

CROSS-CULTURAL COMPARISON OF HOFSTEDE'S DIMENSIONS AND DECISION-MAKING STYLE WITHIN CEE CONTEXT

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ABSTRACT:

The position of three Central European countries (Croatia, Bosnia & Herzegovina and Slovenia) on Hofstede's dimensions of national culture is estimated on the basis of matched samples of graduate students. The findings show that there are some important similarities and differences in value orientation among countries that shared the same political and economic context. In spite of very small geographical distance and the fact that these countries used to be federal units of the same state – former Yugoslavia, there are evidential cultural differences articulated through specific positions within each dimension. The authors used VSM 94 questionnaire consisting of five dimensions of national culture (power distance, uncertainty avoidance, masculinity/femininity, individualism/collectivism and long-term/short-term orientation) and added analysis of decision-making style (autocratic, pseudo-consultative, consultative, participative, pseudo-participative and delegatory style). In addition, the paper focuses on exploring cultural differences in decision style and the role of dimensions of national culture as predictors of decision-making style. Furthermore, the aim is to identify differences in decision style in terms of practiced style, preferred style or judgment about the most effective style in Croatia, Bosnia & Herzegovina and Slovenia. The differences in value orientation and those in decision-making style cannot be neglected as they may influence future business cooperation and politico-economic integration, so the paper proposes inputs for future arrangements and their success within CEE context.

1. INTRODUCTION

In the context of globalization process and the growth of economical interdependence between countries, national culture is becoming more and more important. P. Drucker (1992) uses the best and the most concise way to express the cultural impact on management, with the statement that *what* managers do is the same in the whole world, but *how* they do it can be entirely different. Since management is dealing with the integration of people in some form of joint venture, it is deeply ingrained in the culture. To succeed in the new economy, it is essential to have knowledge of other cultures and behavior in their organizations. At the beginning of 21st century, cultural values make an impact on the types of organizations that

emerge, behavior that takes place in them, ways and directions they change and the techniques to manage them (Francesco and Gold, 2005).

Understanding culture can equip person for the challenges of contemporary international business even within the national context. Nevertheless, recognizing the importance of cultural differences helps managers understand their international partners and competitors and ultimately helps to improve their managerial skills. Models of culture provide a framework for understanding behavior encountered in business situations that initially appear odd, mysterious or difficult to understand. As business becomes more international and global, sophisticated models for understanding cultures become a necessity. National culture affects, to the certain extent, much of management and organizational behavior (Francesco and Gold, 2005).

The objective of this research was to identify the cultural distinction between Croatia, Slovenia and Bosnia and Herzegovina using the methodology introduced by G. Hofstede. Countries positioning by the dimensions of power distance, uncertainty avoidance, individualism/collectivism, masculinity/femininity and long versus short-term orientation do not expose all differences among cultures or countries, but do sum up the greater part. These dimensions representing cultural differences empirically have confirmed in many occasions that they are related with numerous aspects from the management and organizational domain. The additional interest of this research is to determine cultural differences in decision-making style. Decision-making process depends on cultural background and choice of “the right way” - decision-making style is dependent on values and beliefs of people involved into the decision-making process.

According to Kumar and Yauger (1995) empirical research in cultural differences in decision-making style are marginalized in comparison to other aspects within management research. So, those were the arguments for identifying cultural differences in decision-making style. Also, the cooperation between analyzed countries and the EU expansion steps up the possibility of the political and economic cooperation with other countries. Considering the fact that Western managers often neglect cultural differences present in CEE context, the objective of this research was to point out the cultural similarities and differences between Croatia, Slovenia and Bosnia and Herzegovina as well as similarities and differences in decision-making style.

2. THEORETICAL FRAMEWORK

2.1. Hofstede’s dimensions of national culture

Management’s practices suited for one cultural environment may bring about undesirable consequences in another. To avoid such problems modern managers have to understand the core concept of the culture. Kroeber and Kluckholm (1952) offered one of the best definitions: “Culture consists of patterns, explicit and implicit of and for behavior acquired and transmitted by symbols, constituting achievement of human groups, including their embodiment in artifacts; the essential core of culture consists of traditional (historically derived and selected) ideas and especially their attached values...shared by almost all members of some social group...”. Managers frequently view culture as G. Hofstede (2001) defined it - “the collective programming of the mind which distinguishes the member of one group or category of people from another”.

Besides G. Hofstede, C. M. Hampden-Turner, F. Trompenaars, R. J. House etc. also participated in better understanding and accepting national culture as a prerequisite for the comparison of national and international business, but G. Hofstede's major contribution on cross-cultural management and other researcher fields on the global level is unquestionable.

In order to gauge the impact of differences in national culture on management, G. Hofstede carried out a cross-cultural study in 50 countries and 3 regions.¹ Since modern cultures are too complex and subculturally heterogeneous, the strategy used in original research (and also in this paper) was a narrow-sample strategy based on comparison of the similar subcultures in different countries. The quality of matching narrow samples often can only be proved *ex post facto*: If the differences we find between cultures in one sample set, are confirmed by those found by others in other matched samples, our matching was adequate (Hofstede, 1980).

Table 1. Strategies for comparative multisociety studies

	Focus on similarities between societies	Focus on differences between societies
Concerned with micro-level variables within societies (<i>culture as black box</i>)	PROVE UNIVERSALITY OF MICRO-LEVEL LAWS	ILLUSTRATE UNIQUENESS OF EACH SOCIETY
Concerned with ecological variables between societies (<i>culture specified</i>)	DETERMINE TYPES OF SUBSETS OF SOCIETIES	DETERMINE DIMENSIONS OF SOCIETIES AND MACRO-LEVEL LAWS

Source: Hofstede, G. (1980), „Culture's Consequences: International Differences in Work-Related Values“, Abridged Edition, Sage Publications, Beverly Hills, CA., pp. 35.

Table 1. presents research strategies for comparative multisociety studies. The distinction between the focus on similarities and the focus on differences can be fruitfully combined with distinction between levels of analysis. In order to identify the basic difference between national cultures, G. Hofstede discovered four such dimensions – power distance, uncertainty avoidance, individualism – collectivism, masculinity – femininity. These were later extended by a fifth, called long-term versus short-term orientation. Each dimension represents a different continuum, so that each country can be rated from high to low and placed somewhere along each one, and not just at the ends.

Power distance dimension measures “the extent to which less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally” (Hofstede, 2001). Is the supervisor right because he/she is supervisor (high/large power distance) or only when the supervisor knows the correct answer (low/small power distance)? Do employees do their work in the particular way because their supervisor wants it in that way (significantly high/large power distance) or because they believe that it is the best way to do so (significantly low/small power distance)? Individuals in large power distance countries like Venezuela, Brazil and France etc. accept the inequality of power in their society while Austria, Denmark, USA, Scandinavian countries represent the opposite pole of power distance dimension (Hofstede, 2001).

¹ The research was conducted in two phases: 1) in period 1967-1969. with more than 60,000 respondents, employees in multinational company IBM in 53 countries and 2) in period 1971-1973. with changed questionnaire, also with more than 60,000 respondents, employees in multinational company IBM in 71 countries.

Uncertainty avoidance dimension measures “the extent to which the members of a culture feel threatened by uncertain and unknown situations” (Hofstede, 2001). UAI indicates the extent to which a society feels threatened by ambiguous situations and the extent to which a society tries to avoid these situations by adopting strict codes of behavior, a belief in the absolute truths, establishing formal rules, and not tolerating deviant ideas and actions. Individuals with high uncertainty avoidance are concerned with security in life, feel a greater need for consensus and written rules, less likely to take risks while individuals in low uncertainty avoidance societies are less concerned with security, rules and they are more risk tolerant (Hofstede, 1980). Lifetime employment is more common in high/strong uncertainty avoidance societies such as Greece, Portugal, Japan etc. whereas high job mobility more commonly occurs in low/weak uncertainty avoidance societies such as USA, Great Britain, and Ireland etc. (Hofstede, 2001).

Individualism/collectivism is the third dimension where according to G. Hofstede, individualism stands for “a society in which the ties between individuals are loose – everybody is expected to look after him/herself and his/her immediate family only” while collectivism stands for “a society in which people from birth onwards are integrated into strong, cohesive in-groups, which throughout people’s lifetime continue to protect them in exchange for unquestioning loyalty” (Hofstede, 2001). Individualists value personal independence, pleasure, individual expression and personal time and collectivists value reciprocation of favours, a sense of belonging and respect for tradition. Individualistic societies like USA, Australia, and Canada etc. believe that democracy should ideally be shared by all, which is hard to understand in collectivistic societies like Indonesia, Pakistan, and Chile etc. (Hofstede, 2001). Collectivistic countries control their members more through external social pressure-shame, while individualistic control members more through internal pressure-guilt.

Masculinity/femininity represents the fourth dimension where masculinity stands for a society in which social gender roles are clearly distinct: men are supposed to be assertive, tough and focused on material success, women are supposed to be modest, tender, and concerned with the quality of life while femininity stands for a society in which social gender roles overlap: both men and women are supposed to be modest, tender and concerned with the quality of life (Hofstede, 2001). Masculine individuals’ preferences are achievement, heroism, and material success in contrast to feminine individuals who determine achievement in terms of close human relationships and quality of life. Representative masculine countries are Japan, Italy, Mexico, and the opposite pole, feminine societies are Scandinavian countries etc. (Hofstede, 2001).

These four national culture’s dimensions were later extended by the fifth, which wasn’t part of original Hofstede’s study and is called **long-term versus short-term orientation** - originally, called Confucian dynamism (Hofstede and Bond, 1984). “Long-term orientation stands for the fostering of virtues oriented towards future rewards, in particular, perseverance and thrift. Short-term stands for the fostering of virtues related to the past and present, in particular, respect for tradition, preservation of face and fulfilling social obligations” (Hofstede and Hofstede, 2005). The highest scoring countries on this factor are China, Japan, and Brazil etc. while USA, Canada and Great Britain are typical short-term orientated countries etc. (Hofstede, 2001). These dimensions together cannot be assumed to exhaust the universe of difference between national cultures, but they have substantial face-validity and have been empirically demonstrated to many aspects of management and organizations. In the view of the attractive characteristics of Hofstede’s indices it is not surprising that researchers

have tried to go beyond the existing database in order to be able to use Hofstede's dimensions also in studying other countries which are not in the original database. The figures in table 2. are dimensions' estimations done by G. Hofstede in 1991. for Croatia, Slovenia and Serbia. The calculation was based on original data for Yugoslavia from 1971. The purpose of this paper is to determine (accept or reject) rank between Croatia, Slovenia and for the first time to determine dimensions for Bosnia and Herzegovina, also in addition, to calculate the fifth dimension, long-term vs. short-term orientation for these countries.

Table 2. The projected positions of Croatia, Slovenia and Serbia on four dimensions based on original results for ex Yugoslavia, calculation done in by G. Hofstede, 1991.

	PDI (<i>power distance index</i>)	UAI (<i>uncertainty avoidance index</i>)	IDV (<i>individualism index</i>)	MAS (<i>masculinity index</i>)
CROATIA	71	80	33	40
SLOVENIA	73	88	27	19
SERBIA	86	92	25	43
EX YUGOSLAVIA	76	88	27	21

Source: Hofstede, G. (2001), „Culture's Consequences: Comparing Values, Behaviours, Institutions and Organizations Across Nations“, Second Edition, Sage Publications, Thousand Oaks, CA, pp. 45-46, 501.

2.2. Decision-making style in cultural context

In addition to determining Hofstede's dimensions for Croatia, Slovenia and Bosnia and Herzegovina, the focal aspiration of the research is to see the differences in their decision-making styles. Unlike other aspects of management and organization which were in numerous occasions analyzed in connection to cultural context and Hofstede's dimensions, for decision-making style this is not the case. A. Rowe and J. Boulgarides (1983) suggest that decision style approach is a useful means for understanding managers, their decision making, their problem solving, and their ability to interact with others in the organization. However, Kumar and Yauger (1995) argue that there is a paucity of research on the effect of cultural diversity on decision making. Furthermore, Tayeb (1995) argues that there is a need to study the influence of both national and organizational culture on management system. Sikavica (1999) defines decision-making styles as a subsystem within leadership styles. Taylor, Tannerbaum and Schmidt were pioneers in academic discussions on decision-making styles although these were also closely connected to leadership styles. With Simon and some other authors, 1960s were characterized as the years of revolutionary turnaround towards decision-making and decisions. In general, researchers and practitioners have a universal agreement on the definition of decision-making styles but not also on types of decision-making styles. Commonly, classifications of decision-making styles within management literature are, as a rule, based on continuum between autocracy and democracy with difference in detail specifications of types between autocracy and democracy as the opposite poles of the same continuum. V. Vroom and P. Yetton, F. Muna, A. J. Ali, P. L. Hunsaker, J. S. Hunsaker etc. defined different typologies of decision-making styles. A. J. Ali's typology, which includes six decision-making styles, was used for this empirical research. The statements presented in the table 3. represent six alternatives in decision-making style.

Table 3. A. J. Ali's typology of decision-making styles

	TYPE	DEFINITION OF DECISION-MAKING STYLE
1.	AUTOCRATIC	Most often, I solve the problem or make my decision using information available without consulting my subordinate(s).
2.	PSEUDO-CONSULTATIVE	Most often, I consult with my subordinate(s), but that does not mean that I give consideration to his/their ideas and suggestions.
3.	CONSULTATIVE	Most often, I have prior consultation with subordinate(s). Then I make decisions that may or may not reflect my subordinates' influence.
4.	PARTICIPATIVE	Most often, I share and analyze problems with my subordinate(s) as a group, evaluate alternatives, and come to a majority decision.
5.	PSEUDO-PARTICIPATIVE	Most often, I share and analyze problems with my subordinate(s) as a group, evaluate alternatives to determine the right decision, but I inform them in advance of what I think is the right one, and then come to decision vote.
6.	DELEGATORY	Most often, I ask my subordinate(s) to make decisions on his/their own.

Source: Ali, A. J. (1993), „Decision-Making Style, Individualism, and Attitudes toward Risk of Arab Executives“, International Studies of Management and Organization, Vol. 23, No. 3, pp. 56-57.

The leading assumption of this paper is following: the decision-making is culturally contingent, that is, the ways in which the “best way” depends on the values, beliefs, attitudes and behavioral patterns of the people involved. Therefore, cultural contingency becomes one more contingency in the fit-models of decision making. At each step in decision-making, as illustrated in the table 4., culture influences the ways managers and others make decisions and solve problems.

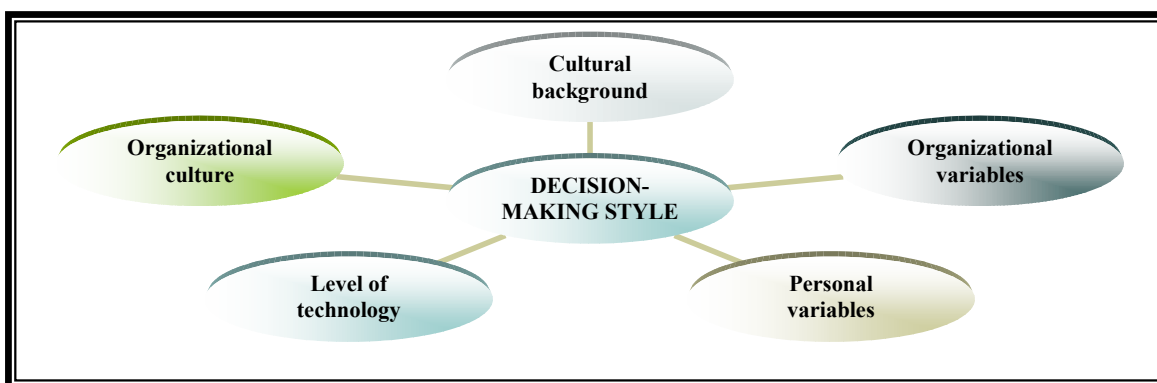
Table 4. The Cultural Contingencies of Decision-making

Five Steps in Decision-making	Cultural Variations	
1. Problem Recognition	<i>Problem Solving</i> Situation should be changed.	<i>Situation Acceptance</i> Some situations should be accepted rather than changed.
2. Information Search	<i>Gathering “Facts”</i>	<i>Gathering ideas and possibilities</i>
3. Construction of Alternatives	<i>New, future-oriented alternatives</i> Adults can learn and change.	<i>Past-, present-, future-oriented alternatives</i> Adults cannot change substantially
4. Choice	<i>Individual decision-making</i> Decision-making responsibility is delegated. Decisions are made quickly. Decision rule: Is it true or false?	<i>Group decision-making</i> Only senior management makes decisions. Decisions are made slowly. Decision rule: Is it good or bad?
5. Implementation	<i>Slow</i> Managed from the top. Responsibility of one person.	<i>Fast</i> Involves participation pf all level. Responsibility of group.

Source: Adler, N. (1991): *International Dimensions of Organizational Behavior*, Second Edition, Wadsworth Publishing Company, CA, pp. 163.

Figure 1. illustrates different variables that influence the adoption of certain decision-making style. Cultural background is the variable whose influence on decision-making style will be the area under discussion in this paper.

Figure 1. Model of the variables influencing decision-making style



Source: Yousef, D. A. (1998), „Predictors of decision-making styles in a non-western country“, *Leadership & Organization Development Journal*, Vol. 19, No. 7, pp. 368.

Many empirical studies (Ali, 1989; Tayeb, 1988; Mann et al., 1998; etc.) have confirmed the role of cultural background in the choice of a decision-making style.

N. J. Adler (1991) emphasizes the role of national culture by saying that decision-making style must be attached to the corresponding national culture, values and norms. Since, modern business conditions result very often in situations in which we have to make complex decisions with long-term consequences, and it is understandable that complex decisions are beyond all other, consequence of social and cultural values that are installed in every individual. Therefore, social and cultural values determine decisions and decision-making style and this conclusion will be tested through X^2 test analysis between Hofstede's dimensions and decision-making style.

3. METHODOLOGICAL ISSUES AND INTERPRETATION OF FINDINGS

3.1. Methodology - Questionnaire design and characteristics of sample

The instrument used in the study was the Value Survey Module 1994 (VSM 1994).² This instrument is a revision of an earlier questionnaire based on the questions used in the original Hofstede's research. VSM 94 was defined by the Institute for Research on Intercultural Cooperation (IRIC) and developed for the purpose of recurrence of the original research on national culture's dimensions and for comparison with results of original research. The instrument also included items to measure the fifth dimension, long-term versus short-term orientation.

The items presented in table 3. were used to identify decision-making style. The decision-making style was analyzed in following four aspects:

- a. the most preferred decision-making style;
- b. practiced decision-making style;
- c. the most effective decision-making style;
- d. decision-making style used by immediate supervisor.

² <http://feweb.uvt.nl/center/hofstede/VSM.html>

Table 5. Sample description

		CROATIA number of respondents (%)	SLOVENIA number of respondents (%)	BOSNIA AND HERZEGOVINA number of respondents (%)
GENDER	male	40 (59%)	16 (53%)	7(23%)
	female	28 (41%)	14 (47%)	23 (77%)
AGE	under 25 years	10 (15%)	-	9 (30%)
	between 25-30 years	31 (46%)	28 (93%)	11 (37%)
	between 31-40 years	22 (32%)	2 (7%)	9 (30%)
	between 41-50 years	5 (7%)	-	1 (3%)
	more than 50 years	-	-	-
EDUCATION LEVEL	B. Sc., B.A.	64 (94%)	3 (10%)	30 (100%)
	M. Sc.	4 (6%)	26 (87%)	-
	PhD	-	1 (3%)	-
	other	-	-	-
WORK POSITION	non-managerial position	29 (42%)	16 (54%)	17 (57%)
	lower level management (Supervisor, Office Manager, etc.)	19 (28%)	7 (23%)	1 (3%)
	middle level management (Division Manager, Plant Manager, Department Manager, etc.)	13 (19%)	2 (7%)	5 (17%)
	top management (President, Vice-president, Board of Directors, CEO, COO, etc.)	4(6%)	1 (3%)	3 (10%)
	others	3 (5%)	4 (13%)	4 (13%)
TOTAL		68	30	30

Source: authors

The cross-cultural research strategy used in this study was a narrow-sample strategy which is based on comparison of the similar subcultures in different countries. The intention is to maximally reduce the variance of data including age, sex, education, occupation and hierarchy level so that remaining differences can be assigned to the national/cultural differences. Therefore, the respondents in all three countries (Croatia, Slovenia and Bosnia and Herzegovina) were graduate and doctoral students in the field of business and economics. Total sample size was 128 with 68 Croats, 30 Slovenians and 30 Bosnians and characteristics of this sample are presented in table 5.

3.2. Results and discussion

3.2.1. Interpretation of national culture's dimensions for Croatia, Slovenia and Bosnia and Herzegovina

The findings show that there are some important similarities and differences in value orientation among countries that shared the same political and economic context. In spite of very small geographical distance and the fact that these countries used to be federal units of the same state – former Yugoslavia, there are evidential cultural differences articulated through specific positions within each dimension.

As the respondents are not fully representative of the population of their countries, the positions on culture dimensions found can only be approximations of the positions of the population. However, the strategy of matched samples may be expected to yield accurate estimates of the differences between the countries studied. Furthermore, it is important to stress that dimensions' figures calculated and also calibrated can be interpreted only in sense of relative position of one country towards another, but not in absolute quantitative figures. Moreover, absolute quantitative figures for particular dimension and country are insignificant given that valid interpretation demands for a number of countries, calibration and vigilant construal.

The positions of Croatia, Slovenia and Bosnia and Herzegovina on national culture's dimensions are presented in table 6. Scores are calculated based on Hofstede's directions (2001) and in "uncalibrated" form are not comparable and interpretative. In this form, the findings are not directly comparable to those of Hofstede (2001) since the composition of the sample is very different from the IBM employees in Hofstede's study and only possible interpretation is related to the positions of Croatia, Slovenia and Bosnia and Herzegovina, relative to one another. However, these scores tell us little about the positions relative to 50 other countries in original database.

Table 6. (Uncalibrated) positions of the countries on five dimensions of culture

	CROATIA	SLOVENIA	BOSNIA & HERZEGOVINA
Power distance index (PDI)	34, 08	31,95	38,66
Uncertainty avoidance index (UAI)	22,95	53,13	28,66
Individualism/collectivism index (IDV)	112,42	98,99	111,85
Masculinity/femininity index (MAS)	51,62	47,31	43
Long-term/short-term orientation index (LTO)	45,97	59,34	45,33

Source: authors

In order to attain this comparability, the scores were calibrated by applying the procedures explained and used in the work of Kolman, Noorderhaven, Hofstede and Dienes (2003) and Nasierowski and Mikula (1998). Calibrated positions of the countries presented in table 7. indicate that Croatia has the highest scores for individualism and masculinity, Slovenia for uncertainty avoidance and long-term orientation and Bosnia and Herzegovina for power distance.

Projected values on dimensions of culture done by Hofstede (in table 2.) are confirmed in the presented research. Calculated positions on each dimension confirm the same ranking for Croatia and Slovenia.

Table 7. Calibrated positions of the countries on five dimensions of culture

	CROATIA	SLOVENIA	BOSNIA & HERZEGOVINA
Power distance index (PDI)	36,2	34,07	40,78
Uncertainty avoidance index (UAI)	57,68	87,86	63,39
Individualism/collectivism index (IDV)	73,92	60,49	73,35
Masculinity/femininity index (MAS)	91,62	87,31	83
Long-term/short-term orientation index (LTO)	30,37	43,74	29,73

Source: authors

The research confirms the global trend of decreasing **power distance** given that all three countries' positions on power distance showed relatively smaller power distance. Smaller power distances represent the non-acceptance of social inequalities and bigger need for the individual social independence. The strongest **uncertainty avoidance** exists in Slovenia, followed by Bosnia and Herzegovina and the weakest uncertainty avoidance is attributing Croatia. Relatively strong uncertainty avoidance in these countries can be associated with the communism regime legacy. Uncertainty avoidance itself represents intolerance for the unknown and different, which can be connected with traditionalism and nationalism, and even xenophobia. G. Hofstede (2001) reminds that "young democracies" are characterized with strong uncertainty avoidance, and the research confirmed this. Results on **individualism/collectivism** dimension point out the significant movement towards the individualism, and this confirms G. Hofstede's assumption about the convergence and global movement towards the individualism. **Masculinity/femininity** dimension for Croatia and Slovenia confirms that these cultures are dominated by "masculine" values, hence they give a bigger meaning to assertiveness, competitiveness, success, recognitions, accomplishments and challenges, and less significant values are cooperation, life quality, care for others, so called "feminine" values. For Bosnia and Herzegovina a domination of masculine values is minor and partial explanation could be linked to the proportion of women in the sample (see table 5). Additionally, it is important to notice that Croatia, Slovenia and Bosnia and Herzegovina are

characterized by the importance of the tradition, conservatism and the importance of religion, which are, according to Hofstede (2001) basic determinations of the “masculine” societies. Values for the fifth dimension, **long-term/short-term orientation** dimension, don’t represent acceptance or rejection of the original values, as for other dimensions, but are projected for the first time. Calculated position for Croatia and Bosnia and Herzegovina indicate domination of short-term orientation while for Slovenia this domination is slightly weaker. The general conclusion is that Croatia and Bosnia and Herzegovina are culturally more similar to each other than to Slovenia. If absolute differences in the country culture scores on all five dimensions are summed up, cultural distance between Croatia and Bosnia and Herzegovina appears to be trivial in comparison to the cultural distance between Slovenia and these two previously mentioned countries.

3.2.2. Interpretation of decision-making style for Croatia, Slovenia and Bosnia and Herzegovina

Decision-making styles were supplementary objective of the analysis with the aim to identify dominant style in Croatia, Slovenia and Bosnia and Herzegovina. The aim was to study differences or resemblances in employment of particular decision-making style in the following aspects: (1) the most preferred decision-making style; (2) practiced decision-making style; (3) the most effective decision-making style; and (4) decision-making style used by an immediate supervisor. Consultative style represents leading decision-making style in sense of preference and effectiveness for Croatia. Delegatory and autocratic styles aren’t recognized in preferences of Croatian respondents but totally opposite dominance is recognized for supervisors who do apply these styles. Croatian managers employ styles that are closer to the autocratic side of the decision-making style continuum (autocratic 20,9%, pseudo-consultative 34,3% and consultative 22,4%). On the contrary, respondents believe that their practiced decision-making styles are closer to the delegatory side (consultative 64,7%, participative 19,1% and pseudo-participative 10,3%). Another conclusion that resulted from this research is that, unlike to Slovenia and Bosnia and Herzegovina, Croatian managers use pseudo-participative in somewhat larger proportion (10,4%).

Table 8. Results on decision-making styles for Croatia

	CROATIA			
Decision-making styles	<i>the most preferred decision-making style</i>	<i>practiced decision-making style</i>	<i>the most effective decision-making style</i>	<i>decision-making style used by immediate supervisor</i>
Autocratic	-	1,5%	-	20,9%
Pseudo-consultative	3%	2,9%	4,4%	34,3%
Consultative	71%	64,7%	52,9%	22,4%
Participative	20%	19,1%	23,5%	6,0%
Pseudo- participative	6%	10,3%	5,9%	10,4%
Delegatory	-	1,5%	13,2%	6,0%
TOTAL	100%	100%	100%	100%

Source: authors

In sense of preference and effectiveness the foremost important decision-making style for Slovenia is participative style. Also indicative is the fact that consultative and pseudo-participative are next to participative decision-making style. Respondents from Slovenia do not recognize autocratic and delegatory style as the most effective styles.

Table 9. Results on decision-making styles for Slovenia

	SLOVENIA			
Decision-making styles	<i>the most preferred decision-making style</i>	<i>practiced decision-making style</i>	<i>the most effective decision-making style</i>	<i>decision-making style used by immediate supervisor</i>
Autocratic	7%	3,7%	-	7,1%
Pseudo-consultative	4%	-	6,9%	25,0%
Consultative	25%	29,6%	24,1%	35,7%
Participative	36%	44,4%	41,4%	21,4%
Pseudo- participative	25%	22,2%	27,6%	3,6%
Delegatory	4%	-	-	7,1%
TOTAL	100%	100%	100%	100%

Source: authors

The same conclusion as for Croatian managers, that employ styles closer to the autocratic side of the decision-making style continuum, can be reached for Slovenian managers (pseudo-consultative 25%, consultative 35,7% and participative 21,4%). In comparison to Croatia and Bosnia and Herzegovina autocratic style used by immediate supervisors is significantly in minor proportion in Slovenia.

Consultative style and participative styles are prevailing as preferred decision-making styles in Bosnia and Herzegovina. In context of effectiveness, consultative style differentiates from others with 38,5% although participative and pseudo-participative are also noticeably recognized as effective styles. Even though autocratic style is not preferred and is not considered to be effective, supervisors in Bosnia and Herzegovina use this style by 26,9%. Similar to Croatia and Slovenia, pseudo-consultative and consultative styles are dominantly used by managers in Bosnia and Herzegovina.

When comparing respondents from Slovenia and Bosnia and Herzegovina and their practiced decision-making styles, the following is also worth mentioning: for Slovenians participative style is prevailing and consultative is on the second place while for Bosnians the results are inverted.

Table 10. Results on decision-making styles for Bosnia and Herzegovina

	BOSNIA AND HERZEGOVINA			
Decision-making styles	<i>the most preferred decision-making style</i>	<i>practiced decision-making style</i>	<i>the most effective decision-making style</i>	<i>decision-making style used by immediate supervisor</i>
Autocratic	-	-	-	26,9%
Pseudo-consultative	8%	7,7%	3,8%	26,9%
Consultative	44%	50,0%	38,5%	34,6%
Participative	40%	34,6%	26,9%	3,8%
Pseudo- participative	8%	7,7%	19,2%	3,8%
Delegatory	-	-	11,5%	3,8%
TOTAL	100%	100%	100%	100%

Source: authors

3.2.3. Interpretation of connection between national culture's dimensions and decision-making style

X² test analysis was used to identify likelihood of connection between variables - Hofstede's dimensions and decision-making style. The recognition of the connection may be interpreted by the fact that national culture, cultural values and norms incorporated in national culture's dimensions and decision-making style are related. The confirmation was identified in three aspects: the most preferred decision-making style; the most effective decision-making style; and decision-making style used by an immediate supervisor.

Table 11. shows the results of X² test analysis, conducted in order to determine statistical connection between the most preferred decision-making style preferred and nationality and it is statistically significant with 1% probability (p-value = 0,005).

Table 11. X² test analysis - the most preferred decision-making style and nationality

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	39,676	20	,005
Likelihood Ratio	41,249	20	,003
Linear-by-Linear Association	2,727	1	,099
N of Valid Cases	128		

Source: authors

According to the results presented in table 12., the conclusion is following: with 1% probability, there is statistically significant connection between the most effective decision-making style and nationality (p-value = 0,000).

Effectiveness of particular decision-making style is a reflection of personal and cultural values, therefore it is not surprising the conclusion about statistically significant connection between the most effective decision-making style and nationality.

Table 12. X² test analysis - the most effective decision-making style and nationality

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	51,110	20	,000
Likelihood Ratio	46,554	20	,001
Linear-by-Linear Association	3,107	1	,078
N of Valid Cases	128		

Source: authors

Table 13. X² test analysis - decision-making style used by immediate supervisor and nationality

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	31,730	20	,046
Likelihood Ratio	32,083	20	,042
Linear-by-Linear Association	,501	1	,479
N of Valid Cases	128		

Source: authors

Connection between decision-making style used by immediate supervisor and nationality was also tested with X² test analysis. Results presented in table 13. confirm statistically significant connection with 5% probability (p-value = 0,046).

4. CONCLUSION

Contemporary businesses are characterized by political and social interactions among countries, by knowledge and technology transfer, and more and more influential competition. Numerous new business and management possibilities are created, but at the same time there is a danger of exposure to the impact of different national cultures, values and practices. Whether they are or are not active global market participants, managers must be aware of the crucial significance of the exterior and especially cultural environment and this was the intention of this research.

Due to the increased mobility in the global labor market and the internationalization of business, many organizations are confronted with business failures and difficulties due to the misunderstanding of cultural background, and not market conditions. Similarity misapprehension instead of understanding the differences is the reason for numerous business confusions and failures. This research and presented results might be of considerable value for academics and practitioners. From academic perspective it might increase understanding of the nature and the scope of the impact of numerous variables and in turn increase the understanding of management thinking, practices and styles across cultures.

Many similarities and differences in value orientation and decision-making style have been identified for Croatia, Slovenia and Bosnia and Herzegovina. Above-mentioned is extremely intriguing since these countries shared the same political and economic context for many decades but they have different tradition, religion etc. Listed conclusions may be helpful for

understanding managerial practice, sources and consequences of different management principles and practices in the analyzed countries.

Most of the past comparative cultural researches, including this research, use country as a surrogate for culture. In many cases there are numerous cultures within one country like in Bosnia and Herzegovina, this means that precise identification of the cultural differences, is not the same as country differences. So it may be worthwhile for future researches to be conducted on the level of ethnic groups. In addition, it would be interesting to conduct a "time-series"- based study on culture change in region and especially allowing for the examination of the impact of Western concepts on cultural values on transition economies.

Furthermore, recent studies have started to pay a great amount of attention to the personal cultural values and their importance for business and other types of individual behavior. A typical cultural values' study can sometimes lead to ignoring individual differences in cultural values and result in national-level stereotypes. Future research needs to measure cultural values at the individual level and try to assess connection between individual cultural values and decision-making.

Final conclusion of the research on differences and similarities in value orientation and those in decision-making style cannot be neglected as they may influence future business cooperation and politico-economic integration, so the paper stresses these aspects as crucial inputs for future arrangements and their success within CEE context.

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