

Cross-cultural management in albania



**ASSIGN
BUSTER**

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Part I

“ Culture is more often a source of conflict than of synergy. Cultural differences are a nuisance at best and often a disaster.” (www. uscivilizatio. com)

Globalization, the land on which Cross – Cultural Management was sowed

- *Intro*

Globalization is now becoming the future of the world. Humanity is now walking on the path that leads to, what we call “ Becoming One”. Technology innovation is the main factor of this process. It brings people and cultures up together and by doing so they learn and enjoy each other’s way of living. The process seems to be long and basically changing us and bringing in front what we can consider positive or negative effects. People from different cultures in fact might have conflicts when working together, or they might share experiences and improve their selves. Cultures intercept each other to

exchange knowledge, traditions and experience and history has taught this to us. On the other hand has also taught us that cultures exchange goods. At this point we come to the creation of a distinct concept; Cross - Cultural Management.

Cross-Cultural Management???

“ Cross-cultural management explains the behavior of people in organizations around the world and shows them how to work in organizations with employees and client populations from many different cultures.” (*Kawar, 2012*)

Multinational companies existed as early as 2 000 B. C.; the Assyrians, the Phoenicians, the Greeks and the Romans – they all had their own version of globalize trading. Multinational

Management is getting more and more necessary for all kinds of branches as the global market is shrinking. In the past century operation between advanced industrial countries had it up and downs. Because of the two world wars this partnership came to a halt. This wars, on the other hand gave a boost later on to the global market. After and between the two wars the World Bank was Created, International Monetary Fund and General Agreement on Tariffs and Trade and after the Berlin Wall fall new markets were opened to the free trade. These new emerging markets gave chances and opportunities to the business sector to increase their revenues. In fact every country has its culture and makes them distinguishable from each other, as in fact every country has its middle class that was and is willing to buy more international products and services. The need to decrease the

costs without affecting the revenue but on contrary increase them makes the global entrepreneurs to invest and construct their plants in locations that provide lower cost of production.

While companies grow and enter the international trade, their size increases with their earnings. When this happens the companies need to established their activity overseas and after than monitoring their activities across the border. This is in fact where cross-cultural management enters on the stage. Under these circumstances more and more the need for management is needed in the operations abroad. Managers often are part of the shareholder's nationality, in other words an American business in Albania will definitely send an America citizen to manage their operations in Albania. The cultures are different between the two countries and this diversification brings up its problems.

Problems “ Cross”?!?!

Dealing with people from different cultures and nationalities has its own problems. The main problem that Cross-Cultural Management faces is barriers. Barriers complicate the ongoing of operations and processes and tend to create mostly misunderstandings. The main barriers are:

- Language
- Culture
- Company Culture

Language is the first tool when interacting with people. English is accepted as the international language all around the world and business has

embraced this idea, but every country uses its own language firstly when dealing and communicating. Having said so, people have to learn first English even though it is not enough. The problem here is that words can lose their meaning when translated and the thought also.

Culture also creates a huge barrier by its set of values, language, behavior, business ethics, expected etiquette or expressions. So if a manager operating in a foreign culture does not know the differences in the hosting culture, his or her message can be misunderstood.

Company Culture mainly is considered as the norms and expectations that a company implies. This includes policies and specific procedures, the basis of a company's culture. When a company enlarges its operations it is needed to find a connection between the cultures in order for the company culture to be accepted by the hosting culture.

Culture shape Cross-Cultural Management!

The vast part of a culture is absorbed by people during their childhood by the interaction with the surrounding people and environment and by doing so it helps people live within their society. Culture can be found on four different levels:

- National Level has to do with the differences between cultures in a national point of view. It deals with the values that people learn during their early life that becomes unchangeable and saint for them.
- Organizational level is the culture that is created within an organization and that is superficial. This culture is different from the company

culture because it can change from an organization to another within the same country.

- Occupational level deals with different cultures created within an organization. This means that different cultures can be created in all departments of an organization.
- Gender level has to do with the cultures men and women create within their gender. This level can be defined as the most common one.

In fact all the upper paragraphs are a theoretical overview of Cross-Cultural Management and this is what generally happens around the world but will all this theory feet in the Albanian reality. To give an idea about this point an Albanian case is presented in the second part of the paper.

Part II

EDUCATIONAL CENTRE RESEARCH

- Presentation of the Problem

There are differences in cultures in general between countries, in addition to this there are differences among working countries as well. The problem is how this affects the way of managing the organization. Educational Centre is a company that operates in six countries: Albania, Bulgaria, Moldova, Rumania, Montenegro, and Serbia. It is a Greek company and it has succeeded well. It is interesting to see how the different Bookshops are dealing with culture differences. Educational Centre main office is placed in Thessaloniki, Greece and it has branches in six countries. We will concentrate our thoughts on the below:

Are there any differences in how the six offices in the different countries are managed?

If yes, are they a result of national business culture differences?

If not, why are there no differences?

- Purpose

The purpose of this research is to get an insight on how difficult is to manage a company across cultures. The purpose is to come up with a result that will reflect this or with a solution to dealing with differences.

- Countries of Study

The countries in the study are the branches of Educational Centre in six countries:

Albania, Bulgaria, Moldova, Rumania, Montenegro, Serbia

- Research Method

There are different approaches in developing a research paper. We have chosen the qualitative method which is more about having long interviews with a smaller amount of people in order to get more detailed information. The purpose of this method is to receive thorough descriptions and it is very useful when you do not know much of the phenomenon, or very small amounts of researches have already been done, as in the case of Educational Centre.

Although the qualitative approach does not give any foundation, which can be used as a generalization for results. The purpose of the research is to get

more thorough knowledge and understanding how Educational Centers in six countries , the qualitative approach will be used with a deductive approach. Six branch managers in six countries will be interviewed.

The selective selection of the interviews has been on the purpose of getting in contact with people that have great insight on how things work in an Educational Centre.

So the analysis of the Qualitative approach will consist:

Type of Data: Qualitative data, text sections which illustrate theoretical variables or categories

Flexibility: Big

Data and analysis: Interpret , in consecutive order and integrated with data collection

Use beyond the concrete examination: Transferability

All the interviews were intended to be filled in an sent back by email but in the end we had to Skype called and filled in with the answers.

- What is culture?

Culture is a set of basic values, perceptions, wants and behaviors, related to achievement and success, activity and involvement, efficiency and practicality, progress, comfort, individualism, freedom, humanitarianism, youthfulness, fitness and health. Culture is the most basic cause of a

person's wants and behavior, learned by a member of the society from the family, his own life experience and other important institutions;

COMPANY CULTURE? Organizational Culture: is the set of values, norms, standards of behavior, and common expectations that control the ways individuals and groups in an organization interact with each other and work together to achieve the organizational goals.

- The History of Educational Centers

The Educational Centers were first opened in Rumania and Bulgaria in 1992 (at that time known as Oxford Centers) providing the exclusivity of Oxford University Press in both ELT and Academic publications. Mr. Petros Papasarantoupoulos is their owner.

Later on in 1994 they opened the offices in Serbia, Montenegro, Albania and Moldova.

The business has increased rapidly by the novelty it offered in six countries which before 1990 were all isolated to foreign publishing's and were eager to leering foreign languages which was totally forbidden in communist times.

In the coming years the business was going to expand to more than just an International Bookshop. It was going to Provide International Exams and International Qualifications for Teachers which was so much needed in order to meet the international standards.

- The Vision of Educational Centers

Expand and the success of the business was due to a vision which Educational Centre followed: BETTER BOOKS, BETTER SERVICES. This was the philosophy everybody had to be focused how to be better.

- The Educational Centre Organization

The company has such a flat structure. The Central Office is in Thessaloniki Greece and the branches are in the below countries directly depending on the Main office Thessaloniki: Educational Centre Albania

Educational Centre Bulgaria

Educational Centre Rumania

Educational Centre Serbia

Educational Centre Montenegro

Educational Centre Moldova

- Results and Analysis

It is important in analyzing the central office and the inspiration that this central office located in Thessaloniki is transmitting to its subordinate, Managers in six countries.

Out of the questionnaire that is Appendix 1 at the end of this research paper resulted that , The global manager was a skilled one and he almost always took care of all the skills he is required to have in order to be successful. He paid too much attention of the regional differences in terms of subordinate and much more attention in terms of suppliers in international cultures.

Attention was paid to his subordinates in terms of respect and always asked for the best possible to include all his managers in setting strategies and being involved in team decisions. So ethical values that they should respect in the company were central to the CEO of Educational Centers .

- Business Culture

Due to the fact that almost all of these countries were mainly coming out of the Communism effects in the 1990s they were relatively quiet new to business culture. While people in Greece, from antiquity, have been quite skilled with business and trade. A new culture was imposed to these people in the all these countries. They were more than open to a new business and especially focused in Foreign Literature. But there was needed a knowhow to settle it in a conservative market. The imposed culture in all these countries has been almost similar but being adapted in the way it could have been most successful. The results given in this table are coming as an analysis of the questionnaire given to the Managers in all these countries, revealed in the Appendix 2 in the end. In the analysis you will see that there are some slight changes between management in some countries due to the slight cultural differences.

The Analysis

Decision Making	Values in Company	Recruitment In the Company
Education Flat al Centre company	Honesty, Respect	Mainly focused on

and not too much hierarchy to be felt . First name basis inside company

Slight Differences in the way decisions are taken according to Education countries slight changes. Warm relationships and first name basis communication.

Albania

Education, Abilities and Skills

Responsible

Education, Experience

are very important , Skilled and Emotional Stable

Education Always taken into Work Responsible Education, Experience

consideration
in the
opinion of
managers
and
decision
made as the
most
appropriate
to all countries. e, Honest, Respected and Skills

But
differently
adopted in
each
country.
First name
basis
communication.
on.

Education From Respectful Qualifications meet
al Centre Management and
Montenegro always and Trusted the
ro directly requirements
communicate ts of the

ed. Flat
 structure
 inside
 company position,
 and no title Honesty
 given only
 first name
 basis.

Easily taken
 and fastly

Education communicat Modern , Education
 al Centre ed. First Challengin and
 Moldova name basis g, Reliable Honesty
 communicati
 on.

Education No high Respectful, Qualificatio
 al Centre hirearchy in Reliable n,
 Bulgaria decission and Experience
 making. Modern and Skills

Best option
 to choose
 and free to
 contribute
 with ideas.

The first
name basis
communication
is also
present.

In all these countries as we may see there are a lot of similarities. First of all the structure is flat and the people are freely invited to talk to local managers and express their opinions. Every company uses first name based communications, which makes the atmosphere more warm and human based. The employee seems to be trusted only 10% turnover seems to be present in some countries, which means that people feel comfortable and happy to work for the company. The company pays attention to the workers by organizing trips and meetings which helps so much in building the team spirit.

An important impact from the analysis is also the values inside the company. People from the selection phase before entering the job are requested to be honest, responsible, loyal which are important in building a team spirit inside the companies.

Although may be slight changes in the order and qualities requested as the most important in a company. But they all are important and they all respect an inspired top management atmosphere.

- Cross Cultural differences

There may be seen slight changes in the way people from these different countries see their colleagues in the other countries concerning the way they express their emotions. Some countries are more open than the others, but what is important is that they all pay attention in respecting their colleagues in other countries. We may also have to take into consideration if these is all the work of them or is an inspired leader to dictate their way?

If we base our self at Appendix 1 analysis we will see that the figure of the Top Management shows how much are taken in to consideration the differences between cultures before making a decision and all the skills required to be a good manager in a cross cultural environment. Being a successful manager means:

- Gather information information about other cultures
- Have an open-minded approach to different cultures and values
- Show cultural differences and make the others aware of them and understand and gain valid experiences from them
- Learn from other cultural experiences and train people to attend cross cultural training and sessions

All the above points are some of the most important noticed at the Educational Centre Top Management characteristics, which make him a skilled Global Manager.

Results

The noticeable result out of the research was that between Educational Centers in these countries tried hard to keep a unique culture, norms and

values. The way that this is shown is that in every Educational Centre, everyone is participating in team building activities.

The way they are all coping with cultural differences is very inspiring; it may seem somehow restricted to the Top management way. It is how they are working on preserving their own values and norms that are remarkable.

From the very first day as an employee you will feel the culture and values within the institution, if you are not in tune with them they will be enforced upon you. So a newcomer will by rule follow the company trainings and then the sister companies trainings until being part of a trained team. The managers also participate in routine checkups to ensure that the staff is living by these norms, the staff answers questions regarding if the managers are working by them as well. You could say that Educational Centre does not fail on the aspect of taking in mind other countries' cultures. They know about the different cultures in the countries where they enter, in order not to offend anyone. But they go on by imposing a similar culture. It is almost impossible for Educational Centers to offer what market offers, they have to be unique in what offer and their concept – it has been a winning concept so far.

The main concerns for these companies, such as Educational centers, are to make sure they have strong culture on their own. They should have clear values and norms and this should be diffused throughout the entire organization. It is also necessary that everyone feels comfortable making their voice heard working in an environment with differences in cultures.

If they would not be so open in the organization and having such a flat hierarchy there probably would be a lot more complications.

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