SIGNIFICANCE OF DIFFERENCES AMONG NATIONAL CULTURES IN THE ENTERPRISE MANAGEMENT: A LITERATURE REVIEW WITH OBSERVATIONS ON UKRAINE

Tetiana Protsiuk, PhD, Associate Professor, Head Training Center for Public Authorities and International Cooperation Academy of Financial Monitoring, Ukraine

Ruslan Skrynkovskyy, PhD, Associate Professor Department of Business Economy and Information Technology Lviv University of Business and Law, Ukraine

Abstract
The purpose of the paper is to study the fundamental features of national cultures that influence the formation of interpersonal relationships within the enterprise, and, as a consequence, the effectiveness of managing the value of the enterprise in general. The methodology of the research is to apply methods of analysis, synthesis, comparison, generalization, as well as terminology, source study and system approaches. The scientific novelty of the obtained results consists in substantiating the theoretical positions and presenting practical recommendations for increasing the level of efficiency of the enterprise, formulated on the basis of the selection of the essential features and the significance of the differences between national cultures in the management of the enterprise, which are related to transaction costs and transaction benefits. It is established that: 1) there are significant differences among national cultures, based on the principles, values, systems of stereotypes, behavioral patterns and management activities, which characterize transaction costs from the complexity of conducting international negotiations to a certain degree; and 2) cross-cultural aspects of increasing the efficiency of enterprise management are related to transactional benefits from the mutual exchange of the implicit cultural knowledge, values, norms, experience, etc., in particular within the enterprise. The prospect of further research in this area is the formation of practical recommendations for the improvement of the system of partial diagnostic purposes of the enterprise's polycriterion economic diagnosis, taking into account the importance of differences between national cultures in the management of the enterprise.

Keywords: national culture, stereotypes, enterprise management, cross-cultural management, Ukraine

JEL Codes: M14, L2, Z1

Received: April 24, 2018
Revision: May 26, 2018
Accepted: June 4, 2018


Introduction
The practice of domestic enterprises functioning demonstrates that the success of each business entity depends on the ability to effectively manage the activities of staff. At the same time, much attention is focused on the mentality and national stereotypes of the staff, since the subsequent result of the activity of the enterprise itself depends in a certain way. And, given the fact that national stereotypes and mentality of each
employee have their own peculiarities, it is generally necessary for the manager to take them into account and take them into account when conducting administrative actions.

Significant contributions to the study of differences among national cultures in the management of the enterprise were made by such scholars as Bakayeva (2012), Bliznyuk (2012), Bulgarina (2011), Gross-Gołacka (2018), Demianova (2016), Ischuk and Kudria (2016), Kakhovich (2011), Korzhenko (2009), Lifintsev (2015), Maystruk (2007), Petrushko (2009), Petrushenko (2009), Kischak and Shtepa (2013), Romanukh (2017), Kiklewicz (2011), and others. At the same time, paying tribute to the high level of scientific progress in this direction, it is worth to point out that today the attention to the issue of the importance of differences between the national cultures in the management of the enterprise is not sufficiently addressed.

**The Main Research Results**

Culture in the management system should be defined as a complex of scientific and theoretical concepts and ideas based on the principles of cultural studies (Bulgarina, 2011).

Based on the results of studies in (Bliznyuk, 2012), it is advisable to identify such levels of culture as national culture, business culture, corporate culture, professional culture.

An important feature of national culture is that it has its own system of values, in particular certain behavioral stereotypes, models and methods of management (Korzhenko, 2009).

The differences of national culture in the management of the enterprise are the following facts (Korzhenko, 2009): each national culture has its own specific national styles and corresponding management models; the basis of the management model depending on the national culture is the stereotype of behavior, traditions, values, as well as the historical peculiarities of the managerial processes in the state; the cultural and meta-peculiarities of a particular state are able to influence the peculiarities of management in different ways; and in the process of using foreign management experience in domestic management models, it is necessary, first of all, to implement their adaptation to the conditions of Ukrainian society.

According to Korzhenko (2009), the main features of the three world's leading models of governance: European, American and Japanese. Thus, the basis of the concept of a European model is the process of managing potential, American model is the process of management purposes, and Japanese - the process of management of the team. At the same time, the main principle of the European model is the improvement of the processes of using all available resources the American - the optimization of the organizational system, and the Japanese - the improvement of human relations, and has more formal relation (Korzhenko, 2009).

Studies show that the European model of governance has a collegial character in making managerial decisions, and the responsibility for their adoption lies with a narrow circle of responsible persons, and in the Japanese model, managerial decisions are taken collectively, and responsibility is also collective (Korzhenko, 2009).

The Japanese model of management is aimed at the human factor, because it involves the formation of skills to work with people. Thus, the main characteristic features of the Japanese national stereotypes are (Maystruk, 2007): 1) the system of trust and guarantee of employment of labor resources; 2) the information-based
management; 3) the management aimed at quality; 4) the value of the enterprise; 5) the presence of management (management) in the production process; and 6) observance of the principles of order and purity.

At the same time, the American model of management is guided by the principle of individualism, in which the leader is endowed with individual control, is individually responsible and has formal relations with employees (Maystruk, 2007).

Regarding the Chinese model of governance, it is aimed at long-term development of the enterprise, where the result, first of all, depends on the employee. The application of this model of management involves the formation of informal contacts between employees and management (Demianova, 2016).

On the basis of (Kakhovich, 2011) it was found that the national stereotypes of participants in these negotiations have a significant influence on conducting international negotiations between foreign economic actors.

In accordance with the above, the peculiarities of national stereotypes in terms of the impact on negotiations should be presented in Table 1.

### Table 1. Peculiarities of National Stereotypes in Terms of the Impact on Negotiations

<table>
<thead>
<tr>
<th>Type of the National Stereotype</th>
<th>Characteristics</th>
</tr>
</thead>
</table>
| American                      | 1. democracy;  
                             | 2. pragmatism;  
                             | 3. goal orientation;  
                             | 4. absence of a strict mode of observance of the algorithm of conduct and formalities of negotiations;  
                             | 5. focusing on specific problems with the discussion of small details;  
                             | 6. use of pressure in the process of coordinating management decisions;  
                             | 7. independence in making managerial decisions;  
                             | 8. interest in beneficial negotiations |
| English                       | 1. conservatism;  
                             | 2. impartiality in respect of the observance of rules and laws;  
                             | 3. taking into account the position of the opposite party;  
                             | 4. avoiding conflicts;  
                             | 5. ambiguity in the answers |
| German                        | 1. punctuality;  
                             | 2. desire for orderliness;  
                             | 3. early negotiation of negotiations;  
                             | 4. thorough preparation for negotiations;  
                             | 5. extortion of strict observance of the assigned duties;  
                             | 6. a consistent discussion of issues;  
                             | 7. thorough elaboration of their own positions;  
                             | 8. lack of humor in the negotiation process;  
                             | 9. long-term management decision-making;  
                             | 10. the immutability of the management decisions taken |
| French                        | 1. diplomacy;  
                             | 2. high level of etiquette;  
                             | 3. desire for perfection;  
                             | 4. restriction of autonomy in making managerial decisions;  
                             | 5. no compromise;  
                             | 6. propensity for conflict;  
                             | 7. avoiding official discussions;  
                             | 8. advantage of prior arrangements |
### Table 1. Peculiarities of National Stereotypes in Terms of the Impact on Negotiations (Continuation)

<table>
<thead>
<tr>
<th>Culture</th>
<th>Peculiarities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scandinavian</td>
<td>1. priority solution of the problems of social security of labor resources;</td>
</tr>
<tr>
<td></td>
<td>2. decentralization;</td>
</tr>
<tr>
<td></td>
<td>3. democracy;</td>
</tr>
<tr>
<td></td>
<td>4. long-term approval of managerial decisions;</td>
</tr>
<tr>
<td></td>
<td>5. encouragement of personnel initiatives in making managerial decisions;</td>
</tr>
<tr>
<td></td>
<td>6. delegation of authority and responsibility of the staff manager;</td>
</tr>
<tr>
<td></td>
<td>7. encouragement of personnel to cooperate;</td>
</tr>
<tr>
<td></td>
<td>8. high ethics of work;</td>
</tr>
<tr>
<td></td>
<td>9. high level of entrepreneurial culture</td>
</tr>
<tr>
<td>Arabic (stereotype of the Middle East countries)</td>
<td>1. observance of historical traditions;</td>
</tr>
<tr>
<td></td>
<td>2. prohibition of straightforward answers;</td>
</tr>
<tr>
<td></td>
<td>3. freedom of entrepreneurship;</td>
</tr>
<tr>
<td></td>
<td>4. freedom to conclude contracts;</td>
</tr>
<tr>
<td></td>
<td>5. justice;</td>
</tr>
<tr>
<td></td>
<td>6. legality;</td>
</tr>
<tr>
<td></td>
<td>7. charity and mercy;</td>
</tr>
<tr>
<td></td>
<td>8. establishing friendly relations with the negotiating partners;</td>
</tr>
<tr>
<td></td>
<td>9. absence of the corporate ethics regime;</td>
</tr>
<tr>
<td></td>
<td>10. absence of mechanisms for monitoring public authorities and senior</td>
</tr>
<tr>
<td></td>
<td>management in large companies</td>
</tr>
<tr>
<td>Chinese</td>
<td>1. attentiveness to the information and to the partner;</td>
</tr>
<tr>
<td></td>
<td>2. establishment of friendly informal relations;</td>
</tr>
<tr>
<td></td>
<td>3. clear separation and observance of the stages of the negotiation algorithm;</td>
</tr>
<tr>
<td></td>
<td>4. giving primacy to the opposite side of the negotiations in opening their</td>
</tr>
<tr>
<td></td>
<td>positions;</td>
</tr>
<tr>
<td></td>
<td>5. concession in the negotiations due to the prior assessment of opportunities of the opposite party;</td>
</tr>
<tr>
<td></td>
<td>6. presence of many diverse experts in the negotiations</td>
</tr>
<tr>
<td>Japanese</td>
<td>1. punctuality;</td>
</tr>
<tr>
<td></td>
<td>2. accuracy;</td>
</tr>
<tr>
<td></td>
<td>3. obligatory performance of duties;</td>
</tr>
<tr>
<td></td>
<td>4. slow pace of negotiations as an opportunity for a better knowledge of the partner;</td>
</tr>
<tr>
<td></td>
<td>5. studying the features of the partner;</td>
</tr>
<tr>
<td></td>
<td>6. compromise in reaching general agreement;</td>
</tr>
<tr>
<td></td>
<td>7. desire to avoid conflicts of interest</td>
</tr>
</tbody>
</table>


As to the cross-cultural peculiarities of national culture of Ukraine, the culture of collectivism prevails so far, where attention is concentrated on the problems of the development of social needs. Employees in such conditions are loyal to the leadership, but at the expense of certain loyalty in the form of protecting their team (Bliznyuk, 2012).

On the basis of the research carried out in a paper by Petrashko (2009), there are a number of such key features of the Ukrainian national-cultural identity, as:

1. the orientation of the culture of business operations on the relationship, that is, on people using the indirect method of establishing business relations with them;
2. the moderately monochromatic culture, the characteristic feature of which is relative punctuality;
3. the formal culture, the feature of which is only a hierarchical organization.
that reflects the differences in power and status; and

(4) the variously-expressive culture, manifestation of which is observed in the emotional features of interpersonal communication and relations of intermediate level of emotionality.

The harmonization of the actions among employees of different national stereotypes in the workplace to ensure the implementation of the tasks set by the management is the main goal of cross-cultural management. This kind of management allows controlling the cultural differences of employees, directing it to contemplate the cultural differences and the use of the culturally formed knowledge, skills and abilities (Petrushenko, 2009; Ischuk and Kudria, 2016).

There are a number of sound preconditions that involve the introduction of the concept of cross-cultural management at domestic enterprises, in particular this one (Lifintsev, 2015):

(1) the Ukraine's integration into the world, including the European business environment;
(2) the experience of operation of many foreign companies in the territory of our state;
(3) the development of foreign economic relations;
(4) the intensification of internal labor migration in the territory of our state;
(5) the attraction of investments by domestic enterprises at the expense of entering an IPO;
(6) the increase in the volume of foreign investment;
(7) the experience of foreign directors working in the territory of our state; and
(8) the high proportion of foreigners in the number of residents in the territory of our state.

Thus, the co-ordination among the employees of different national cultures can be achieved at the expense of:

(a) the combination of useful knowledge of employees by integrating them into work in multicultural groups in order to solve the tasks;
(b) the guaranteeing the development of procedural competence of employees in multicultural groups;
(c) the formation of conditions for obtaining the results of the tasks set at the expense of the corresponding cross-cultural technologies; and
(d) the support of an atmosphere of partnership in order to ensure interaction between cultures and voluntary association of knowledge (Petrushenko, 2009).

The main characteristic features of corporate culture in the enterprise, which is based on key postulates of cross-cultural management is (Lifintsev, 2015): respect and tolerance for different cultures; help in internal adaptation of employees; promotion of external adaptation of the enterprise; equal treatment of employees of different nationalities; appointment of managers with experience in multicultural groups; openness and readiness to work in global markets; mobility, innovation and dynamism; corporate social responsibility; effective linguistic and communication policy; result oriented; orientation towards team formation; and adherence to the rules of corporate ethics.

Cross-cultural training is one of the most effective ways to overcome cultural incompatibility between employees at the enterprise.

Such cross-cultural training should be aimed, first of all, at (Romanukh, 2017):
the ability to be responsible for the process of establishing communications; listening skills, while not making hasty decisions and judgments; ability to show respect for others; ability to be tolerant; and ability to be flexible.

In addition, knowledge of the specifics of the culture of these employees, their cultural stereotypes and behavior patterns will be useful in managing the work of employees in order to overcome cultural incompatibilities (Maystruk, 2007; Gross-Gołacka, 2018).

An important role in the process of cooperation with foreign partners is the multicultural competence of the company's staff. To ensure a high level of such features in the personnel of an enterprise, it is necessary to adhere to the following actions:

(1) to promote the formation of a professional system and social multicultural skills, knowledge and skills that will promote adequate actions in certain situations;

(2) to foster the knowledge about cultural features as well as the skills in communicating with representatives of other cultural stereotypes;

(3) to contribute to the formation of values and life guidance, which should govern the actions of staff in interaction with representatives of other cultural stereotypes;

(4) to contribute to the formation of their own style of action in the multicultural environment through free and creative development;

and (5) to facilitate the development of skills for the review and analysis, as well as self-control of their own actions in the multicultural environment.

In order to strengthen the integration of our state in the field of intercultural relations with other countries, it is proposed to create appropriate centers whose activities would be aimed at providing services (payable) on current problems of cross-cultural management (Petrushenko, 2008).

Conclusions
The results of the study showed the following:

(1) there are significant differences among national cultures, based on the principles, values, systems of stereotypes, behavioral patterns and management activities, which to a certain degree characterize transaction costs from the complexity of conducting international negotiations;

(2) cross-cultural aspects of increasing the efficiency of enterprise management are related to transactional benefits from the mutual exchange of implicit cultural knowledge, values, norms, experience, etc., in particular within the enterprise.

The prospect of further research in this area is the formation of practical recommendations for the improvement of the system of partial diagnostic purposes of the enterprise's polycriterion economic diagnosis, taking into account the importance of differences between national cultures in the management of the enterprise.

References

Business Inform, No. 11, pp. 259-263.


