

ATTITUDE OF CROATIAN EMPLOYEES TOWARDS CULTURAL DIFFERENCES IN INTERNATIONAL BUSINESS

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Abstract. The problem of cultural differences in international business has not been sufficiently researched in the Republic of Croatia, which after joining the European Union, has expanded its business with EU countries and other markets: Asian, African, American, and many others. For the theoretical part (secondary data), data sources were collected from the scientific and professional literature of domestic and foreign authors in entrepreneurship. Also, as a significant source of data, websites dealing with international business were used. In order to analyze the problem and the topic of the paper in more depth, the empirical part of the paper presents the result of the survey, which served as a basis for researching the topic of the paper. In addition to the survey, the paper also used interviewing, synthesis, induction, deduction, and logical interpretation. The main findings will help discover whether additional training is needed for Croatian employees in international business and the target audience is students and employees in international business.

Key words: international business, cultural differences, Croatia.

ОТНОШЕНИЕ ХОРВАТСКИХ СОТРУДНИКОВ К КУЛЬТУРНЫМ РАЗЛИЧИЯМ В МЕЖДУНАРОДНОМ БИЗНЕСЕ

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Аннотация. Проблема культурных различий в международном бизнесе недостаточно изучена в Республике Хорватия, которая после вступления в Европейский Союз расширила свой бизнес со странами ЕС и другими рынками: азиатским, Африканским, американским и многими другими. Для теоретической части (вторичные данные) были собраны источники данных из научной и профессиональной литературы отечественных и зарубежных авторов по предпринимательству. Кроме того, в качестве важного источника данных использовались веб-сайты, посвященные международному бизнесу. Для более глубокого анализа проблемы и темы статьи в эмпирической части статьи представлены результаты опроса, которые послужили основой для исследования темы статьи. В дополнение к опросу в статье также использовались интервьюирование, синтез, индукция,

дедукция и логическая интерпретация. Основные выводы помогут выяснить, требуется ли дополнительное обучение хорватским сотрудникам в международном бизнесе, а целевой аудиторией являются студенты и сотрудники международного бизнеса.

Ключевые слова: международный бизнес, культурные различия, Хорватия.

Introduction

According to the author Kotler (2006, p. 256), culture is fundamental values of perceptions, desires, and behaviors that a member of society has learned from family and other essential institutions. The process of globalization broadens horizons and encourages the active exchange of cultural elements by involving a large number of people from different cultural backgrounds. The survival of nation-states and cultures in a global society is the foundation of preserving the cultural identity of peoples. For this reason, it is essential intercultural thinking in the world we live in by getting to know other cultures and values to appreciate better and respect other peoples (Jagić and Vučetić, 2012, p. 23).

The research problems of this paper are cultural differences and business negotiation in international business. The focus is on companies that do business with foreign clients outside Europe, and the research will show how familiar their employees are with the culture and customs of business partners and how they negotiate and overcome communication barriers. Creating and developing successful communication is a very demanding task, and a daily flow of communication between employees and their business partners is necessary in order to create a positive work atmosphere and develop quality interpersonal relationships and a pleasant atmosphere in the work environment (Lamza Maronić and Glavaš, 2008, p. 19). The author Dobrijević (2017, p. 25), as an essential factor in business, cites cultural intelligence - the ability to adapt to a new cultural environment that reflects someone's ability to collect, interpret and respond to different signs from our natural environment in which we are and states that For business people, education in the field of cultural intelligence is necessary and should include all aspects of culture: economics, politics, government, religion and philosophy, symbols, social structures, cultural achievements, language, sports and food.

The objectives of this paper are as follows:

- To determine how familiar Croatian employees are with the cultural differences of the business partners they work with.
- Determine how to open Croatian employees are to learning about the different cultures they encounter in business life and explore how open they are to respecting cultural differences.
- Present how many Croatian employees have problems in communication and negotiations with business partners due to cultural differences.
- Form proposals for the development of cultural intelligence in employees.

Research question, methods of work, and research approach

In this paper, we deal with:

- By studying literature - Croatian and foreign literature.
- Survey with employees of Croatian companies doing business with foreign partners.
- We will process surveys in Excel via descriptive statistics.
- Interview with eight employees of Croatian companies doing business with foreign partners.

Given the topic of the paper, the main research question was:

1. How does the Republic of Croatia employees who do business with foreign partners relate to the cultural differences of the foreign partners with whom they cooperate?
2. Based on the main research question, we created the following specific research questions:
3. Do differences in verbal communication affect business?
4. Did any misinterpreted message sent to you cause a business problem?
5. Do differences in nonverbal communication affect business?
6. Have you found yourself in a situation where you have misinterpreted someone's nonverbal message?
7. Do different religious affiliations affect business?
8. In your opinion, do better people of the same religion cooperate?
9. Does the patriarchal upbringing of some countries affect business?
10. Have you encountered behaviors in which you felt discriminated against based on gender?
11. Does the age of employees affect the attitude towards cultural differences?

12. Do you find that younger people find it easier to adapt to communicate with colleagues from different cultures?
13. Does employee gender affect attitudes toward cultural differences?
14. Do you find it more accessible for women/men to adapt to communicating with colleagues from different cultures?

We surveyed companies located in Zagreb (Central Croatia). We conducted most of the surveys and interviews with the employees of Ericsson Nikola Tesla d.d. We sent a survey to potential multinational / Croatian companies (telecommunications, pharmaceuticals, ...).

We used basic statements and hypotheses in the paper. The primary claims are as follows:

1. Respect for cultural differences affects the quality of business
2. Prejudices against other peoples/religions affect quality business communication
3. Educating employees about the culture of other nations (developing cultural intelligence) helps employees achieve better business communication

We analyzed the essential claims based on the literature we used in the paper and employee interviews. This paper used an intentional sample (chain reaction sample) for the survey and interview. A chain reaction pattern is helpful if we know little about the group or organization we are researching because it allows us to arrive at the desired pattern on our own with a small number of initial contacts that direct us to other group members.

In this paper, we used primary data for analysis, obtained through surveys and interviews. As for the text within the paper, we used the literature of Croatian and foreign authors.

We collected data through a survey consisting of 15 structured and unstructured questions. The questions were specific. We avoided ambiguous and negative questions. We planned to survey 100 business people from an international company who work with foreign business partners. After collecting the data, we analyzed the data, formed graphs based on the obtained results, and confirmed/rejected the goals and hypotheses. The semi-structured interview consisted of 10 questions, and we extracted the essential items from the interviews.

Different cultures and their communication

Cultural diversity is manifested in eye contact, frequency of touch, offensive gestures, and territorial space. Within a particular culture, communication takes place in a much easier way to assume similarities in communication between states. Cultural behavior is adopted through the media, agreements, and traditions. They are not innate through genetics. In the last ten years, intercultural communication has been in increasing development caused by the globalization of the economy, immigration and emigration of people, the development of tourism, and the daily travel of people, business or private. An integral part of culture is formal and informal rules, patterns, interest, aspiration, value, belief, rules, knowledge, myth, and image, as well as economic, social, and technological factors that have a specific impact on a particular society (Vujić, Ivaniš, Bojić, 2016, page 183).

The study of intercultural communication provides people with coping in relationships with other people, expanding their references and a different experience of cultural characteristics and acceptance (Bedečković and Golub, 2011, p. 56). Today, more and more talk about culture and its values and the need to understand its differences. The main prerequisite for the company's survival in the market and its thriving business is knowledge of the culture of its associates. Also, management play a crucial role in defining the appropriate budget plans (Horvat et al., 2019). Management of a company must establish a good business process structure in order to achieve its business objectives (Horvat and Mojzer, 2019, p.11). The budget plan is the internal control in the planning of budget resources (Horvat, 2017, p.165). Also, it is necessary to establish a balance between different cultures and their segments. Interculturalism is based on the implication of relationships, interactions, exchanges, and perspectives characterized by encounters of individuals belonging to different cultures (Samovar, Porter, McDaniel, 2013, p. 264).

Possible obstacles in communication

A vital element of communication success in business lies in the highly developed communication, social, cultural, strategic, and verbal competence acquired through formal education, practice, or experience. Causes of communication misunderstandings can be (Fox, 2001, pp. 34-35):

- ignorance or inappropriate use of language,
- the discrepancy between message elements,

- the mood of the interlocutor and emotional charge in the communication space,
- differences in culture and subculture,
- the relative importance of the subject of communication,
- the social position of the individual in the organization. "

For communication to be successful, all participants need to be ready to communicate, recognize and resolve misunderstandings if they occur. Culture plays a vital role in perceiving reality and communicating it in people. The following problems occur with intercultural communication (Samovar, Porter and McDaniel, 2013, pp. 31-33):

1. The uniqueness of each individual;
2. Stereotypes;
3. Objectivity.

The uniqueness of each individual is manifested in the fact that there have never been two completely equal people because a large number of different sources shape behavior and culture is one of them. Culture does not force people to certain behaviors because people think and feel.

Objectivity requires the elimination of overt and covert hostility. Negative behavior is considered the opposite of ideals in most cultures and harms both those who behave in this way and those to whom such behavior is directed. Discrimination against a person due to skin color, coming from another country, having a different God, a different view of the world, or his mother tongue has a detrimental effect on everyone. Diversity does not require division, but the fear of diversity is the fear of the future, and the proper understanding and implementation is a benefit instead of a burden. In order to achieve benefits, it is necessary to cooperate in achieving an actual multicultural society or a world in which different groups of people will be valued regardless of their race, ethnic origin, religion, country of origin, or gender.

The religious influence of culture

Religion is important in culture because it determines the foundations of behavior and most norms and values. Religion consists of beliefs, understandings, and religious rites because they shape the outlook on life and shape its meaning and purpose. Religion in society is accepted in the form of an accepted set of actions, ideas, and activities whose connection to reality cannot be proven but is believed to impact the natural and human course of events (Lazibat et al., 2020, p. 68).

The world's largest religions have many similarities. Most people ask the following questions from birth to death (Samovar, Porter, McDaniel, 2013, p. 80):

- "Where do I come from?
- Why am I here?
- What happens after I die? "

Religion must provide people with answers to previously asked universal questions. The religions that are widespread in the world are (Figure 8) (Lazibat et al., 2020, p. 69):

- Christianity,
- Islam,
- Hinduism,
- Buddhism,
- Chinese traditional religion,
- Judaism,
- The rest.

Religious beliefs represent an essential segment for business, e.g., beef and pork sandwiches are not served in India by Mc Donalds and EI AI. The Israeli airline does not operate flights on Saturdays during the celebration of the Jewish Sabbath. Religion determines working and non-working days of the week and year, attitudes towards entrepreneurship and the role of women in the family and society, shopping behavior and consumer trends, and the consequent costs of doing business in a particular country. However, there is no need to generalize because not all countries impose their religion as business restrictions (Lazibat et al., 2020, p. 68).

Research

Interviews

The interview was conducted with eight respondents, with whom, given the COVID situation, communication was conducted via e-mail. Respondents were asked the following questions:

- What is your name, age, the company you work for, and position in the workplace?
- How many foreign languages do you speak?
- How many foreign languages do you actively use?
- Are you aware of the cultural differences in your business?
- How often in business do you meet people from different cultures?
- How often do you conduct business negotiations with people from different cultures?
- Have you encountered behaviors in which you have felt discriminated against based on gender?
- Do different religious affiliations affect business, and do you think better people of the same religion cooperate?
- Have you found yourself in a situation where you have misinterpreted someone's nonverbal message? If so, what kind of situation was it?
- Do you find that younger people find it easier to adapt to communicating with colleagues from different cultures and why?

Respondents who answered the interview questions are in international business positions and therefore represented timely candidates for this interview. Regarding the number of foreign languages spoken, one respondent speaks three languages, four speak two languages, and the other three speak one foreign language. Two of the eight respondents actively use two foreign languages, while the others actively use one foreign language. Namely, all respondents are familiar with cultural differences in their business. Accordingly, four respondents meet people from different cultures in business daily, three respondents meet weekly, while one respondent meets every month. The same goes for business negotiations. Of the eight respondents, one respondent encountered gender discrimination during his / her stay in the Republic of Serbia, while the other respondents did not encounter it. When asked about the impact of religion on the business outcome, five out of eight respondents believe that religion affected business outcomes and stated that it is not an obstacle or a measure of quality cooperation.

In comparison, three respondents believe that religion does not affect the outcome of a business. Encounter with the misinterpretation of the non-verbal message, out of eight respondents. Only one stated that nodding one's head in India or confirming something is different from here in Croatia. Regarding the statement that younger people adapt better with colleagues from different cultures, out of eight respondents, five respondents agree with the fact and state that modernization, social networks, the Internet, and travel are the causes, while the other three respondents disagree with the statement. How age does not affect adaptation, but the ability to accept the diversity of the environment, and how young people may quickly adapt to young but older colleagues do not.

Survey

For this work, a survey was conducted on 100 respondents. The issues conducted with Croatian employees who are in business contact with other cultures are as follows:

1. Gender?
2. Age?
3. In which company or enterprise do you work?
4. Position in the workplace?
5. How many foreign languages do you use with top knowledge?
6. How often in business do you meet people from different cultures?
7. If you travel to another country on business, do you find out about its culture?
8. If you get information, what do you get information about?
9. Do differences in verbal communication affect business?
10. Did any misinterpreted message sent to you cause a business problem?
11. Do differences in nonverbal communication affect business?
12. Does the patriarchal upbringing of some countries affect business?
13. Does the age of employees affect the attitude towards cultural differences?
14. Why do young people find it easier to adapt to communicating with colleagues from different cultures?
15. Does the gender of employees affect attitudes toward cultural differences?

The survey asked the question, "How many foreign languages do you use with excellent knowledge?" More than half of the respondents use one foreign language, while 31% use two foreign languages, while the

other 8% use three or more foreign languages with superior knowledge. It would be desirable for more than half of the respondents to use at least 2 or 3 foreign languages for top knowledge; this analysis shows that in Croatia, better education is needed in terms of different cultures and languages.

The question in the survey was, "How often do you meet people from different cultures in business?" In this survey, 46% of Croatian employees meet people from different cultures daily, while 28% meet weekly, 18% monthly, and 8% less often.

The next question was, "If you travel to another country on business, do you find out about its culture?" Given the previous result, which shows that 46% of Croatian employees meet people from other cultures daily, this result matches how 46% of them inform about their culture when traveling to another country. Furthermore, 39.4% of respondents are often informed, while the rest are rarely or never. The assumption is that those who do not get information do not have frequent contact with people from other cultures.

According to this question, the following question was formed in the survey: "If you get information, what do you get information about?" Most of 87.9% of Croatian employees form about other cultures online before meeting with the same, while 9.9% get information through colleagues at work. A tiny part, i.e., 2.2%, is informed through books. Today, the Internet and social networks are the primary media used by young people and the elderly, so this is expected.

The question in the survey was, "Make differences in verbal communication affect business?" Furthermore, "Do differences in nonverbal communication affect business?" The response to the impact of differences in verbal and nonverbal communication in business between different cultures is similar. That is, 50% of respondents claim that differences affect, while also 50% claim that differences in language do not affect, with this result, the causes may be sufficient or insufficient preparation or knowledge of the language of another culture and vice versa. Regarding differences in non-verbal communication, 52.1% of Croatian employees claim that differences between cultures affect. In comparison, 47.9% claim that they do not affect, which may be due to sufficient or insufficient information about cultural differences from people with whom a business meeting has been arranged.

After that, the question in the survey was, "Did any misinterpreted message sent to you cause a business problem?" In this analysis, it can be seen that 33% of respondents did not have business problems due to a misinterpreted message, while the other 26% is unaware of the case of a misinterpreted message. Furthermore, only 12% of respondents encountered this problem, with 29% of respondents assuming that there was a problem in the misinterpretation but are not entirely sure whether this is undoubtedly the cause of the business problem.

The question in the survey was "Does patriarchal upbringing in some countries affect business?" affects business, while 11% of respondents believe it does not. Patriarchal upbringing does not exist in most countries today, but some conservative countries can still be found.

The next question was, "Does gender affect employees' attitudes towards cultural differences?" Out of 100 respondents, 86 agreed that gender does not affect the adjustment of communication with colleagues from different cultures, ten believe that women communicate more easily with people from different cultures. In comparison, four respondents find it more accessible for men to adapt to communicating with people of a different culture.

The next question in the survey was, "Does the age of employees affect attitudes towards cultural differences?" Out of 100 Croatian employees, 94 believe that younger employees accept cultural differences better than older employees, while 6 consider the opposite.

Accordingly, the question "Why are younger people easier to adapt to communicate with colleagues from different cultures?" was created. The least number of respondents, i.e., only 10, believe that the statement is incorrect.

Research discussion

Cultural differences are present today among members of different countries in terms of ethics, social class, and age. Culture is considered a specific human category that signifies an essential proof of self-identity that causes material and spiritual value that draws on the power of its development and encourages suffering and renunciation. Cultural symbols appear in gestures, clothing, objects, flags, religious icons, and language. Language is the most important symbolic aspect of culture because it uses words to express thoughts and ideas. Human culture without language is considered inconceivable because it allows the sharing of one's thoughts, observations, facts, experiments, and wisdom accumulated in history.

The hypotheses set in the paper are confirmed. The quality of business requires consideration of cultural differences. Most of the critical meanings that emerge during a meeting of two or more people are the results

of touch, gaze, tone of voice, gestures, or facial expressions that may or may not include words. From the meeting, i.e., the greeting until the parting, people observe each other through all their senses through which they hear pause and intonation, notice the clothes and attitude and observe the look and tension of the face and the choice of the spoken words. The connection between culture and nonverbal communication is manifested in their invisibility, ubiquity, and science. Within a particular culture, communication takes place in a much easier way to assume similarities in communication between states. Cultural behavior is adopted through the media, agreements, and traditions. They are not innate through genetics. In the last ten years, intercultural communication has been in increasing development caused by the globalization of the economy, immigration and emigration of people, the development of tourism, and the daily travel of people, business or private.

Through research through interviews and surveys, we came to the answer to the main research question. Employees of the Republic of Croatia, who were interviewed and interviewed, are usually on a daily and weekly basis in business meetings with people from other cultures, and most of them are constantly preparing for a meeting with people who have a different culture. They are most often informed online. Very few of them encountered differences in verbal and nonverbal communication, and even if a misunderstanding occurred, it did not affect the business outcome. Likewise, differences in religions affect the business outcome but are not an obstacle or a measure of quality cooperation. There is a significant similarity of answers to whether young people are better adapted to cultural differences in the survey and interviews. The vast majority believe this is true because of today's information, openness, and different times through social networks. If we consider that the world stays on the youth, we can say that we are on the right track in international business.

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