



University of Economics, Prague

Faculty of International Relations

Major: International Trade

Diploma Thesis

Organizational Culture of Mars Czech Republic

Author: Zuzana Zápotocká

Thesis Advisor: PhDr. Daniela Pauknerová, Ph.D.

Thesis Declaration

I hereby declare that the whole of this diploma thesis entitled “*Organizational Culture of Mars Czech Republic*” is my own work. I duly marked out all quotations. The used literature and sources are stated in the attached list of references.

In Prague on May 5, 2010

.....
Signature

Acknowledgement

First, I would like to thank my supervisor PhDr. Daniela Pauknerová, Ph.D. for her professional comments, advice and patience.

My special thanks goes to representatives from Mars Czech Republic. This thesis would not be possible without their help and consultancy.

Not least, I would really like to thank my beloved parents, my family and close friends for their great support and love.

Contents

Introduction	6
1. Culture	7
1.1. Definition of the Term.....	7
2. National Culture	10
2.1. Factors that Affect National Culture.....	11
2.2. Values Typology.....	12
2.3. Cultural Dimensions and Cultural Standards	14
2.3.1. Cultural Dimensions by Geert Hofstede.....	15
2.3.2. Cultural Dimensions by Fons Trompenaars	18
2.3.3. Cultural Dimensions by Shalom Schwartz	22
2.4. Cultural Characteristics of Each Country.....	24
2.4.1. Czech Culture.....	25
2.4.2. American Culture	27
2.4.3. Most Significant Cultural Differences.....	30
3. Organizational culture	33
3.1. Definition.....	33
3.2. Content of Organizational Culture.....	34
3.3. Levels of Culture.....	35
3.4. Organizational Subculture	37
3.5. Strong Organizational Culture.....	38
3.6. Organizational versus National Culture	40
4. Presentation of the Hypothesis and Methodology of Empirical Research	43
4.1. Formulation of Hypothesis	43
4.2. Empirical Research	43
5. Mars Czech Republic	46
5.1. The Five Principles of Mars	47
5.2. Corporate Culture of Mars.....	51
6. Findings from the Analyses of the Corporate Culture of Mars Czech Republic	53
6.1. Satisfaction with the Corporate Culture and Influence of the Mother Company	54
6.2. Communication and Atmosphere in the Company	56
6.3. The Five Principles	59
7. Evaluation of the Corporate Culture in Mars Czech Republic	64
7.1. Evaluation of the Hypothesis.....	65
Conclusion	67
Attachments	68
List of abbreviations	69
References	70

Introduction

Motto:

Culture is more often a source of conflict than of synergy.

Cultural differences are a nuisance at best and often a disaster."

(Prof. Geert Hofstede, Emeritus Professor, Maastricht University)

Corporate culture, despite its importance and irreplaceableness, is still much underestimated. Especially in today's globalized world, with networking of companies at international level and thereby different cultures, a single corporate culture is phenomenon that must be respected and followed to achieve the most effective cooperation.

Just as the national culture is an image of maturity and competence of a nation, also corporate culture has equally important position in the company and is a reflection of its maturity, consistency and integrity. It should be noted that corporate culture is an integral part of everyday life of an organization and it pervades all its layers. To what extent the culture is respected and perceived by individual employees depends primarily on how strong it is and how strong roots it has in the enterprise. Each organization as well as every nation has its own culture, which distinguishes it from others.

With the growing number of international companies, different cultures are more likely exposed to work within one organization, which can sometimes interfere with problems arising from the recognition of different values within their own national culture. It is therefore vital to establish a functioning single organizational culture with clearly defined common values that would help to overcome national differences and specifics in order to enable effective collaboration in an international organization.

The topic corporate culture in the context of international company will be the main subject of this thesis. To demonstrate the theoretical bases in practice I have chosen the company Mars Czech Republic, which represents an international company with employees from different cultures.

The main objective of this thesis is to map the benefits and limitations of multicultural cooperation within a company, to introduce the concept of a uniform corporate culture as it

is applied at Mars Czech Republic and determine to what extent the national specificities reflect in commonly accepted corporate values.

This work is divided into two major sections, the first part deals with the theoretical basis and the second part is focused on practical demonstration, which is based on the theory and the conducted empirical research.

The theoretical part is developed in three consecutive chapters. The first chapter is to present the culture in itself. The second chapter takes a closer look at the definition of national culture, its elements and mainly there will be in more details explained cultural standards and cultural dimensions which unable to compare and better understand the different national cultures and their diversity. An important part will be the characteristics of cultures that intersect at Mars Czech Republic and understanding of the principles upon which they were formed.

Finally, there is a need to focus on corporate culture, which will be further elaborated in the third chapter of this thesis. Attention will be given in particular to the elements of corporate culture and then its typology will be presented. It is necessary to outline the importance of a strong corporate culture and its impact on the functioning of the organization. Understanding the theory of national and corporate culture will allow us to smooth the transition to the practical part, which is the cornerstone for this thesis.

To obtain information about Mars Czech Republic and its organizational culture an empirical research through personal interviews and questionnaires needed to be carried out. The methodology of empirical research will be formulated in the fourth chapter.

The practical part starts from the fifth chapter, where the reader will become more familiar with the company Mars Czech Republic and its field of activity. The background that helped to shape the organizational culture and its specific values will be noted. The chapter will describe the corporate culture of Mars and its elements. Attention will be paid to assess the influence of the mother company and the differences in the behavior of different cultures as manifested in the organization.

At the end of this thesis I will present the evaluation of hypotheses and formulating conclusions arising from the questionnaire and conducted personal interviews with employees of Mars Czech Republic.

1. Culture

1.1. Definition of the Term

The word culture has its roots in the Latin word “colere” (*grow, cultivate, foster*), which was originally associated with the field of agriculture. Later, the word culture, which literally means “to cultivate”¹ came into use in other areas and denotes everything, which would without constant human care expired. In our approach we will consider culture in the context of the sociology, where culture is a summary of certain symbols, skills, meanings, which each society formed from its very beginning.²

It should be noted that culture is very complex and complicated concept and thus it is difficult to provide single definition of culture. There are many definitions that try to describe culture. In essence, there is no single correct definition of culture, because it can be viewed from many angles, in different ways and scientific approaches. All approaches, despite the differences, see culture as an abstract concept, which allows us to understand the consensus in behavior within groups and differences in inter-group and multicultural behavior.

Culture can best be compared to an iceberg. The Iceberg metaphor for culture shows very clearly that just as an iceberg has a visible part that emerges above the waterline, and a larger invisible section that goes deep beneath the water, culture has some aspects, that are observable and others that can only be suspected, imagined, or sensed.

¹ Online Etymology Dictionary, <http://www.etymonline.com/index.php?term=culture>, February 2010.

² DAHL, S.: *Intercultural Research: The Current State of Knowledge*. Middlesex University London, 2004.

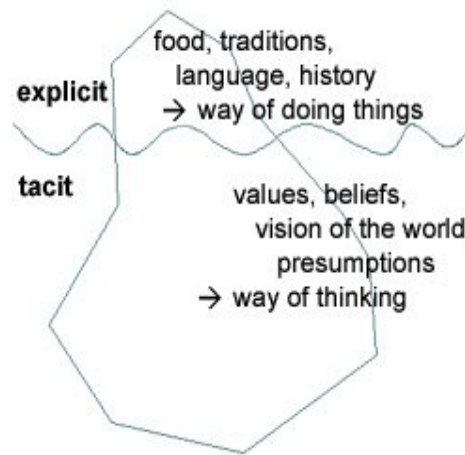


Figure 1: **Iceberg model**³

The tip of the iceberg represents aspects of culture that are explicit, visible, taught. This includes a cultural subset such as behaviors, words, customs or traditions. In other words we can imagine observable characteristics of a group, be it their food, dances, music, arts, or even greeting rituals.

The biggest and most important part nevertheless – the cultural values, beliefs, assumptions, attitudes or feelings are hidden below the surface. This hidden part of culture is vital to how people all over the world operate, however largely unconscious and usually not articulated. These internal forces become visible to the casual observer in the form of observable behaviors, such as the words people use, the way they act and the ways they communicate with each other.

In order to better understand culture, we need to be able to define it although there are various definitions to culture. The following definitions shall display the main components of culture.

According E.B. Tylor (Primitive Culture 1871), who is considered to be the creator of the modern global scientific definition, culture can be defined as “*Complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society*“. Another definition by A. Kloskowska tells us that by culture we can understand: “*relatively integrated whole of acts of human behavior which*

³ Iceberg Exercise by Robert Clevenger: http://www.pacific.edu/sis/culture/pub/1.1.1_Activity_The_Iceberg.htm

*follow the common social patterns acquired in education and in social interaction, and of products of these acts”.*⁴

For all the above definitions, despite their differences, it is common to see culture as a shared set of values in a society. When we sum up what we have learned, we can assume that everything that is a result of human activity can be regarded as culture. That means that culture includes everything that man has created. Whether, it is the creations of tangible (material) or intangible (spiritual) form such as the mode of communication, customs or symbolic systems. Nevertheless, it is important to emphasize that culture is a reflection of the entire society, all that is jointly shared, common and general.

⁴ NOVÝ, I.- SCHOROLL-MACHL, S.: *Spolupráce přes hranice kultur*. Praha: Management Press, 2005.

2. National Culture

Before moving on to the definition of national culture, it should be indicated what is meant by the nation. *“A **nation** is a grouping of people who share common history, culture, language and ethnic origin, often possessing or seeking its own government.”*⁵

From the perspective of social sciences the nation is a construct that is composed of both cultural and secondly from the political community. Under the term cultural community we can primarily understand a shared language, history and culture of the nation, where the members of one nation are considered all individuals who speak the same language, share a common history and share the same culture. On the contrary, the pillar of political community is citizenship. All members who are citizens of the state, may exercise its sovereignty and to participate in policy are considered to be a nation (Keane, 1998)⁶. Summing up the above-mentioned structure, we come to the conclusion that pertinence to a nation is shaped by the action of geographic, political, economic and religious factors and members of the nation are united by their language, shared culture and history.

We already know, how culture and nation are defined, so we can combine our knowledge and acquire the concept of national culture. National culture is not theorized as the only culture, or the totality of cultures, within a nation, but by definition it culturally distinguishes the members of one nation from another. One of the most commonly used definitions is that of Geert Hofstede (1984) who defines national culture as: *“The collective programming of the mind which distinguishes the members of one human group from another...Culture, in this sense, includes systems of values; and values are among the building blocks of culture.”*⁷

Other useful example of definition of national culture is as follows. Mead (1951) suggests that culture *“is a body of learned behaviour, a collection of believes, habits and traditions, shared by a group of people and successively learned by people that enter the society.”*⁸

⁵ "Nation", *The New Oxford American Dictionary*, Second Edn., Erin McKean (editor), Oxford University Press, 2005.

⁶ VLACHOVÁ, K., ŘEHÁKOVÁ, B.: *Národ, národní identita a národní hrdost v Evropě*. 2004

⁷ BROOKS, I.: *Organisational behaviour: Individuals, groups and Organisation*. Financial Times, 2003.

⁸ BROOKS, I.: *Organisational behaviour: Individuals, groups and Organisation*. Financial Times, 2003.

I. Brooks, in his book describes the national culture as “*culture comprises some commonly held values among a group of people which have been determined by the environment in which they grew up and which, to some extent, will influence their behavior both inside and outside the organization*”.⁹

It should be further noted that even in different national cultures, there exist subcultures that may result from other than the geographical bases, for example, may be constructed on the basis of social class, age, ethnic origin, religion or working groups.

2.1. Factors that Affect National Culture

If we examine the national culture, it must be seen as a whole, which consists of many different elements and is influenced by various factors. At this point some of the elements and influences that help to form a comprehensive picture of particular national cultures will be described in more details. Figure 1 shows that national cultural values are influenced by a range of factors and the degree of difference between these factors may well determine the degree of difference between national cultures. From the classification, as it is stated by I. Brooks, it will be more attention paid to the two most relevant factors - religion and language, which affect the national culture and are important for the evaluation of cooperation between different cultures in international companies.

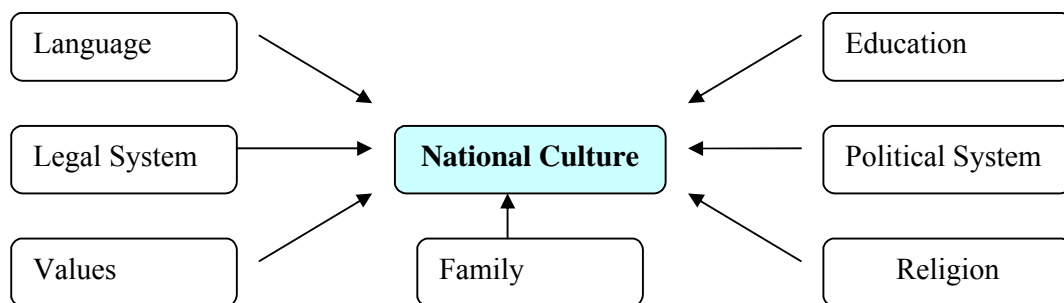


Figure 2: **Factors influencing national cultural values**¹⁰

⁹ BROOKS, I.: *Organisational behaviour: Individuals, groups and Organisation*. Financial Times, 2003.

¹⁰ BROOKS, I.: *Organisational behaviour: Individuals, groups and Organisation*. Financial Times, 2003.

Language

One of the most significant factors is that of language and thus countries which speak the same language tend to be closer culturally than where there are strong linguistic differences. Without communication people could not fully operate and develop their culture. There can often be significant sub-cultures in a country build around different languages. Important components of communication in addition to the language (or verbal communication) are gestures, touch, or facial expressions, which are non-verbal communication. It is known that up to 80% of our communication is non-verbal expression. For Southern nations the use of common gestures, touch and other elements of nonverbal communication is the dominant, while for the Asian nations it is their typical use of restraint.¹⁰

Religion

One of the important elements on the basis of which the values and principles of the companies are shaped is undoubtedly religion. Every religion is characterized by its rituals, preferred behaviors, principles and symbols, which its adherents accept and confess. These principles then interfere with normal life and shape the behavior of people.

Although in each state there are adherents of different religions, which effect on culture, always one religion is typical for the country and has a significant impact. Although it would be useless at this point to describe the differences of each religion, it is important to realize how religion interferes with the formation of specific national culture.

2.2. Values Typology

Values are fundamental part of every culture. Along with beliefs and assumptions, they generate behavior. Values as part of a culture that shares a common core set of values create expectations and predictability without which a culture would fall apart and its members would lose their personal identity and sense of worth. To understand members of other cultures, we must first understand the values, beliefs and assumptions that motivate their behavior of there values over. Therefore I will present the typology of Eduard Spranger, a

German philosopher and psychologist who identified six main “types of man” according to their attitudes:¹¹

Theoretical Attitude

The dominant interests of the theoretical man are the **discovery of truth** and **search for knowledge**. Such a man characteristically takes a 'cognitive' attitude, looks for identities and differences, avoids judgments regarding the beauty or utility of objects, and seeks only to observe and to reason. His chief aim in life is to discover, systemize and analyze.

Economic Attitude

The economic man is primarily interested in **what is useful**. His interest is in embracing all the practical affairs of the business world - the production, marketing, and consumption of goods, the elaboration of credit, and the accumulation of tangible wealth. The economic man has a passion to gain a return on all investments involving time, money and resources.

Aesthetic Attitude

The aesthetic man sees his highest value in **form and harmony**. Each single experience is judged from the standpoint of beauty, symmetry, or form. He finds his main interest in the artistic episodes of life and enjoys each simple impression for its own sake. His passion is to achieve form and harmony in life; and self-actualization.

Social Attitude

The highest value for this type is **love of people**. The social man prizes other persons as ends, and he is therefore kind, sympathetic, and unselfish. His passion is to invest himself, his time, and his resources into helping others achieve their potential. He is likely to find the theoretical, economic and aesthetic attitudes cold and inhuman. In contrast to the political type, the social man regards love as itself the only suitable form of human relationship. Spranger adds that in its purest form the social interest is selfless and tends to approach very closely to the religious attitude.¹²

¹¹ SPRANGER, E.: *Types of Men: The Psychology and Ethics of Personality*, Halle: Max Niemeyer Verlag, 1928.

¹² SPRANGER, E.: *Types of Men: The Psychology and Ethics of Personality*, Halle: Max Niemeyer Verlag, 1928.

Political Attitude

The political man is interested primarily in **power**. His activities are not necessarily within the narrow field of politics. Leaders in any field generally have high power value. Since competition and struggle play a large part in all life, many philosophers have seen power as the most universal and most fundamental of the motives. His aim is to achieve position and to use that position to affect and influence others.

Religious Attitude

The highest value of the religious man is **unity**. He is mystical, and seeks to comprehend the cosmos as a whole, to relate him to its embracing totality. Spranger defines the religious man as one “*whose mental structure is permanently directed to the creation of the highest and absolutely satisfying value experience.*”¹³ The Religious man seeks out and pursues the highest meaning in life and wants to achieve a system for living.

Spranger does not imply that a given man belongs exclusively to one or another of these types of values. His descriptions are entirely in terms of “ideal types”, an ordinary person will express a preference for two or more different value systems.

2.3. Cultural Dimensions and Cultural Standards

Each national culture is different, is built on different historical contexts, and professes different values. For better orientation in the international environment and in order to know the reasons of the differences of individual nations, it is important to determine the categories under which individual members will be assessed. For mapping the trends in the behavior of a society we can use cultural dimensions and for identifying typical characteristics of individual nations we can define cultural standards.

Cultural dimensions express the general level of differences between the cultures. Geert Hofstede defined cultural dimensions as “*aspects of culture that can differentiate and measure differences among different cultural groups*”¹⁴.

¹³ SPRANGER, E.: *Types of Men: The Psychology and Ethics of Personality*, Halle: Max Niemeyer Verlag, 1928.

¹⁴ HOFSTEDE, G.: *Cultures and Organizations: Software of the Mind*, London: McGraw-Hill, 1991.

Unlike the cultural dimensions, cultural standards represent concrete social norms that are shared in culture and are respected by members of the culture. These standards can be detected and interpreted only through the confrontation of two or more cultures. Created characteristics then apply only when comparing these cultures.

In intercultural communication and interaction, we should not only understand the language of the foreign partner, but also recognize and respect his culture and cultural differences that may significantly affect the cooperation. It can either reinforce the benefits of international cooperation (such as the quantity and diversity of information, creativity, innovation) or, conversely, to highlight the disadvantages (difficult communication, misunderstandings, distrust, increased number of conflicts).

Many researches, namely A. Thomas, G. Hofstede, F. Trompenaars and S.H. Schwartz have concentrated on the study of culture, cultural values and national differences that affect the corporate culture.

First of all, four respectively five cultural dimensions as developed by G. Hofstede will be presented. Then we will take a more detailed look at the concept F. Trompenaars, who introduced its system of seven cultural dimensions and, finally it will be introduced the concept of Shalom Schwartz, who on the basis of his research identified three cultural dimensions. Based on the different dimensions, the characteristics of American and later the Czech culture will be further presented.

2.3.1. Cultural Dimensions by Geert Hofstede

With the increasing worldwide mobility of people, values and cultures, many organizations operate with a diversity of cultures within the firm itself. Geert Hofstede created a model in order to study and classify cultural diversity by examining influence of national cultures in the 60 and 70 years at IBM, a multinational firm operating in over 40 countries. In his research, approximately 116 000 employees of the company in 65 locations around the world were included. Four cultural dimensions, discussed below, emerged from this extensive investigation. They are referred to as: masculinity versus femininity, power-

distance orientation, individualism versus collectivism, and uncertainty avoidance orientation. A fifth dimension was added after conducting an additional international study developed with Chinese employees and managers, and was applied to 23 countries.¹⁵

To each dimension Hofstede assigned indexes which, if excess the value of 50, indicate the prevailing trend which occurs in the national culture. In order to understand, what lies beneath the various dimensions, at this point we will concentrate in detail on the contents of individual indicators.

Power Distance

Power distance refers to the extent to which members of a culture accept the unequal distribution of power. In the large power distance cultures, superiors and subordinates consider themselves as being unequal. The power is concentrated in few hands, employees expect to be guided, and there are visible signs of status. On the other hand, in small power distance cultures, superiors and subordinates see each other in a more equal way. Here, the hierarchical pyramids are flat, workers are highly qualified, and superiors are accessible to their employees.

Individualism vs. Collectivism

The next dimension is individualism versus collectivism, which involves the degree to which members of a culture act independently of other members. Employees in individualistic cultures are expected to act according to themselves in a way that matches his or her interest with that of the employer. According to Hofstede, in some cultures such as Mexico, individualism is undesirable whereas in others, such as the United States, it is seen as a source of welfare and comfort. By contrast, in collectivist cultures, employees are people who belong to an in-group and will behave according to the group's interest no matter what his or her individual interests are.

Uncertainty Avoidance

Further, uncertainty avoidance entails the ways in which the members of a culture have learned to cope with ambiguity. In uncertainty avoiding cultures, there are rules and laws

¹⁵ Website of Geert Hofstede (on-line). downloaded 8. 2. 2010. <http://www.geert-hofstede.com>

that control the rights of both employers and employees. However, the need for rules is usually emotional and people need the structured environment mainly for their comfort. In low uncertainty avoidance cultures, people are more open, innovative, and solve problems without formal rules. According to Hofstede, it is paradox that in lower uncertainty avoidance cultures where the rules are usually less sacred, they are more respected. That means that even though people from the countries with low uncertainty avoidance are more open to changes and take greater risks, they abide the few rules they have and value them more than people controlled by many rules.

Masculinity vs. Femininity

The next aspect underlined is the masculine versus feminine culture or the value placed on traditionally male or female values. This dimension focuses on the extent to which a society stresses achievement or nurture. Masculinity is seen to be the trait which emphasizes ambition, acquisition of wealth, competitiveness and differentiated gender roles. Oppositely members of so called feminine cultures value relationships and quality of life. Femininity is a trait that stresses equality, environmental awareness, and more fluid gender roles.

Long-term vs. Short-term Orientation

Within the last fifth cultural dimension, Hofstede shows the long-term or short-term orientation. Societies that tend rather to long-term orientation focus on long-term goals and traditional values. Typical values associated with long term orientation are perseverance, tenacity and thrift, which help them to achieve their pre-planned and detailed goals. In contrast, in the short term oriented societies, there can be seen close focus on past and present. Values associated with short-term orientation are respect for tradition, fulfilling social obligations, and protecting one's 'face'.

The Hofstede's Model of Cultural Dimensions can be of great use when it comes to analyzing a country's culture as well as organizational cultures of different companies. However it is very important to keep in mind that the averages of a country do not relate to individuals of that country. Even though this model has proven to be quite often correct when applied to the general population, one must be aware that not all individuals or even regions with subcultures fit into the mould. It is to be used as a guide to understanding the difference in culture between countries or organizations, not as law set in stone.

2.3.2. Cultural Dimensions by Fons Trompenaars

Now we will have a look at the model of cultural dimensions proposed by Fons Trompenaars. According to Trompenaars, culture is the common way how a group of people understands and interprets the world. He has studied how people in specific countries resolve dilemmas.¹⁶ After analyzing problem resolution behaviors, Dr. Trompenaars has identified 7 basic dimensions for culture. These cultural dimensions are based on the results of the questionnaire survey, which was attended by more than 15 000 management and administrative staff from 28 different parts of the world. In later studies the size of the sample was expanded to almost double. At present, investigations are carried out through his internet web site. For some dimensions, we can observe compliance with Hofstede model, yet Trompenaars worked the various dimensions more in depth and suggested more detailed classifications.

Trompenaars examines culture within three main categories:

- Relation to others
- Man-nature relation
- Man-time relation

The following five bipolar dimensions relate to the question of inter-personal values which could be described as the ways in which human beings deal with each other:

Universalism x Particularism

What is more important – rules or relationships?

It is the belief of universal application of ideas and practices against the belief of adapting ideas and practices in accordance to the circumstances and situation. Universalistic countries focus more on formal rules than relationships. Nations characterized by high universalism believe that their ideas and practices can be applied worldwide without modification. Australia, Germany, Sweden and the United States are examples of universalistic countries.

¹⁶ TROMPENAARS, F., HAMPDEN-TURNER, Ch.: *Riding the Waves of Culture – Understanding Diversity in Global Business*. 1998.

Particularistic countries place more emphasis on relationships than rules. Particularistic people believe that circumstances dictate how ideas and practices are applied. Therefore, ideas and practices cannot be applied the same everywhere. Countries that practice high particularism include China, Indonesia and Venezuela.

Individualism x Communitarism

Do we function as a group or as individuals?

The concept of people living individual lives and caring and being responsible for only themselves against the concept of people living together and maintaining strong kinship. People make their own decisions and achieve success alone in highly individualistic countries including Canada, the United States, the United Kingdom and France. Emphasis is on personal responsibility and decision-making, and negotiations are made on the spot. Communitarism represents culture like Japan that places the community before the individual. Success is achieved in groups, decisions are referred to committees and groups jointly assume responsibilities.

Diffuse x Specific

How far do we get involved?

In what is called a specific culture, individuals are open to sharing a large public space with others and a small private space they guard closely and share with only friends and associates. Public area is much larger than private. It is therefore very difficult to get into a private area of the other person. Another characteristic feature of specific cultures is that they view the whole as the sum of its parts. First, they analyze all the elements separately and then they unit then together. Specific cultures like Austria, Switzerland, the United Kingdom and the United States show a strong separation between work and private life.

A diffuse culture features similarly sized public and private spaces. China, Spain and Venezuela are examples of diffuse cultures where work and private life are closely linked but intensely protected. To diffuse culture it is important to build long-term relationships based on trust and friendship. Therefore, it is also important to build a close relationship with business partners. An example might be the Chinese culture, where it is said: “Do not do business with strangers, only with friends you can fully trust.” In diffuse cultures it takes

much more time to get to the point and such cultures tend to avoid private confrontations so the interlocutor or groups won't feel offended and won't take disagreements personally.¹⁷

Neutral x Emotional

Do we display our emotions?

In this dimension, the emphasis is mainly on the manifestation of emotions in individual cultures. In other words, it is the degree to which individuals display their emotions. A high emotional culture is characterized by the free expression of emotions even in a business situation. Feelings are expressed naturally and openly. People smile a lot, talk loudly when excited and greet each other with enthusiasm. Mexico, Netherlands and Spain are examples of high-emotion countries.

However, in a neutral culture, people are taught not to display their feelings overtly. The degree to which feelings become manifested is therefore minimal. While emotions are felt, they are controlled. Typical neutral cultures are Japan, the United Kingdom and Finland.

Achievement x Ascription

Do we have to prove ourselves to receive status or is it given to us?

It is the degree to which individuals must prove themselves to receive status versus status is simply given to them. In a culture with achieved status, people derive their status from what they have accomplished. Achieved status must be proven time to time again and status will be given accordingly. In countries like USA or Germany, people are judged by the achieved success. Emphasis is placed on knowledge, skills and talent.

In a culture with ascribed status, people derive their status from birth, age, gender, membership of a particular social group or wealth. Here status is not based on achievement but it is accorded on the basis of the person's being. Power, for example in Asian countries, does not require legitimizing in the same way as in achievement-oriented countries.

Another relationship in which dilemmas can be found is the relationship between man and nature. This category includes only one dimension.

¹⁷ International Business Cultures, <http://www.via-web.de/specific-vs-diffuse-cultures/>, March 2010.

Inner Directed x Outer Directed

Do we control our environment or work with it?

It is described as the degree to which individuals believe the environment can be controlled versus believing that the environment controls them. Relationship to surroundings can thus be defined in two ways. On the one hand there is the view that our destiny is controlled from above by a higher power and we have no chance to control it. Mankind is viewed as one of nature's forces and should therefore live in harmony with the environment. People therefore adapt themselves to external circumstances. This is particularly significant for countries in Latin America or Asia.

The second pole is the inner directed approach where the man himself is the architect of his destiny and has the opportunity to influence what is happening around him. People believe that humans can dominate the nature if they make the effort. Everything can be planned, managed and controlled. This internal orientation is reflected primarily in Western countries.

The last relationship that has been identified is the relationship of man and time. Here we encounter a single dimension, which describes the perception of time in comparison of different cultures.

Sequential Time x Synchronic Time

Do we do things one at a time or several things at once?

This dimension represents the degree to which individuals do things one at a time versus several things at once. In a sequential culture, people structure time sequentially and do things one at a time. Everything has its order and time. At one time, a person or organization is engaged only in one task and cannot move to the second problem or task until the first one has been finished.

In a synchronic time culture, people do several things at once, believing the time is flexible and intangible. Members of such a culture are not very keen on strict timetables and plans. The sequential concept can be found in the U.S., Australia or the Northern and Western Europe, while the synchronic is characteristic for Arab countries and South America.

2.3.3. Cultural Dimensions by Shalom Schwartz

Next approach which will be presented is a research of Shalom H. Schwartz and his definition of cultural dimensions. Schwartz approach aims to expand the set of conceptual and empirical tools that can be used to investigate country differences and similarities as they pertain to consumption behavior. When comparing it with the two previous studies there is a distinct difference in the methodology of collecting information and alignment of the questionnaire.

The Schwartz Value Survey (SVS) contains 57 items which represent 10 value types on an individual level and 7 value orientations on the cultural level. The survey involved more than 60 000 individuals in 64 nations on all continents. The SVS is composed of three parts: two value lists and one part with demographical questions. The task is to rate how important each value is for the respondent as a guiding principle in life. The importance is rated on a scale between 0 (not at all important) and 6 (very important).¹⁸

Schwartz defines values as criteria that people use to choose and justify their behavior and judge others and self. He proposes five main aspects of values: 1) they are concepts or beliefs; 2) they pertain to desirable end states or behaviors; 3) they transcend specific situations; 4) they guide selections or evaluation of behaviors and events and; 5) are ordered by relative importance. Schwartz believes that values are cognitive representations of three types of universal needs which apply to all societies: a) needs arising from the biological structure of humans; b) needs to manage social connections and networks; and c) needs to maintain a group and social institutions.¹⁹

As it was already said, Schwartz Value Typology is grouped into 10 value types. For each value type he has chosen terminal and instrumental values, which are also expressed via consumption behavior (power, achievement, hedonism, stimulation, self-direction, benevolence, tradition, conformity, universalism and security).

¹⁸ SCHWARTZ, S.H.: A Theory of Cultural Values and Some Implications for Work, in: *Applied Psychology: An International Review*, 1999.

¹⁹ SCHWARTZ, S.H.: A Theory of Cultural Values and Some Implications for Work, in: *Applied Psychology: An International Review*, 1999.

Schwartz has defined the seven international (cultural) value types along three polar dimensions: hierarchy versus egalitarianism; mastery versus harmony; and conservatism versus intellectual and affective autonomy. As suggested by Schwartz researchers can derive the profiles of value emphasis on all the seven value types that characterize those nations that they wish to study.²⁰ On these seven value types we will focus now.

Conservatism

Man is viewed as embedded in a collectivity, finding meaning in life largely through social relationships and identifying with the group. A cultural emphasis is on maintenance of the status quo, propriety, and restraint of actions or inclinations that might disrupt the solidarity of a group or the traditional order (social order, respect for tradition, family security, wisdom).

Intellectual and Affective Autonomy

This category shows us that man is an autonomous, bounded entity and finds meaning in his own uniqueness, seeking to express own internal attributes (preferences, traits, feelings) and is encouraged to do so. Intellectual autonomy has a cultural emphasis on the desirability of individuals independently pursuing their own ideas and intellectual directions (curiosity, broadmindedness, creativity). Affective autonomy promotes and protects the individual's independent effort of own affectively positive experience (pleasure, exciting life, varied life).

Hierarchy

A hierarchical, differential allocation of fixed roles and of resources is the legitimate, desirable way to regulate interdependencies. People are socialized to comply with the obligations and rules and sanctioned if they do not. A cultural emphasis is given on the legitimacy of an unequal distribution of power, roles and resources (social power, authority, humility, wealth).

Egalitarianism

In egalitarian approach all people are equal, everyone has the same powers and

²⁰ SMITH, P., PETERSON, M., SCHWARTZ, S.: *Cultural Values, Sources of Guidance and their Relevance to Managerial Behaviour: A 47 – Nation Study*, *Journal of Managerial Psychology*, 2002.

responsibility for their actions. Individuals are portrayed as moral equals, who share basic interests and who are socialized to exceed selfish interests, cooperate voluntarily with others, and show concern for everyone's welfare (equality, social justice, freedom, responsibility, honesty). People are socialized to as autonomous rather than interdependent because autonomous persons have no natural commitment to others (equality, social justice, freedom, responsibility, honesty).²¹

Mastery

Groups and individuals should master, control, and change the social and natural environment through assertive action in order to further personal or group interests. Focus is placed on getting ahead through active self-assertion (ambition, success, daring, competence).

Harmony

Schwartz identified as the seventh concept harmony, which provided a counterpoint to the above concept mastery. Groups and individuals should try to live in harmony with the natural environment even in the social world and avoid any changes that could disrupt this harmony.

Now, based on dimensions described above, we will have a look at the characteristics of individual cultures, which are fundamental part of this work. For the analysis of these cultures, I will mainly use the dimensions defined by Geert Hofstede.

2.4. Cultural Characteristics of Each Country

In order to understand better the behavior of individual cultures, it is appropriate at this point to describe the specifics and characteristics that represent each culture that meet in the company Mars Czech Republic. Therefore, there will be outlined the typical characteristics for American culture and later the Czech culture will be presented as well. This will help us to understand the specifics of international environment when defining the relationship between workers of different nationalities and cultures.

²¹ SCHWARTZ, S.H.: A Theory of Cultural Values and Some Implications for Work, in: *Applied Psychology: An International Review*, 1999.

2.4.1. Czech Culture

Czech culture was built upon the heritage of antique and Christianity. Due to this fact, the cornerstone of the Czech culture is the principle of rationality. The specifics arise with the historical developments that shaped the culture and characteristics of the Czech nation.

The location in the heart of Europe led to the mixing and blending of Western with Eastern influences, which had impact on the cultural specifics of the Czech nation. During the Soviet occupation of the territory the influences of Eastern cultures were predominant. However, with the gradual involvement of the Czech Republic into the European system the culture nowadays receives flow of more and more elements of Western cultures.

The communist regime had considerable importance in shaping Czech values, when the nation was thrown into the system of central planning, personal lack of freedom, discipline and the remnants of this system are reflected in the behavior of the Czechs today. If we recall the icon of the Czech economy during the First Republic, Tomáš Baťa typical follower of paternalism, it is clear that this era brought hard work, personal initiative and creativity. While later raised centrally planned economy has caused a decrease and prevented individuals eager to develop any initiative.

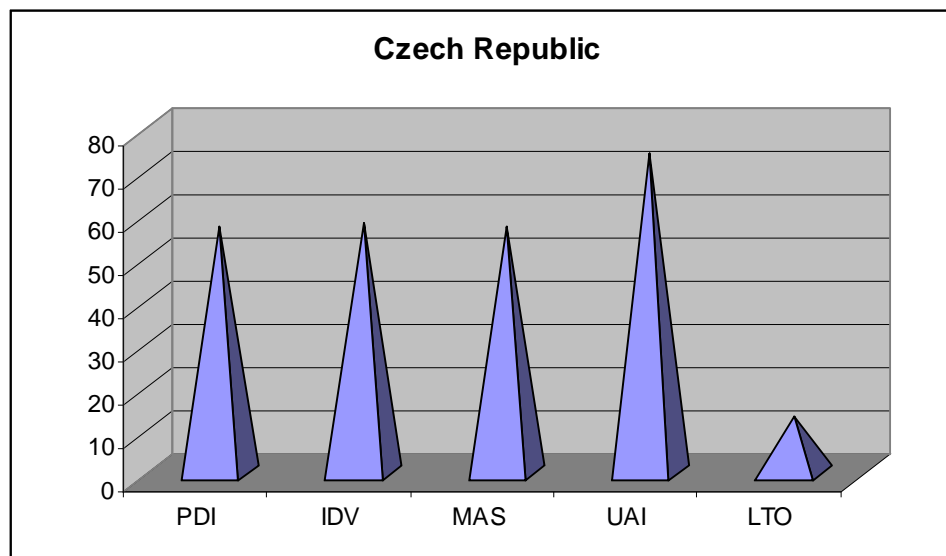
To clarify the characteristic features of Czech culture the ones that best describe it will be listed below. Czechs are particularly inventive and creative. They have the ability to cope with everything and find appropriate solutions. One of the fundamental qualities of Czechs is adaptability and high flexibility. Czechs as a nation can easily adapt to all living conditions and regimes. They are willing to learn quickly everything new, absorb the important and react quickly. The resourcefulness and ability to improvise are other properties for which foreigners appreciate the Czechs.²²

The Czechs are relationship oriented and very often underestimate the structures. They love improvisation and Czech culture is synchronic time culture which means that they do several things at once and change the order of tasks according to the current importance. This culture could also be defined as diffuse culture where mutual diffusion of different

²² ZAMYKALOVÁ, M.: *Mezinárodní obchodní jednání*. Praha: Professional Publishing, 2003.

parts of life and aspects of personality is very common. Czechs tend towards high context communication; in high context culture, many things are left unsaid. Words and word choice become very important in higher context communication, since a few words can communicate a complex message very effectively.²³ Last but not least they try to avoid conflicts and suffer from unstable confidence.

Figure 3: **Cultural dimensions by Geert Hofstede – Czech Republic**



Source: http://www.geert-hofstede.com/hofstede_dimensions.php, March 10, 2010

From figure 3 we can observe a prevailing tendency of uncertainty avoidance (UAI). By contrast, the lowest index is reached by long-term orientation (LTO), which tells us that Czechs tend to prefer short-term plans, which suggests that citizens have more respect for tradition, fulfill their social obligations and attempt to protect their reputations. On the rest of the indexes – power distance index (PDI), individualism (IDV) and masculinity (MAS) the Czech Republic reaches around 50 which don't indicate any prevailing tendency.

²³ HALL, E.T.: *Beyond Culture*, New York: Doubleday, 1976.

2.4.2. American Culture

Many people believe that the United States is a mixture of many different cultures without a dominant or mainstream culture. The metaphor which is often used to reflect this assumption is the “*melting pot*”. People from all around the world bring their cultures and throw them into the American pot. This mixture is then stirred and heated until the various cultures melt together. Partly, there is some truth to this idea. The U.S. is a culturally diverse society. However, there is also a dominant culture and immigrants became a part of this culture by giving up their differences so that they could fit into the mainstream of the society.

Americans assume that everyone is equal in status or at least should be given an equal opportunity to achieve status through hard work. Status is earned in the United States based upon what an individual does. The emphasis Americans place on individual achievement can be traced back to the Calvinist belief that each individual is equal in the eyes of God and can accomplish whatever is desired if he or she is willing to work hard. The general lack of deference to people in authority is one example of equality. Titles, such as "sir" and "madam" are seldom used. Managers, directors, presidents and even university instructors are often addressed by their first or given name.

When immigrants were coming to the U.S. from Europe in the mid-1800, they probably began their American experience living in an overcrowded urban area in poverty. Most worked hard to save money to take an advantage of economic opportunities in the West where there was land, natural resources, gold and employment. To survive on the frontier the pioneers had to be very self-reliant and independent. These pioneer values were added to the European Calvinist values to form the core cultural values of America.

Immigrants to the U.S. were willing to leave their homes to go half way around the world while knowing that 20 percent of them would die on the way.²⁴ They risked their lives to go to the new world where there was religious and political freedom. These immigrants also believed that change could take place if they were willing to take risks. The willingness of the individual to take risks is a basic aspect of the American culture even today.

²⁴ WEAVER G. R., *American Cultural Values, (Intercultural Training)*, Winter, 1997.

Because of the great emphasis placed on independence, self-reliance and individual achievement, when a person fails in his or her personal or economic endeavors, an American feels individually responsible. One often feels guilty for not trying harder, being more competitive with others or taking advantage of an opportunity. These values also affect the way in which Americans conduct business meetings. They tend to “get down to business” in a meeting much more quickly than in cultures where relationships are important.²⁵

As to individuality, Americans are encouraged at an early age to be independent and to develop their own goals in life. They are encouraged not to depend too much on others including their friends, teachers or parents. They are rewarded when they try harder to reach their goals. They also like their privacy and enjoy spending time alone. Foreign visitors will find American homes and offices open, but what is inside the American mind is considered to be private.

In the field of nonverbal communication Americans are moderate though to their speech is often accompanied by typical gestures and they often smile. They act confidently and they like their audience from whom they expect active cooperation and participation in determining the direction of the discussion.²⁶

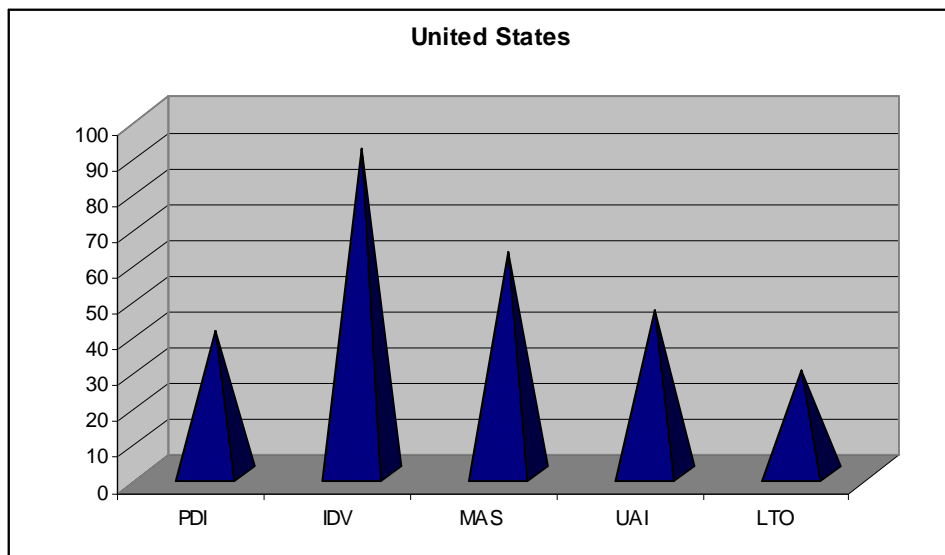
The foreign visitor is often impressed by how achievement oriented Americans are and how hard they both work and play. A competitive spirit is often the motivating factor to work harder. Americans often compete with themselves as well as others. They feel good when they "beat their own record" in an athletic event or other types of competition.

Americans try to work out their differences face-to-face and without a mediator. They are encouraged to speak up and give their opinions. This manner of direct speaking may be often interpreted by foreign visitors as rude.

²⁵ WEAVER G. R., *American Cultural Values, (Intercultural Training)*, Winter, 1997.

²⁶ FICHOV, J.P.: *Civilizace USA*, Praha, Victoria Publishing, 1995.

Figure 4: **Cultural dimensions by Geert Hofstede – United States**



Source: http://www.geert-hofstede.com/hofstede_united_states.shtml, March 10, 2010

All, of the above mentioned, is confirmed by the results of Hofstede cultural dimensions. The highest index is reached by the dimension individualism (IDV).

The next highest Hofstede dimension is masculinity (MAS) with a ranking of 62. This indicates U.S. experience a higher degree of gender differentiation of roles. The male dominates a significant portion of the society and power structure. This situation therefore generates a female population that becomes more assertive and competitive, with women shifting toward the male role model and away from their female role.

The long-term orientation (LTO) is the lowest dimension for the US at 29. This low LTO ranking is indicative of the societies' belief in meeting its obligations and tends to reflect an appreciation for cultural traditions.

The next lowest ranking index for the United States is power distance (PDI) at 40. This indicates a greater equality between social levels, including government, organizations, and even within families. This orientation reinforces a cooperative interaction across power levels and creates a more stable cultural environment.

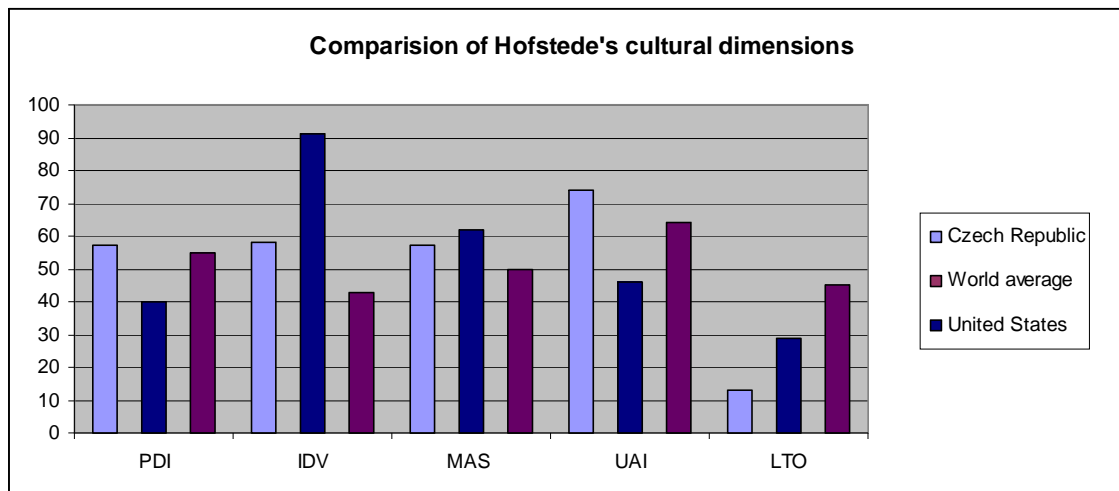
The last Geert Hofstede Dimension for the U.S. is uncertainty avoidance (UAI), with a ranking of 46. A low ranking in the uncertainty avoidance dimension shows that this society

has fewer rules and does not attempt to control all outcomes and results. It also has a greater level of tolerance for a variety of ideas, thoughts, and beliefs.²⁷

2.4.3. Most Significant Cultural Differences

It must be borne in mind that both Czech Republic and the U.S. have some similarities and some differences but these differences can act as a major hurdle if not properly understood.

Figure 5: **Cultural dimensions by Geert Hofstede**



Source: http://www.geert-hofstede.com/hofstede_dimensions.php, March 10, 2010

There is a wide difference in all the elements except masculinity (MAS) which suggests that culture of the Czech Republic is much different than that of the United States. As it can be seen in the figure 5, citizens of the Czech Republic have a greater feeling that power is distributed unequally than in the United States and they have less ability to deal with uncertainty.

In terms of power distance index (PDI), we see that neither country reaches extreme values. The American culture scores low on PDI. For such a culture it is typical the possibility of participating in management and its friendly attitude among colleagues with different positions in the hierarchy of any company. Each individual has the opportunity to succeed based on his characteristics and abilities. In the U.S. where anyone can question and challenge authority if it appears oppressive. Rebellion has a place in U.S. business culture

²⁷ http://www.geert-hofstede.com/hofstede_united_states.shtml, March 10, 2010

and innovation is considered a good strategy. Czech Republic is slightly above the world average. Business is often taken seriously in the Czech Republic and authority is not to be challenged.

It is important to say that there exist significant differences in terms of cultural notions and traditions. Czech people are more interested in following in the footsteps of their forefathers and trying something new doesn't come naturally to them as it does to Americans. From the perspective of conflict, Americans rather prefer direct confrontation whereas Czechs tend to overlook the problem and avoid private confrontations. Among colleagues, but also business partners Americans call each other by given name. The Czech culture on the other side is associated with a natural tendency to respect older colleagues and to thou or addressing by first name is not common.

Regarding the organizational structure, Americans prefer a well-organized and secure society. They value personal liberty, responsibility and strong work ethic. Employees work on their tasks mostly individually or in small teams with a maximum of five members. They like readiness and improvisation is not their strong point. On the contrary Czechs have a great ability of improvising and therefore they don't have to prepare their behavior in advance.

On the individualism (IDV) scale, Czech Republic falls close to 60 whereas United States almost enjoys perfect individualism with ratings falling very close to 100. Here we see the difference, which must be considered carefully because while Czech people would value individualism, they still respect collective achievement. This is however not the case with Americans who believe in individual success. They are very confident and oriented mainly to success. By contrast, the Czechs prefer a higher level of authoritarian methods of management style. Czechs focus more on good interpersonal relationships, maintaining a pleasant environment at work; they prefer to avoid risk and problems.

The same discrepancy can be seen in the issue of confidence. Americans proudly and easily talk about their success and capabilities, which are often highly flaming. Czechs on the contrary follow the saying "self-praise stinks". They also tend to underestimate themselves. Czechs never allege that they master some field unless they are perfect in it. Themselves they never mention their achievements, they rather wait to be appreciated by someone else. Americans are also well known for their pragmatic procedures, openness and enthusiastic

approach. This is met by an absolute incomprehension of the skeptical Czechs, who tend to be rather negativistic.

Czech culture is a diffuse culture where work and private life are closely linked. That is way for the Czechs it is important to build long-term relationships based on trust and friendship. Whereas American culture is specific culture with large public sphere and small private sphere and therefore they will easily accept someone into their public sphere but less easily in their private one.

It is evident that the cooperation of the Czechs and Americans may encounter many obstacles and uncertainties. Transmission of American culture into the Czech environment could be greatly complicated and therefore there is a need to adopt appropriate measures to avoid the lack of identification of employees with corporate culture. For international companies where more cultures interact it is extremely important to learn how to perceive cultural differences and work with them to benefit only the positive features of each culture. Great attention has to be paid to the features, which are negative. These should be eliminated or at least corrected by the management of international firms. The most important in this process are communication and the willingness to listen to each other.

As I have briefly described the theories of culture, which I will apply later to the culture of Mars Czech Republic, it is time to look now into the organizational culture itself and what impact may it have on the performance of the organization.

3. Organizational Culture

3.1. Definition

There are many different definitions of organizational culture, although almost all of the most widely accepted ones are similar and cover many of the same aspects. Organizational culture refers to the general culture within a company or organization, and is often referred to as corporate culture, though that is not the best description since a large non-profit organization or charity could also have its own organizational culture even though they are definitely not corporations. Here are some of the many definitions of organizational culture that can be found.

„A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way you perceive, think, and feel in relation to those problems.“(EH Schein, 1989)²⁸

According to Armstrong (2000), culture is defined as “...*pattern of values, norms, beliefs, attitudes and assumptions which may not have been articulated, but will shape the way people behave and get things done.*”²⁹

*“The corporate culture is a blend of the values, beliefs, taboos, symbols, rituals and myths all companies develop over time“.*³⁰

So while there are many definitions of organizational culture, all of them focus on the same points: collective experience, routine, beliefs, values, goals, and system. These are learned and re-learned, passed on to new employees, and continues as part of a company's core identity.

Organizational culture has four main functions: (1) It is a deeply embedded form of social control; (2) it is also the “social glue” that helps to hold an organization together by

²⁸ SCHEIN, E.: *Organizational Culture and Leadership.*, Second Edition, San Francisco: Jossey-Bass Publisher, 1992.

²⁹ ARMSTRONG, M.: *A Handbook of Human Resource Management Practice*, 10th edition, London, 2006.

³⁰ Entrepreneur: <http://www.entrepreneur.com/encyclopedia/term/82104.html>, March 2010.

providing standards for what employees say or do and makes them feel part of the organizational experience; (3) corporate culture helps employees make sense of the workplace; and (4) it serves as a control mechanism that guides and shapes the attitudes and behaviors of the employees.³¹

3.2. Content of Organizational Culture

All organizations differ in their cultural content; that is, the ordering of beliefs, values, and assumptions. For better illustration, I will give few examples of companies and their apparent dominant cultures:

- *Nokia Corporation* - Responsive and collegial best describe the corporate culture of Nokia Corp. They do not expect employees to personally take credit for their own successes. Unlike the “me first” cultures found in other high technology firms, Nokia emphasizes understated collegiality.
- *Amazon.com* - Frugality is clearly a corporate value at Amazon.com. Everyone’s desks are made from old doors. Monitors are propped up on telephone books to avoid paying for monitor stands. Extra chairs are considered wastefulness. “By watching your overhead you can spend more on business expansion,” explains Amazon.com founder and CEO Jeff Bezos.
- *Mattel, Inc.* - The corporate culture of Mattel, Inc. is very competitive. “It has always been a place where people are pitted against each other,” says a former Mattel executive. “It’s a shark pond. You throw people in and see if they can swim fast enough to stay alive.”³²

Responsive and collegial. Frugal. Competitive. How many corporate cultural values are there? These examples clearly illustrate that there are many individual and cross-cultural values, so there are just as many organizational values. Every corporate culture is different and specific therefore it is very difficult to classify them into a few categories or typologies.³³

³¹ McSHANE, S.L.: *Canadian Organizational Behaviour*, 6th edition, McGraw-Hill Ryerson Limited, 2006.

³² McSHANE, S.L.: *Canadian Organizational Behaviour*, 6th edition, McGraw-Hill Ryerson Limited, 2006.

3.3. Levels of Culture

In 1980s, Edgar Schein developed a theory in which he said that there is a hierarchy from the unconscious to conscious, which directs our relation to culture.³³ In this influential theory, Schein divided culture in three levels: first there are artifacts that are observable, below them are values and behavioral norms that are easier to reach consciously, and at the bottom lies a core of belief and assumptions that are unconscious and taken for granted. According to Schein, beliefs and assumptions are the most important for an organizational culture as they represent what we perceive as reality and influence our thoughts and feelings. From the perspective of shaping cultures, the most important influencers of core assumptions are norms, values, and artifacts.

Norms are unwritten rules that allow a person or a member of the organization to know what is expected from him or her in a given situation. Values, on the other hand, are goals, standards and social principles that define what you care about (e.g. freedom, democracy, loyalty etc). They are often connected with strong emotions and are basis for the decisions about what is right or wrong. In short, values define what is important for the members of an organization (culture), while norms suggest what is considered normal or abnormal.³⁴

Finally, there are the artifacts, which are the most accessible and visible elements of culture. They may include written or spoken messages, physical objects, or rituals and ceremonies. According to Schein, it is necessary for the organization to select members on the basis of the match with the culture values, or that they have to be able to socialize and accept those values. Understanding an organization's culture requires careful assessment of many artifacts because they are subtle and often ambiguous. Now some of the most important artifacts will be presented.

Organizational Stories and Legends

One of the most important and well visible indicators of corporate culture is stories and legends. Stories and legends about past corporate incidents serve as powerful social

³³ FINK, CH. and STELLEMAN, R.: *The Cultural Diagnosis: A Method for Dialogue*. Hamburg: Rambøll Management, 2003.

³⁴ HATCH, M.J.: *Organization Theory. Modern, Symbolic and Postmodern Perspectives*. Oxford: UP, 1997.

prescriptions of the way things should (or should not) be done. They provide human realism to individual performance standards and use role models to demonstrate that organizational objectives are achievable. Organizational stories and legends are most effective at communicating cultural values when they describe real people, are assumed to be true, and are known by employees throughout the organization. Organizational culture stories are also prescriptive - they advise people what to do or not to do. Even though through the re-telling some distortion of the contents of the original story may occur, the stories have in an organization a considerable importance. They are not only element of corporate culture, but also an instrument of its transmission and distribution.

Rituals and Ceremonies

Rituals are the programmed routines of daily organizational life that illustrate the organization's culture. Rituals include how visitors are greeted, how often senior executives visit subordinates, how people communicate with each other, how much time employees take for lunch, and so on. Ceremonies are more formal artifacts than rituals. Ceremonies are planned activities conducted specifically for the benefit of an audience. This would include publicly rewarding of employees or celebrating the launch of a new product or Christmas celebrations. Many firms deliberately use ceremonies to reinforce and communicate the organization's core values.³⁵

Organizational Language

Language is important for mutual understanding, coordination and integration of all in the organization. Any company can be defined by a different degree of formality or informality of communication among employees, which has obvious impact on the atmosphere within the company. The language of the workplace tells a lot about the company's culture. Language also highlights values held by organizational subcultures. Corporate culture might also be represented in the phrases, metaphors, and other special vocabularies used by organizational leaders.

Physical Structures and Symbols

Physical structures and spaces often symbolize the company's core values and beliefs. The size, shape, location, and age of buildings might suggest the organization's emphasis on

³⁵ McSHANE, S.L.: *Canadian Organizational Behaviour*, 6th edition, McGraw-Hill Ryerson Limited, 2006.

teamwork, risk aversion, flexibility, or any other set of values. Even if the building doesn't make much of a statement, there is a treasure trove of physical artifacts inside. Desks, chairs, cafeteria, wall hangings and pictures are just some of the items that might express cultural meaning.

3.4. Organizational Subculture

When discussing organizational culture, we are actually referring to the dominant culture; that is, the values shared most widely by the organization's members. However, organizations also consist of subcultures located throughout its various divisions, geographic regions, and occupational groups. Some subcultures reinforce the dominant culture by adopting parallel assumptions, values, and beliefs; others are called countercultures because they directly oppose the organization's core values. Subcultures, particularly countercultures, potentially create conflict and dissension among employees, but they also have two important functions. First, they maintain the organization's standards of performance and ethical behavior. They encourage constructive controversy and more creative thinking about how the organization should interact with its environment. Subcultures prevent employees from blindly following one set of values and thereby help the organization to stand for society's ethical values. The second function of subcultures is that they are the fertile grounds for appearing values that keep the firm aligned with the needs of customers, suppliers, society, and other stakeholders. Companies eventually need to replace their dominant values with ones that are more appropriate for the changing environment.³⁶

If an organization does not have a dominant culture and is comprised only of various sub – cultures, its effectiveness would be difficult to judge and there will be no consistency of behavior among departments. Hence, the aspect of common or shared understanding is an essential component of organizational culture. In addition, organizational culture exists at various levels.

³⁶ McSHANE, S.L.: *Canadian Organizational Behaviour*, 6th edition, McGraw-Hill Ryerson Limited, 2006.

3.5. Strong Organizational Culture

Now, the importance and influence of corporate culture on the organization as it was presented above should be clear. Furthermore, according to the research done by John Kotter and James Heskett (1992) presented in their book *Corporate Culture and Performance*, corporate cultures have a significant effect on determining the success or failure of the organization and that strong cultures enhance long-term economic performance.³⁷ However, it is important to know what that strong culture means.

For Terrence Deal and Allan Kennedy (1997), the authors of *The New Corporate Cultures*, strong culture means a highly consistent organization in which members are totally committed to the goals of the organization. According to them, a strong culture exists only when “everyone knows the goals...and they are working for them”.³⁸

The most famous strong culture company is probably IBM. From mid 1930s, the IBM employees had a reputation of being loyal and highly motivated. Tom Watson, a chairperson of IBM said in 1962 in a speech at Columbian University:

*“The basic philosophy, spirit and desire of an organization have far more to do with its relative achievements than do technological or economic resources, organizational structure, innovation, and timing. All these things weigh heavily on success. But they are, I think, transcended by how strongly the people in the organization believe in its basic precepts and how faithfully they carry them out.”*³⁹

The importance of the employees in a strong culture is further underlined by Starbucks CEO Howard Schultz who says that if people “relate to the company they work for , if they form an emotional tie to it and buy into its dreams, they will pour their hearts into making it better...”⁴⁰. This suggests that employees are much more willing to work for companies that they feel proud of, and where they feel that they enjoy a unique work experience. Therefore,

³⁷ KOTTER, J. P. and HESKETT, J. L.: *Corporate Culture and Performance*. New York: Free Press, 1992.

³⁸ DEAL, T. E. and KENNEDY, A. A.: *The New Corporate Culture: Revitalizing the Workplace after Downsizing, Mergers and Reengineering*. New York: Perseus, 1997.

³⁹ KOTTER, J. P. and HESKETT, J. L.: *Corporate Culture and Performance*. New York: Free Press, 1992.

⁴⁰ DEAL, T. E. and KENNEDY, A. A.: *The New Corporate Culture: Revitalizing the Workplace after Downsizing, Mergers and Reengineering*. New York: Perseus, 1997.

it is believed that strong cultures help business performance because of the high level of motivation companies create in their employees.

It is essential that a strong corporate culture is clear and distinct, it means that all employees are familiar with the organizational culture and know what is desirable, necessary, and acceptable and on the other side what activities are intolerable or completely forbidden. Another condition that a strong culture must fulfill is width and of course a ballast within the organization. For a strong organizational culture it is vital to be perceived and accepted by all employees of the organization and that, all of them act according to predetermined principles and values.

If an organization succeeds in building a strong organizational culture it has a positive impact on the functioning of the organization. Due to a strong organizational culture and a common system of communication, fast and rapid decisions can be made and it also leads to fast and smooth implementation of new decisions. Clearly defined culture with a long tradition in the organization determines the visibility and facilitates the orientation of the employees. Another positive impact of a strong culture is reduced requirements for control of the employees that derives from a high identification of the employees with the organization.

Company with a strong organizational culture enhances its image, successes in the eyes of public, and becomes a motivation for its employees. It also reinforces the team spirit and sense of belonging to the organization. Consequently, the fluctuation of employees tends to be low.⁴¹

Of course, everything has its pros and cons so also strong organizational culture has some shortcomings. These may be the lack of flexibility and a tendency to closeness of the entire organizational system toward public. The change of a strong corporate culture is clearly more difficult, since the destruction and replacement of established traditions and values of the organization require longer preparation and implementation. Innovative changes, therefore, do not meet with great support and success.

⁴¹ NOVÝ, I., BEDRNOVÁ, E. a kol: *Psychologie a sociologie řízení*. 3rd edition, 2007.

Another concern is that a company's culture might be so strong that employees focus blindly on the mental model shaped by that culture. Thus, strong cultures might cause decision makers to overlook or incorrectly define slight misalignments between the organization's activities and the changing environment. Finally, very strong cultures tend to suppress subcultural values. In the long term, this prevents organizations from developing new cultural values that should become dominant values as the environment changes.

Figure 6 shows a summary of advantages as well as disadvantages of a strong corporate culture.

Figure 6: **Advantages and disadvantages of strong corporate culture**

Strong Organizational Culture	
Advantages	Disadvantages
Clear and transparent view on the organization	Tendency to closeness of organizational system
Direct and explicit communication	Insisting upon traditions and lack of flexibility
Rapid solutions and decision making	Blockage of new strategies
Fast implementation of innovations	Exaction of conformability at all costs
Lower requirements for control	Complicated adaptation of new employees
Strong cultures are long lasting	
High motivation	
Low fluctuation	
High identification with the organization	

Source: NOVÝ, I., BEDRNOVÁ, E. a kol: *Psychologie a sociologie řízení*. 3rd edition, 2007.

3.6. Organizational versus National Culture

There is no doubt that the two kinds of culture both national and organizational have powerful influences on people. They may be very similar as well as very different. A company's culture may be informal while a country's culture can be rather formal. A company may be encouraging and rewarding risk-taking in a country where people are generally risk-averse and vice versa. It is obvious that when different national and organizational cultural values come into contact, conflict tends to emerge. The question is whether the behavior of the employees is more affected by the national culture or the organizational culture.

There exist two views on this subject:

- Corporate culture is a representative of national culture – as examples can be mentioned typical American, German or Japanese companies whose corporate cultures are derived entirely from the national cultures.
- Corporate culture of a firm is a separate and independent, has its own content and strength and does not only reflect a national cultural environment.

In terms of corporate culture strategy, there are three model approaches, which will be described in details:⁴²

- Polycentric organizational culture
- Global organizational culture
- Geocentric organizational culture

Polycentric Organizational Culture

Polycentric corporate culture is based on “multilocal” strategy that considers regional difference and, in doing so, creates specific subcultures within each of company’s branches. Each subsidiary creates its own management system, which is built on local traditions, experience, and corresponds to the national mentality. This has some positive as well as negative consequences. This strategy to a great extent makes subsidiaries independent. It is therefore necessary to ensure consistent philosophy, corporate vision and unified integrity in the key issues. Mutual communication and cooperation is often quite complicated and costly. By contrast, the local corporate culture allows more sensitive use of communication tools, better comprehension of the context and interception of changes. Further, it leads to the stimulation of creativity and broaden base of experience as a result of the existence of different patterns of behavior.

Global Organizational Culture

Global corporate culture is based on creation of one single corporate culture of the mother company and its extension to all the subsidiaries in different countries regardless their national cultures. The culture of the mother company has to be strong, clear, easily communicable and identifiable; its principles must be acceptable and cannot be in conflict

⁴² NOVÝ, I., BEDRNOVÁ, E. a kol: *Psychologie a sociologie řízení*. 3rd edition, 2007.

with the national culture. As to the disadvantages, standards, rules and principles functioning in the parent company may not always be sensitive to local conditions. Also the respond to local changes is limited. Majority of the executive and management positions is occupied by workers from the parent company which increases the costs related to their transfers and mobility. On the other hand, a single corporate culture creates a functional communication network; reduces the cost of coordination, approvals and adjustments; and its standardized values systems and norms lead to predictable, consistent and relatively stable behavior of all employees. The classic example would be the company McDonald's which has the same culture all around the world and it is based on the American mother company. It needs to be pointed out that construing a global corporate culture involves recognizing the differences among employees from a variety of nations. However, the real key to developing a cohesive global corporation is to find a way how to effectively communicate a common set of values and principals consistently across national, cultural and linguistic borders.

Geocentric Organizational Culture

Geocentric organizational culture is as a certain compromise between polycentric and global corporate culture. Its content is system of values common for all or at least for most of its members. All organizational units are the holders of such a corporate culture, resulting from the international cultural community of all workers (e.g. Shell, Nestlé). Often it is very difficult to identify the location and national character of a firm. It is a very difficult strategy, where employees make international teams. More and more companies choose this model despite its high demands on mobility and the associated financial costs.

4. Presentation of the Hypothesis and Methodology of Empirical Research

4.1. Formulation of Hypothesis

Currently, in the international companies, the erasure of national differences and shaping of common rules for communication and cooperation within a single organizational culture is evident. It makes sense that personal values of the employees arising from the national culture cannot be completely wiped off or changed. However, the predominant orientation of the organization is to meet common objectives and the acceptance of common values and rules. Is this truth even for foreign companies operating in the Czech Republic?

Company Mars Czech Republic, which is the main objective of this work, is a classic example of an international company on the Czech market, where two cultures interfere – organizational culture based on the culture of mother company and national culture of Czech employees. Formation of uniform and commonly accepted values is then a requirement for successful and effective cooperation. Therefore, the following hypothesis was formulated:

H1: Single corporate culture of Mars Czech Republic is superior to the national culture of the employees.

4.2. Empirical Research

The empirical research was carried out in the beginning of year 2010. With regard to the objectives of my thesis and in order to get the most complete information, I have chosen the following research methods:

- study and analysis of corporate documents
- observation
- questionnaires
- informal interviews

Solely for research purposes of this work, I got the consent of management to perform analyses of corporate documents and not just those that are available to the public (in newspapers, magazines, websites), but also those that are largely internal in nature (management directive, code of ethics, etc.). Information thus obtained allowed me to summarize basic information about the company and to create an initial picture of the corporate culture of Mars Czech Republic.

Another main part of the research was to obtain information through observation of events in the company and evaluation of materials, prints and other applications. Observation alone was unbiased in order to discover factors of corporate culture, which are by written questioning hardly detectable. During observations, I focused on both, internal and the external features of the corporate culture. The external features were in terms of symbols and symbolic artifacts, such as the architecture of buildings, facilities and overall level of manufacturing and office space; use of corporate colors; the frequency of use of corporate logos and slogans in various areas of the company; the quantity and level of advertising and promotional materials; etc. Another area on which I focused my observation was the relationships in the workplace, management style and organization of work. By unbiased observation, I gained important knowledge about how people treat each other in the workplace, how they act, how they talk to customers, what forms of communication they choose, how high degree of cooperation there is, etc.

Important source of information was also questionnaire. By questionnaire, I tried to find out employees attitude towards the corporate culture and the extent to which corporate culture is reflected in the presence of the Five Principles. These principles are represented in all spheres of the organization and in other parts of this work, they are discussed in detail. The questionnaire was prepared in two-language alternation – Czech and English. The questionnaire consisted of 17 questions, of which the last four questions were identifying. Most of the questions were closed; only few of them were semi-closed which offered a number of possible responses and gave the opportunity to finish one's own variation. At the beginning of the questionnaire, I stated the reasons and objectives of the research; I emphasized the anonymity and stated guidelines on how to properly fill out the questionnaire. An important part was also to thank to those who took the time to fill in the questionnaire. According to the experience of respondents, the completing of the questionnaire did not take more than 15 minutes.

In the questionnaire, I mainly wanted to focus on the Five Principles and their perception by the employees. I therefore used the method of free associations. I had first conducted a little survey to find out with what words people associate the principles. In this method, subjects are presented with a target word that comes to their mind. As the target word, I used each of the Five Principles. The answers from the pre-survey that in a way represented the subconscious of the respondents helped me to put together the answers as a multiple choice in the questionnaire.

Informal talks were also an important source of information. Through them, I was able to detect feelings of employees, identify their personal views, values and level of satisfaction with the current corporate culture. As the greatest contribution of these discussions, I consider the fact that the respondents were able to relax more and they were openly willing to express their opinion on issues, which were more delicate and not always matched with the opinion of the company.

Combining all the findings of the various methods it has been perfectly possible to assemble the basic ideas of the corporate culture of the organization and thus continue in their deeper analysis. The results and evaluation of the analysis are part of the following pages of this thesis.

5. Mars Czech Republic

Mars Czech Republic is part of one of the world's largest privately owned food companies Mars, Incorporated, which after the merger with Wrigley employs in more than 180 countries around the world almost 65 thousand employees and its turnover is around \$ 30 billion. The company has six business units: Chocolate, Petcare, Food, Drinks, Symbioscience and the above-mentioned Wrigley (mints and gum products) which makes it the world's leading confectionery company. Their products are known worldwide, and they gained an extraordinary popularity on the Czech market as well - candy Snickers, Mars, Twix, Bounty, MilkyWay, M&Ms, rice and sauces of the brand Uncle Ben's and pet food Pedigree, Chappi, Cesar, Frolic, Whiskas and Kitekat.

In the Czech Republic the company's domicile, including the factory Wrigley manufacturing sugar confectionery, is situated in Poříčí nad Sázavou, approximately 25 minutes by car or by the company bus southeast of Prague. Mars, Incorporated, entered the former Czechoslovakia after the political and economic changes in 1992 as one of the "Western investors". A few years later, in 1998 the company decided to invest in the construction of factories for the production of confectioneries.

In the Czech Republic, the company's commercial/business division currently counts with approximately 120 employees in various positions from marketing through finance department, HR, IT to sales and other departments.

Manufacturing plant in Poříčí nad Sázavou is one of the largest manufacturing facilities for production of sugar confectionery in the Czech Republic and also across Mars, Incorporated. After the acquisition of Wrigley in 2008, the factory was moved to the segment of Wrigley, which is part of the Mars group. The manufacturing facility has about 400 employees, its annual output reaches 18 000 tonnes of confectionery of well known brands such as Starburst ®, Skittles ®, LOCKETS ® and TUNES ®. A significant portion of sweets made in Poříčí nad Sázavou is exported to many European countries headed by Great Britain.

The company Mars is governed by the highest principles of ethics in business, which brings benefits not only the company itself, but also to the individuals and business partners. Mars Czech Republic actively supports Czech suppliers of equipment, raw materials, packaging and services.

Long-term relationships and mutual understanding with local municipalities and communities are among common obligations of Mars and Wrigley. The support of activities in the place of the manufacturing plant in Poříčí nad Sázavou results from their standards and their Five Principles. Through the financial contributions, gifts or personal help of the associates they contribute themselves or in cooperation with the respectable non-profit organizations to sports and educational purposes, and support charitable activities.

5.1. The Five Principles of Mars

At Mars, people share special values about the company and the way it should be run. Everything that Mars does, i.e. how it treats the associates, the customers, environment, and its suppliers and how its business stands on the Five Principles. These principles are Quality, Responsibility, Mutuality, Efficiency and Freedom. These values are very demanding, they set them apart from others companies and they are part of the Mars heritage. It is very important to know and get insight into these principles in order to understand the company and its corporate culture. Therefore, these principles will be now presented more in detail.⁴³

Quality

“The consumer is our boss, quality is our work and value for money is our goal.”

Mars is dedicated to the highest quality in all that they do. Quality is the fundamental standard for their actions. Quality should be the main objective of all associates. Quality products and services have to consistently meet standards of excellence and have to be made and delivered with minimum impact on the environment. If one of the products isn't perfect to the smallest detail there is no chance it will get to the market. The quality also reflects in the dealing with the customers, suppliers and of course among the associates. The customer is in the middle of everything. Each individual sale is considered as the most important sale

⁴³ http://www.mars.com/global/assets/documents/mars_the_five_principles_of_mars.pdf, April 1, 2010

because they know that they depend completely on consumers for their success, and they must tirelessly seek to understand the consumers' needs. By doing this they will build life-long relationships with them, through their quality products and brands.⁴⁰

To secure the quality in all their products, they only use ingredients that meet the greatest safety and quality standards. Each stage of the production process is supervised; from the selection of raw materials to obtaining the final product. They perform microbiology tests on their raw materials before their use. Later they also perform sampling and tasting tests to secure the good taste of the product. They have Traceability systems in all stages of production, transformation and distribution of products. Thus, Mars can identify the provider and country of the origin of each product component and even the equipment that manufactures each product. For quality controls, Mars applies international and ISO standards. Furthermore, Mars also applies strict standards relative to the shape, weight, packaging and identification of its products.

Responsibility

“As individuals, we demand total responsibility from ourselves; as Associates, we support the responsibilities of others.”

The principle of Responsibility applies to every level within Mars, from the associate's obligation to maintain the highest standards of honesty and integrity to the company's ethical responsibility to its communities and the environment. All associates are asked to take direct responsibility for the results, to exercise initiative and judgment and to make decisions. For this reason, they give all associates freedom to act with full responsibility for doing their assigned jobs. In return for accepting this responsibility and delivering superior results, associates receive respect and support, and are appropriately rewarded in line with their performance. They also encourage associates to develop their abilities to enable them to take on more demanding jobs.⁴⁴

Mars is also socially responsible. Mars continually invests in research, supports the employees, tries to be environmentally friendly, contributes to charity, etc. One example of many that illustrates the responsibility of Mars is that in the workplace there are recycling

⁴⁴ http://www.mars.com/global/assets/documents/mars_the_five_principles_of_mars.pdf, April 1, 2010

bins placed everywhere and below each light switch there is located a tag with the information of the cost of the light when it is switched on and when it is switched off.

Mutuality

“A mutual benefit is a shared benefit; a shared benefit will endure.”

The Mutuality Principle applies equally to all parts of the business. Associates are valued as individuals for their talent and effort, and are rewarded fairly for their results. Because of the fact that all have different needs depending on their stage of life, Mars offers to associates to choose work style or career options that represent their own most appropriate balance of work within life.⁴¹

Mars knows that depends completely on the strength of the relationships – with consumers, with fellow associates, suppliers, distributors and the communities in which they live and work. So they believe that by being unselfish in these relationships and giving a fair return they will achieve the best results.

The Mutuality Principle is also important when establishing successful enterprises in new geographies and cultures. It enables to Mars to act as a good corporate citizen, to minimize the impact on the environment and to use the natural resources of planet wisely and efficiently. Mutuality imposes a special obligation on Mars to respect the environment and develop the most sustainable methods for achieving goals. The aim is to return a fair benefit to the local and national communities, increasing their prosperity and quality of life as they benefit from partnership with them.

Efficiency

“We use resources to the full, waste nothing and do only what we can do best.”

The strength of Mars lies in the efficiency, the ability to organize all the assets – physical, financial and human – for maximum productivity. Lean businesses, small staffs and large jobs held by highly talented associates are all signs of the Efficiency Principle at work. In this way, the products and services are made and delivered with the highest quality, at the least possible cost and with the lowest consumption of resources.⁴⁵

⁴⁵ http://www.mars.com/global/assets/documents/mars_the_five_principles_of_mars.pdf, April 1, 2010

Mars has a different business philosophy to other corporations and that may be a key reason for their success. Their approach singles out Return on Total Assets (ROTA) not only as the prime financial measure but also as a driver of growth. By minimizing the assets, they are able to give consumers excellent value for money while delivering healthy returns at lower levels of profit than the competitors.⁴²

In all units Mars always tries to increase productivity and reduce cost. The offices are open spaces where communication is direct and the experience and knowledge of associates can be shared quickly. The plants are orderly, clean and designed for simplicity. They continually innovate – seeking new processes, technologies and ways of working to improve the rate of output, reduce waste and minimize environmental impact. All new ideas that could streamline any activity in Mars are very welcomed and also demanded. As it was mentioned above, innovation is an integral part of the strategy.

Freedom

“We need freedom to shape our future; we need profit to remain free.”

Mars is one of the world’s largest privately owned corporations. This private ownership is a deliberate choice. Freedom is also reflected in the decision-making. Since Mars is not accountable to shareholders it can make decisions that are the best for the company at that moment. Therefore Mars does not have to alter its long-term goals based on short term results.⁴⁶

The nature of freedom demands that it is used responsibly by associates and units alike. Their way of doing business allows them to remain free as a company and gives associates as individuals the freedom to innovate, act and grow while achieving our common goals.

Upon these principles the standards of the corporate culture are built. Now, we will have a closer look at these standards.

⁴⁶ http://www.mars.com/global/assets/documents/mars_the_five_principles_of_mars.pdf, April 1, 2010

5.2. Corporate Culture of Mars

The corporate culture of Mars is unique. It is based on the principals of the mother company that are built upon the American culture. It could also be said that the company culture is egalitarian and eccentric. It is a global culture that, as it was stated in the theoretical part, means that all the subsidiaries all around the world share the same culture of the mother company. This indicates that the culture also has to be very strong in order to be accepted in every nation and by all the associates.

This original corporate culture with a relaxed, family atmosphere, where priority is given to the personal development of every co-worker, offers international career advancement opportunities, and innovative training programs that enjoy global recognition.

All Mars associates have the freedom to innovate, advance, and take initiatives and responsibilities. To promote originality and inventiveness, Mars organizes the Making the Difference Award every two years. Every associate can take part in it and show how his or her initiatives have helped make a difference in the company. There are also posters everywhere in the workplace with which Mars encourages all the colleagues to come up with new ideas.

Some of the key standards that shape the corporate culture of Mars and that are linked with the Five Principles are:

Fair

The contribution of each individual at Mars is a vital ingredient. This is recognized by the use of the term 'Associate'. At Mars co-workers are not employees but 'associates'. It symbolizes the mutuality and fairness. They are remunerated weekly. Everyone participates directly and equally in the functioning and success of the company. This is shown, for example, in the organization of the workplace in which everyone, including senior management, shares the same open space. The fact that, at Mars, no one has a personal secretary is also evidence of the open-mindedness that characterizes the company.

Open

Quick and transparent communication is promoted at Mars. Free job opportunities are being posted for all the associates all around the world and they can apply if qualified. This way of

working fosters a style of “egalitarianism”. This fact is exponentiated by the above mentioned open plan offices in all the units, no private offices or executive facilities. So, all can take part in the open and regular business communication.

Engaging

The role of 'organization' should be to release the talents of individuals. To do this it is necessary to provide structure, processes, and a clear framework that liberate and enable every associate to give his or her very best.

By setting clear responsibilities, designing challenging and interesting job opportunities with established career development steps, and creating communities of shared purpose, Mars enhances the engagement and therefore the performance of all associates around the world.⁴⁷

Empowering

In order to succeed in today's rapidly changing world and maintain the loyalty of customers, company must truly understand the consumers' needs and wants and be able to translate these into high quality – great value products. Mars, in order to meet this goal of being highly consumer-centric, every local operating units have the freedom to act quickly, with un-bureaucratic management, where responsibility is delegated and associates have wide discretion in making decision that affect their day-to-day work.⁴⁴

⁴⁷ <http://rd.mars.com/Czech/cs/Careers+at+Mars.htm>; April 1, 2010

6. Findings from the Analyses of the Corporate Culture of Mars Czech Republic

In this section, I will uncover and evaluate the specifics of the corporate culture of the selected company. Corporate Culture of Mars Czech Republic is very specific and in many ways different from the organizational culture of other companies in the Czech Republic.

The building of the headquarter in Poříčí nad Sázavou has a very nice exterior and it is carefully integrated into the neighborhood. The overall appearance of the building is very representative. I especially positively evaluate the connection of the factory with the administrative building and clean and tidy surrounding areas.

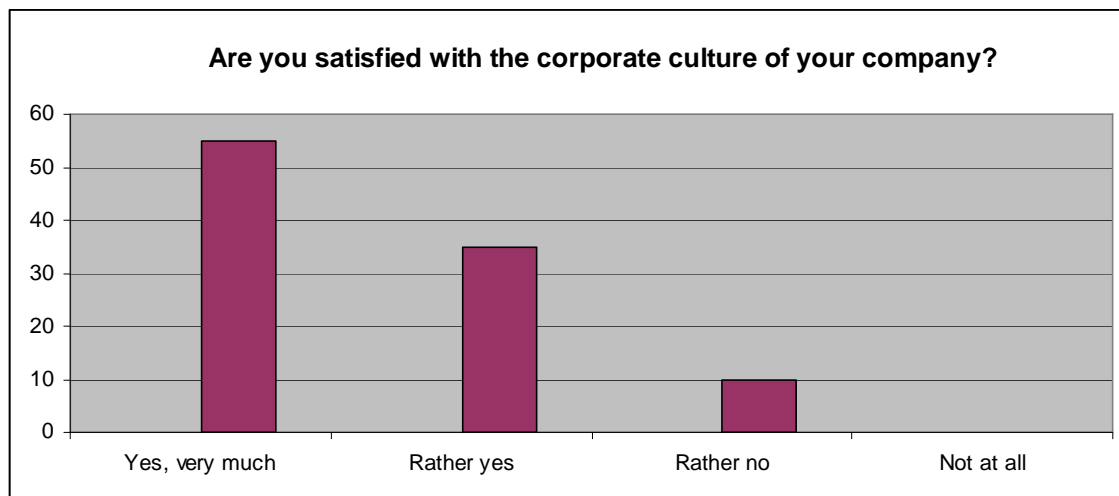
When entering the company, at first glance the strong influence of the mother American company is evident. All decoration is in the corporate colors, on all the walls there are bulletin boards with corporate mottos, information about ongoing campaigns, information from HR, posters of products, results of surveys, etc. The atmosphere is very relaxed and pleasant but because of the one big open-space office - you see many people on the phone or talking to each other, people on the move, workers going to the cafeteria, etc. - it may give the impression of fussiness. However the open space arrangement has its reasons. At workplace, where all employees sit together in one large open office, it is much easier to create a team spirit than in the office, where workers may have a tendency to isolate and work individualistically. Another reason is the "egalitarian" approach to staff and therefore no one from company has his or her own office and all associates share the same work environment. For meetings, there are available a separate meeting rooms or small separate seats located around the workplace. In my opinion, the interior is consistent with the company culture.

The basic values, norms and standards of conduct are included in the Ethics Code which is binding for all employees of Mars; furthermore each department (sales, marketing, HR, etc.) has its own codex and manuals based on the Five Principles. One of the company rules is a dress code, which doesn't strictly prescribe what and when the associates should wear, but covers the types of clothes that are totally forbidden. These are mainly short skirts and tops revealing shoulders. Such a dress code is common in almost all American companies and

schools. Otherwise, all employees dress in accordance with the content of their work. Those, who almost on daily basis deal with clients or suppliers and must be representative, dress very formally and elegantly. Administrative staff, IT specialists and others wear informal clothes and technicians and factory workers wear working clothes that is obligatory. Some associates also wear T-shirts and sweatshirts with logos of products or company.

6.1. Satisfaction with the Corporate Culture and Influence of the Mother Company

Figure 7: Results of the questionnaire – question number 1



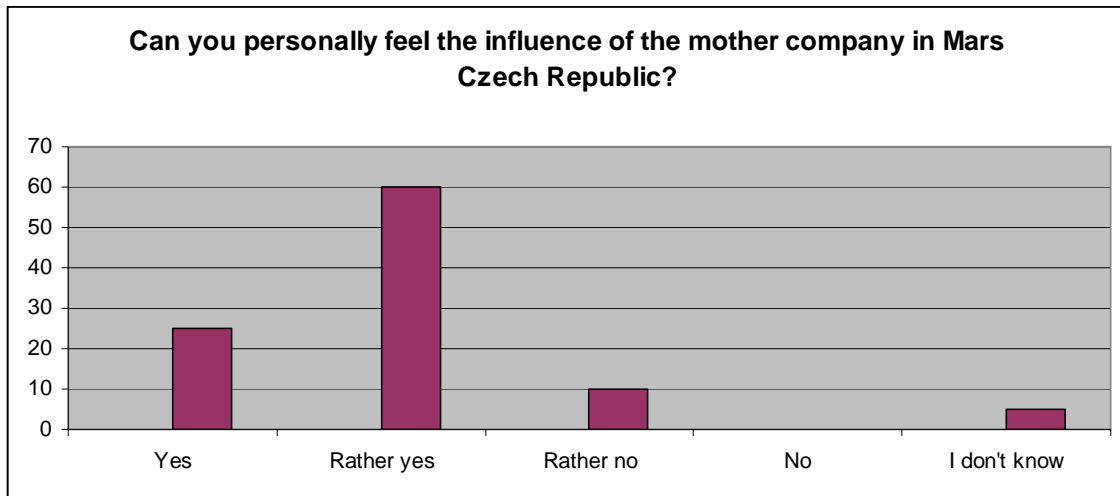
Source: own empirical research

Most of respondents (90 %) are very much satisfied or rather satisfied with the corporate culture of Mars Czech Republic. This result is also due to the fact that the culture at Mars is very specific and therefore when hiring they try to select such candidates who will not have a problem with this atypical corporate culture. It is very good result although the company should do all its best so that every associate is satisfied with the corporate culture and feels comfortable in it, that is to eliminate rather no answers.

I have also found out that the elements, values and attitudes are not enforced to the employees but on the contrary the corporate culture is espoused naturally and respected by all associates. This fact is confirmed by the results of question number one. Because if the

culture and its elements were enforced the employees wouldn't be satisfied with such a culture.

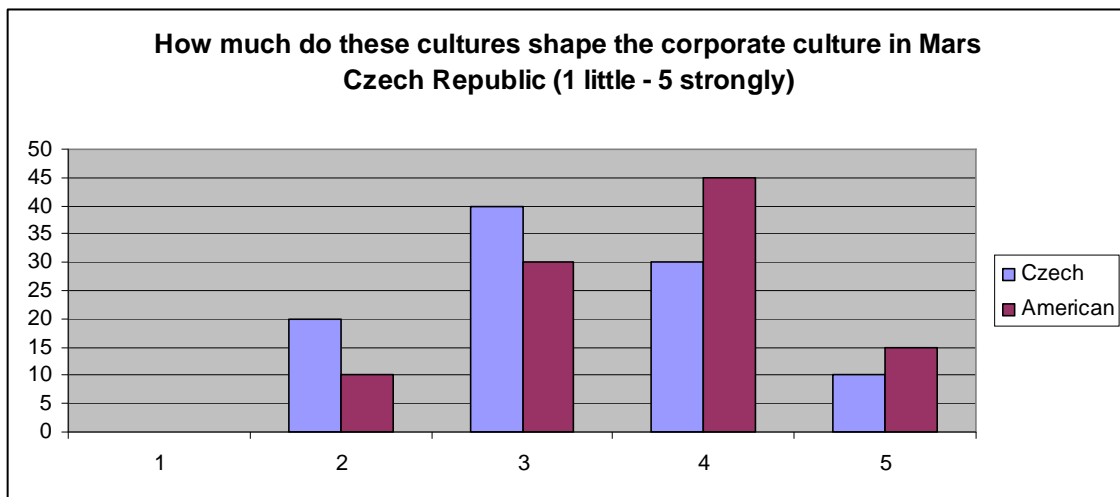
Figure 8: **Results of the questionnaire – question number 2**



Source: own empirical research

Next question asked about the influence of the mother company and the majority of respondents feel the considerable influence of the mother company. This is another confirmation of a global corporate culture. The influence is manifested in all levels of the culture as presented in chapter 3.3. However the important thing is that they are satisfied with such a culture and that the influence of the mother company is positive.

Figure 9: **Results of the questionnaire – question number 3**

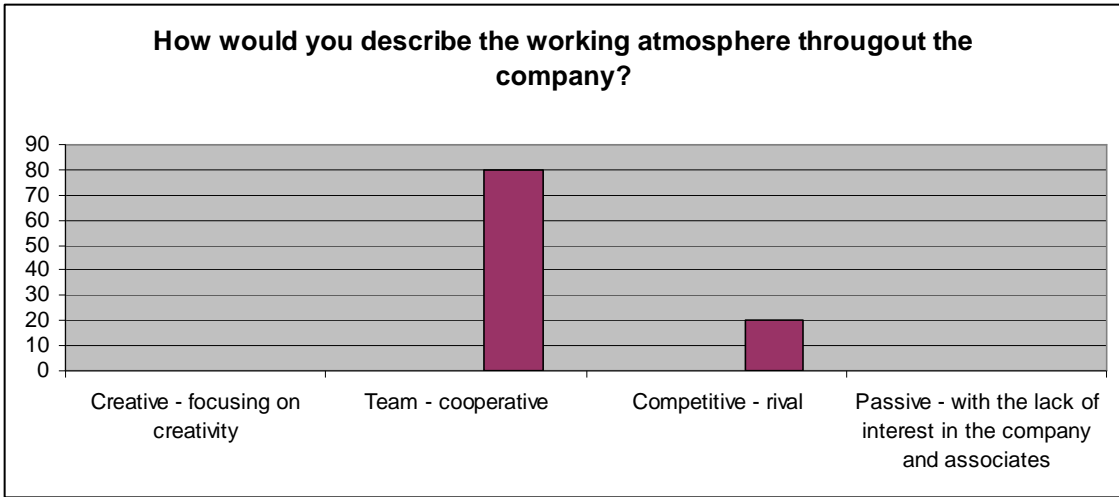


Source: own empirical research

Question number three goes little bit more in detail. I have asked how much Czech and American culture shape the corporate culture at Mars Czech Republic. The results prove the outcome from the previous question (question number 2) but also we can see that not only American culture but also the Czech one influences the corporate culture of Mars Czech Republic. From this we can assume that the Czech subsidiary has formed some kind of subculture which is influenced by the national culture.

6.2. Communication and Atmosphere in the Company

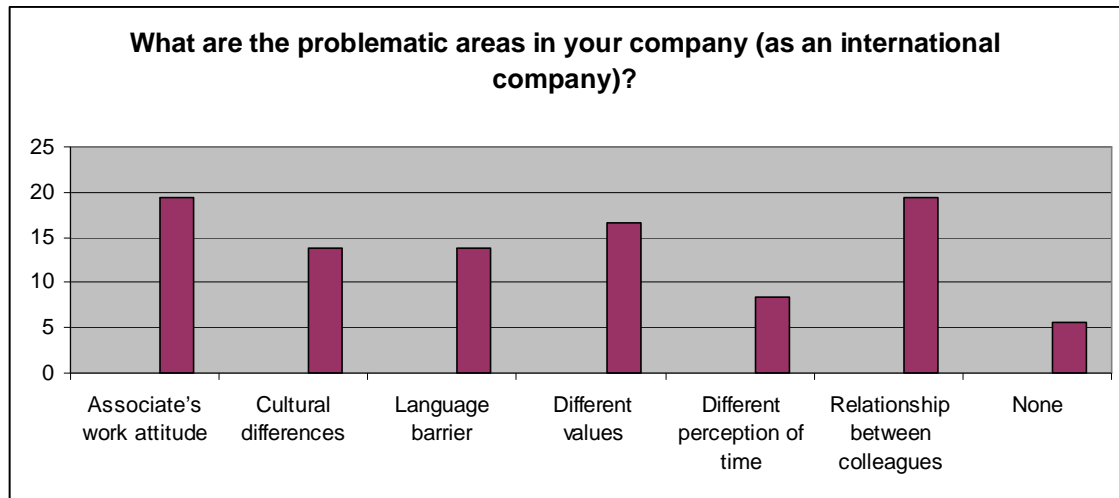
Figure 10: Results of the questionnaire – question number 4



Source: own empirical research

The working atmosphere throughout the company was mainly described as team-cooperative. None of the respondents feels that the atmosphere would be passive or creative. Around 20 % of respondents think that the atmosphere is rather competitive – rival. Even though it is a small number yet it should be eliminated in order to preserve the nice working conditions. This outcome confirms the previous findings that the Czech culture has impact on the organizational. It is very typical for the Czech culture to be oriented on relationships and cooperation, while American culture is more competitive and individualistic.

Figure 11: **Results of the questionnaire – question number 5**



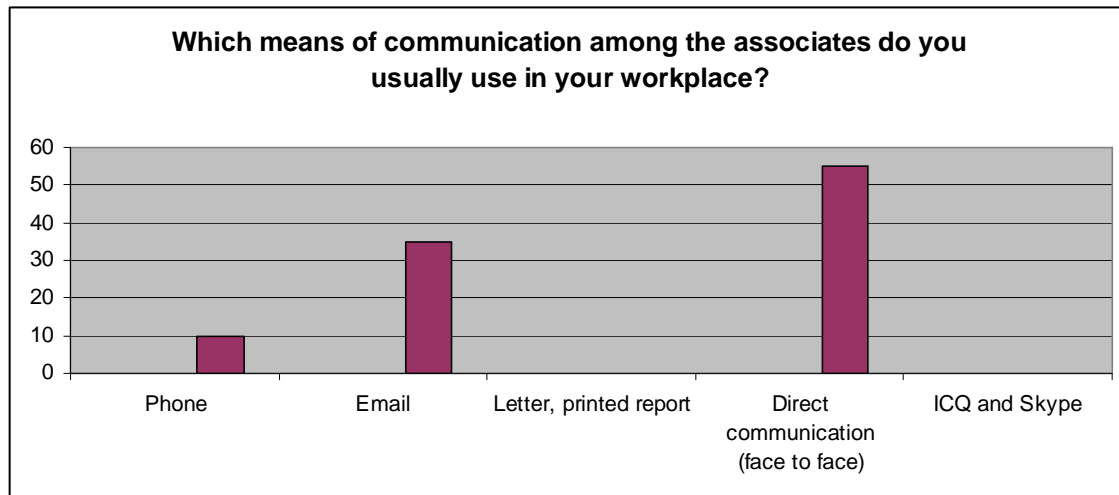
Source: own empirical research

The most problematic areas according to the respondents are the associates' work attitude and the relationship between them. These issues don't have to necessarily reflect cultural differences but can be assigned to the individual characteristics. Such an issue can be found in every company. The respondents have also marked areas such as language barriers and cultural differences, different values and different perception of time as problematic. Which is due to an international environment and different cultural dimensions mentioned in the chapter number 2.3.

Contrary to questionnaires' results, all interviewed employees evaluate the relationships in the workplace as quite good, informal and mostly friendly. They mutually cooperate, solve problems and there is a willingness to help. Some of the associates meet each other, in addition to regular company events, outside the company. Humor and emotion are considered as a natural part of everyday communication in the workplace, which thus has more informal character.

We can see a conflict between the answers from the questionnaires and interviews regarding the relationships in the workplace. This could be explained either by higher number of respondents taking part in the questionnaire or by its anonymity where people do not hesitate to express clearly their opinion.

Figure 12: **Results of the questionnaire – question number 6**



Source: own empirical research

From the question number 6 we can see that open-space office encourages and enables faster and more direct communication. Most of the respondents (almost 60 %) usually communicate with each other face to face. Communication via e-mail is then supplemental. I have also found out that this way of communication is by the associates considered as effective and comply with all of them.

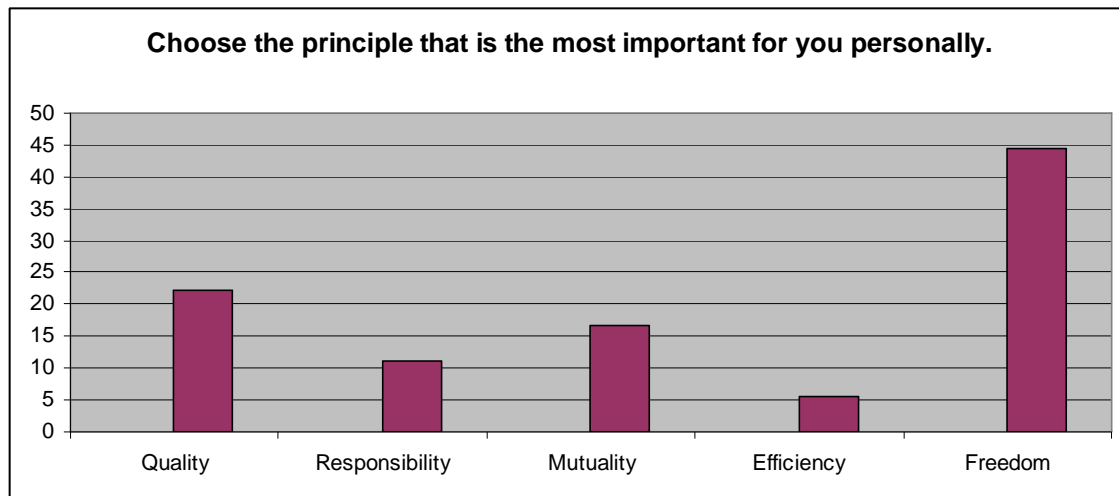
The communication throughout the company was identified by the respondents as informal. They thou and call each other by first name which corresponds with the principle mutuality. Unlike their foreign colleagues, Czech associates sometimes find it difficult to fulfill this rule especially with older colleagues or with their subordinates. As it was mention in the theoretical part Czech culture is associated with a natural tendency to respect older colleagues and to thou or addressing by first name is not common due to a high power distance. Nevertheless, it helps to create a friendly atmosphere.

6.3. The Five Principles

Now we will have a look at each of the Principles. Especially on how these principles are perceived and understood by the respondents.

When asked, all the respondents were able to name all the Five Principles without any problem. This means that the Principles are already ingrained, they don't have to think about them and they act naturally according to them.

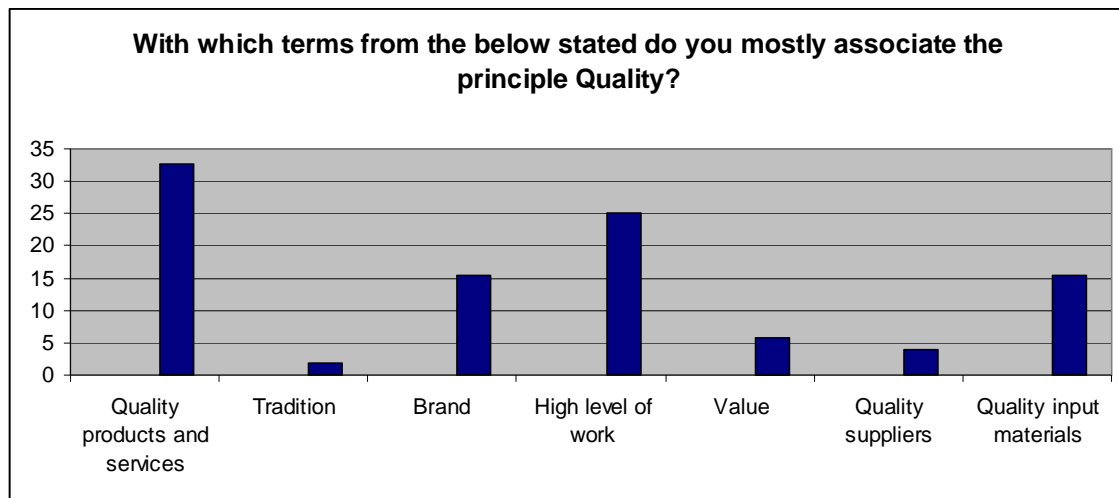
Figure 13: **Results of the questionnaire – question number 8**



Source: own empirical research

From figure 13 we can see that the most important principle for the respondents is the principle Freedom. This principle plays crucial part in the company and its culture. It isn't only independence of the local unit from the mother company so they can decide many things on local basis but most importantly it is the freedom of individual decision making. Everybody is assigned with own responsibilities and therefore is liable for own decisions. This of course leads to higher motivation of the employees, personal development and also higher productivity. Such practices aren't common in the Czech environment so we can see that the Freedom is much appreciated by the Czech associates.

Figure 14: **Results of the questionnaire – question number 9**

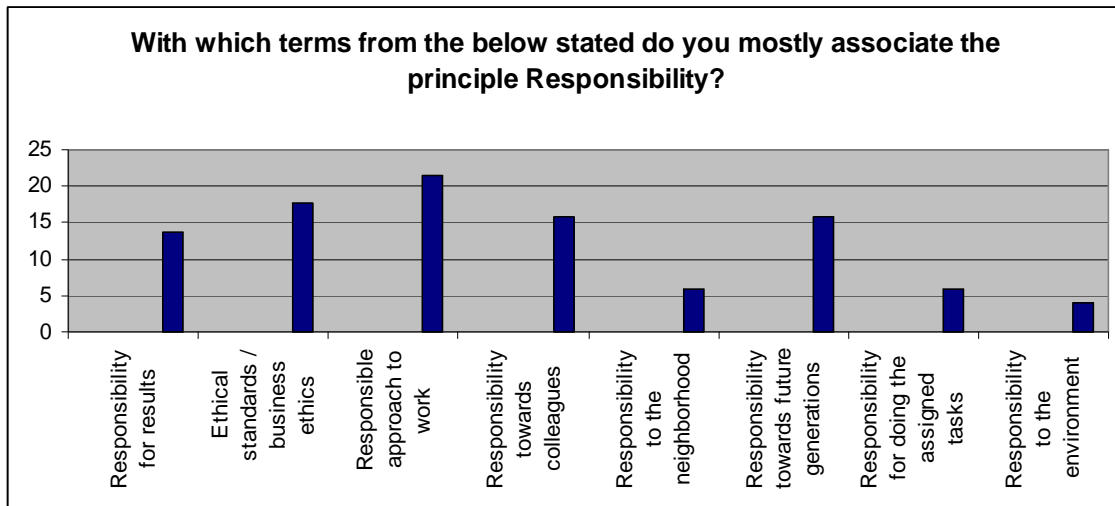


Source: own empirical research

The principle Quality means for the respondents mainly the quality products and services. Quality products and services are the basis of a successful business in the current world. Mars is an example of a company following such a strategy. And from these results we can see that Mars spreads its principles in right way and that they are well understood by majority of its associates. High quality products and services require of course quality input material and suppliers which were also mentioned among the answers of the survey.

American culture as stated above is very masculine therefore oriented on results and very high productivity and that is one of the reasons why the associates (25 %) perceive the quality as a high level of work.

Figure 15: **Results of the questionnaire – question number 10**

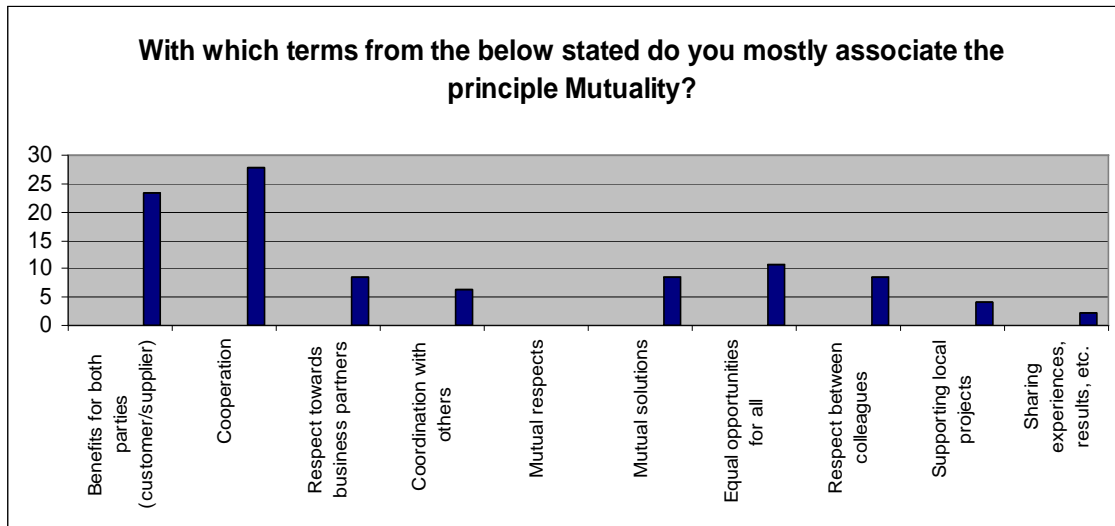


Source: own empirical research

Responsible approach to work (22 %) is the most associated term with the principle Responsibility. It can be considered as a very good result because everything starts with the approach. Responsibility for results (14 %) scored high as well. Here we can see again the impact of the organizational or American culture for which the responsible approach to work and the responsibility for results are typical. In the Czech culture these trends aren't as common.

Results of this question also reflect the corporate social responsibility of Mars. Among the responses we can find ethical standards (17 %), responsibility towards future generations (15 %), responsibility to the neighborhood (6 %) and responsibility to the environment (4 %).

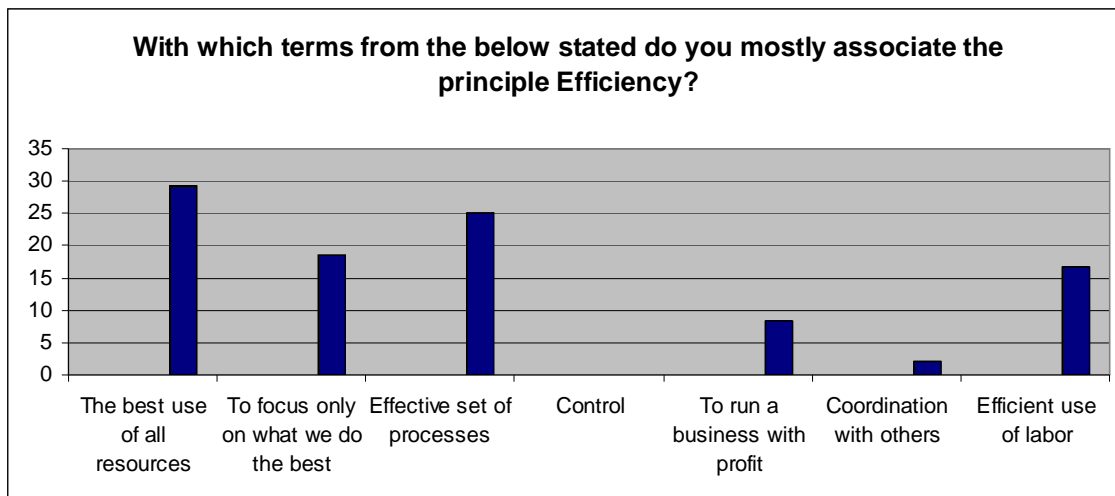
Figure 16: **Results of the questionnaire – question number 11**



Source: own empirical research

The Mutuality means to the associates mainly cooperation (27 %). This again adverts to the influence of the Czech culture for which, as said earlier, the cooperation is typical. Second most mentioned answer was benefits for both parties (24 %) which rather represents the fairness that is embedded in the Mars corporate culture. Among other responses, there are equal opportunities for all, respect between colleagues, respect towards business partners, coordination with others, mutual solutions, supporting of local projects and sharing experience.

Figure 17: **Results of the questionnaire – question number 12**



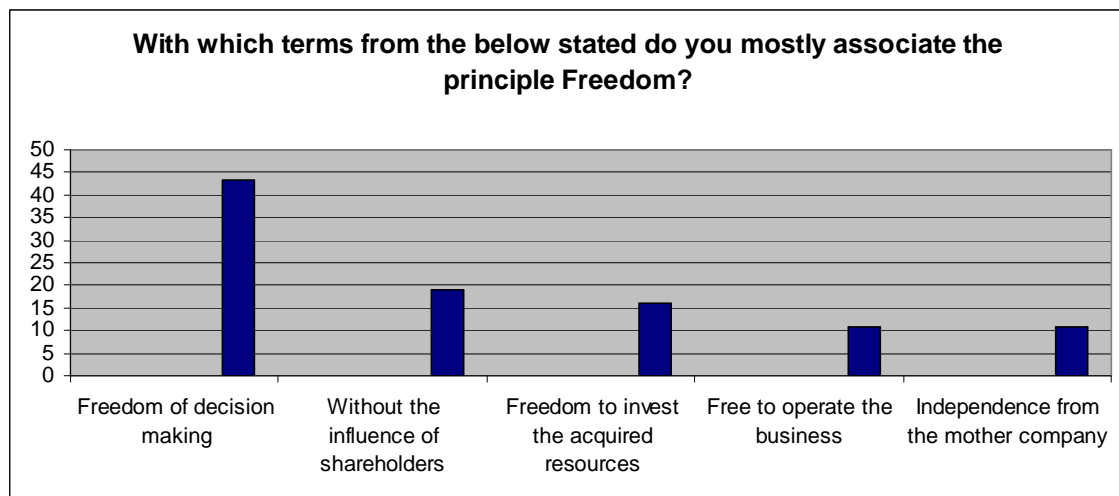
Source: own empirical research

Question number 12 shows that the respondents associate the principle Efficiency with the best use of all resources (29 %), effective set of processes (25 %) and the focus on what they do the best (18 %).

Efficient use of labor was mentioned by almost 17 % of the respondents. This answer could be as well included in the answer “the best use of resources” so in general we can see that effective use of resources is fundamental.

It is surprising that none of the respondents connects Efficiency with control although it is an essential part of an effective process.

Figure 18: **Results of the questionnaire – question number 13**



Source: own empirical research

Now let's have a look at the most important principle for the respondents, the principle Freedom which is for the majority (44 %) the freedom of decision making. As stated previously this fact could be explained by the lack of freedom of decision making in the Czech companies.

Freedom for the respondents also means without the influence of shareholders (19 %), freedom to invest the acquired resources (17 %), free to operate the business (10 %) and independence from the mother company (10 %).

7. Evaluation of the Corporate Culture in Mars Czech Republic

We can see that the corporate culture of Mars is based on the American culture and therefore stands for very similar values. Corporate culture at Mars is very individualistic – associates are responsible for their decisions. They act independently of other members and are expected to be responsible for their results, tasks and actions. Here we could find a possible discrepancy with the Czech culture, which is not as individualistic and Czechs in general rather accept less responsibility.

We can also observe very low power distance – as it was said in the theoretical part, in such a culture superiors and subordinates see each other in an equal way. In Mars, the hierarchical pyramids are very flat, workers are highly qualified, and superiors are accessible to their employees.

We could say that the corporate culture at Mars Czech Republic is universalistic. They believe that their ideas and practices can be applied worldwide without modification. The culture is as well a masculine culture oriented on achievement, success and is more aggressive. On the contrary, Czechs are more particularistic and they are more relationship oriented.

Very low uncertainty avoidance is another dimension typical for Mars because they have fewer rules and do not attempt to control all outcomes and results. They also tend to promote a variety of ideas, thoughts, and beliefs.

So even though the strong organizational culture of Mars Inc. was successfully transferred in the Czech environment, we can observe that the Czech subsidiary has created some kind of subculture. Mars Czech Republic takes the best from both cultures - organizational culture of the mother company and Czech national culture and enjoys the synergy.

The majority of associates are satisfied with the corporate culture. Even though they feel significant influence of the mother company, they still feel independent from it and they value Freedom as the most important principle. All employees identify with the Five

Principles of Mars, which are the keystone of the company and its culture. They perceive and understand them correctly and most important they act naturally according to them.

The Czech employees are relationship oriented and want to have a harmony in the workplace. However, the results of the survey showed that there might be some problematic issue among the associates. So in order to strengthen team spirit and social interaction between associates, Mars Czech Republic should launch more initiatives that would enable associates to meet with each other. The company should regularly organize creative teambuilding activities in which associates that seldom work together would be able to meet and share their ideas.

The culture in Mars Czech Republic is specific and does not have to suit to everyone. The future associates have to be able to identify with such a culture so the selection process should ensure that only people who share these values are recruited.

7.1. Evaluation of the Hypothesis

At the beginning of the methodological part of this thesis a hypothesis was established, which I tried to confirm or the contrary refute by my investigation.

H1: Single corporate culture of Mars Czech Republic is superior to the national culture of the employees.

This hypothesis wasn't confirmed. I managed to prove that the associates accept and respect the corporate values and act according to them. On the other hand there are situations where characteristics of the Czech culture are manifested. So even though the corporate culture of Mars has a very significant influence and is very strong the Czech subsidiary has created some kind of subculture and therefore the national specifics reflect in commonly accepted corporate values.

Conclusion

Working in international environment is becoming a common part of our lives. It is therefore very important to learn how to perceive cultural differences and try to understand them so the cooperation with colleagues of other nationalities is effective and does not face problems caused by misunderstandings of the specific features of individual cultures. Single corporate culture, as it turned out, is very essential part of an international company and determines uniform rules and the behavior within the company. Thanks to commonly shared values, the cooperation in a multicultural environment is becoming more effective and takes advantage of synergies.

Company Mars Czech Republic is a shining example of strong corporate culture, on which formation and evolution has a major impact the mother company. This particular company can be characterized by a high degree of shared values and goals. This is manifested by loyalty, unity and positive attitude of individuals. The associates respect and trust their management and vice versa, the relationships between them are strong. The corporate governance is in many respects a question of mutual dialogue. All these factors reinforce the current strength and future success of the company and represent the indispensable, long-term competitive advantage.

Despite a unified corporate culture that shapes the general pattern of behavior within the firm, some features that are specific for the Czech culture were revealed. It can be therefore said that a unified corporate culture has a dominant influence in Mars Czech Republic and its values are recognized across the spectrum of workers of all nationalities and cultures, however it is not superior to the national culture.

Attachments

Attachment number 1: English version of the questionnaire

Attachment number 2: Czech version of the questionnaire

List of Abbreviations

SVS	Schwartz Value Survey
UAI	Uncertainty Avoidance Index
LTO	Long-term Orientation
PDI	Power Distance Index
IDV	Individualism
MAS	Masculinity

References

1. ARMSTRONG, M.: *A Handbook of Human Resource Management Practice*, 10th edition, London, 2006.
2. BROOKS, I.: *Organisational behaviour: Individuals, groups and Organisation*. Financial Times, 2003
3. DAHL, S.: *Intercultural Research: The Current State of Knowledge*. Middlesex University London, 2004
4. DEAL, T. E., KENNEDY, A. A.: *Corporate Cultures: The Rites and Rituals of Corporate Life*. Perseus Publishing, 2000.
5. DEAL, T. E. and KENNEDY, A. A.: *The New Corporate Culture: Revitalizing the Workplace after Downsizing, Mergers and Reengineering*. New York: Perseus, 1997.
6. FICHOU, J.P.: *Civilizace USA*, Praha, Victoria Publishing, 1995.
7. FINK, CH. and STELLEMAN, R.: *The Cultural Diagnosis: A Method for Dialogue*. Hamburg: Rambøll Management, 2003.
8. HALL, E.T.: *Beyond Culture*, New York: Doubleday, 1976.
9. HATCH, M.J.: *Organization Theory. Modern, Symbolic and Postmodern Perspectives*. Oxford: UP, 1997.
10. HOFSTEDE, G.: *Cultures and Organizations: Software of the Mind*. London: McGraw-Hill, 1991.
11. KOTTER, J. P. and HESKETT, J. L.: *Corporate Culture and Performance*. New York: Free Press, 1992.
12. McSHANE, S.L.: *Canadian Organizational Behaviour*, 6th edition, McGraw-Hill Ryerson Limited, 2006.
13. NOVÝ, I., SCHROLL-MACHL, S. a kol.: *Interkulturní komunikace v řízení a podnikání*. 2. vydání Praha: Management Press, 2001.
14. NOVÝ, I., LUKÁŠOVÁ, R. a kol.: *Organizační kultura*. 1.vydání Praha: Grada Publishing, 2004.
15. NOVÝ, I., BEDRNOVÁ, E. a kol.: *Psychologie a sociologie řízení*. 3.rozšířené vydání Praha: Management Press, 2007.
16. „Nation“, *The New Oxford American Dictionary*, Second Edn., Erin McKean (editor), Oxford University Press, 2005.
17. SCHEIN, E.: *Organizational Culture and Leadership*., Second Edition, San Francisco: Jossey-Bass Publisher, 1992.

18. SMITH, P., PETERSON, M., SCHWARTZ, S.: *Cultural Values, Sources of Guidance and their Relevance to Managerial Behaviour: A 47 – Nation Study*, Journal of Managerial Psychology, 2002.
19. SPRANGER, E.: *Types of Men: The Psychology and Ethics of Personality*, Halle: Max Niemeyer Verlag, 1928.
20. SCHWARTZ, S.H.: *A Theory of Cultural Values and Some Implications for Work*, in: Applied Psychology: An International Review, 1999.
21. TROMPENAARS, F., HAMPDEN-TURNER, Ch.: *Riding the Waves of Culture – Understanding Diversity in Global Business*. Second edition McGraw-Hill Professional, 1998.
22. VLACHOVÁ, K., ŘEHÁKOVÁ, B.: *Národ, národní identita a národní hrdost v Evropě*. 2004
23. WEAVER G. R.: *American Cultural Values*, (Intercultural Training), Winter, 1997.
24. ZAMYKALOVÁ, M.: *Mezinárodní obchodní jednání*. Praha: Professional Publishing, 2003.
25. Entrepreneur: <http://www.entrepreneur.com/encyclopedia/term/82104.html>, March 2010.
26. Iceberg Exercise by Robert Clevenger, http://www.pacific.edu/sis/culture/pub/1.1.1_Activity_The_Iceberg.htm, February 2010.
27. International Business Cultures, <http://www.via-web.de/specific-vs-diffuse-cultures/>, March 2010.
28. Online Etymology Dictionary, <http://www.etymonline.com/index.php?term=culture>, February 2010.
29. Website of Geert Hofstede (on-line), <http://www.geert-hofstede.com>, February 2010.
30. Website of Mars Czech Republic, <http://rd.mars.com/Czech/cs/Careers+at+Mars.htm>; April 2010.
31. Website of Mars Inc., http://www.mars.com/global/assets/documents/mars_the_five_principles_of_mars.pdf; April 2010.