinese communication style.

As for the entrepreneurs importing from China, the findings pointed out that Chinese suppliers can be perceived as having a different attitude toward honesty and quality. According to interviewees on occasions, it occurs that shipped goods arrive in Poland damaged and when one tries to claim delivery, for a Chinese partner it is a situation where they may 'lose face', they will avoid confrontation and admit neglects. From a Chinese perspective, the main objective of communication is to never offend, minimise any potential disagreements and ensure that no one will lose face. Hence, in this situation, effective communication is rather challenging, and knowledge of cultural differences is essential to handle the situation.

Moreover, the study demonstrated the importance of the Chinese concept of 'guanxi' in business relations. This network of social connections is a vastly important part of Chinese business culture and as the study shows Chinese people are committed to this concept, even when doing business on foreign markets. It is a common method of searching for employees, as Chinese people believe this way they can find a more trusted employee with better qualifications. In addition to that, according to F. Trompenaars' Achievement versus Ascription dimension, China is a society where status is ascribed, rather than achieved. Consequently, it suggests that 'guanxi' provides employees with the expected status.

The study also found how committed Chinese people are to building relationships not only on a professional level but also on a private level. Almost all of the interviewees have experienced the importance of becoming acquainted with their Chinese colleagues, managers, supervisors or trade partners. This way the relationship is not only limited to work, becoming friends creates certain obligations and a sense of responsibility in a professional environment. Hence, when it comes to doing business with friends people tend to be more loyal, and care more about mutual benefit and satisfaction.

Finally, the sample suggested that Polish people, who do not speak Chinese and do not have knowledge of cultural differences do not work long-term at Chinese companies unless the company has adapted Western workstyle. Interview number one suggests that even if they do, they create two separate groups of Polish and Chinese and do not interact with each other frequently.

Conclusions

Cultural awareness and knowledge of cultural differences are a priority to ensure international cooperation and to build successful business relationships between countries. Understanding the role and importance of culture in international business is essential to overcome cultural barriers that impede business growth and development.

The study set out to answer the following research question: Do cultural differences affect the business relationship between Poland and China?

To do so, the research presented a spectrum of cross-cultural experiences of Polish entrepreneurs cooperating with Chinese partners, as well as Polish employees working with Chinese people and verified and assessed if cultural differences affect the business relationship in this particular case.

The study applied a broad theoretical knowledge gathered in chapters one and two, and empirical findings from chapter three. To conduct the study it was crucial to thoroughly understand the theory of culture, national culture models of E. Hall, G. Hofstede and F. Trompenaars, as well as the theory of communication and other cross-cultural business-related topics. Furthermore, to achieve reliable results a qualitative analysis has been conducted.

The results illustrate that cultural differences most certainly affect the business relationship between Poland and China. The findings indicate that there are cultural contradictions between these two countries that affect many levels of business activities, hence the business relationship as well. From chapters three and four it can be concluded that the most significant influences are different attitudes to the time, indirectness of Chinese people and the cultural phenomenon of building social networks ‘guanxi’.

The findings show that the knowledge of the Chinese language and culture effectively eases the difficulties connected with business transactions and interactions between representatives of these two cultures, leading to more beneficial cooperation. Even though the study focuses on the Polish perspective, it can be a subject of interest for both Polish and Chinese people, as the study highlights the crucial aspects of cultural differences that affect the business relationship, such as attitude to time or characteristics of communication style. As mentioned in chapter two, members of a particular culture are often not aware of the values they hold, until representatives of other culture contradict them, and even then they are unable to explain what has happened but feels confused, puzzled or angry (Hibbert, 2014).

Therefore, for Chinese people, the findings revealed that when looking for a Polish employee or conducting trade activities with a Polish partner, it is beneficial to hire someone who is already familiar with the cultures of these two nations or to provide proper cultural training.

To sum up, the Polish-Chinese business relationship makes up many different aspects and industries. Business activities are vastly sensitive to cultural differences, hence it shapes business relationships between countries. In the case of Poland and China, business people have to be prepared for cultural challenges and contradictions that will require handling. However, with some effort put into learning about these cultural differences, in addition to avoiding stereotyping, the business relationship between these two countries can be vastly interesting, profitable and beneficial.

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Appendix

Interview questions

- Could you tell me please your age, sex and educational background?
- Are you an entrepreneur or employee?
- What languages do you speak?
- What languages do you use at work?
- Could you please describe your interaction with Chinese people? Including years of experience and type of relationship, for instance do you have Chinese colleagues, purchaser-supplier or boss?
- How do you communicate with Chinese people? Is it communication on-line or in person?
- Could you please describe communication or/and negotiations with Chinese people? Have you encountered any language barriers, different workplace habits or other cultural differences such as different attitudes towards the time and or indirectness?
- Have you encountered any other cultural differences?
- Could you describe your experiences regarding the concept of building relationships 'guanxi' and the concept of face 'mianzi'.
- How would you describe general trust, loyalty and cooperation with Chinese people? (Including teamwork and encountered obstacles in building intercultural teams if the respondent worked in one).
- What are your general experiences in cooperating with Chinese people in the business environment? Is there anything you would like to add?