CULTURE, AS „ PERCEPTUAL PRISM "OF KNOWLEDGE GENERATION AND ITS ROLE IN INTERNATIONAL BUSINESS

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Abstract- One of the main tasks of the cross-cultural management is to study the phenomenon of cultural difference and diversity and to determine influence on efficiency of the international business. Numerous studies of scholars were dedicated to this problem within last periods, which mostly discussed influence of cultural determinants on the international business. The present study, on the basis of analysis and generalization of theoretical approaches existing in the sphere of measuring the influence of the cross-cultural relations on the international business, substantiates the need for passing from static measuring of culture to a dynamic construction – that reality expressing "perceptual prism", which is used for formation of the fundamentals of joint knowledge codification by its carrier. The present work gives a new conceptual model, a possibility to evaluate theoretical relevance and practical usage of approach suggested by us.

Key words- cultural differences, international business, codification of knowledge, dynamic construction, new model.

I. INTRODUCTION

Famous scholars of the middle period of last century established in the cross-cultural management the conception of culture, as of "a breakthrough prism" of perception (R. Benedict, E. Sapira, M. Midi, etc) [Moore, 1997]. The present conception of the cultural perception, proceeding from its importance, attracted special attention of scholars. As a rule, the theories of cross-cultural management focused their attention on the problems of simplification and understanding of relations among the representatives of different cultures. Apart from rare exceptions [see: Holden, 2007], these studies do not discuss another, no less important aspect: the process of transformation of the phenomenon of culture into the knowledge and determination of its influence on the international business. With the aim of filling in the existing gap, in the present study we tried to analyze, on the basis of "the perceptual prism" conception, the new understanding of culture, as a competitive advantage of a modern company. The works of numerous famous scholars were dedicated to the study of different aspects of the present problem [see, e.g.: Kogut, Sander, 2004; Holden, 2002].

To understand how the managers make the process of cultural peculiarities transformation into knowledge to become a competitive advantage of a company, some new elements should be introduced into the theory existing in the cross-cultural management. These elements should give us a possibility to pass from static model of culture measurements to a dynamic one.

II. REVIEW OF CONCEPTIONS OF CULTURE IN CROSS-CULTURAL MANAGEMENT

In the beginning of the 1960s famous scholars F. Klaxon and F. Strodback and in the beginning of the 1980s – T. Deal and A. Kennedy, A. Loran, etc. published their theoretical approaches on the issue of the conception of "culture" [Soltitskaya, 2002]. Despite this, G. Hofstede's approach still remains to be basic, according to which: "Culture – this collective programming of consciousness, which differentiates one group or category[1] of people from another" [Hofstede, 2000, p 92]. Introducing five bipolar measures of culture, Hofstede laid qualitatively new foundation for development of the cross-cultural management. The author's thesis is as follows: national borders have great influence on real use of theories existing in management, and the scholars' ideas, as well as practice of managers, reflect that environment and the community restrictions, under the influence of which they were in a certain period of time. In strengthening his arguments, Hofstede is based on the idea of G. Simon that "anything human is not alien for the managers", also, on the conception of "the restricted rationality", which the scholar introduced in 1940 and was further developed in the work of R. Siert and J. Merch "Behavioral Theory of Company" (1963) [Hofstede, 2000]. On the basis of empirical analysis Hofstede separated four main measures of cultural differences existing between the nations. Later, in co-authorship with M. Bond, to this list was added fifth measure "long/short orientation", the roots of which go to the ideas of Confucius. In 1991 Hofstede suggested us univariate multi-dimensional model of the cultural programming, which involves nature and character of a human being [Hoecklin, 1995]. In the beginning of the 1990s increase in demands for the studies dedicated to the problem of cross-cultural differences caused appearance of new fundamental works. From this viewpoint the scholars focused their attention on a new model suggested by Trompenaars for determination of cross-cultural influence on

[1] Under "category" Hofstede implies "nation"

management. It should also be mentioned that E. Shine's model was decades ahead of appearance of Trompenaars' model of culture (see: E. Shine, "Organizational Culture and Leadership" [Shine, 1985]). Invisible artifacts appear as a kernel of F. Trompenaars' model, and the norms and values appear as the outer layer [Trompenaars, 1994, p 24]. In Trompenaars' opinion the essence of culture is in the techniques of understanding and interpretation of the universe, shared by the groups of people. In the scholar's opinion, culture – is a peculiar scheme for decision-making shared by the group [Trompenaars, 1994, p 24]. Here the author cites M. Croizer, who introduced explanation of culture in 1964 [Hofstede. 2000]. In the book published in co-authorship with Hampden-Turner, Trompenaars suggested us the methods to measure the behavioral aspects of cross-cultural competitiveness, as indicators derived on the basis of bipolar cultural values [Hampden-Turner, Trompenaars, 2000].

We consider that the approaches of G. Hofstede, F. Trompensaars and Ch. Hampden-Turner should be filled in with the opinions characteristic to the cross-cultural management, which introduce analysis of the culture of a personality into the present problems. Namely, these opinions enable us to explain the culture of a personality, as a non-genetic program. In particular, the scholars outline two programs, which are responsible for genetic and non-genetic, i.e. cultural regulation of behavior of people [Kagan, 1996].

E. Hall [Hall, 1959; 1966; 1976], also M. Singer [Singer, 1996], in their works concentrated attention on the perceptual aspect, within the context of intercultural communication. Culture, as a mental mechanism, which has definite influence on the thinking of a personality, is a peculiar "perceptual prism"[2] through which people apprehend the surrounding world and the objective reality. Within the context of this approach [Kogut, Sander, 2004; Holden, 2002] the most rational is that explanation of culture, which explains a mental skill to transform information into knowledge by the managers, with which the basis is laid for the process of economically efficient decision-making. Thus, on the basis of this conception of managing the knowledge, culture acquires quite a new function; it becomes a reality reflecting "perceptual prism", which is used for joint codification of knowledge and within this context its use becomes important in the practice of efficient management. Holden [Holden, 2002, p 99] considers that cultures represent variations of general knowledge; that's why, we should search for the origins of their differences here.

III. STUDY OF CROSS-CULTURAL PECULIARITIES OF MANAGERS IN GEORGIA

In 2014-2015, 60 managers were interviewed within the process of study of cross-cultural peculiarities conducted in Georgia. 30 foreign and 30 Georgian managers participated in it. The purpose of conducted empirical study was, through use of the qualitative methods of data collection and analysis in apprehension of managerial situations, to determine peculiarities of the cross-cultural differences. The study was conducted through use of methods of sense-making [Dervin, 1992] and phenomenological interview [Yanchuk, 2000]. First aspect of the study involved selection of managers. Selection of foreign managers was homogeneous according to the sex (30 men), but that of the local managers was balanced (15 men and 15 women). The study differed with such features of respondents, as: the country of origin, age, total length of service, length of service in Georgia. Table 1 presents features for selection of foreign – and Table 2 – of Georgian managers; these features are grouped according to the type of companies. Second aspect of study was determination of features for selecting the companies. All the foreign and joint companies were grouped into two types: "A" type – the companies with approved standards of corporative culture, "B" type – the companies without a relevant standard. The list of companies, in which the respondents worked, involved: "A" type foreign and joint enterprises: Hualing International (China); CBD Development (the Netherlands); APM Terminals (Denmark); Coca-Cola Bottlers Georgia (the USA-Georgia), which represented the interests of large international corporations in Georgia, where the amount of employed makes up from 150 to 300 persons, and "B" type foreign enterprises, in which an average number of workers is up to 40: BP Group Georgia (Great Britain); Old City Development (Panama).

[2] Perception (Lat. Perceptio) - reflection of objective reality in cognition (Modern Dictionary of Foreign Languages, Moscow, 2000, p 468). Prism, as a turning of apprehension - shows how a person apprehends all that he sees and hears around, how the process of generating the cultural peculiarities into knowledge is conducted.

Table 1 Features for selection of foreign managers

Features of managers	amount	Percentage of selection	Features of managers	amount	Percentage of selection
"A" type companies make up 47, 8% of the total amount			"B" type companies make up 54, 2% of the total amount		
Country of origin: The USA The Netherlands China Denmark	 10 2 3 3	 65, 3 8,1 14, 3 14,3	Country of origin: Great Britain Panama	 11 5	 62, 5 37, 5
Age: Less than 36 years 36-45 years More than 45 years	 7 4 6	 43, 8 22, 5 35, 8	Age: Less than 36 years 36-45 years More than 45 years	 1 8 8	 12. 6 43. 7 43, 7
length of company service: 1-3 years more than 3 years	 5 13	 14, 4 85, 6	Length of company service: More than 3 years	 16	 100
Length of service in Georgia: 1-3 years	 18	 100	Length of service in Georgia: 1-3 years More than 3 years	 5 13	 25, 5 75, 1
Education: High Secondary special high	 4 14	 7, 3 81, 9	Education: high	 16	 100

Table 2 Features for selection of managers from Georgia

Features of managers	amount	Percentage of selection	Features of managers	amount	Percentage of selction
"A" type companies make up 64, 3% of the total amount			"B" type companies make up 37, 7% of the total amount		
Country of origin: The USA The Netherlands China Denmark	 8 8 5 2	 36, 9 36, 9 21, 5 6,3	Country of origin: the USA the Netherlands China Denmark	 6 4 3 2	 46, 4 28, 3 19. 2 9, 9
Age: less than 36 years 36-45 years	 20 3	 99. 6 10, 6	Age: Less than 36 years 36-45 years	 10 5	 72, 7 27, 3
Length of company service: 1-3 years More than 3 years	 10 13	 48, 3 53, 6	Length of company service: 1-3 years More than 3 years	 5 10	 45, 4 50. 5
Training abroad: 1-2 years Doesn't have	 23 -	 100 -	Training abroad: 1-2 years Doesn't have	 3 12	 25, 5 75, 0
Education: IIigh Secondary special	 18 5	 79, 1 21, 9	Education: IIigh Secondary special	 15 -	 100 -

As it is seen from the data of Table 1, age of a major part of foreign managers is over 36 years. A majority of them works in the company more than 3 years. At the same time, 25% of managers of B type companies have more than 3 year experience of work in Georgia. All the managers have high education. The age of a majority of Georgian managers is less than 36 years. All the managers in A type companies were trained abroad for 1-2 years, but in B type companies only 25, 5% of managers have such experience. 41, 1% of managers in A type companies have MBA degree.

Scheme of research. Interview was conducted in the company, where the respondent worked. The

company atmosphere formed the context familiar for the respondent.

Stage 1. In the beginning of talk with the respondent the sense-making procedure was used, because formation and understanding of the notional meanings is a priority task of the cross-cultural communication, into which we entered with each respondent. We suggested the respondent to imagine himself in the managerial situations from the list presented to him beforehand. The present list was compiled by P. Smith on the basis of a questionnaire elaborated for the cross-cultural quantitative research (the objects of this research were managers of 47 countries). [Smith, Peterson, Schwartz, 2002]. Namely, six managerial situations were concretized, which the managers of joint enterprises face in Georgia:

1. Decision-making: how a manager adopts a decision;
2. Distribution of labor obligations: who is responsible for fulfillment of work – an individual or a group?
3. Arrangement of meetings: the meetings are arranged to familiarize the local employees with the decisions of a foreign manager or to provide equal participation of the colleagues in the discussion;
4. Distribution of money bonuses: a money bonus is distributed on each member equally or individually, according to the contribution of each of them;
5. Appointment to a new position: what criteria a manager is guided with (skills/achievements of a candidate, recommendations of higher employees employed in the organization or friends, etc);
6. Evaluation of poor quality work: how managers respond to the fact of poor quality of work conducted by their subjects.

To simplify the process of selection, we suggested the respondent one of the parameters, which he could be guided with in selecting the situation. For example, "Select the situation, which has recently happened to you and in which you faced any barriers and conducted communication most important for you". After the respondent stopped at concrete managerial situation he was suggested a proposal to describe it in brief. Discussing the circumstances happened in the past, the respondent described and explained "strange" (in the given case "strange" could be behavior of colleagues of different culture, knowledge, emotions). Sense-making of the respondent in the given case was that he concentrated attention to "strange", using the rules for apprehension and explanations characteristic to the relevant cultural level.

Stage 2. It involved the procedure of phenomenological interview, the purpose of which is to understand feelings of each respondent in regard to concrete managerial situation. Namely, a dialogue with the respondent was ongoing with the questions: "what did you feel when this happened?"; "what does this remind you?"It was necessary in the process of phenomenological interview to formulate the question so that it could be understandable for the respondent. With this purpose we relied on the information received in result of sense-making.

Stage 3. In the process of discussing a concrete situation we put three questions to each respondent , which assisted us to compare the answers, coding and interpretation at the further stage of the information processing" 1. How often did he face the present situation? 2. Did he face a problem in its successful settlement? 3. How did you evaluate importance of used approach in problem settlement?

Stage 4. In the process of research three stage procedure was used: working categories were formed on the basis of abstraction from concrete cases, comparison of data and coding [Strauss, 1987]; then they were interpreted and reconstructed and finally their integration into the relevant conceptions of management were conducted.

IV. RESULTS OF RESEARCH AND THEIR SIGNIFICANCE

On the basis of the interview with 60 respondents, two nuances were determined of the cross-cultural differences in apprehension of the managerial situations by the managers. First – the managers' discussion can be divided into two groups. Importance of communication for the first group was that in the process of intercultural activity they revealed new "truths" about Georgian or foreign managers (typical behavior, reactions, etc). Importance of communication for the second group was in the very act of communication – they expanded their outlook and saw the problem in the new context. Second – in the managers' answers, which saw important in the very act of communication, emic information[3] was revealed, which was evident for the representatives of other cultural environment. Namely, we found out the resemblance in the answers of the representatives of one cultural level (between foreign managers of B type companies, who were in Georgia within more than 3 years, and foreign managers of A type companies, who were in Georgia within less than 3 years, but had more than 3 year length of service and sufficient experience of work in a company for making adequate evaluation of the importance of

[3] Emic information represents impressions, forms of behavior, imaginations, which are specific for the given culture

approach they used in the process of decision-making for the company).

The managers positively evaluate the issue of importance of holding the meetings in the process of decision-making for their companies, because they give possibility for uniting knowledge and experience of the colleagues – representatives of different cultures. Emic information existing in the managers' answers enriches knowledge of managers in the present sphere and thus promotes its perfect use.

Therefore, discovery of two above-described nuances enables us to outline a conditional category, which we called "the perceptual prism", according to which an advantage to see "the full information" is possessed by the managers, who apprehend the employees as carriers of important knowledge and experience and have contacts with them in the process of decision-making. Conducting exchange of emic information, the managers enter into intercultural dialogue and with the purpose of joint codification of knowledge they conduct construction of its general fundamentals. In the process of settling the managerial tasks, activity of the intellectually agreed representatives of different cultures, on the basis of combining different experience and approaches, gives a possibility to get new knowledge and to improve management.

CONCLUSION

Conception of culture, as of "the perceptual prism", can be used for codification of joint knowledge. It gives a possibility for a new interpretation of traditional studies of the cross-cultural differences, because "the perceptual prism" is a dynamic construction, enabling us to understand how the managers transform the knowledge accumulated in the sphere of culture into the competitive advantage of the company.

The results of studies show how the managers can fill in knowledge in the specific sphere of culture and use it in the practice of management. In result of using a dynamic conception of "the perceptual prism", on the basis of new apprehension of information, cross-cultural competence of managers increases. Traditional static models of culture cannot be used for the formation of this skill in a practical aspect.

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