

Kossowska, Magdalena; Rosiński, Jerzy

**Book**

## Global Mindset and International Business: Driving Process Outsourcing Organizations

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*Routledge Studies in International Business and the World Economy*

# **GLOBAL MINDSET AND INTERNATIONAL BUSINESS**

## **DRIVING PROCESS OUTSOURCING ORGANIZATIONS**

Magdalena Kossowska and Jerzy Rosiński



# Global Mindset and International Business

Global mindset is an emerging concept, influenced by globalization, that can support companies' growth in international settings and help develop a more effective, skilled workforce that can be open and adaptable. This book presents an analysis of current global mindset knowledge and explores how national culture and international business behaviors affect global mindset development in business process outsourcing organizations in both managerial and non-managerial groups.

The authors outline how processes of skill development and their final impact differ within multinational enterprises among managers and non-managers and present the implications on how to apply it in various seniority, talent groups. The theoretical and practical research discusses and emphasizes the need to involve employees in international relationship-building, developing international know-how, and focusing on the methods of communication and management in business, because they stimulate the development of global mindset among managers and non-managers contributing to further business success.

This book will find an audience with researchers and astute students within international business, cross-cultural management, and business process outsourcing in particular. It will also be a valuable resource for those researching and operating in global teams.

**Magdalena Kossowska** holds a PhD in business management and is a lecturer at the Jagiellonian University, Poland.

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# **Global Mindset and International Business**

Driving Process Outsourcing Organizations

**Magdalena Kossowska and Jerzy Rosiński**

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# Introduction

In a world that is changing in both evolutionary and (in recent years) “revolutionary” ways, we are dealing with crises. Crisis, as a situation of transition, causes us to wonder whether we even experience that well-known rules cease to be relativized or even cease to apply. This kind of curiosity – what is valid in the world of multicultural work and what is already history – has become the basis of this book.

Since this work is a research book, the choice of the research area by default narrows down the subject and geographical scope – this is also an invitation for other researchers to carry on the work in their respective areas.

Global Mindset (GM) is a relatively new concept that is slowly gaining the attention of researchers and has been strongly influenced by globalization over the years. A better understanding of the term can support the development of companies in an international environment and help create a more effective, skilled workforce. Due to the multitude of approaches in the literature, there is a need to systematize the available knowledge about GM in terms of conditions, effects, and definitions. What is more, nowadays business is becoming active on a global scale. Thus, there is a need for workers and companies to be able to adapt to the changing international environment. It is very important for them to develop specific skills that can help them increase their adaptability and effectiveness in a global context.

GM is a fairly new construct in the scientific community. Therefore, it is important to continue to develop it and get to know the antecedents and outcomes, because there is no consistent operationalization of the concept and available methods of measuring it (Hruby et al., 2016, 2018). One of the available literature reviews by Hruby et al. (2016) divides GM by research prevalence levels, that is, individual, group/team, and organization, by grouping antecedents and outcomes. In another review, they explore the GM concept at an individual level among leaders (Hruby et al., 2018). In both articles, they emphasize the need to standardize the concepts and operationalize variables in the case of GM. Considering the available literature as well as the aforementioned need to systematize the knowledge about the concept in the current research work, a decision was made to conduct a systematic review of the literature, which was to not only help standardize the construct and its definition but also rank the available knowledge by creating a categorization of antecedents and outcomes. The available literature reviews focus only on the analysis of antecedents or outcomes at the individual or organizational or team level, without integration of the

## 2 Introduction

available knowledge. The aim of this project is also to determine how the national culture and international business behaviors influence the development of GM in the business process outsourcing (BPO) sector within a group of employees at the managerial and non-managerial levels.

There is a need to standardize the concept and expand knowledge about its development within one sector. Nowadays, business is becoming more and more global, and employees/companies must be flexible and open to the international environment. Development of adaptability and skills that will help to be effective in a global context is crucial. Therefore, we must constantly develop our knowledge on this subject and create clear, appropriate structures of the GM concept in business. This research project is aimed mainly at international corporations (ICs), as they have to adapt most actively to external conditions and the world economy (Zorska, 2005).

In addition, it is considered essential to have a thorough understanding of the concept itself, including its antecedents and outcomes, as the GM of a manager, entrepreneur or employee can help develop greater effectiveness in identifying international opportunities and lead to more international ventures (He et al., 2020). Andresen and Bergdolt (2017) also indicated the usefulness of GM in managing business practices. Identifying a specific set of skills that can lead to the development of GM can also support companies in achieving a competitive advantage in the market and quickly develop in the business environment (Niemczyk & Sus, 2020). Therefore, it is important that the concept as well as its outcomes and antecedents are well established, researched, and understood. This can facilitate further research and have practical application to skills development in an international business environment.

The practical goal is to define the implications for the BPO sector regarding how GM is developed at non-managerial levels (referred to in this project as an employee) versus managerial levels within the organization. The theoretical goal is to create a unified GM concept, examine the individual and group levels of GM, and check how GM is influenced by national culture as well as international business behavior.

The project lists cognitive goals as well as research questions. With regard to the BPO sector, within which the current research project is embedded, the cognitive objectives focus on the analysis of the characteristics of the structure of the BPO sector as well as on the internationalization effect and its level. This is to develop the understanding of how internationalization can influence the effectiveness of companies operating in the analyzed sector, including, for example, risk reduction, international supplier management, or efficiency (Whitaker et al., 2005). International experience and competences stimulate the involvement of an organization's resources in international activities (Roque et al., 2019).

With this in mind, researching how internationalization connects to GM brings about a significant increase in knowledge in the BPO sector. Also, considering the offshoring and onshoring trends in BPO, international cooperation takes place here every day. Further understanding of these processes and their mutual impact is beneficial to both the organization and employees in order to increase their efficiency and reduce operational risk for the company.

As the available literature on GM is limited and there are many approaches and definitions, it is advisable to create clear concept structures. This can be done by properly ordering the available literature not only according to the levels of occurrence (as was done in the available literature reviews – e.g., at the individual and group levels; e.g., Hruby et al., 2018; Hruby et al., 2016) but also through a complete systematic review of the available data that takes into account not only the antecedents and outcomes but also the term definitions. A systematic review of the literature is aimed at assessing the current knowledge of GM and pointing to future directions of research in the mentioned field.

On the basis of the conducted systematic review of the literature, the cognitive goals and research questions of the project were determined. They will be discussed next as well as their validity.

The cognitive goals in relation to the concept of GM focus on the analysis of how the national and business culture affect GM, what is the effect of the BPO sector, the importance of systematizing the available knowledge about GM and creating a categorization of conditions and effects through a systematic review of the literature, creating an original definition of the concept, and to compare the individual and group levels of GM. Workplace behaviors that affect employer–employee relationships and cultural values have a strong influence on how successful new and existing business/customer ventures will be (Oshri et al., 2015; Palugod & Palugod, 2011). It is important for companies to learn to effectively manage cultural differences in the workplace. The main reason is active global expansion nowadays, a diversified workforce, and the improvement of the ability to connect business and culture spheres to improve the overall efficiency as well as success rate (Beugelsdijk et al., 2018). Cultural diversity is expected to bring many positive results, such as personal development, learning flexible working styles, higher and more effective creativity, innovation, and communication. Studying the above can also help individuals face stereotypes and bring individual benefits to both sides (Chmielecki, 2016). Further research is also recommended to understand how networking validation influences multiculturalism and how it develops in, *inter alia*, large companies at various levels of organization (individual or organizational) (Vora et al., 2019).

Furthermore, researchers strongly recommend further research into the BPO sector as much as has been done so far, but much remains to be done (Lacity et al., 2017). The industry is also believed to influence GM. Of the 12 industries surveyed, telecommunications has the greatest relationship with GM, while the manufacturing industry has the lowest results (Javidan & Bowen, 2013). In the case of GM, a single-sector effect is recommended for further research – this can be verified at both the individual level and the corporate level (Felício, Meidutė et al., 2016). GM is described in the literature according to the level of occurrence, that is, individual, group/team, and organizational one (Hruby et al., 2016). In another one, Hruby and colleagues (2016) studied GM on an individual level among leaders (Hruby et al., 2018). Ciszewska-Mlinarič (2015) distinguished the individual and organizational antecedents of GM. Felício, Meidutė et al. (2016) studied the individual and corporate levels of GM. In their studies, researchers suggested further research of the concept at various levels of occurrence (Felício, Meidutė et al.,

#### 4 Introduction

2016). One of the important cognitive aims in the conducted systematic literature review is to create a unified definition. As indicated by other researchers, there is a lack of consistent operationalization for GM (Hruby et al., 2016, 2018), which was also shown by the conducted literature review – 18 definitions were specified and a unified definition of the concept was created through semantic analysis.

Regarding the research questions, they were created on the basis of a systematic review of the GM literature and the cognitive aims outlined previously.

The first question relates to determining the impact of internationalization on GM in order to gain a deeper understanding of the specificity of the sector from the perspective of the internationalization level as well as how high and low levels of internationalization affect the occurrence of GM. Internationalization is one of the most common outcomes of GM; however, it also acts as an antecedent to the construct. In the current systematic review of the literature, it has also been classified by competent judges under the category of international organization strategy. The results of the research carried out show the importance in two dimensions, that is, international know-how and international networking, excluding one dimension: the impact of internationalization on companies. Considering the low variability of the dataset (the study was carried out in larger, international companies), most of the respondents answered “Yes”, confirming the effect of internationalization in the sector. However, for both conceptualization and contextualization, the same dimensions turn out to be important – international know-how and international networking. In the conceptualization subscale, respondents received higher values for “Yes” – this confirms the impact of internationalization on GM. In the case of the contextualization subscale, which directs us to the lower levels of GM (on the local mindset spectrum), the respondents marked “No”. This indicates that low internationalization is related to a local mindset rather than a GM here. The above findings confirm that GM and internationalization are related and, to some extent, confirm the dimensions studied by scientists but exclude the impact of internationalization on companies. The research carried out by He et al. (2020) in the small and medium-sized enterprise (SME) sector confirms that the mentioned companies rely heavily on the GM manager in the process of internationalizing their structures. It has a positive impact on international networking and international know-how. Therefore, a highly developed GM contributes to the internationalization process of SMEs. For the large companies that are analyzed in this BPO project, internationalization activities such as know-how growth and networking contribute to the development of GM.

The next research question relates to how national culture and international business behaviors influence GM at different levels of seniority in the organization. The dimensions used by Gesteland (2002, 2012) have a strong influence on the establishment of business partnerships and the overall success of the company. Current research was conducted in an international business environment. Combining the intercultural business behavior of Gesteland (2002, 2012), the dimensions outlined by Hofstede (2011) and GM can help answer the question of how culture can influence business behavior and the effect of developing the GM construct for employees at various levels of the organization. It is also important to examine GM at

multiple levels of the organization (managerial and non-managerial), as Hofstede (2006) rightfully suggested that it is important to understand the outlined process and the impact on all levels in the organization, not just to be limited to one.

For the Gesteland and GM scales, a positive relationship was found in the case of conceptualization but not in contextualization in the group of employees. This means that the higher levels of GM are based on the patterns of building business relationships with which the employee comes into contact. Hence, in the case of employees, the higher level of GM affects how they will deliver business projects. Both dimensions of GM (conceptualization and contextualization) show a positive correlation with the first Gesteland dimension for managers. These results indicate the existence of local mindset and GM simultaneously in this group of people and emphasize the importance of building relationships and managing business partners or conducting various forms of communication. In the case of national culture and its influence on GM, no significant connections were found. However, one of the dimensions, that is, contextualization, has a stronger connection with nationality than conceptualization (so local focus is important here).

The third research question is to examine how national culture influences international business behavior. Gesteland (2002, 2012) presents five patterns of intercultural behavior in the business environment. Most of them show direct links to the cultural dimensions of Hofstede (2011) – this assumption is the authors' semantic analysis, which is confirmed in the current study. The comparison of international business behavior according to the Gesteland model (2002, 2012) with the dimensions of Hofstede (2011) is slowly starting to attract the attention of academia. There are still few sources that discuss both approaches. One comparison made by Chmielecki and colleagues (2014) is based on own research. This differentiation was not confirmed in the study undertaken due to the insufficient research sample (39 mid-level managers). The current study conducted in the BPO sector on 157 participants did not confirm any connections between national culture and international business behaviors.

A systematic review of the literature revealed a multitude of definitions of GM ( $n = 18$ ), its antecedents ( $n = 179$ ) and outcomes ( $n = 52$ ). As a result, the author's definition of GM was created, and the categorization of antecedents and outcomes was carried out through the method of competent judges.

The data analyzed in this work were collected among employees of the BPO sector ( $n = 157$ ) using a password-protected online tool, with particular emphasis on large multinationals (purposive sampling and only including companies employing more than 250 employees). The tools used in the study are the GM scale, the original Gesteland scale and the values survey modeule (VSM) 2013 scale. The impact of nationality and internationalization on GM is also examined. The internationalization scale is based on the Felício, Duarte et al. (2016) model and the Felício, Meidutė et al. (2016) models. The aforementioned researchers conducted research and developed a model of internationalization in terms of GM. Keeping in mind the continuous business changes, the rapid globalization trends, and the scale of the evolution of Industry 4.0 (I4.0) as well as emerging Industry 5.0, the methods were also re-verified by the usage of principal component analysis (PCA) and confirmatory factor analysis (CFA)

## 6 Introduction

to confirm that all items in the specified dimensions and the items on the scale apply to the currently tested environment in that form.

The GM scale, which was developed by Kefalas and Neuland (1997) and applied in the study of Arora and colleagues (2004), has also been successfully used by researchers, for example, to test differences in GM from an intercultural perspective (Zhang, 1998 in Arora et al., 2004). Bearing in mind the multiplicity of approaches to GM, which was also shown by a systematic literature review, the fact that the research focuses on an international environment and its main theoretical concept is consistent with the definition of the author of the project – the above scale was used in the research and subjected to PCA and CFA analyses. As a result, after removing six items from the scale, the overall GM scale as well as its individual subscales obtained high levels of reliability.

The present study provides a systematic overview where determinants and impacts are appropriately categorized using the independent judge method. The agreement of the categories with the use of the aforementioned method reached a high level – the inter-rater reliability (IRR) reached 70% for antecedents, and in the case of outcomes – 90%. Scott's Pi in relation to the antecedents obtained a high score of reliability ( $\pi = 0.65$ ), and the outcomes achieved a very high score ( $\pi = 0.9$ ). Organizing current knowledge brings significant benefits in academic and professional practice. Researchers can use structured, categorized antecedents and outcomes, as well as a definition of a concept. For practitioners, it can help in understanding the concept itself as well as putting it into practice.

GM significantly contributes to individual and organizational success. Hence, it is important to look at it from a different perspective, so that employees from different levels of the organization can add value to the current research and knowledge about the concept. Outlining what antecedents/outcomes can be found at different levels in the organization can help us understand the concept and what effectiveness it can bring. In the conducted research, GM is examined at the individual and group levels (managers vs. non-managers).

This project confirms the importance of international networking and international know-how in large companies and their impact on the development of GM among employees (managers and non-managers) in the BPO sector. Hence, a positive result for employees is visible in terms of involvement in international activities and the development of knowledge about international markets and their participation in the development of GM. In the SME sector, however, the aforementioned GM development process is reversed – the already developed GM contributes to the internationalization process of a specific company.

The results show that, bearing in mind the constant changes in business, the simultaneous local and global orientation of managers may affect the work of international teams and effective work from home, the way of managing or building relationships. For managers, the result of the study confirms the connection with how we build business relationships and communicate locally or globally – to which we develop various structures of effectiveness. In this group, relationship-oriented



communication can play a significant role in the performance/management of culturally diverse teams.

Regarding the tools, the GM scale was tested on respondents from the BPO sector working in an international environment and verified in terms of the current business environment and the surveyed sector. It is recommended to extend the test sample to other sectors as well as different groups of workers or students for further revalidation and confirmation of the properties of the tool. In the case of the own-developed scale by authors of this project, which is based on the Gesteland model, only the first dimension was confirmed by the data from the BPO sector. It is recommended to use this tool for researching samples from various environments in order to further confirm the dominance of the first dimension on the scale (deal-focused cultures vs. relationship-focused cultures). The use of VSM 2013 in the current study confirms the need for further validation of the tool and the current trends in questioning the application of cultural dimensions' theory in the modern world. Continuous development in terms of globalization and individuality can pose challenges to drawing generalized conclusions applicable to all social groups. Therefore, there is a need for reliable measurement tools in the cultural settings (Gerlach & Eriksson, 2021). The obtained results confirm those described by Gerlach and Eriksson (2021) and indicate a problem with the reliability of the tool and the dimensional matrix of the Hofstede model. Therefore, it is recommended to continue with the revalidation of VSM 2013 on larger trials in different communities (employees, students, etc.); this is needed to understand how the tool behaves when exposed to trials of different sizes, experiences, and origins. This will bring us closer to creating tools that can be applied with greater confidence in academia and draw more reliable conclusions.

The results of the conducted research emphasize the need to involve employees in building international relationships, developing international know-hows, and focusing on the methods of communication and management in business, because, according to the research results, they stimulate the development of GM among managers and non-managers.

Supporting the development of GM by involving the company's employees in various international activities, such as networking and expanding knowledge/experience, adapting communication patterns and relationship management to be more relationship-oriented, can bring many benefits to employee efficiency and, ultimately, to the company's success. Moreover, the conducted empirical study focused on the quantitative approach due to the validation of the tools used as well as the creation of added value from the perspective of ranking the available knowledge, creating a unified definition or creating a categorization (systematic literature review clearly shows that quantitative research prevails in the available literature). The current research project is the next step to expand knowledge on the concept of GM and how it develops in specific social groups – which brings us closer to the creation of a unified metamodel in the future from the perspective of the studied phenomenon.

Following work is divided into six chapters. Each covers different aspects of the outlined research project – Chapter 1 refers to GM introduction and systematic

review of the literature; Chapter 2 focuses on BPO sector; Chapter 3 is on overview of the national culture, organizational culture, and internationalization perspective; Chapter 4 describes empirical study carried out in this project; Chapter 5 presents conducted work evaluation; and Chapter 6 focuses on practical implications of the research. Each chapter is described more in detail next.

In Chapter 1, a systematic review is described. This chapter presents a thorough review of the GM concept. It presents an introduction to the term and discusses method in terms of definition's overview and author definition creation as well as created categorizations for GM's antecedents and outcomes. Findings are discussed in detail and summarized in chapter summary. Aforementioned review was published in *International Journal of Contemporary Management in December 2021* (volume 57(3)).

Chapter 2 focuses on BPO sector. The sector's overview is presented here as well as terminologies used in the literature. What is more, outsourcing levels, drivers, and location decision factors as well as various advantages and disadvantages of the outsourcing process are outlined.

Chapter 3 zooms into national culture, organizational culture, and internationalization perspective more in detail. In terms of national culture, various approaches are presented, for example, those coming from Hofstede, Trompenaars and Hampden-Turner, or Gelfand. Next, international business, internationalization, and organizational culture literature is being discussed.

Chapter 4 presents empirical research from the aspect of research questions and aims of work and cognitive aims related to GM and BPO sector. Moreover, methodology is outlined, including description of research groups, research procedure, and used tools. Later, this chapter presents the results of the carried-out study, verifies research questions and tools as well. PCA and CFA are conducted for tool validation, bringing various outcomes in scales' final structure. Finally, the summary of research results is presented as an outcome.

Chapter 5 focuses on study evaluation from the aspect of multiple assessments. Cognitive, theoretical value of the study and findings are outlined here. Since tools are confirmed by PCA and CFA, those are also evaluated by the author in this chapter, including applied research procedure in the project.

Finally, in Chapter 6, practical implications of research are shown and recommendations for BPO sector are presented.

# 1 Introduction to Global Mindset

## 1.1. Introduction to systematic review on Global Mindset

The aim of this review is to zoom into GM concept and available literature till date. Since GM is developing dynamically, it is needed to systematize accessible knowledge and set future research trends. This chapter focuses on reviewing available GM definitions, as well as its antecedents and outcomes. GM is a fairly new construct on the scientific arena, and thus it is important to continue developing it and getting to know its antecedents since there is a lack of coherent operationalization and clear measures available (Hruby et al., 2016, 2018). Literature review by Hruby et al. (2016) divides GM according to the levels of appearance in the research, that is, individual, group/team, and organizational. Moreover, it groups antecedents and outcomes. In another review, they investigate GM concept at individual level among leaders (Hruby et al., 2018). In both reviews, they call out for the need of concept standardization and variables operationalization in case of GM.

Moreover, it is considered vital to understand the concept itself thoroughly, including its antecedents and outcomes since the manager's, entrepreneur's or employee's GM can help develop more effectiveness in international opportunity identification and lead to a bigger number of internationalization endeavors (He et al., 2020). Andresen and Bergdolt (2017) have also outlined GM's usefulness within business practices management. Identifying specific skill set that can lead to GM development can help companies to achieve a competitive advantage on the market and grow fast within business settings (Niemczyk & Sus, 2020). Hence, it is important that the concept as well as its outcomes and antecedents are well grounded, researched, and understood. This can facilitate further research and have a practical application in skill set development within international business environment.

Having in mind that available literature on GM is scarce and there is a multiplicity of approaches and definitions, it is advisable to create clear structures. This can be done by arranging available literature appropriately not only by levels of appearance but also by a full systematic review of available data that takes into consideration not only antecedents and outcomes but definitions as well. This

systematic literature review aims to evaluate up-to-date knowledge on GM and shows future research directions in the area.

GM is approached and defined in a number of ways (Bouquet, 2004). Clapp-Smith (2009) outlined it as a general perspective that can be referred to by cognitive complexity, positivity, ability to use judgment to integrate various cultural paradigms, and cultural self-awareness that helps an individual to understand and impact various cultural social interactions and events. On the other hand, Ananthram et al. (2014) described it as ability, willingness to act, think, and overcome goals boundaries, values, and competencies globally by managers.

## **1.2. Method**

### ***1.2.1. Search strategy***

Databases taken into consideration were EBSCO (Academic Search Complete, ERIC, PsycArticles, PsycINFO), Google Scholar, Researchgate.net, Publish or Perish, and Google search. Keywords used in the search were limited to “global mindset” or “global” AND “mindset” to receive the substantial number of results. Only peer-reviewed works were acknowledged for this review. With regard to Publish or Perish software, a different approach was implemented since the number of irrelevant texts coming out in the search was too substantial. In “general citations” column and in “all of the words” column, the expression “global mindset” was input and then the search was narrowed to “title words only” and this resulted in a more relevant search result.

### ***1.2.2. Eligibility criteria***

Literature review was divided into two stages. First one was to search and qualify as many texts as possible that are related to GM. Next step was to review abstracts and content to eliminate those that did not examine GM in any way. Thus, references that only had GM mentioned in the title but did not refer to the concept in abstract were removed. One of the criteria that were considered as prominent in this stage was the elimination of those publications that were not peer-reviewed. Second stage focused on deeper examination of texts in terms of methodology, researched group, place, GM definition, and other variables taken into consideration in the study, whether GM was a dependent variable, and used methods. To be able to access all the required and reliable data, full texts for chosen papers were searched for. After this, the second stage started and chosen texts were further examined.

### ***1.2.3. Independent judges' procedure and categories***

Antecedents and outcomes obtained from literature were grouped into categories by two independent judges (PhD students). They had received a file with a list of antecedents/outcomes and their sources and then they were requested to align those to

appropriate categories. Descriptions of each category and aligned codes, abstract text as well as definition of variables coming from original sources were provided. Afterward, a third judge grouped variables that were aligned in two different categories by the other two judges to add additional control factor on the categorization process.

GM antecedents were categorized into organizational and individual factors. Organizational factors were described as components that include characteristics of a company, describe its international, global activities, and outline the job complexity and organizational practices within the organization. It consists of four subcategories. (1) Organizational characteristics describe a company, including its location, size, and industry. (2) Organizational manager's characteristics refer to management structure, manager's characteristics, and leadership role. (3) Organizational practices refer to human resources (HR) practices and organizational strategy. (4) Organizational international activity focus on company's global orientation strategy, internationalization, international branches, employees, as well as customers.

Category of individual antecedents consists of four subcategories, namely, (1) demographic factors categorize variables such as age, gender, education, skills, and family status; (2) international activity describes international action, referring to travels, international assignments, international cooperation, and international experience of an individual; (3) cross-cultural factors focus on variables that include individual's cultural experiences, cultural intelligence, and knowledge; and (4) psychological factors outline behaviors, attitudes, mental processes, and personality traits of a person, style of behaving and thinking, and experiences.

Variables that were not fitting into any provided possibilities were classified to the category "other antecedents". Details are shown in Table 1.1.

Outcomes were grouped into four categories, and two of them were the same and defined the same way as those used in categorization of GM antecedents, that is, (1) organizational international activity and (2) psychological factors. (3) Leadership factors capture leader's global competencies, skills, behaviors, attributes, and an ability to manage others. (4) Performance factors capture global/cross-cultural effectiveness or performance of individuals, teams, managers, companies, or programs; and ability to adjust to new or changing environments. Once again, variables that were not fitting into any provided possibilities were classified to the category "other outcomes". Details are shown in Table 1.2.

### **1.3. Results**

#### ***1.3.1. Search outcomes***

Different databases were searched with the usage of a simplest search formula which is "global mindset" or "global" AND "mindset" search string. The initial output was 290 texts. Two stages of review were applied here. First stage included removing non-peer-reviewed texts and duplicates. Moreover, criteria outlined here were to include/eliminate publications according to GM availability in title, abstract, and keywords. After applying those rules, out of 290 sources, 133 texts remained. Second stage was a deepened analysis of the content; thus, full texts were

Table 1.1 GM antecedents' categories.

| Categories   | Description   |
|--|---|
| <b>Organizational factors</b>  | Characteristics of a company including organization's location, size, and industry  |
| <b>Organizational characteristics</b><br>(Ananthram et al., 2010; Cole & Konyu-Fogel, 2011; Dekker, 2013; Felício et al., 2013, 2012; Kobrin, 1994)  | Factors that refer to management structure, manager's characteristics, and leadership role  |
| <b>Organizational managers' characteristics</b><br>(Ananthram et al., 2012; Arora et al., 2004; Dekker, 2013; Gupta & Govindarajan, 2002; Levy, 2005; March, 2013; Massingham, 2013; Nielsen, 2014; Nummela et al., 2004; Paul, 2000; Ransom, 2007; Story et al., 2014)  | HR practices and organizational strategy  |
| <b>Organizational practices</b><br>(Ananthram et al., 2010; Arora et al., 2004; Dekker et al., 2005; Kobrin, 1994; Kwantes & Chung-Yan, 2012; Lill, 2012; Mikhaylov & Fierro, 2015; Nielsen, 2014; Paul, 2000; Pucik, 2006)  | Company's global orientation strategy, internationalization, international branches, employees, and customers                                   |
| <b>Organizational international activity</b><br>(Ananthram et al., 2012; Ciszewska-Mlinarič, 2015; Cole & Konyu-Fogel, 2011; Dekker, 2013; Felício et al., 2013, 2012; Gupta & Govindarajan, 2002; Kwantes & Chung-Yan, 2012; Nielsen, 2014; Nummela et al., 2004; Pucik, 2006; Story et al., 2014)  | Components like age, gender, education, skills, and family status   |
| <b>Individual factors</b>  | International actions referring to travels, international assignments, international cooperation, and international experience of an individual |
| <b>Demographic factors</b><br>(Ananthram et al., 2012; Carvalho, 2014; Ciszewska-Mlinarič, 2015; Cole & Konyu-Fogel, 2011; Dekker, 2013; Felício et al., 2013, 2012; Javidan & Bowen, 2013; Kjar, 2007; Matthes, 2013; Nielsen, 2014; Stokke, 2013; Story et al., 2014)  | Cultural experiences, cultural intelligence, and knowledge  |
| <b>International activity</b><br>(Ananthram et al., 2012; Arora et al., 2004; Carvalho, 2014; Ciszewska-Mlinarič, 2015; Cole & Konyu-Fogel, 2011; Dekker, 2013; Dekker et al., 2005; Felício et al., 2013, 2012; Gupta & Govindarajan, 2002; Javidan & Bowen, 2013; Kwantes & Chung-Yan, 2012; Lill, 2012; Lovvorn & Chen, 2011; March, 2013; Matthes, 2013; Nielsen, 2014; Pucik, 2006; Ransom, 2007; Story et al., 2014) | Behaviors, attitudes, mental processes, personality traits of a person, style of behaving and thinking, and experiences                         |
| <b>Cross-cultural factors</b><br>(Carvalho, 2014; Clapp-Smith et al., 2007; Clapp-Smith, 2009; Lane et al., 2009; Lovvorn & Chen, 2011; Mikhaylov & Fierro, 2015; Nielsen, 2014; Ransom, 2007; Stokke, 2013; Zander et al., 2012)  | Job experience  |
| <b>Psychological factors</b><br>(Chandwani et al., 2015; Felício et al., 2013, 2012; Lane et al., 2009)  |   |
| <b>Other</b>   |   |
| (Dekker et al., 2005)  |   |

Source: Authors' own description, based on research results.

Table 1.2 GM outcome categories.

| <i>Categories</i>   | <i>Description</i>   |
|---|--|
| <b>Organizational international activity</b><br>(Felício et al., 2013, 2012; Felício, Duarte et al., 2015; Gaffney et al., 2014; Gonzalez-Loureiro et al., 2015; Levy, 2005; Paul, 2000)  | Company's global orientation strategy, internationalization, international branches, employees, and customers  |
| <b>Psychological factors</b><br>(Clapp-Smith, 2009; Cruse, 2010; Story, 2010; Story & Barbuto, 2011; Tran et al., 2015)   | Behaviors, attitudes, mental processes, personality traits of a person, style of behaving and thinking, and experiences  |
| <b>Leadership</b><br>(Ananthram & Nankervis, 2013; Beechler & Javidan, 2007; Bücker & Poutsma, 2010; Chandwani et al., 2015; Cole & Konyu-Fogel, 2011; Johnston, 2013; Khilji et al., 2010; Osland et al., 2012; Paul, 2000; Sakchalathorn & Swierczek, 2014; Story, 2010; Story & Barbuto, 2011; Vakilbashi et al., 2014; Vogelgesang et al., 2014; Zander et al., 2012) | Leader's global competencies, skills, behaviors, attributes, and an ability to manage others   |
| <b>Performance</b><br>(Addae, 2010; Bowen & Inkpen, 2009; Chen, 2014; Cohen, 2010; Cruse, 2010; Dekker, 2013; Gagnon, 2014; Javidan & Bowen, 2013; Kaczmarek, 2009; Lane et al., 2009; Miocevic & Crnjak-Karanovic, 2012; Mohamed, 2013; Nummela et al., 2004; Price, 2015; Raman et al., 2013; Ranker et al., 2014; Reis et al., 2012; Stone, 2013; Zander et al., 2012) | Global/cross-cultural effectiveness or performance of individuals, teams, managers, companies, or programs and ability to adjust to new or changing environments |
| <b>Other global culture capital</b><br>(Ng et al., 2011)  |  |

*Source:* Authors' own description, based on research results.

searched for. About 93 turned out to be available and included in the second step of this review. Search process and results are described on Figure 1.1.

Two factors influenced on how the findings were grouped. Those were study type and whether GM could be considered as a dependent or independent variable in the study (antecedent or outcome; Tables 1.1 and 1.2). Quantitative studies were presented in 36 publications, in which GM was treated as a dependent variable in 15 and as an independent variable in 21 publications. A smaller number of qualitative studies and complex research designs were found in comparison to quantitative studies. In the total sample of publications, there were nine qualitative studies, in which we can observe a half/half split between GM treated as a dependent variable and as an independent variable. There were eight publications with a complex research design, in which mostly

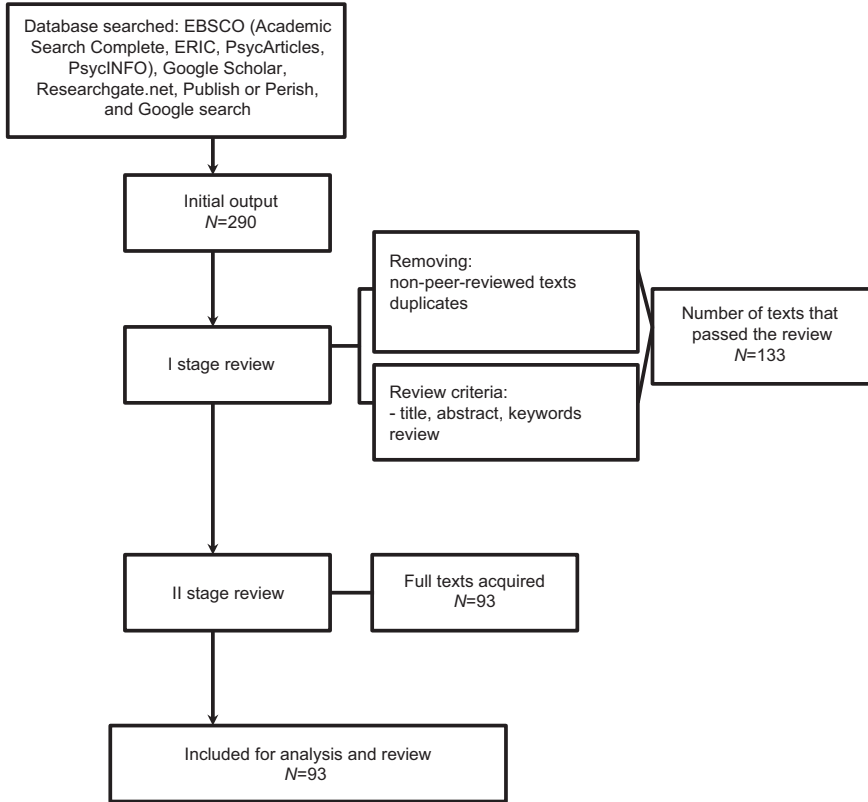


Figure 1.1 Flowchart presenting research process.

Source: Authors’ own description, based on research results.

Table 1.3 Types of studies investigating GM, N = 93.

| <i>Study types</i> | <i>Total number of publications</i> | <i>Independent variable</i> | <i>Dependent variable</i> |
|--------------------|-------------------------------------|-----------------------------|---------------------------|
| Empirical research | 53                                  | 27                          | 26                        |
| Quantitative       | 36                                  | 21                          | 15                        |
| Qualitative        | 9                                   | 5                           | 4                         |
| Complex research   | 8                                   | 1                           | 7                         |
| Literature review  | 40                                  |                             |                           |

Source: Authors’ own description, based on research results.

GM is researched as a dependent variable (seven publications) and only in one publication as an independent one. In the total sample of 93 publications, there were 53 publications presenting empirical studies and 40 presenting literature review. Details are shown in Table 1.3.



Sources differed in terms of types of publications. Considerable number of texts came from peer-reviewed journals ( $N = 58$ ), book chapters ( $N = 14$ ), PhD dissertations ( $N = 16$ ), MA theses ( $N = 3$ ), and MBA theses ( $N = 2$ ). Most of those have an international reach and were written in English ( $N = 95\%$ ). Sources matrix can be found in the Annex.

#### 1.4. Definitions' review

GM definitions were extracted from available publications giving out a total of 18 definitions. GM is approached and described in different ways, but some similarities can be found across the literature and available definitions (Table 1.4). Ananthram and colleagues (2014) described GM as an ability and willingness to globally think, act, or go beyond various boundaries, or competencies/values of managers. Ndum and Onukwugha (2012) referred to GM as an ability to synthesize different cultural diversity aspects. Nummela et al. (2004) directed their attention to behavioral and attitudinal elements, such as manager's openness, awareness to cultural diversity, and how one is able to handle this effectively. Quinonez and Ozyurt (2014) focused on those aspects as well by referring to cultural awareness of differences across nations.

The considerable number of definitions incorporate cognitive capacity/complexity (Beechler & Javidan, 2007; Chatterjee, 2005; Clapp-Smith, 2009; Gaffney et al., 2014; Javidan & Teagarden, 2011; Kwantes & Chung-Yan, 2012; Levy et al., 2007; Miocevic & Crnjak-Karanovic, 2012). A considerable number includes psychological attributes or perspectives that play a prominent role in GM concept (Beechler & Javidan, 2007; Javidan & Teagarden, 2011; Kwantes & Chung-Yan, 2012; Pucik, 2006). Cultural awareness/cultural dimension plays a vital role here (Ananthram et al., 2014; Beechler & Javidan, 2007; Chatterjee, 2005; Clapp-Smith, 2009; Clapp-Smith & Lester, 2014; Cohen, 2010; Gaffney et al., 2014; Javidan & Teagarden, 2011; Kwantes & Chung-Yan, 2012; Lane et al., 2009; Levy et al., 2007; Miocevic & Crnjak-Karanovic, 2012; Ndum & Onukwugha, 2012; Nielsen, 2014; Nummela et al., 2004; Pucik, 2006; Quinonez & Ozyurt, 2014; Reis et al., 2012) as well as knowledge structures (Beechler & Javidan, 2007; Cohen, 2010; Kwantes & Chung-Yan, 2012). An ability to act effectively across various cultural groups/individuals/organizations and influence them is also common across definitions (Ananthram et al., 2014; Beechler & Javidan, 2007; Clapp-Smith, 2009; Cohen, 2010; Javidan & Teagarden, 2011; Kwantes & Chung-Yan, 2012).

Some researchers define GM as a meta-competence of managers and organizational capability (Nielsen, 2014, 2018). Pucik (2006) described GM as a psychological and strategic perspective. Psychological perspective refers to attributes one needs to possess to become effective, whereas strategic perspective refers to the effect strategic orientation of a company has on manager's behaviors. Reis and colleagues (2012), on the other hand, describe GM by cross-cultural and strategic perspectives. Cross-cultural approach refers to cultural knowledge/sensitivity that can help in effective international cooperation, while strategic perspective focuses on global business-savvy attitude, which is up-to-date knowledge of the business across the global network. Javidan and Teagarden (2011) distinguished three core

*Table 1.4 GM definitions.*

| <i>Source</i>                       | <i>GM definition</i>  |
|-------------------------------------|---|
| (Ananthram et al., 2014)            | It is an ability and willingness to think, act, transcend goals boundaries, competencies, and values globally of managers   |
| (Beechler & Javidan, 2007)          | Individual's psychological, knowledge, and cognitive attributes that allow one to influence groups/ organizations that come from various sociocultural systems  |
| (Chatterjee, 2005)                  | A cognitive orientation that is incorporated in any organization and shown by its practices and values that in effect show its ability to transcend immediacy boundaries  |
| (Clapp-Smith, 2009)                 | General perspective, which is outlined by cognitive complexity, cognitive cultural intelligence, cultural self-awareness, and positivity. It also includes an individual's ability to integrate multiple cultural paradigms in order to understand/influence social interactions and events that are culturally diverse   |
| (Clapp-Smith & Lester, 2014)        | Dynamic process of mindset switching, appropriate reaction/mindset can be primed to activate for a specific situation   |
| (Cohen, 2010)                       | Ability to act in various cultural settings and influence groups, organizations, individuals, and systems that differ intellectually, socially, and psychologically from one's own knowledge structures   |
| (Javidan & Teagarden, 2011)         | Individual's ability to influence individuals, groups, organizations, and systems that are unlike them or their own. It consists of three capitals: <ul style="list-style-type: none"> <li>• psychological (passion for diversity, quest for adventure, self-assurance)</li> <li>• social (intercultural empathy, interpersonal impact, diplomacy)</li> <li>• intellectual (global business savvy, cognitive complexity, cosmopolitan outlook)</li> </ul> |
| (Levy et al., 2007)                 | Cognitive capacity to acknowledge and appreciate various cultures   |
| (Miocevic & Crnjak-Karanovic, 2012) | A multidisciplinary concept that consists of cultural and cognitive dimensions. Those influence decision-making and international actions of the company  |
| (Ndum & Onukwugha, 2012)            | It combines openness to and awareness of cultural diversity and gives an ability to synthesize across it  |
| (Nielsen, 2014)                     | Managerial meta-competence and organizational capability  |
| (Nummela et al., 2004)              | Includes attitudinal and behavioral elements. Attitudinal aspect outlines the way information is handled, and behavioral element refers to manager's openness and awareness to cultural diversity   |

|                             |  |
|-----------------------------|--|
| (Pucik, 2006)               | Two perspectives: <ul style="list-style-type: none"> <li>• psychological attributes and skills needed for managers to be effective within multinational companies</li> <li>• strategic orientation of the organization has an effect on managers' behaviors</li> </ul>   |
| (Reis et al., 2012)         | Described in two ways: <ul style="list-style-type: none"> <li>• Cross-cultural – cultural knowledge and sensitivity that gives an ability to work with people from various cultures effectively</li> <li>• Strategic – global business-savvy attitude, up-to-date knowledge on other markets and economies and willingness to create a global network</li> </ul> |
| (Quinonez & Ozyurt, 2014)   | Capacity to be culturally aware with regard to commonalities across cultures as well as differences that occur   |
| (Lane et al., 2009)         | Capacity to develop and interpret criteria for personal and business performances that are independent from the assumptions of a single context and to implement those criteria appropriately in different contexts  |
| (Gaffney et al., 2014)      | Usage of a multidimensional approach, including cognitive complexity, cosmopolitanism, and an external focus   |
| (Kwantes & Chung-Yan, 2012) | Individual's stock of knowledge, cognitive, and psychological attributes that enable them to influence individuals, groups, and organizations from diverse sociocultural systems   |

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*Source:* Authors' own description, based on research results.

components of capitals within GM concept, that is, psychological, social, and intellectual. Psychological capital includes such variables as passion for diversity, quest for adventure, and self-assurance. Social capital includes intercultural empathy, interpersonal impact, and diplomacy. Intellectual capital consists of a global business savvy, cognitive complexity, and cosmopolitan outlook.

GM is also defined as a criterion one is developing and interpreting in order to apply one context to a number of different contexts (Lane et al., 2009). The most approximate to the mentioned definition is a concept of dynamic mindset switching. Here, authors believe that appropriate approach/mindset can be primed and activated in a specific situation (Clapp-Smith & Lester, 2014).

Summing up, GM can be approached as a cognitive complexity, cultural awareness, and knowledge structure of an individual that gives an ability to effectively lead other individuals, as well as groups or organizations that come from differentiated cultural backgrounds.

### 1.5. Independent judges' IRR and Scott's Pi

IRR and Scott's Pi ( $\pi$ ) tests were conducted to analyze to which degree provided category ratings were in accordance. For both antecedents and outcomes, two independent judges achieved a high level of agreement. Antecedents' IRR reached 70%, and in the case of outcomes, it is 90%. As far as Scott's Pi is concerned, within antecedents, there was a high reliability score ( $\pi = 0.65$ ), and the outcomes reached a very high one ( $\pi = 0.9$ ). Those results show a high level of agreement between the independent judges.

For antecedents, independent judges input 31 variables into organizational factors, 90 for individual factors, and one into "other" category. Mismatch was found in 54 cases (those were categorized by a third independent judge). After adding up variables from the third judge, a total number for organizational factors turned out to be 61 and for individual factors 119. There was no change within "other" category. Details are shown in Table 1.5.

*Table 1.5* Sum of variables in each category – GM antecedents,  $N = 179$ .

| <i>Categories</i>                        | <i>Judge 1+<br/>Judge 2</i> | <i>Judge 3</i> | <i>Total</i> |
|--|-----------------------------|----------------|--------------|
| Organizational characteristics           | 5                           | 3              | 8            |
| Organizational managers' characteristics | 12                          | 3              | 15           |
| Organizational practices                 | 8                           | 8              | 16           |
| Organizational international activity    | 11                          | 11             | 22           |
| Demographic factors                      | 21                          | 10             | 31           |
| International activity                   | 41                          | 10             | 51           |
| Cross-cultural factors                   | 12                          | 2              | 14           |
| Psychological factors                    | 16                          | 8              | 24           |
| Other                                    | 1                           | 0              | 1            |

*Source:* Authors' own description, based on research results.

In the case of outcomes, independent judges input seven into organizational international activity, six into psychological factors, 16 within leadership, and 17 in performance. Mismatch was found in five cases. A third independent judge categorized those as in the case of antecedents. Thus, a total number for organizational international activity turned out to be eight, psychological factors seven, for leadership 16, and for performance 20. Details are shown in Table 1.6.

### 1.6. Antecedents of GM

There are several studies focusing on GM antecedents. Independent judges grouped those into two main categories, which got divided into four subcategories each. Category one, organizational characteristics, includes such variables as location of employment, product line, total employees of the firm (Cole & Konyu-Fogel, 2011), firm characteristics (Felício et al., 2013), technology intensity (Ananthram et al., 2010), as well as geographical scope of the firm (Kobrin, 1994), and job hierarchical level (Dekker, 2013).

Category two, organizational manager's characteristics, incorporates several variables. Those are manager's characteristics (Ransom, 2007), age (Arora et al., 2004), level of management (Story et al., 2014), skills and abilities, risk tolerance, and global identity (Ananthram et al., 2012). Managerial cognition also got included here (Massingham, 2013) as well as geographical scope of manager's responsibilities (Dekker, 2013). Composition (Paul, 2000) and attention patterns (Levy, 2005) of top management were also grouped into this section. Environment in which all managers see themselves as global sources (Gupta & Govindarajan, 2002), their international education (Nummela et al., 2004), international work experience (Nummela et al., 2004), leadership role (Nielsen, 2014), and leadership style (March, 2013) were also found as a good match.

Category three refers to organizational practices and so mostly it refers to HR practices and strategy of an organization. Here, such variables as training and development, action learning (Lill, 2012), formal training (Arora et al., 2004), training on the job (Dekker et al., 2005), career path planning, employee selection (Paul, 2000), global career paths (Nielsen, 2014), and management development programs (Pucik, 2006) got included. It also includes HR processes that support a culture of diversity (Pucik, 2006) and a strong focus on vision and processes itself

Table 1.6 Sum of variables in each category – GM outcomes,  $N = 52$ .

| <i>Categories</i>                     | <i>Judge 1 + Judge 2</i> | <i>Judge 3</i> | <i>Total</i> |
|---------------------------------------|--------------------------|----------------|--------------|
| Organizational international activity | 7                        | 1              | 8            |
| Psychological factors                 | 6                        | 1              | 7            |
| Leadership                            | 16                       | 0              | 16           |
| Performance                           | 17                       | 3              | 20           |
| Other                                 | 0                        | 0              | 0            |

Source: Authors' own description, based on research results.

(Paul, 2000). Such variables as organizational strategy (Ananthram et al., 2010), structural and strategic characteristics of the firm (Kobrin, 1994), entrepreneurial orientation (Ananthram et al., 2010), social capital (Mikhaylov & Fierro, 2015), and encouragement for managers to create networks (Paul, 2000) are also attached into this category.

Category four, organizational international strategy, has a number of variables grouped. Those are percentage of revenue from foreign operations, location of company's headquarters (Cole & Konyu-Fogel, 2011), employee mobility (Nielsen, 2014), firm international experience (Ciszewska-Mlinarič, 2015), company internationalization (e.g. Kwantes & Chung-Yan, 2012), global orientation of the firm, its perspectives on the global market (Felício et al., 2013, 2012), and market characteristics (globalness of the market, turbulence on the market; Nummela et al., 2004). What is more, such variables as business characteristics, whether this is a domestic, global or transnational business, as well as percentage of sales and employees overseas (Cole & Konyu-Fogel, 2011; Dekker, 2013) got included here. Others which were found relevant for organizational international activity are global performance management systems (Pucik, 2006), firm foreign ownership (Ciszewska-Mlinarič, 2015), boundary spanning activities (Ananthram et al., 2012), the number of countries the firm operates in/conducts business with (Cole & Konyu-Fogel, 2011), complexity of global role (Story et al., 2014), networking (Nielsen, 2014), cultivating knowledge regarding diverse cultures and markets, and ability to integrate diverse knowledge bases (Gupta & Govindarajan, 2002).

Category five concerns demographic factors that are individual not organizational. Most common GM antecedent across literature in this category is a number of foreign languages spoken (Carvalho, 2014; Ciszewska-Mlinarič, 2015; Cole & Konyu-Fogel, 2011; Felício et al., 2013; Javidan & Bowen, 2013; Matthes, 2013; Nielsen, 2014; Stokke, 2013; Story et al., 2014). Others are education (Carvalho, 2014; Dekker, 2013; Story et al., 2014), work experience (Dekker, 2013; Dekker et al., 2005), technical/professional expertise (Felício et al., 2013, 2012), knowledge (Ananthram et al., 2012), position (Cole & Konyu-Fogel, 2011), nationality (Matthes, 2013) or multiple nationalities (Stokke, 2013), as well as age and gender (Cole & Konyu-Fogel, 2011; Dekker, 2013). Marital status, the number of children (Dekker, 2013), or international marriages (Stokke, 2013) are also included into this section. Family factors were found as a good fit for this category; that is, family members of diverse ethnics (Stokke, 2013), early life experiences concerning family and travel (Kjar, 2007), and family life (Nielsen, 2014) are included.

Category six refers to international activities of an individual. This section incorporates a number of antecedents such as international assignments (Dekker et al., 2005; Gupta & Govindarajan, 2002; Lill, 2012; Lovvorn & Chen, 2011; March, 2013; Matthes, 2013; Nielsen, 2014; Story et al., 2014), international work experience (Cole & Konyu-Fogel, 2011), international experience (Ananthram et al., 2012; Carvalho, 2014; Ciszewska-Mlinarič, 2015; Felício et al., 2013, 2012; Le et al., 2018), international learning (Nielsen, 2014), education (Dekker, 2013; Javidan & Bowen, 2013; Matthes, 2013), international travel (Dekker et al., 2005; Lill, 2012; Matthes, 2013; Story et al., 2014), and international cooperation (Kwantes & Chung-Yan, 2012;

March, 2013; Nielsen, 2014). Moreover, valuation of international experience (Felício et al., 2013, 2012), international mobility (Pucik, 2006), working in international teams (Lill, 2012), family, friends (Matthes, 2013), or international background (Cole & Konyu-Fogel, 2011; Felício et al., 2012) were also found relevant for this category. International activity of an individual is also expressed by working with foreign nationals domestically, time studied abroad, learning about host country by leisure or business traveling and immersing in the new culture, student exchange programs, as well as self-studying about other cultures (Matthes, 2013), the number of countries one has lived in (Javidan & Bowen, 2013), or times per year a person traveled abroad (Dekker, 2013). Global orientation of the entrepreneur (Felício et al., 2012), job experience/exposure in other countries, having a family member of foreign origin (Arora et al., 2004), or attitudes toward globalization (managers' approaches to global learning opportunities, global HR, and global learning; Ransom, 2007) were also chosen as a good fit for this section.

Category seven, cross-cultural factors, focuses mostly on cultural experiences, knowledge, or intelligence. Most common antecedent here is cultural intelligence (Carvalho, 2014; Clapp-Smith, 2009; Clapp-Smith et al., 2007; Lovvorn & Chen, 2011; Zander et al., 2012) then cultural self-awareness (Carvalho, 2014; Clapp-Smith, 2009). Other variables taken into consideration here are effective cross-cultural communication (Nielsen, 2014), cultural knowledge creation, cross-cultural competence (Mikhaylov & Fierro, 2015), diverse cultural background and motivation to work and lead cross-culturally (Stokke, 2013), as well as intercultural adaptability (Ransom, 2007), global business knowledge (Lane et al., 2009).

Psychological factors, category eight, most common antecedents found within literature, are cognitive complexity (Clapp-Smith, 2009; Clapp-Smith et al., 2007; Clapp-Smith & Lester, 2014; Pobat, 2013) and positive psychological capital (Beechler & Javidan, 2007; Carvalho, 2014; Clapp-Smith et al., 2007; Story et al., 2014). Other components of this section are positivity and suspending judgment (Clapp-Smith, 2009), informal learning, tolerance of ambiguity and cosmopolitanism (Carvalho, 2014), cultivating curiosity about the world (Gupta & Govindarajan, 2002), as well as knowledge creation (Kwantes & Chung-Yan, 2012). Moreover, personality traits (Lane et al., 2009), mindfulness (Chandwani et al., 2015), decision style and attitude in relations as well as childhood experiences (Felício et al., 2013, 2012) were found relevant for this category.

Next paragraphs describe various approaches concerning grouping antecedents across available literature. Some study findings will also be presented.

Ransom (2007) focuses on managerial characteristics, intercultural adaptability, and attitudes toward globalization in the conducted research. Attitudes toward globalization are considered as a mediator here in between intercultural adaptability and GM. Results show that there is a partial mediation in between mentioned variables. Intercultural adaptability is found to partially mediate managerial characteristics and attitudes toward globalization. Significant interrelations are found between GM and attitudes toward globalization. Main differences in responses turned out to be influenced by managerial level, functions, and world regions.

Story and colleagues (2014) differentiate GM antecedents by personal, psychological, and job-role complexity. They outline education, level of management, number of languages spoken, number of international business trips, international assignment experience, complexity of global role, and positive psychological capital as important. On the other hand, Kjar (2007) outlines early life experiences, family factors and community, travel as important for GM development. Nationality prominence is also indicated in conducted studies. Matthes (2013) describes higher levels of GM in leaders who possess dual citizenship. It is also outlined that personal, educational, and professional factors can mediate the relationship between GM and nationality.

There are other approaches that, for example, group GM antecedents on demographic and organizational levels. The latter referred to such factors as a number of employees in the company, location of headquarters, product lines, number of places country operates in. Also, percentage of employees overseas and revenue received from foreign operations were taken into consideration. From a demographic perspective, age, gender, position, or such factors as international work experience, number of foreign language spoken, multicultural background of an individual or work location were considered as a significant antecedent of GM. Factors that were found to increase GM considerably were a number of: known foreign languages, countries worked in, employees working overseas, and company revenue (Cole & Konyu-Fogel, 2011). Dekker (2013), on the other hand, distinguishes personal and person in job factors. Personal factors refer to the number of children, marital status, age, gender, and education (also the one abroad). Person in job factors refers to job characteristics (e.g., geographical scope), international work experience, and how many times per year an individual traveled per year.

Antecedents of GM also get divided according to the level of occurrence, that is, individual, team/group, and company/organization. Ciszewska-Mlinarič (2015) distinguishes individual- and firm-level predictors of GM. First group refers to prior international experience and language skills, and second group refers to foreign ownership and international experience of a company. Hruby et al. (2016) have done an extensive literature research and grouped their findings according to the level of appearance. On an individual level, such antecedents are outlined as demographics (e.g., age, gender, language proficiency, and international education), multicultural work experience, multicultural background, international connection/mindset (e.g., expanding knowledge on various cultures), and business-related factors (e.g., operations). On a group level, they specify variables like cognitive capabilities, international experience, cosmopolitan orientation, and cognitive diversity. It is outlined as prominent for GM whether this group is engaged in globalization issues and international trade practices, has experience of foreign customers and traditions, industry-specific forces, organizational and strategic heritage, and overseas campuses. On organizational level, Hruby and colleagues (2016) describe such antecedents as leadership performance, manager's decision style, top management's capability to do a proper evaluation of gained international experiences, and even their childhood experiences. Moreover, daily languages exposure and international experience are



considered as valid, as well as available resources diversity and an ability to cultivate knowledge and information about other cultures.

Gupta and Govindarajan (2002), on the other hand, focus on international work experience of managers such as multiyear assignments and a creation of an environment for in which they would feel like global sources. Having an ability to integrate dispersed cultural knowledge structures, as well as having the willingness to cultivate it, is considered as an important predictor of GM. Thus, an ability to integrate diverse knowledge bases effectively got considered as the most important factor that affects GM development.

Among other antecedents that can be spotted within available literature, cognitive complexity is described as important for GM (Clapp-Smith, 2009; Clapp-Smith et al., 2007; Clapp-Smith & Lester, 2014; Hruby et al., 2016; Levy et al., 2007; Pobat, 2013) as well as cultural intelligence (Carvalho, 2014; Clapp-Smith, 2009; Clapp-Smith et al., 2007; Hruby et al., 2016; Lovvorn & Chen, 2011; Zander et al., 2012) and cultural adaptability (Reis et al., 2012). What is more, cultural self-awareness, positivity, and suspending judgment are considered as prominent factors (Clapp-Smith, 2009; Hruby et al., 2016). Carvalho (2014) referred to personal characteristics (formal education, language skills, international experience, and informal learning) and psychological traits (psychological capital, tolerance for ambiguity, cosmopolitanism, and cultural self-awareness) as predictors of GM. Moreover, Clapp-Smith and colleagues (2007) as well as Beechler and Javidan (2007) identified psychological capital as an important antecedent of GM. Later on, Clapp-Smith and Lester (2014) build up on those findings and added cosmopolitanism to the GM antecedent group.

Formal training as well as training on the job is considered as an important factor for GM development. There are variables that have a positive impact on GM development like foreign country work/living experience, multicultural family, and age (Arora et al., 2004). Moreover, having an international background within work or education has been listed as an important antecedent by Nummela and colleagues (2004). They found that such market characteristics as turbulence or globalness are prominent factors influencing GM. Lill (2012) outlined that managers on international assignments are the most effective in cultivating GM. Such factors as international travel, work experience, or working in global teams contributed to GM development. The value of international cooperation, assignments, and leadership style is mentioned by March (2013). Leadership style is described by people growth, offering development opportunities, conducting proper induction of new hires as well as providing proper training. It is vital to provide fulfilling work opportunities that can keep employees' interest in a done job (March, 2013).

Mikhaylov and Fierro (2015) found out that antecedents that are vital for GM are social networks, capital, cross-cultural competence, as well as creating cultural knowledge. Global approach turned out to be an important impact factor for GM. Lane and colleagues (2009) refer to global competencies as antecedents of GM and described developing global business knowledge as important. In their study, they also refer to threshold personality traits (integrity, humility, curiosity, and hardness or resilience) as vital predictors. On the other hand, Gaffney and colleagues

(2014) direct their attention to global integration, international work experience, interactions with foreigners, individuality and entrepreneurship as important ones for GM development. GM is predicted by team members' willingness to work together. This relationship is mediated by self-efficacy, and it is found that learning orientation is not positively interrelated with GM and cannot be considered as its antecedent (Tran et al., 2015).

Other group of antecedents referred to individual and company characteristics. In the study published in 2012 and 2013 by Felício and colleagues, the same set of GM antecedents was outlined, which are childhood experiences, international experience and its valuation, technical expertise, global orientation, and company's global market perspectives, as well as company's characteristics and global orientation (Felício et al., 2013, 2012). In addition, Felício and colleagues (2012) outlined decision style, and later on added decision style and attitude in relations as well as language skills (Felício et al., 2013). Then, in another set of research, Felício, Caldeirinha, and Ribeiro-Navarrete (2015) divided antecedents of GM into an individual and corporate groups. The first set builds up from cognition, knowledge, and behavior, whereas corporate level is referred to by analytical, risk-taking, aggressive, situational, or strategic posture. Moreover, diversity in cultural background, childhood influences like immigrant family or multiple nationalities, knowledge of foreign marriages, international marriage, as well as motivation to cooperate and lead in a cross-cultural environment are found as important antecedents of GM (Stokke, 2013).

### **1.7. Outcomes of GM**

There are a few studies with a focus on GM outcomes. However, the most researched and grounded in the literature are leadership (Ananthram & Nankervis, 2013; Beechler & Javidan, 2007; Bowen & Inkpen, 2009; Bücken & Poutsma, 2010; Chandwani et al., 2015; Cohen, 2010; Cole & Konyu-Fogel, 2011; Cruse, 2010; Dekker, 2013; Johnston, 2013; Khilji et al., 2010; Kwantes & Chung-Yan, 2012; Lane et al., 2009; Osland et al., 2012; Sakchalathorn & Swierczek, 2014; Vakilbashi et al., 2014; Vogelgesang et al., 2014; Zander et al., 2012) and internationalization (Felício et al., 2013, 2012; Felício, Caldeirinha et al., 2015; Jiang et al., 2018; Kyvik, 2018; Lazaris & Freeman, 2018; Miocevic & Crnjak-Karanovic, 2012; Nummela et al., 2004; Reis et al., 2018; Torkkeli et al., 2018). In the case of leadership, researchers refer to effectiveness that incorporates such components as career success, salary growth, performance rating, or career satisfaction (Dekker, 2013). It is also considered via competencies such as nonjudgmentalness, inquisitiveness, and performance (Vogelgesang et al., 2014).

Independent judges grouped available outcomes within five categories. First one, organizational international activity incorporates such variables as internationalization (e.g. Felício et al., 2013, 2012; Kyvik, 2018), global strategic posture of the firm (Levy, 2005), firm's strategic orientation (global aspiration, capability-seeking, risk tolerance; Gaffney et al., 2014; Paul, 2000), and acculturation (Gonzalez-Loureiro et al., 2015). Internationalization is described in various ways in the literature. Felício

and colleagues (2012) divide it into four dimensions: internationalization effects of the firm, internationalization know-how activities, international formal activities, and international networking activities. In their next paper, Felício and colleagues (2013) describe it as an internationalization behavior that includes internationalization effect on the firm, international know-how activities, and international networking activities. On the other hand, in their latest publication, Felício and colleagues (Felício, Caldeirinha et al., 2015; Felício, Duarte et al., 2015) refer to internationalization via internationalization effect (internationalization positively affects the firm's specialization, know-how, and image); international networking activities (company participates in international networks in order to acquire information, explore market resources, create or maintain contacts with suppliers); international know-how activities (frequent participation in congresses; conferences; and fairs to acquire knowledge and establish contacts with new suppliers; and also present skills, technologies, and products to international markets). Internationalization is also described as a process and measured by company's export performance (Miocevic & Crnjak-Karanovic, 2012). Nummela and colleagues (2004) and Torkkeli and colleagues (2018), on the other hand, referred to internationalization as an international performance of a company. This is measured by both subjective and objective performances. The latter refers to development of turnover, share of foreign customers, share of foreign partners, number of export markets, while subjective performance refers to quantitative and qualitative measures.

Second category, psychological factors, includes organizational commitment (Story, 2010; Story & Barbuto, 2011), confidence (Cruse, 2010), culturally appropriate behavior. Category four, organizational international strategy, includes percentage of revenue from foreign operations, location of company's headquarters (Cole & Konyu-Fogel, 2011), employee mobility (Nielsen, 2014), firm international experience (Ciszewska-Mlinarič, 2015), market characteristics (globalness of the market, turbulence on the market; Nummela et al., 2004), firm foreign ownership (Ciszewska-Mlinarič, 2015), cultivating knowledge regarding diverse cultures and markets, and ability to integrate diverse knowledge bases (Gupta & Govindarajan, 2002).

Category seven, cross-cultural factors, focuses mostly on cultural experiences, knowledge or intelligence, effective cross-cultural communication (Nielsen, 2014), cultural knowledge creation, and cross-cultural competence (Mikhaylov & Fierro, 2015), diverse cultural background, and motivation to work and lead cross-culturally (Stokke, 2013), as well as intercultural adaptability (Ransom, 2007), global business knowledge (Lane et al., 2009), and trust in leader (Story, 2010; Story & Barbuto, 2011). On the other hand, third category (leadership) has a considerable number of variables included. Those are global leader competencies (nonjudgmentalness, inquisitiveness, and performance; Vogelgesang et al., 2014), leader-member exchange (Story, 2010; Story & Barbuto, 2011), culturally responsive global leadership (Johnston, 2013), leadership behavior (Cole & Konyu-Fogel, 2011), global leadership (Beechler & Javidan, 2007; Chandwani et al., 2015; Khilji et al., 2010; Osland et al., 2012; Sakchalathorn & Swierczek, 2014), manager's global skill sets (Ananthram & Nankervis, 2013) and how a manager leverages global team diversity

as well as leading successful global teams (Zander et al., 2012). The last but not least are such factors as leadership attributes or styles (Vakilbashi et al., 2014) and global leadership development (Paul, 2000). Moreover, as mentioned earlier, Story (2010) researched GM in the aspect of organizational commitment, but also follower trust in leader and leader–member relationship. It is found that there is no significant relationship between GM and ratings of follower trust in leader and quality of the leader–member relationship. However, findings indicate a negative relationship between leaders' GM and follower organizational commitment.

Category four relates to performance. Here, we can find SMEs' financial and international performance (Chen, 2014), leadership performance (Cruse, 2010), team (Gagnon, 2014; Mohamed, 2013) and leadership effectiveness (Bowen & Inkpen, 2009; Cohen, 2010; Dekker, 2013; Lane et al., 2009), business performance/effectiveness (Ranker et al., 2014), global team performance (Zander et al., 2012), organizational performance (Javidan & Bowen, 2013; Kaczmarek, 2009), company's adaptive capability (Reis et al., 2012), trader performance (Price, 2015), performance of offshore service providers (Raman et al., 2013), and effectiveness of management training programs in multinational corporations (MNCs) (Addae, 2010). Moreover, factors counted in this category also are manager's cross-cultural communication (Stone, 2013), internationalization process measured by SME export performance (Miocevic & Crnjak-Karanovic, 2012), and international performance of the firm (Nummela et al., 2004).

Reviewed literature describes performance as organizational (Chen, 2014; Kaczmarek, 2009; Raman et al., 2013; Ranker et al., 2014) and individual (Bowen & Inkpen, 2009; Price, 2015). Individual performance mostly refers to managers' (Bowen & Inkpen, 2009) or trader's performance (Price, 2015). In case of traders, it is found that GM has little direct effect on their performance. GM is considered to rather strengthen network structures that in turn influence an increased trader's performance (Price, 2015).

Though, international cooperation is often considered as an antecedent of GM, as mentioned in previous sections, cross-cultural communication is described as a GM outcome in the literature. Stone (2013) referred to this outcome as essential in MNCs, since in global environment communication styles are influenced by a multiplicity of cultural backgrounds. This presents considerable challenges for MNC managers to communicate effectively across structures. Thus, appropriate knowledge of GM can support them in better understanding and functioning in global environment. A conceptual framework was created with the usage of Media Synchronicity Theory and GM. The aim is to support managers in improving their cross-cultural communication performance (Stone, 2013).

Team effectiveness (Gagnon, 2014; Mohamed, 2013; Zander et al., 2012) and confidence (Cruse, 2010) are also considered as an important outcome of GM. For example, Mohamed (2013), who researched organizational culture and GM relationships with team effectiveness, found positive interrelations in between those variables. What is more, it is outlined that GM and organizational culture combination leads to a more effective international team as well as organization management. Tran and colleagues (2015), on the other hand, found that GM is

positively correlated with virtual team members' willingness to cooperate. Last category, that is, other, has only one variable included which is global culture capital researched by Ng et al. (2011).

It should be noted that Hruby and colleagues (2016), in their literature review, grouped GM outcomes on individual, group and organizational levels. On the individual level, they listed such GM outcomes as employee commitment, financial indicators of the international performance of firms, leadership, cross-cultural communication. Team effectiveness or performance is considered as important on group level. Organizational level incorporated such variables as performance, internationalization, work performance, international behavior, or enabling corporate decision-making process. Saputra and Sihombing (2018) also outlined international behavioral control and entrepreneurial intentions as important outcomes of GM.

### **1.8. Chapter summary**

A multiplicity of approaches toward GM can be found across literature (Bouquet, 2004). It is studied equally as a dependent or independent variable within studies. Even though we can mostly come across research projects, there are a considerable number of literature reviews available. What is more, there are several GM definitions available currently ( $N = 18$ ), which have some discrepancies as well as commonalities across literature. They refer in most cases to cognitive aspects and an ability to influence individuals/groups/organizations from varied cultural backgrounds. What can be also spotted quite often are such factors as psychological attributes, knowledge structures, or cultural awareness. Thus, after careful review of available definitions and consideration, it can be assumed that GM can be described as a cognitive complexity, cultural awareness, and knowledge structure of an individual that gives an ability to effectively influence other individuals, as well as groups or organizations that come from differentiated cultural backgrounds.

GM antecedents are described as demographic factors such as number of international assignments, business trips, travels, living abroad, having an international work experience, or cooperating internationally (Ananthram et al., 2012; Arora et al., 2004; Carvalho, 2014; Ciszewska-Mlinarič, 2015; Cole & Konyu-Fogel, 2011; Dekker, 2013; Dekker et al., 2005; Felício et al., 2013, 2012; Gaffney et al., 2014; Gupta & Govindarajan, 2002; Javidan & Bowen, 2013; Kwantes & Chung-Yan, 2012; Lill, 2012; March, 2013; Nielsen, 2014; Pucik, 2006; Story et al., 2014). Age also gets outlined as an important GM antecedent (Cole & Konyu-Fogel, 2011; Dekker, 2013; Gupta & Govindarajan, 2002), as well as cultural intelligence (Carvalho, 2014; Clapp-Smith, 2009; Clapp-Smith et al., 2007; Lovvorn & Chen, 2011; Zander et al., 2012), education (Dekker, 2013; Gupta & Govindarajan, 2002; Story et al., 2014), and cognitive complexity (Clapp-Smith, 2009; Clapp-Smith et al., 2007; Clapp-Smith & Lester, 2014; Felício, Duarte et al., 2015; Gupta & Govindarajan, 2002; Pobat, 2013). Language proficiency and number of foreign languages known are outlined as important factors for GM (Carvalho, 2014; Ciszewska-Mlinarič, 2015; Cole & Konyu-Fogel, 2011; Felício et al., 2013; Gupta & Govindarajan, 2002; Javidan & Bowen, 2013; Nielsen, 2014; Stokke, 2013; Story

et al., 2014). Moreover, cross-cultural competence (Mikhaylov & Fierro, 2015), effective cross-cultural communication (Nielsen, 2014), as well as leadership position (Gupta & Govindarajan, 2002; March, 2013; Nielsen, 2014; Stokke, 2013), or personality traits (integrity, humility, curiosity, and hardiness or resilience; Lane et al., 2009) are found to have an effect on GM.

With regard to antecedents directly linked with an organization, there are a number of factors described in the literature. Those are number/percentage of employees in the firm, countries firm operates in/conducts business with, employees overseas, and revenue from foreign operations or company's location (Ciszewska-Mlinarič, 2015; Cole & Konyu-Fogel, 2011; Gupta & Govindarajan, 2002). Company's international experience/characteristics, personnel transfer practices, or organizational strategy can also be spotted across the research (Ananthram et al., 2010; Ciszewska-Mlinarič, 2015; Felício et al., 2013; Gupta & Govindarajan, 2002; Kwantes & Chung-Yan, 2012). An importance of competitiveness on the market, composition of top management and its ability to evaluate international experience, firm perspectives globally, or the level of participation in global scanning of the market, discussions about globalizations or its level of engagement in globalization issues and international trade practice are outlined as well by multiple scholars (Felício et al., 2013, 2012; Gupta & Govindarajan, 2002; Nummela et al., 2004; Paul, 2000).

The most commonly studied outcomes of GM are leadership (Ananthram & Nankervis, 2013; Beechler & Javidan, 2007; Bowen & Inkpen, 2009; Bücken & Poutsma, 2010; Chandwani et al., 2015; Cohen, 2010; Cruse, 2010; Johnston, 2013; Khilji et al., 2010; Kwantes & Chung-Yan, 2012; Lane et al., 2009; Nielsen, 2018; Osland et al., 2012; Sakchalathorn & Swierczek, 2014; Vakilbashi et al., 2014; Vogelgesang et al., 2014; Zander et al., 2012), internationalization (Felício et al., 2013, 2012; Felício, Caldeirinha et al., 2015; Kyvik, 2018; Lazaris & Freeman, 2018; Miocevic & Crnjak-Karanovic, 2012; Nummela et al., 2004; Reis et al., 2018; Torkeli et al., 2018), and organizational commitment (Chen, 2014; Kaczmarek, 2009; Raman et al., 2013; Ranker et al., 2014). Performance is studied from an individual perspective (mostly manager's; Javidan & Bowen, 2013; Price, 2015) as well as team effectiveness (Gagnon, 2014; Mohamed, 2013; Zander et al., 2012). Other factors can also be spotted within the literature, and though their number is scarce, they add up to available knowledge on the GM outcomes. Those are trust and leader-member exchange (Story, 2010), confidence (Cruse, 2010), cross-cultural communication (Stone, 2013), firm strategic orientation (Gaffney et al., 2014), as well as culturally appropriate behavior (Clapp-Smith, 2009).

Moreover, GM concept is considered to bring more effectiveness in making business decisions in global context and goes beyond such concepts as cultural intelligence, which, mostly, can enable successful coping in cross-cultural surroundings. GM can bring the possibility of increasing the effectiveness in business practice management and their utility evaluation for the company internationally (Andresen & Bergdolt, 2017). In another review, GM is discussed in the light of resource-based view approach and global companies. It is outlined that a specific set of skills (e.g., process-related competencies and competencies resulting from

knowledge) within global organizations can lead to GM. This brings empowerment for the business environment and considerable competitive advantage (Niemczyk & Sus, 2020).

Discussed literature review of the GM construct shows a great need to keep on developing and building up on existing knowledge, having in mind not only antecedents but also outcomes. Multiplicity of methods used to research GM and definitions available shows a great need to create a unified, more clear approach. This has also been outlined by the latest review on GM by Hruby et al. (2018), calling out the requirement to increase the research on variables operationalization. In their review they have focused on individual dimensions of GM within managers; however, they outlined that it is prominent to adopt complex models in the research with a focus on global companies that have bigger engagement in international assignments.

## 2 Business process outsourcing

### 2.1. BPO – the framework

Globalization is a trend that is affecting business in each country across the globe. Emerging multinational companies are in demand of international corporate strategy. This phenomenon is happening due to various reasons, but mostly this is to access scarce skills, streamline operations, or reduce company costs. Such terms as sourcing, outsourcing, or offshoring are becoming more common globally. Companies currently undertake additional strategies to make their processes more efficient and keep up with one's competition within the global market. Also, it is important to note that it is becoming more common that companies go into multi-sourcing approach (contracting with multiple suppliers at the same time; Oshri et al., 2015). There is a rapid growth in multi-sourcing strategies that are becoming a preferred solution for client companies. On the one hand, it is mitigating the risk of relying on a single supplier, whereas, on the other hand, it increases transaction costs and so the need to manage multiple suppliers at same time. Additionally, since contracts are tending to be shorter, client companies need to bid more often and face more supplier competition that is fit to take part in smaller deals (Kakabadse & Kakabadse, 2005; Oshri et al., 2015). This, in turn, results in a bigger supplier geographical diversification and wider outsourcing location spread (Palugod & Palugod, 2011). Growing demand within BPO and interest in its services keep growing and evolving technologically and geographically (Graf & Mudambi, 2005).

Following sections outline the market overview, sourcing terminology, as well as outsourcing levels and drivers.

#### 2.1.1. BPO market overview

Globally BPO market exceeds \$279 billion worth and is expected to grow 25% annually (Lacity et al., 2011). By 2025, it is forecasted to reach \$343.2 billion according to Grand View Research (2018). BPO is taking over such areas like banking, financial services, manufacturing, insurance, information technology (IT), and many more. There is a stable growth in companies deciding to outsource their activities to external vendors and remaining to focus on core processes and enhance company's business (Grand View Research, 2018).



BPO and shared service location index 2016 put market segmentation in place to divide BPO pioneering and mature markets across the globe. BPO operations scale in a given location determines whether it can be considered pioneering (emerging) or mature (already established). Mature markets consist of 20 countries assessed on conditions, risk, and cost scale. In the top five, one can find countries like Romania, Philippines, Hungary, Brazil, and Morocco. Within emerging so pioneering BPO markets are areas such as Vietnam, Peru, Lithuania, El Salvador, and Indonesia, which are assessed on same scales, that is, cost, risk, and conditions. Irrespective of BPO operations scale level across the world, top locations in terms of operational and cost conditions are outlined. The best cost in terms of locations is offered by Vietnam, Honduras and Philippines, whereas from operation point locations of highest value are European countries: Romania, Lithuania, and Bulgaria (McLocklin et al., 2016).

Usually, outsourcing is divided among three industries: manufacturing, IT, and BPO (Mahmoodzadeh et al., 2009, in Krstić & Kahrović, 2015). Essentially, *manufacturing outsourcing* is using other companies' production facilities instead of those in-house (Ehie, 2001, in Krstić & Kahrović, 2015). *Information technology outsourcing* (ITO) refers to the usage of specific components within service provider structure (e.g., HR) that contributes to the IT infrastructure on the customer side (Loh & Venkatraman, 1992, in Krstić & Kahrović, 2015). With regard to *BPO*, external provider takes full ownership for whole business process (Krstić & Kahrović, 2015). Main focus here is put on the business process itself, not hierarchy within a given client organization (Kohlbacher & Reijers, 2013, in Krstić & Kahrović, 2015).

BPO currently is on rise and outruns such services as ITO. It is mostly because companies do not take the investments in their back-office innovations. Suppliers that can support them are often more efficient in improving functions and processes that can be considered as inefficient (Krstić & Kahrović, 2015). It is important to note that around 80% of back-office work is still managed in-house, despite the rise in BPO market rapid development. However, since those operations are in constant need to become more competitive in what they have to offer as a service, this brings plenty of room in BPO expansion. Academic research is more advanced in ITO than BPO research. Despite that, BPO scholars are picking up the pace with ITO researchers in past years, publishing more and more good quality papers (Lacity et al., 2011). It is also outlined that effect of a single sector should be applied in the research of individual and corporate and individual GM (Felício, Meidutė et al., 2016).

### 2.1.2. Terminologies used in sourcing literature

Sourcing is a process in which work is contracted or delegated to external or internal provider and can be located anywhere in the world. Location of the supplier is flexible. This act includes insourcing or outsourcing activities, for example, offshoring, nearshoring, and onshoring outsourcing usually refer to a contract with a single third-party supplier that is signed and agreed upon for a certain period of

time, level of service, and cost. When we talk about offshoring, it means moving organizational activities (e.g., within finance and accounting or HR) to another subsidiary or third-party service provider in a different country. It is important to outline the difference here between offshoring in-house and external supplier. Whenever organization is offshoring within its own entity, this is referred to as a captive model of service delivery, whereas offshore outsourcing is taking place when scope of work is transferred to a third-party supplier. What is nearshoring then? It takes place when organization transitions work to a neighboring country. There is also a process called back-sourcing, and this is a trend within an organization to bring back work outsourced to supplier back in-house (Oshri et al., 2015).

BPO solutions are gaining attention within sourcing industry and have become a hot topic nowadays (Halvey & Melby, 2007). What should be noted is that there are multiple approaches to BPO definitions. On the one hand, it is defined as a movement of business processes from internal settings to external providers (Brown & Wilson, 2005; Chakrabarty, 2007; Click & Duening, 2004; Duening & Click, 2005; Koulopoulos & Roloff, 2006; Lacity & Willcocks, 2014; McIvor, 2010). On the other hand, it is defined as an outsourcing of one or more methodologies, processes, or functions to an external vendor with IT that will give support (Halvey & Melby, 2007). BPO puts a focus on effectiveness of the process or function on end-to-end basis (from manager to end user). The focus is on core process and not on technology that may support it (Halvey & Melby, 2007). BPO can also be referred as outsourcing a particular process within front- or back-office functions. Front office is customer-oriented jobs, and back office is, for example, billing, payroll, or purchasing (Abdulkader, 2016).

There are multiple types of business models that have developed globally. How those are divided is based on who is performing outsourced function. This can happen in-house, that is, by outsourcing to company's subsidiary, as a joint effort (client + supplier – hybrid model), or to external supplier. To add to complexity, work can still happen on company's premises, that is, onsite or offsite. Offsite can relate to work being transferred onshore, nearshore, or offshore (Oshri et al., 2015). In Table 2.1, most common sourcing terminologies are presented and would be discussed furthermore in detail in the following paragraphs.

With the services delivered by a third-party supplier, we can count in insourcing, onshore outsourcing, offshore outsourcing, and nearshore outsourcing. Offshore outsourcing is when a location to which work is transferred is in a developing country or is separated by an ocean from the client. Insourcing refers to staff augmentation. This means that the client buys in the skills that are not available internally from external supplier on a temporary basis. Work is still managed in-house and skilled employees are provided to the company on a pre-agreed rate. Another model is domestic outsourcing (onshore). It means that supplier is in close reach to the client (in same country) and often a certain amount of work for a specified length of time, cost, and service level is moved to the vendor. Very similar to this model is home-shoring or rural outsourcing, which means sending work to rural areas with lower wage regions within the country borders. On top of it, some new models are developing and those are impact sourcing and out-tasking. Out-tasking

Table 2.1 Most common sourcing terminologies.

| Ownership | Buy           | Third party                             | Insourcing (staff augmentation)                              | Onshore outsourcing (domestic supplier)   | Offshore outsourcing   | Nearshore outsourcing (foreign supplier)                          |
|-----------|---------------|---|--|---|--|---|
|           |               | <b>Overview – the buy process:</b>      | <b>Temporarily</b> buy-in of the skills from external client | <b>Specific amount of work</b> is moved to the vendor within the same country                         | <b>In developing country or at least separated</b> from client by an ocean   | <b>Work is being moved to the vendor</b> from neighboring country |
|           | <i>Hybrid</i> | <b>Joint venture</b>                    |  | <b>Co-sourcing</b>  | <b>Offshore/nearshore</b> development center (Build – Operate – Transfer) – BOT model                                      |   |
|           |               | <b>Overview – the hybrid process:</b>   |  | <b>Client</b> and vendor cooperate  | <b>Company</b> contracts with supplier (nearshore or offshore) to build and operate a center                               |   |
|           | <i>Make</i>   | <b>In-house</b>                         | <b>Internal delivery</b>                                     | <b>Shared Services</b>  | <b>Captive center</b>  |   |
|           |               | <b>Overview – the in-house process:</b> |  | <b>Centralizing operations</b> that are spread in many locations in one <b>Onshore (same country)</b> | <b>A strategy of outsourcing</b> certain activities to a company’s subsidiary in another country <b>Nearshore/offshore</b> |   |

Source: Oshri et al. (2015).

refers to outsourcing on a small scale. Usually, it relates to ongoing support for applications and is usually performed by local suppliers. However, if the company is global, this activity can also be relocated to offshore locations (Oshri et al., 2015). Impact sourcing, on the other hand, is a transfer of micro-work (small, divided pieces of work that needs to be delivered) to developing locations in order to promote economic growth (Gino & Staats, 2012, in Oshri et al., 2015).

In hybrid model, client and vendor cooperate with each other (co-sourcing) or company contracts with supplier in nearshore or offshore location to build and operate a center for a specific length of time on certain conditions (BOT model). In BOT model case, client retains the right to take over the operations under specific financial agreements and conditions. In co-sourcing model, additionally both the client and the vendor contribute their resources. What is important is that many of the offshoring agreements have a BOT component included (Oshri et al., 2015).

Finally, models that are keeping operations in-house, and hence have internal delivery, establish shared services or captive centers. Shared services refer to centralizing operations that are spread in many locations in one (e.g., HR, IT, finance, or procurement). This type of outsourcing model can be a captive center or outsourced to a third-party supplier. Shared services are becoming more and more common nowadays and one of the aims such solution has is to provide required centralized services as efficiently as possible. This solution, if working properly, can reduce costs, improve services, and generate revenue. It can also take three commercial forms, which are unitary, lead department, and joint initiatives. Unitary takes place when a single organization centralizes a business service. Lead department refers to consolidation and centralization of business services by an organization in order to share with other organizations. Joint ventures are a model set by two or more organizations that reached an agreement to build and run shared services together. Shared services can be set onshore, offshore, or nearshore as well (Oshri et al., 2015).

Captive centers are a strategy of outsourcing certain activities to a company's subsidiary in another country. There are six types of captive centers: basic, shared, hybrid, divested, migrated, and terminated (Oshri, 2011, in Oshri et al., 2015). Basic captive center only focuses on providing services to the parent company, whereas a shared one also takes into consideration external clients. Hybrid captive center is an outsourcing location that is offshored to external, local supplier. Divested captive center entails selling part of operations by the client, while a migrated one considers relocation part of services to another location. Finally, terminated captive center occurs when the center gets closed. Basic captive centers have evolved into hybrid, divested, or shared model. There are three evolutionary paths identified here: basic-hybrid, basic-shared-divested, and basic-divested. Terminated and migrated captive centers do not have an evolutionary path. In case of basic-hybrid, this can be initiated by the captive center itself, whereas in case of other changes, for example ownership, client will take the decision whether the center will follow basic-shared-divested or basic-divested solution (Oshri et al., 2015).

Fontana and Prencipe (2013) described six main sourcing mechanisms that can be spotted across literature, namely, domestic insourcing, domestic outsourcing,

offshore outsourcing, direct offshore outsourcing, wholly owned subsidiary, and joint venture offshore outsourcing. Another classification is provided by Chakrabarty (2007). Those are onshore insourcing of business processes, offshore insourcing of business processes, onshore outsourcing of business processes, and offshore outsourcing of business processes. Onshore insourcing of business processes take place when the client's internal department or subsidiary is carrying out process execution and is located within the same country. This can be also called onshore business process insourcing (BPI) or domestic BPI. Next one is offshore insourcing of business processes. This takes places within client entity, that is, department, captive center, or subsidiary which is carrying out delegated business processes and are in a different country. It can also be called offshore BPI or global BPI. Another one is onshore outsourcing of business processes (onshore BPO or domestic BPO). In this case, both the vendor and the client are in cooperation and are in the same country. Finally, in offshore outsourcing of business processes (offshore BPO or global BPO), the vendor executes client's business processes, but both are located in different countries (Chakrabarty, 2007).

### 2.1.3. Outsourcing levels

In literature one can find information about three levels of outsourcing, namely: strategic, tactical, and transformational. There is a need for *tactical outsourcing* when organization needs to solve specific problems. Most common ones are needed more talent, business performance, or financial issues (Brown & Wilson, 2005). *Transformational outsourcing* occurs when a service provider supports the firm in business change and in achieving operational effectiveness at the same time. This is a new trend in outsourcing that gains attention nowadays. It helps in bringing organizational change, new boundaries within the client company and aids in the creation of new strategies (Brown & Wilson, 2005; Krstić & Kahrović, 2015). Hence, very often, the provider brings to the table a management team having experience and capability to bring changes (Brown & Wilson, 2005; Chew & Gottschalk, 2013, in Krstić & Kahrović, 2015). *Strategic outsourcing* is closely connected with organization's long-term business strategies. It is prominent for organization's performance, competitive position, and how it is structured in the future (Brown & Wilson, 2005; Maurice & Greaver, 1999, in Krstić & Kahrović, 2015).

Within a client organization, we have three types of processes: (1) core; (2) business critical non-core, and (3) non-core, non-critical. Core processes are hardly ever outsourced since those constitute the heart of the organization, however, those critical non-core and non-critical and non-core are well-suited for BPO (Hones, 2003, in Krstić & Kahrović, 2015). BPO is a phenomenon in outsourcing that requires involvement of social and technical resources from provider and client organization. It brings social and human impacts as well as business transformation. For BPO to be effective, there is a need for diverse skill sets that are not to be found in a single individual (Krstić & Kahrović, 2015). BPO complexity brings a need for broader set of management and employee capabilities and skill set (McIvor, 2010). Outsourcing levels and processes outsourced by client discussed so far are pictured in the Figure 2.1.

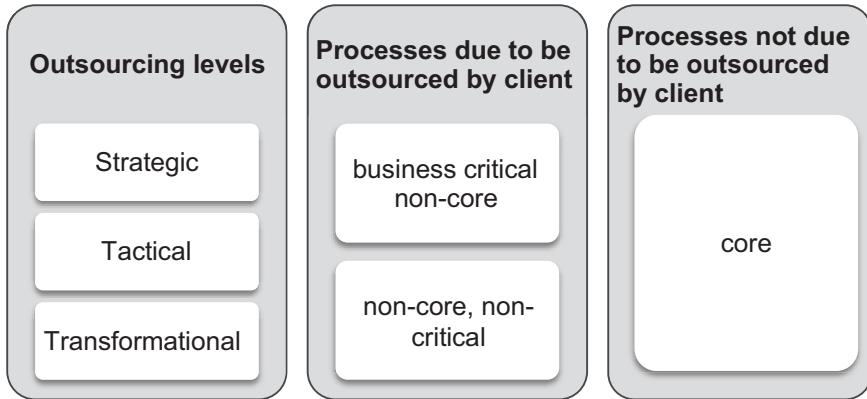


Figure 2.1 Outsourcing levels and processes.

Source: Krstić & Kahrović (2015).

It might be useful though to develop our understanding further on outsourcing levels and how those differ from traditional outsourcing strategies. Let us focus on traditional outsourcing first. This level is more operational and cutting costs-focused. It aligns with existing business processes and brings new controls in place. It also bases its success and performance on external resources that are experts rather than non-specialists in house. It helps the organization to remove the non-core functions providing a one-time capital discharge. Transformational outsourcing is considered as a third-generation model and brings business focus and redefinition. It aims to bring additional value for the client and reshapes business processes that remain in accordance with strategic goals. Value is generated constantly due to re-engineering activities. External experts and innovations they apply to the existing business bring the biggest value to the clients. Suppliers change into allies who bring changes and mind share within organizations. Tactical outsourcing level refers to finding a problem solution within organization, for example lack of competent staff, or headcount reduction. It usually goes along with a bigger in scale restructuring of corporations. Tactical level is expected to bring immediate cost savings, take away staffing issue, eliminate need of future investments, and boost up assets' sale. The basis here is a contract between the client and the supplier. Forming such relationships can bring savings in management time and efforts, as well capital investments. Finally, strategic outsourcing level aims at building a long-term relationship value. It is reflected by the organization choices in limiting a multi-sourcing decision to only few best vendors. This brings mutual benefit to both the client and the supplier organizations (Brown & Wilson, 2005).

Another approach with regard to outsourcing levels is smartsourcing. It provides techniques that help the client organization to look at its capabilities more widely and determine ways on how to achieve high cost, innovation, and performance. Smartsourcing focuses on scope, partnership, competency, innovation, and

long-term engagement between the client and the supplier. One of main aim of smartsourcing is highly skilled workers' not cheap labor. Hence, this can be approached as a process that helps create maturity in the entire company's infrastructure. It also supports in establishing risk management methods and create balance within this area for the client. While standard outsourcing process focuses on non-core processes that are transferred out, smartsourcing brings added value in the whole process spectrum, that is, core and non-core. This supports clients in achieving high performance and innovation levels with both core and non-core areas and creating customer value at the same time (Koulopoulos & Roloff, 2006).

#### 2.1.4. Outsourcing drivers

What drives outsourcing? This is a question asked often. There is a big amount of research focusing on exploring those factors. Many of those are connected closely with companies or industries, but some common drives were identified as well (Krstić & Kahrović, 2015).

Drivers of outsourcing can be divided into three factors: economical, strategic, and environmental. *Economical factors* relate to cost-saving and reduction, and capital saving reduction. Main reasons for those are to achieve improvement in profitability, operational efficiency, and cash flow. It also brings much higher return on assets and adds value to the product. *Strategic factors*, on the other hand, bring process re-engineering, more flexibility, and deeper focus on core competence within the organization. The outcomes delivered via those drivers are higher competitive advantage, leveraging company's skills and resources, and being responsive to changes on the market. Finally, *environmental factors* incorporate IT development, thus bringing new technological solutions and systems on the table. We can count in also globalization and increased capability of suppliers. Thanks to reaching to other markets, companies get a competitive advantage on the market (Hung Lau & Zhang, 2006).

Lacity and colleagues (2011) have carried out a critical review of BPO literature, in which they have created two models. One relates to BPO decisions and the other to BPO outcomes. BPO decisions refer to a set of independent variables outlining reasons to outsource, client characteristics, and transaction attributes. BPO outcomes are independent variables referring to country specifics, client, and supplier capabilities, as well as contractual governance. Let us focus more in details on both models and their significance levels.

BPO decisions have the strongest significance in evidence within motivations to outsource. Those are cost reduction, increased accessibility to skills and expertise, process improvements within organization, scalability, and rapid delivery of products. One of the motivations, which are concerning intellectual property and security, is considered as the only one negatively associated with BPO decisions. The more client organization is concerned with intellectual property and security, the less probable is for them to choose a BPO solution. Other important variables are criticality of business process, its complexity, and prior performance of client organization. The more the process is complex and critical to organization, the

probability is smaller to outsource it to external providers. In case of prior firm performance, it has weaker but still positive association with decision-making in client organizations (Lacity et al., 2011).

BPO outcomes focus on the result of outsourcing activity. Most studied outcome relates to client business performance after BPO solution implementation (e.g., in terms of expenses, profits, or assets). Another one is measurement of client success level/satisfaction perception and influence level that BPO has on client organizations. What is also outlined in literature in top five most examined outcomes is how BPO affects business process in terms of cost cutting, and service quality (performance of business process). The others most commonly studied were how BPO influences innovation and client/supplier capabilities (Lacity et al., 2011).

Studies suggest that more focus should be also put in quality of BPO as it has positive effect on BPO outcomes. Positive relations were found between BPO quality outcomes and outsourcing in emerging locations (e.g., China, Eastern Europe, Philippines, South America, or Russia). Vendor selection process and investment in performance measurement are outlined as the key factors in outsourcing success. Moreover, clients with high process maturity are more highly prone to experience limited increase in quality when engaging with a vendor. However, more data and research are needed to understand client–BPO engagement practices and their influence on services quality (Whitaker et al., 2018).

Another way of classifying drivers of outsourcing is by dividing those into four categories: organizational, financial and cost, improvement, and revenue. *Organizational motivators* to outsource achieve more deal flexibility and higher focus on core business. This helps the client to deal with constantly changing business environment and creation of strategies (e.g., market positioning or product development). This can also bring more career opportunities for employees who are considered as key assets in service industries. In the case of *improvement drivers*, the main aim is to accelerate operations performance; risk management; and bring more expertise, tools, solutions, and technologies. By outsourcing, the supplier helps client organization to handle work volumes and remove fixed work costs as the provider is paid only for work performed. This can be applicable when there is a need to develop any sort of applications that can help empower the workforce. *Financial and cost drivers* aim at freeing resources for other assignments; reduce investments in assets and generate more income. Outsourcing can help in improving financial outcomes or when the client needs to build new capability in new location. It helps in reducing and improving operation costs for the client. What organizations look for when outsourcing is often higher performance associated with cost reductions. Revenue drivers are to help the client organization grow by increasing their market access, since all companies have a limited capacity and capability. Outsourcing organization can achieve higher cash income even when transferring assets like manpower, equipment, or facilities to the service provider. Supplier often brings lower cost structure, process expertise, and newest technology (Ghodeswar & Vaidyanathan, 2008).

Koulopoulos and Roloff (2006) outlined outsourcing drivers from most to least common ones when deciding to outsource. Most of those drivers refer to cost



cutting (~61%) due to various actions implemented, such as reduced headcount, staff reallocation, smaller operating costs, existing cost centers' elimination, and reduction of transaction costs for customer support. Other ones referred to improvement of product and process quality, lower cycles for sales response time, reaching new skill sets, increasing sales, or higher sales/support capacities.

There are many ways to approach outsourcing drivers. On the one hand, those are divided within groups, that is, economic, strategic, or environmental (Hung Lau & Zhang, 2006) or organizational, financial and cost, improvement, and revenue (Ghodeswar & Vaidyanathan, 2008). On the other hand, those can be approached more widely so by dividing them in more detailed groups so cost cutting, process and product quality, better sales response time, reaching new skill sets, higher sales and bigger support capability (Koulopoulos & Roloff, 2006). However, it can also be found in the literature that those are divided by levels, that is, within BPO decisions or BPO outcomes (Lacity et al., 2011). Outsourcing drivers have a big influence on motivations to outsource and BPO quality.

### **2.1.5. Section overview**

BPO market is due to grow steadily and is expected to reach \$343.2 billion by 2025 (Grand View Research, 2018). The scale of occurrence in the location is determined by market maturity level. However, there are top locations specified in terms of cost and operational conditions, namely Vietnam, Honduras, Philippines, Romania, Lithuania, and Bulgaria (McLocklin et al., 2016). BPO operations are on the rise nowadays and slowly outrun ITO (Krstić & Kahrović, 2015). The earlier section also described more in detail what is BPO, terminologies connected with it, its drivers, and levels. What should be noted is that BPO is most commonly referred to as a movement of business processes to external providers (Brown & Wilson, 2005; Chakrabarty, 2007; Click & Duening, 2004; Duening & Click, 2005; Koulopoulos & Roloff, 2006; Lacity & Willcocks, 2014; McIvor, 2010). This section outlines more in detail various terminologies connected with the BPO, as well as how it differs from insourcing strategies applied by companies (e.g., captive centers vs. offshoring outsourcing). In terms of outsourcing drivers, we can outline multiple perspectives: economic, strategic, or environmental (Hung Lau & Zhang, 2006), organizational, financial and cost, improvement, and revenue (Ghodeswar & Vaidyanathan, 2008); cost cutting, process and product quality, better sales response time, reaching new skill sets, higher sales and bigger support capability (Koulopoulos & Roloff, 2006), or by levels that is, within BPO decisions or BPO outcomes (Lacity et al., 2011). Last but not least, importance of outsourcing levels were described as well as their connection with processes that are due to be outsourced by the client (Brown & Wilson, 2005; Krstić & Kahrović, 2015).

## **2.2. BPO – the outline**

How offshoring influences international business? Since this is a growing trend in this area, it has a decent impact on how labor is shaped, and how various client

needs are delivered. It shows the successes and failures of economic globalization. Employees are considered as re-deployable resources at any time and are becoming a mobile factor for companies. Some international rules were built to mitigate some risks like asymmetrical distribution in regions, which create a dislocate impacts on regions with regard to economic development and work distribution. Those are developing global corporate responsibility standards, environmental practices, and agreements and codes of conducts that specify labor approach (Doh, 2005).

Outsourcing also puts a lot of pressure on client–supplier relationship development. After a deal closure, we can see a pattern of its development in certain stages: due diligence (process analysis and identification), then process transition, stabilization on BPO side, and reaching steady state within BPO structures. BPO aims at not only stabilizing the process but also improving and transforming it. This usually happens based on client expectations on delivery and vendor’s motivation to remain competitive advantage (Bhat et al., 2015).

The following sections discuss advantages and disadvantages of outsourcing, innovations within the BPO sector, as well as location decision factors.

### ***2.2.1. Advantages and disadvantages of outsourcing***

Offshoring activities may result in unexpected new outcomes for the company from market and supply perspectives. The latter may help provide new ways to manage innovation processes by identifying new, capable vendors. This, in turn, strengthens the company’s capabilities and development. In terms of market perspective, an opportunity arises to reach customers who were not reachable previously (Fontana & Prencipe, 2013). Also, common reasons to go outsourcing by companies are lower pay, that is, labor costs, as well as putting flexibility costs and more work intensity on workers (Drahokoupil & Fabo, 2019; Oshri et al., 2015). Clients can immediately reduce annual costs and complaints from clients (Brown & Wilson, 2005)

What is more, outsourcing processes can bring not only cost advantages but also access to expert community that was not reachable before. All the above helps the client to focus on core operations and achieve strategic goals. This may lead the company to a prominent competitive advantage on the market and improve one’s brand image. Company that decides to outsource also gains access to innovative capabilities that supplier may have to offer which may be too expensive or impossible to develop in-house. Engaging with external suppliers can also help the organization to amend its production demand in response to changing demand at lower cost. Products can be designed at faster pace and higher quality as well. If the client engages with few vendors that have deep expertise in the field this can help to achieve higher quality inputs in shorter period of time than in the case of one supplier engagement (Brown & Wilson, 2005; Fontana & Prencipe, 2013; Oshri et al., 2015). Mentioned advantages are summarized in Table 2.2.

Outsourcing can also bring a number of disadvantages to the clients. One of those is too high dependency on external vendor in case of delivering for prominent business functions. This can also be associated with loss of some critical skills within the

Table 2.2 Advantages of outsourcing for clients.

| <i>Outsourcing advantages for clients</i> | <i>Get wider access to innovations</i>  |
|---|---|
|   | Strengthening the company's capabilities development and market brand                 |
|   | Reaching customers in new markets   |
|   | Lowering costs  |
|   | Putting higher flexibility costs on workers   |
|   | Putting higher work intensity on workers  |
|   | Wider access to expert community  |
|   | Quicker adjustment to changing market demand  |
|   | Faster product design cycle and delivery  |
|   | Ability to focus on core operations and achieving strategic goals of the organization |

*Source:* Brown & Wilson (2005), Drahokoupil & Fabo (2019), Fontana & Prencipe (2013), and Oshri et al. (2015).

Table 2.3 Disadvantages of outsourcing for clients.

| <i>Outsourcing disadvantages for clients</i> |  |
|--|--|
|  | Unclear financial return for the organization      |
|  | Too high dependency on external vendor             |
|  | Loss of critical skills                            |
|  | Data security                                      |
|  | Losing control on timing and quality of outputs    |
|  | Poorer quality final product                       |
|  | Not reaching desired benefits                      |
|  | High vendor management costs                       |
|  | Negative final impact on company's brand on market |

*Source:* Chakrabarty (2007) and Oshri et al. (2015).

host organization and a threat to firm's well-being. Another threat lies within data confidentiality and security. Since the external supplier will be taking responsibility for delivering business outputs, client organization is losing control of final product quality and delivery time. In the end, all of the above can result in presentation of poorer product in market, which can bring damage to client's brand image. This can result in the implementation of back-sourcing model by the client that can be full or partial (bringing back outsourced operations to the organization). Main drivers for back-sourcing are as follows (from most to least common): unclear financial return, high management cost of vendor, lack of governance, control loss, worse product quality, and not reaching desired benefits (Chakrabarty, 2007; Oshri et al., 2015). Mentioned disadvantages are summarized in Table 2.3.

Chakrabarty (2007) described the advantages of BPI and outsourcing. BPI brings multiple positive aspects to the client's business. First is giving control gain over strategic assets and resources for the client organization. It also gives opportunity for safeguarding the company against vendor's opportunistic behavior. It saves time of transferring company's specific knowledge and keeps it confidential within the

client organization. Sometimes, some business processes can be only carried out by host organization since there may be lack of competent vendors on the market. Hence, it is safe for the organization to insource some processes and to keep managing them. BPO, on the other hand, brings cost advantages, labor management flexibility, and business process maturity models that can provide higher quality of service and products. Cost reduction very often refers to no need for investing in the technology and infrastructure that the vendor can provide on the spot. Also, costs become more predictable for the customer due to provided pricing while the deal is carried out with the supplier. Costs of running business processes also goes down since this is transferred to the vendor and the client organization can focus on core business. What about labor management flexibility? BPO frees some resources from the client organization's non-core resources. This can bring additional manpower for the client organization to utilize in core activities and can bring higher productivity levels. With regard to non-core processes with the supplier, client does not have to worry about manpower supply, and full-time equivalent sizing. This should be provided and scaled by the vendor on the ongoing basis. Moreover, outsourcing firm gains access to vendor's experts that can bring benefits for the outsourced processes.

BPO can bring multiple advantages as well as disadvantages to the business. By increasing awareness within the business, as to which factors have the biggest influence on the business success and which can impact failure, it might be possible to show faster solution path to client organizations.

### ***2.2.2. Innovations in outsourcing***

Organizations perceive and approach innovative behavior/strategies in various ways. Most of them consider this as an extreme waste and redundancy. This means that only 10% of organizations have in place innovation management programs (Koulopoulos & Roloff, 2006). Innovation itself can be described as an "introduction of strategies, business processes, or technologies that are new to the relationship and are intended and expected to lead to new business outcomes" (Weeks & Feeny, 2008, p. 130). Weeks and Feeny (2008) distinguished three categories of innovation: IT operational innovations, business process innovations, and strategic innovations. IT operational innovations refer to technology changes and adjustments that bring in novelty into client organizations. This can include new systems or hardware. Even though such innovations do not bring direct revenue to the host organization, they enable multiple business processes' boost and enhancements. Business process innovations bring significant change within the organization. This can be done by process improvements or introducing enterprise resource planning systems. This innovation only occurs if changes brought in have significant influence on the organization's working processes. Strategic innovations are described as such innovations that help the client organization to enter new markets or significantly improve product/service offerings to the clients. Those companies that seek to achieve strategic level of innovativeness is advised to put more focus on relational governance, that is, building strong client-supplier relationship based on trust and collaboration (Oshri et al., 2015).

Another approach toward innovations in organizations is incremental versus radical model of innovation. Radical innovation process focuses on technology policy, technical specialists' concentration, pre-innovation conditions (those include innovation champion and technology–organization congruence), and innovation outcomes (i.e., adopting the process and packaging). Incremental innovation process has its focus on organization's growth strategy (e.g., organization size or diversification), getting to know the organization's structure (i.e., complexity, centralization, or formalization levels), there is no pre-innovation stage in place, but in innovation outcomes one can find process adoption and new product/service introduction (Ettlie et al., 1984).

Another approach presented in literature is dynamic innovation. This is a process in which the client's operational efficiency, strategic performance, and operational efficacy is continuously improved with sustained efforts. Innovation is very often a set of various projects that bring in substantial change within the organization. Categories of innovations can be described as a new method, process, technology, or automation. However, in practice, innovation is a complex solution that includes a mix of mentioned categories. What is a key factor supporting dynamic innovation process in outsourcing cooperation? The most prominent is assigning an effective leadership pair (from both client and supplier). Process starts with incenting innovation (e.g., setting productivity targets, innovation days, gainsharing the project at specific level, that is, establishing mutual targets to reach), then delivering innovations (e.g., by acculturation, inspiration, injection, or funding), and in the end measuring innovation effects (efficiency of the operations and process as well as strategic impact). Major ideas for innovations come from joint effort, that is, client and provider (37%) and then from providers (36%; Lacity & Willcocks, 2014).

Having in mind up-to-date developments, BPO is slowly transforming its services to automated solutions. Having in mind social media, mobile Internet, business analytics, and cloud (SMAC), in combination with automation and robotics, it can be expected that by 2025 organizations will run highly digitalized operations relying on cloud solutions. Hence, suppliers now tend to develop such innovations and build their offer based on them. Automation is one of the solutions that needs outlining, as it will have a significant impact on outsourcing industry. Work can be divided into four types, namely: routine manual, routine cognitive, non-routine manual, and non-routine cognitive. Automation impacts routine manual and routine cognitive work, currently. How do we automate routine cognitive work? This is done by applying Big Data and business analytics. It is prominent to note that non-routine cognitive work can be automated to some extent by algorithms, though. This trend, however, can also have an impact on the pace of BPO development speed since many suppliers will be transforming their offerings from labor optimization to automated services (Oshri et al., 2015).

### ***2.2.3. Location decision factors in BPO sector***

What about new location decision factors? Companies are looking at multiple factors when setting up a new delivery center. There are many aspects influencing this

decision – for example, cost, skills, business/living environment, risk profile, infrastructure, market potential, and cultural compatibility. Companies are looking into scalability of resources in case of demand growth and skills offered by the market. Cost is also considered as a prominent component, so it is taken into consideration what levels are corporate taxes, salary levels, and infrastructure cost. Clients are also looking at whether labor laws, regulations, and overall government support for foreign investments exist in a given location. Market dynamics and its growth rate are not omitted here – companies examine closely how fast gross domestic product is growing and how accessible are other markets from considered location. What also impacts decision on location choice is the risk level to set up operations. It is very important for companies to set up in safe environments in terms of security (e.g., personal data) or property (e.g., fraud or terrorism). Political or regulatory instability, as well as currency fluctuation, also influence the risk profile of a location. Two last essential factors are quality of infrastructure and cultural compatibility. What is considered is the quality and accessibility of IT, real estate, power supply, and transportation. Low speed of service and resolution may impact business outcomes and result in hard labor accessibility to the set-up location. National and business culture is also important to investigate. High or low similarity in cultural values and workplace behaviors influencing employer–employee relationships have a decent impact on how successful the new set up will be as a solution for the company/client (Oshri et al., 2015; Palugod & Palugod, 2011).

Graf and Mudambi (2005) designed an outsourcing location decision model. They have described main factors that influence location attractiveness and moderating factors. As main factors, they outlined infrastructure, country risk, government policy, and human capital. Firm- and situation-specific factors are moderating factors in this model. All components within the model were described as either positively or negatively related with the amount of BPO. In the infrastructure category, geographical distance and infrastructure costs were found in negative relation with the amount of BPO, but infrastructure quality correlated positively with the amount of BPO. Within country risk category, both economic and political risks were in negative relation with the amount of BPO. In human capital category, workforce availability and size, BPO experience and language as well as technical skills were found to be in positive correlation with the amount of BPO. However, cultural distance and compensation levels had a negative effect here. In moderating factors, on firm-specific level, two levels are described: outsourcing objectives (reduction of cost, capability enhancement, and process improvement) and experience (international and in outsourcing). Within situation-specific factors, two are outlined: nature of the business process (strategic importance, visibility to customers, asset specificity, and process standardization) and customer expectations (interpersonal interaction and convenience).

It is vital for the business to select a good location to achieve business success. Therefore, companies often need to consider many factors and be able to adjust to changing environments. The model created is to help firms in a more systematic approach when making an outsourcing location decision. Companies mostly rely on assessment of cost and quality of infrastructure, not considering geographical

distance (with a belief that Internet places no borders in delivery). However, some of the outsourcing organizations realized that distance impacts coordination and service complexity considerably. Also, not all factors within human capital are considered as well. For example, what is often missed is a cultural distance between the worker and the client base or talent pool within the location (technical or language). They are more difficult to assess but can bring a significant influence on final outsourcing location decision and later customer satisfaction. Many companies reassess their decisions due to higher-than-expected costs, negative customer feedback, and low service quality (Graf & Mudambi, 2005).

McIvor (2010) described how location factors influence transaction costs. First, let us focus on cultural and language differences. Those can bring many challenges to the client organization. For example, there may be a discrepancy between customer expectations and delivery levels as well as misunderstanding on a more general level. Also, time period that is needed to introduce changes in client expectations may take longer. How to solve it? Additional resource needs to be assigned to outline contract expectation and then monitor performance. Next one is time zone difference. If it is too big, it might bring additional cost to manage the relationship between the client and the vendor (i.e., client might need to employ additional resources to oversee vendor progress). Geopolitical risk also influences transaction costs. If the situation in the location is unstable, this will impact service quality and overall delivery. Infrastructure stability is also very important hence if it is unstable, it will bring low performance and service as a result. Legal system in the country also impacts overall delivery for the client. If there is no effective legal system in place, it can bring difficulty in obtaining additional documents, like visas. Security and privacy also need to be addressed in the contract to have a clear structure how to deal with breaches in privacy or security. Finally, labor should be also addressed. Uncertainty within market skill set, high turnovers, and experience level can impact service levels in the end. Client organization needs to deploy additional resource to monitor those issues.

#### **2.2.4. Section overview**

Previous sections present outsourcing from the perspective of location decision factors, innovations, and its advantages or disadvantages. In terms of location factors, companies need to put pressure on multilevel reasoning in order to achieve business success (Graf & Mudambi, 2005). What is most often considered? Such factors as costs, infrastructure, security, market potential, business environment, market skill set, or cultural compatibility (Graf & Mudambi, 2005; Oshri et al., 2015; Palugod & Palugod, 2011). What should also be noted is how they influence transaction costs as well as ways to mitigate high costs for companies (McIvor, 2010).

With regard to innovations, only 10% of organizations have in place innovation management programs (Koulopoulos & Roloff, 2006). We can distinguish three types of innovations on the market: IT operational innovations, business process innovations, and strategic innovations. Those brought in by business process innovations only take place when they bring significant changes within the organization

itself (Weeks & Feeny, 2008). Most prominent factor supporting dynamic innovation process in outsourcing cooperation is assigning an effective leadership pair (client plus supplier). Also, a substantial number of improvements come from a joined effort from supplier and the client (37%; Lacity & Willcocks, 2014). By 2025, it is expected that organizations will run mostly on automatized, cloud-based solutions as BPO is undergoing a dynamic change currently toward this direction (Oshri et al., 2015).

Having in mind the advantages and disadvantages, BPO is considered to bring both of them for their clients. Few of the many advantages are the wider access to innovations, reaching customers in new markets, receive access to expert community within supplier networks or create products and sell them faster than usual. What about disadvantages? BPO can create uncertainty within data security, loss of control in outputs, unclear financial return or bring losses in critical skills or product quality (Brown & Wilson, 2005; Fontana & Prencipe, 2013; Oshri et al., 2015). Knowledge of above factors can bring faster solutions to client organizations and result in higher financial gains and development.



# 3 Overview from the national culture, organizational culture, and internationalization perspective

## 3.1. National culture – how it is approached

Across literature, multiple approaches as to how culture is described and categorized can be found. The most used models as well as those that are emerging are presented from sections 3.1.1 to 3.1.4. As a summary point, all approaches will be run through in section 3.1.5 and compared.

National culture is presented by various approaches across the literature. Most common theories are outlined in this chapter to show how the work on the national culture concept was developing over time and how the researchers present its definition and/or components.

### 3.1.1. Hofstede's model and GLOBE project

There is a growing interdependence between industrial organizations and nations, due to growing globalization. Hence, there is a need to expand our understanding within cross-cultural management practices and its influences (Shi & Wang, 2011).

Cultural model developed by Hofstede is a main approach in quantitative research within international strategic management (Beugelsdijk et al., 2015). But first, what is culture? According to Hofstede (2011), this is a collective phenomenon. He describes culture as a “collective programming of the mind that distinguishes the members of one group or category of people from others” (Hofstede, 2011, p. 3). This term is most applied in nations, ethnic groups, or organizations but also to generations, genders, or social classes. Hence, the level on which we apply this concept defines what type of “culture” we are researching. For example, national culture, gender, or societal research applies more to roots human is acquiring in one's development stages, whereas organizational culture relates to job and occupational culture is within schooling systems (Hofstede, 2011).

Hofstede, based on the ongoing research, created the following six-dimensional culture model (Hofstede, 2011):

1. *Power distance* (relates to solutions to the basic issues in human inequality)
2. *Uncertainty avoidance* (touches stress levels in the society in case of unknown future)

3. *Individualism versus collectivism* (how individuals integrate into primary groups)
4. *Masculinity versus femininity* (role division between men and women)
5. *Long-term versus short-term orientation* (how the choice is made in relation to focus on people's past, present, and future actions)
6. *Indulgence versus restraint* (relates to control against gratification in case of human desires and enjoying life)

First four dimensions were the cores of the model, but in 2000s fifth and sixth dimensions were added (Hofstede, 2011).

Countries were positioned according to the score they achieved in each dimension. Although many combinations of results occurred, some of those appeared more often than others. Country scores are being replicated by other studies (between years 1990 and 2002, there were six major replications within 14 countries). Influence of gross national product per capita has always been taken into account when scales were correlated with other data (Hofstede, 2011).

Another model focusing on cultural aspect is GLOBE project. This global program was created in order to test leadership and organizational practices from cross-cultural perspective. The idea was conceived in 1991 and first designed by Robert House, but only after extensive literature review and the creation of 753 questionnaire items, a research proposal was created in 1993. At this year, GLOBE country co-investigators started to be recruited as well. What this project concerns? It is referred to as a multiphase and multimethod approach in which interrelationships between organizational, societal culture, and organizational leadership were examined. Over 150 scientists from 61 cultures across the globe are included in this long-term programmatic studies focusing on cross-cultural leadership. Co-investigators carry out the research effort within the culture they come from. The GLOBE coordinating team coordinates the project as a whole (House et al., 2001).

GLOBE studies nine cultural dimensions: (House et al., 2001):

1. *Uncertainty avoidance* (to which extend members of the society try to avoid uncertainty and unpredictability by relying on norms, laws, or rituals)
2. *Power distance* (to what degree society agrees to an unequal distribution of power)
3. *Collectivism I/societal collectivism* (how societal and organizational practices encourage/reward group distribution of assets and collective action)
4. *Collectivism II/in-group collectivism* (to what degree individuals express loyalty, cohesiveness, or loyalty within their social or organizational groups)
5. *Gender egalitarianism* (to what degree society or organization manages and minimizes gender discrimination and differences)
6. *Assertiveness* (refers to the extend individuals are aggressive, assertive, or confrontational in social relationships within society or organizations)
7. *Future orientation* (to what degree individuals engage in future-oriented behaviors like planning or delaying gratification within organizations or societies)

8. *Performance orientation* (how and to what degree society or organizations reward and recognize individuals for their performance excellence or improvement)
9. *Humane orientation* (to what degree societies or organizations reward and encourage behaviors like fairness, generosity, or kindness to others)

First six originated in Hofstede's work. Power distance, uncertainty avoidance, and collectivism I and II are to reflect Hofstede's power distance, uncertainty avoidance, and individualism scale. Gender egalitarianism and assertiveness are based on masculinity dimension (House et al., 2001).

### **3.1.2. Schwartz's model**

Schwartz (1999) created a theory of seven culture value types. Those are placed in such a way to form three bipolar dimensions. The aim is for those to create contradictions between those values and show resolutions to each issues outlined: hierarchy versus egalitarianism, autonomy (intellectual or affective) versus conservatism, mastery versus harmony. Those values are interrelated based on similarities and differences between them. Some values may share same assumptions but are impossible to be outlined at the same time in a specific culture. The author outlined according to the aforementioned cultural value systems. This means that value types that are opposite to each other are situated in opposite sides of the figure. Those that are compatible are near each other on the circle. Values that interrelated positively with each other are hierarchy and conservatism; egalitarianism and autonomy (intellectual autonomy is more positively related here than affective); mastery and autonomy; mastery and hierarchy; harmony and conservatism as well as egalitarianism. The study validated those cultural values on two samples, namely teachers and almost identical mappings of those in world cultures. The author suggested that formed values and their dimensions could be successfully used to predict and further understand the national dissimilarities within work-related aspects (Schwartz, 1999).

Further research validated theory of culture values and outlined which ones characterize each region. In Western countries, societies value autonomy, harmony, and egalitarianism the most. Individuals put higher prominence on openness and self-transcendence. Within Eastern Europe, mastery is the most prevalent value. Within central and eastern regions, individuals vary greatly, since in the East-Central region we can find more harmony, egalitarianism, and intellectual autonomy. Those within East-Balkan cultures prefer security and power values. Within South Asia, values such conservatism and hierarchy prevail. Individuals put more pressure on tradition and rules than stimulation and self-direction values. Africa and the Middle East is similar here to some extend as most important value here is conservatism and least one is autonomy. In many countries within this region, values like hierarchy and mastery are most important. Within Latin America, all values reach worldwide average in all cultural values. It has higher results in egalitarianism, affective/intellectual autonomy, and harmony than countries in Africa, Middle East, South Asia, and East Europe but lower than cultures located within Western Europe (Sagiv, 2011).

What should be noted is that values within organizations are deeply affected by the values of their members and societies they function in. Hence, those can be researched on individual and national levels as they contribute highly to organizational culture creation. Due to cultural diversity in global organizations, it might be challenging to develop a cohesive culture. One can find a mix of individual level of values and those set in the social environments in which companies need to operate. Schwartz network is described as a solution for organizations that can help choose profiles that will work better with each other over those that will bring discrepancies. It is vital to develop understanding of individual level values as those can help understand one's actions like behaviors in international teams or how a person identifies with the company. Nation-level values, on the other hand, can bring a better understanding of organizational practices, procedures, or norms (Sagiv, 2011).

### ***3.1.3. Trompenaars and Hampden-Turner culture model***

According to Trompenaars and Hampden-Turner (2002), culture model consists of three layers: external, internal, and core. External layer of culture refers to what can be observed and seen, for example kitchen, how city looks, religion, and ways of dressing or art. Internal layer represents norms and values. This layer has a direct influence on external layer of this model. Norms are rules that are accepted by the group as bad or good. They can be formal (written down as a law) or informal (showing up via social control). Values, on the other hand, determine how good or bad is defined and are closely connected with what is important for the group. Culture remains stable when the norms are consistent within the social group and becomes destabilized when this changes. The last is core, which are basic arrangements made by humans in order to adjust to natural surroundings in order to survive and function as efficiently as possible.

What is more, seven cultural dimensions were described in three categories: attitude to people, time, and environment. Within attitude to people category, five dimensions are outlined. First is universalism–particularism. In cultures that have strong particularism attitude have bigger focus on human relations and adjust the solutions according to specific situations. Universalistic cultures are keener on written norms and laws, no matter what the personal situations are. Second is individualism–communitarianism. Individualistic cultures focus on individual contribution to the society on own terms, whereas communitarianism cultures consider it as prominent to have the interest of the society as a main goal. Third, neutral–emotional has a focus on reserved behavior toward others (temperance) against showing emotions freely (emotionality). Fourth is specific–diffuse, in which diffuse culture focuses on creating value added, personal relationships at work, while specific cultures focus on formal relations within the workplace. Fifth, and last within this category, is achievement versus ascription. In first case, one is assessed by one's up-to-date achievements and deeds, while in the second case one's status is connected strongly with finished school, family status, or connections. Second category is attitude toward time (sequential vs. synchronic), in which

how a society or a person approaches time, and its management depends on the cultural background. Third category is attitude toward environment (internal vs. external control). Some cultures may consider a human as a center of universe and an individual who can and should decide on their own. In other cultures, human is considered as dependent on culture and that one should learn from it as much as possible (Trompenaars & Hampden-Turner, 2002).

#### ***3.1.4. Mole, Gelfand, and Gesteland models' overview***

Gelfand and colleagues (2011) described a theory of tight and loose cultures. Tight culture is one that has strong norms and low acceptance of deviant behavior. Loose culture, on the other hand, is characterized by higher acceptance of deviant behavior and much weaker social norms. Those concepts are a part of a multilevel system that takes multiple factors into account. We can count in here threats of historical origins, for example, resource scarcity, high population density, or environmental threats. Socialization that is low or broad within societal institutions is of importance here, for example, media regulations or autocracy. Finally, micro-level psychological situations and everyday recurring events have influence on those cultures as well, for example self-guides or need for structure. All those factors constitute cultural systems described by the authors. Tightness–Looseness was measured by a six-item Likert scale to assess the degree of social normal – whether those are clearly defined, pervasive, and imposed in a reliable way across 33 nations. It was found that social norms' strength and deviance tolerance is a shared, collective concept. To outline the degree of a constraint for everyday social situations, respondents rated 12 behaviors, which resulted in 180 situation behavior ratings. What is more, national gross national product was taken into consideration as well as many of the constructs were associated with national wealth. This was done to examine closely its relationship with tightness–looseness constructs. Results showed that nations that experienced historical or ecological threats and have higher population density express lower tolerance for deviant behavior and have stronger social norms. Those societies have a bigger tendency to be autocratic, have more laws, control media, have political pressures, and are more religious. Authors suggest that future research should apply basic principles of the theory at other levels of analysis, for example, regions to explore more variations in tightness–looseness. They consider it prominent to understand such cultures better since there is a growing cross-cultural coordination interdependence within an increasing globalized market.

Mole (2003) conducted a web-based survey that focused on business cultures across European and Asian countries mostly within business graduate community. Sample consisted of 1,100 respondents – from 35 countries and 40 nationalities. Main aim of this research was to test business cultures within younger generations of people, but, as author states, it should be retested for statistical validation. According to Mole (2003), culture can be described as a system that enables groups and individuals to manage each other and the outside environment. System can include language, nature of society, how we deal with technology, and approach

change. No culture can be considered static – changes occur at all levels, so starting from values where changes are the slowest to technology, which is most visible. How people are behaving is not an accident. It derives from culture characteristics and environment influences. If external conditions change, then values change as well, and likewise.

Within corporate cultures there is a reciprocal interaction between parent culture, external environment, and technology. As author states, there is no perfect or right culture, only such ones that can be described as successful. In corporate environment, individuals from various cultural backgrounds automatically bring different expectations on how to work with each other. They perceive organization, how to manage it and behave on its ground in other ways. Difference becomes visible to the surface when cultures meet with each other. As a result of this research the Mole Map was created that only looks at business culture. It contains positioning of countries in between two dimensions: leadership (individual and group levels) and organization (systematic or organic). Systematic organization is a structure that is supposed to achieve precise objectives and works like a designed machine. Organic organization is approached like a social organism, which is built on relationships and needs of its members. The relationship is blurred between member and organization within organic institutions, whereas within systematic organizations it functions independently from its members with clear rules and norms. On the map, countries in close proximity can be considered as the closest with regard to company cultures and may be approached as interchangeable. As an example, individuals working in companies of Danish, German, or American origins can have similar work experiences. On the other hand, if we place companies with American and Italian capital next to each other, employees can face different approaches within them (Mole, 2003).

Gesteland (2002, 2012) describes five patterns of cross-cultural business behavior: deal-focused versus relationship-focused; direct versus indirect communication; informal versus formal; rigid time versus fluid time; and emotionally expressive versus emotionally reserved. Also, in his book he defines not national but business culture as “a unique set of expectations and assumptions about how to do business” (Gesteland, 2012, p. 21). He also mentions that in international business environment one can come across cultural tendencies within various groups. Hence, he classified business behavior classifications into logical patterns to facilitate the understanding how international business environment is structured. This classification is based on three decades of his observations within business environment and own professional experience.

In the first category, that is, within deal-focused cultures, the focus on task and delivery is more important than building any kind of rapport with the business partner. Otherwise, in relationship-focused cultures, more interest is placed within relationship-building between the parties. This can bring several challenges and clash between both cultures since those present different approaches toward conducting business overall and delivery. In terms of communication, direct (low-context) ways of conversation tend to be incorporated within deal-focused cultures. Indirect (high-context) ways of communication are found within relationship-focused

cultures. Lack of awareness of communication patterns very often causes misunderstandings between individuals coming from different backgrounds. In terms of informal (egalitarian) and formal (hierarchical) business behaviors, lack of knowledge of code of conduct can cause considerable clashes between parties coming from egalitarian and hierarchical cultures. For the latter, status acknowledgment is most important. At the same time, for those coming from egalitarian societies, too big status consciousness can cause offense. There is also a distinction due to time approach within societies – rigid time (monochronic) versus fluid time (polychronic). Those coming from monochronic cultures tend to put more pressure on being on time and put more attention on the clock. Fluid time cultures are more relaxed in managing their schedule, which can bring considerable conflicts between cultures on how to deliver and manage, for example, projects. Last but not least, business behaviors can be influenced heavily by emotionally expressive or reserved cultures. This creates the biggest communication gap between societies and is considered as extensively unexplored within international business research (Gesteland, 2002, 2012).

### **3.1.5. Section summary**

Previous section outlines multiple models within culture research. Most commonly used is Hofstede's model within international management quantitative studies (Beugelsdijk et al., 2015). Breakdown of all discussed models can be found in Table 3.1.

All the aforementioned models have considerable implications in cross-cultural research and contributions. However, the planned research has an aim to research GM on managerial and non-managerial levels within the organization; hence, Hofstede's model is more applicable here. As Hofstede (2006) implied, it is vital to understand the process on all levels and not limit to one. Additionally, since the research will be driven in an international, business environment, it is vital to connect those dimensions with Gesteland's (2002, 2012) patterns of cross-cultural business behaviors. The sole aim is to see how national culture can affect business behaviors and as an effect development of GM in employees on various levels of seniority. How the already presented cultural models relate to Hofstede's can be found in Table 3.2; it is also followed by further discussion.

There are multiple similarities and differences between Hofstede's and GLOBE studies, which are outlined by Hofstede (2006) himself. He has covered these in seven main points, which are as follows: (1) new data versus existing data; (2) team versus single researcher; (3) managers versus employees; (4) theory-driven versus action-driven; (5) US-inspired versus decentered; (6) organizational culture as similar or different in nature to/from societal culture; and (7) national wealth as a part or as an antecedent of culture. First one describes the similarities within industrial study setting; seven years delay in data gathering; reporting; same publisher, which is Sage; and a large number of countries tested. As main difference, data collection was outlined. GLOBE utilized around 1,000 volunteers in 60+ societies, while Hofstede's study was mostly grounded on re-analysis of data gathered

Table 3.1 Cultural models breakdown.

| <i>Author</i>  | <i>Categorization</i>  | <i>Dimensions</i>   |
|--|--|---|
| (Hofstede, 2011)<br><i>Cultural model</i>                          |  | <ol style="list-style-type: none"> <li>1. Power distance</li> <li>2. Uncertainty avoidance</li> <li>3. Individualism vs. collectivism</li> <li>4. Masculinity vs. femininity</li> <li>5. Long-term orientation vs. short-term orientation</li> </ol>  |
| (R. House et al., 2001)<br><i>Nine cultural dimensions – GLOBE</i> |  | <ol style="list-style-type: none"> <li>1. Uncertainty avoidance</li> <li>2. Power distance</li> <li>3. Collectivism I/societal collectivism</li> <li>4. Collectivism II/in-group collectivism</li> <li>5. Gender egalitarianism</li> <li>6. Assertiveness</li> <li>7. Future orientation</li> <li>8. Performance orientation</li> <li>9. Humane orientation</li> </ol>        |
| (Schwartz, 1999)<br><i>Seven culture value types</i>               |  | <ol style="list-style-type: none"> <li>1. Hierarchy vs. egalitarianism</li> <li>2. Autonomy (intellectual or affective) vs. conservatism</li> <li>3. Mastery vs. harmony</li> </ol>   |
| (Trompenaars & Hampden-Turner, 2002)<br><i>Cultural dimensions</i> | <ol style="list-style-type: none"> <li>1. Attitude to people</li> <li>2. Attitude to time</li> <li>3. Attitude to environment</li> </ol> | <ol style="list-style-type: none"> <li>Ad. 1: <ul style="list-style-type: none"> <li>• Universalism/particularism</li> <li>• Individualism/communitarianism</li> <li>• Neutral/emotional</li> <li>• Specific/diffuse</li> <li>• Achievement/ascription</li> </ul> </li> <li>Ad. 2: Sequential vs. synchronic</li> <li>Ad. 3: Internal control vs. external control</li> </ol> |



(Gelfand et al., 2011)

(Mole, 2003)

*Mole Map*

(Gesteland, 2002, 2012)

*Patterns of cross-cultural behavior*

1. Leadership
2. Organization

1. Tight culture

2. Loose culture

Ad. 1: Individual leadership vs. group leadership

Ad. 2: Systematic organization vs. organic organization

1. Deal-focused vs. relationship-focused cultures

2. Direct vs. indirect communication

3. Informal vs. formal culture

4. Rigid time vs. fluid time culture

5. Emotionally expressive vs. emotionally reserved

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*Source:* Authors' own description, based on research results.

Table 3.2 Comparison of Hofstede's national culture model against other cultural models.

| <i>Framework comparison</i>   | <i>Main conclusions</i>  |
|---|--|
| <b>Hofstede vs. GLOBE</b><br>(Hofstede, 2006)   | <ol style="list-style-type: none"> <li>1. New data (GLOBE) vs. existing data (Hofstede)</li> <li>2. Team (GLOBE) vs. single researcher (Hofstede)</li> <li>3. Managers (GLOBE) vs. employees (Hofstede)</li> <li>4. Theory-driven (GLOBE) vs. action-driven (Hofstede)</li> <li>5. US-inspired (GLOBE) vs. decentered (Hofstede)</li> <li>6. Hofstede researched national culture on societal level and organizational dimensions in a separate study, whereas GLOBE researched on both societal and organizational levels</li> <li>7. National wealth was considered as a part or as an antecedent of culture by Hofstede, while there was no direct influence in GLOBE research</li> </ol>                                 |
| <b>Hofstede vs. Trompenaars</b><br>(Hampden-Turner & Trompenaars, 1997; Hofstede, 1996; Suzuki & Sui Pheng, 2019) | <ol style="list-style-type: none"> <li>1. Two dimensions of Trompenaars, namely Individualism–Achievement and Universalism–Diffuse related to Hofstede's individualism–collectivism and power distance scale</li> <li>2. Hofstede puts Trompenaars's content validity and access to database in question</li> <li>3. Trompenaars differed his theory from Hofstede in four categories: linear or exclusive type of organizations, describing culture in mathematical manner, empirical back up to the theory, and reasoning for successful practice</li> <li>4. Trompenaars defines his dimensions as developing not a static construct</li> <li>5. No specification for each country in Trompenaars's dimensions</li> </ol> |
| <b>Hofstede vs. Schwartz</b><br>(Suzuki & Sui Pheng, 2019)  | <ol style="list-style-type: none"> <li>1. Schwartz's dimensions are found in high correlation with Hofstede's dimensions, mostly Individualism–Collectivism scale</li> <li>2. No control over economic factor in Schwartz's approach</li> </ol>  |
| <b>Hofstede vs. Mole</b>  | <ol style="list-style-type: none"> <li>1. Mole Map focuses mostly on business culture divided by leadership and organization criteria</li> <li>2. Mole Map has no statistical validity</li> <li>3. No direct relation found between Mole Map and Hofstede's dimensions</li> </ol>  |

**Hofstede vs. Gelfand**

1. Loose culture from Gelfand's model can be associated with Hofstede's low uncertainty dimension
2. Tight societies are linked with Hofstede's high uncertainty avoidance scale

**Hofstede vs. Gesteland**

1. Deal-focused and rigid time dimensions relate to Hofstede's individualism scale
2. Relationship-focused and fluid time dimensions refer to Hofstede's collectivism scale
3. Indirect communication is reflected in Hofstede's collectivism dimension and direct communication is reflected in individualism scale
4. Informal business behaviors are shown within feminine societies and formal business behaviors are shown in masculine societies
5. Emotionally expressive cultures are connected with Hofstede's indulgence and femininity scales
6. Emotionally reserved communities refer to Hofstede's masculinity and restraint dimensions

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*Source:* Authors' own description, based on research results.

from employee attitude survey within one multinational company – IBM in 72 countries. Later on, this study was expanded by replications to approximately 72 countries. As a reference to point two, Hofstede's work was an outcome of one author's effort though he admits that there was some support provided as well. Whereas GLOBE is a project coordinated by Robert House with a full support of a team of researchers. In terms of focus group, GLOBE researched managers only. Hofstede divided employees into seven job categories: two were managerial and five non-managerial. He finds it debatable to only study leaders within the organization – employees should be studied as well since statements and approach in both groups may differ considerably. What is more, GLOBE is considered as theory-driven, since it was based extensively on literature reviews and statistical validations. Hofstede's work is considered action-driven, since it derived from database on file. This has emerged from designed survey questions considered as a management tool, which provided information and feedback on spot to managers and employees after it has been finished. GLOBE project also stated its aim to be liberated from US hegemony. However, considerable number of researchers and editors hold degrees from US universities. Hofstede states that in IBM project, researchers were recruited within local community and held local degrees. They have contributed considerably to pilot interviews and result interpretation. Hofstede conducted international data analysis himself, holds Dutch citizenship and degree. To point six, GLOBE has used same items in two formats, that is, "in this society" and "in this organization". Those automatically labeled answers given by respondents as societal or organizational culture. As a result, those levels were found in a very close correlation and are not treated separately by the researchers. Hofstede's research on culture dimensions were on societal level and, with regard to organizational culture, another separate study was carried out which helped to distinguish separate dimensions in this area after conducting factor analysis. Six constructs within organizational culture were found not related to cultural dimensions and brought Hofstede to the statement that those are of different essence and should be approached separately. In the last point, Hofstede outlines that national culture is closely correlated with national wealth or poverty, that is, economic conditions. GLOBE project acknowledges those connections, but they do not influence their approach to culture description. Most of their dimensions (excluding assertiveness) is connected to national wealth according to Hofstede (Hofstede, 2006). It was also found that Hofstede included 24 countries in Asia; 26 in Europe; 9 in Africa; 3 in North America; 15 in South America, Australia, and New Zealand. GLOBE, on the other hand, included 18 countries from Asia; 22 from Europe; 8 from Africa; 3 from South America; 3 from North America, Australia, and New Zealand (Shi & Wang, 2011).

Hofstede (1996) discusses the application of Trompenaars's model with comparison to his own as well. He connects two dimensions, namely individualism–Achievement and Universalism–Diffuse, with Hofstede's individualism dimension. He also puts his methodological approach in question as it is not supported by a database and lacks content validity. Hampden-Turner and Trompenaars (1997) issued a response to the comments above not a long time after the paper was published.

There they outlined how their theory differs from Hofstede's in four questions, namely whether cultural categorizations can be linear or exclusive; can culture be described in mathematical language; how Hofstede's approach can be more empirical than theirs; and is there any reasoning being successful practice? As to the point number one, authors see culture as more circular than linear as in Hofstede's case. In their case individualism level, for example, within Americans or British societies can be moved to cooperation with customers. So, it can create a circle with cause and effect because of certain actions one needs to engage within the society. In Hofstede's case, if a society is considered individualistic at the same time it excludes the possibility of being community or group-oriented, it is linear. To the second point, Hofstede expressed a concern with regard to the level of statistics used and methods applied. Authors responded to this that it is their belief that cultures consist of self-organizing, interdependent values, and hence there is no possibility to spot any independent variables defining them. Connecting all six dimensions solely to one individualism level is, according to authors, a misapprehension since this is not how various elements can self-organize in multiple nations. Authors believe that statistics should serve culture and not the other way round, as cultures are context-dependent. With regard to empirical approach, authors do not agree with Hofstede's statement that dimensions are not widely researched and stand no empirical ground. They consider Trompenaars research as most up to date and widely studied than this one of Hofstede's, based on hundreds of books and articles published by many researchers. Hofstede's database, in comparison, has been created on research conducted within IBM subsidiaries across multiple countries and received help from unknown supporters. Finally, cultures put within different dimensions can both succeed and fail within successful business practice in both Hofstede's and Trompenaars dimensions. Trompenaars though started to introduce additional questions to dimensions, which can help to reconcile values that can lead to better performance. All in all, Trompenaars outlines that those cultures have similar issues and dilemmas they need to confront. However, they provide different solutions to those and this, in turn, transcends the opposites in a creative way. Authors state that their model is to learn from other scholars who have their own contributions and have no aim to become a perfect, undeniable construct.

Researchers outlining pros and cons for national culture frameworks of Hofstede, Trompenaards and Hampden-Turner, Schwarz and the GLOBE are Suzuki and Sui Pheng (2019). With regard to Hofstede, it is presented as a main theoretical approach in the study as it has biggest significance out of all frameworks presented. Cultural dimensions were created based on very big empirical data, which give them a better standing compared to other approaches. In addition, this is a more widely acknowledged approach by managers and practitioners altogether. Main cons described is low usage in studied Japanese industry, which is construction project management. In the case of Trompenaars and Hampden-Turner, there is no specification for each country and though they surveyed 55,000 participants they missed to show how their dimensions relate to the acquired results. Two dimensions, namely individualism-achievement and universalism-diffuse from Trompenaars are correlated highly with two of Hofstede's dimensions, namely power distance and individualism-collectivism.

Schwartz's cultural dimensions as well were found in high correlation with Hofstede's dimensions (mostly with individualism–collectivism). Moreover, Schwartz's approach lacked controlling economic factors when conducting the survey. Finally, GLOBE's cultural network was also found as highly correlating with dimensions described by Hofstede and country's economic development level. It is approached as a validating work for Hofstede's cultural dimensions (Suzuki & Sui Pheng, 2019). GLOBE's power distance, collectivism I, collectivism II, and uncertainty avoidance reflect Hofstede's power distance, uncertainty avoidance, and individualism dimensions. What is more, gender egalitarianism and assertiveness are connected with Hofstede's masculinity dimension (R. House et al., 2001).

Gelfand and colleagues (2011) described tight and loose cultures concept. Tight culture is associated with more structured culture that relies on norms, laws, and procedures. Loose cultures applied less laws and weaker social norms. Those concepts can be related to Hofstede (2011) uncertainty avoidance dimension. Tight cultures and their low acceptance for no procedures, laws, or weak social norms can refer to high uncertainty avoidance, as the need for structured approach within the society is very strong. Low uncertainty avoidance can be related to loose cultures where there is higher acceptance for unknown future and weak social norms within a group. Society accepts ambiguity and chaos more comfortably. Mole's (2003) map that focuses mostly on business culture classification has no statistical validity confirmed and divides societies according to leadership or organization criteria. It has no direct relation with Hofstede's (2011) cultural dimensions.

Gesteland (2002, 2012) outlines five patterns of cross-cultural behavior within business environment. Direct connections with Hofstede's (2011) cultural dimensions can be spotted in most of them. Deal-focused versus relationship-focused as well as rigid and fluid time societies can be placed within individualism–collectivism dimension. Deal-focused and rigid time society values delivery and task completion over building any business rapport with others – this is well reflected in individualism scale. Relationship-focused and fluid time societies tend to be more oriented on building a rapport with other persons, maintaining harmony, overachieving results and delivery. Hence, those can be linked with collectivism scale. With regard to indirect and direct communications, indirect approach is found in relationship-focused, namely collectivistic groups, and direct one is found in deal-focused, namely individualistic societies. Informal business behaviors can refer to feminine societies since distribution of values within the society is approached on equal level. Formal business behavior relates to masculine society since status and visible division on roles and responsibilities as well as status acknowledgment are most prominent here. There is a clear social differentiation within the society. Last but not least, emotionally expressive cultures can be reflected in femininity and indulgence scale. This group expresses more freely and social ladder and norms maintaining is not considered as the most crucial. Emotionally reserved communities can relate to masculinity and restraint scale. This is because social norms and division is of higher concern here and freedom of speech expression and emotions is much less visible.

## **3.2. International business and internationalization**

Outlined section describes how the international business is defined and what kind of organizations can be found within it. It also presents the concept of internationalization and how multiple approaches applied when researching the concept.

### **3.2.1. International business – definitions overview**

First, it is prominent to understand what international business is. Nowakowski (2005) describes it as international transactions that are conducted outside the country and cultural borders to meet the needs of individual buyers, enterprises, or organizations. This also applies to activities such as transport, banking, knowledge transfer, tourism, or technology. Multiple disciplines can be outlined here and found co-dependent in existence, those are: international management, international marketing, international logistics, global marketing, international finances, and trade. To achieve profit organizations, there is a need to create operations outside country borders – those very often need to differ from national operations. Because international business is considered as a process placed outside country borders – cross-cultural/international context has become a main outline for international business. Multiple factors influence on how and what is done in another cultural setting, namely business practices, law that applies, managers' decisions, currency value, government practices, and the like (Nowakowski, 2005).

One can find many institutions operating within international business, but let us discuss the most common nowadays, namely ICs, virtual enterprises, and SMEs. ICs adjust their activity according to external conditions dictated by always changing global economy. Currently, ICs are one of the most prominent contributors in global developed and emerging economies. There is an estimate that ICs constitute around 80% of international trade. Here we can find intra-firm trade (business exchange inside the corporation's units located in different countries) or a trade in which IC is only on one side of transactions (the other is most probably the vendor). Intra-trade takes up to 35–36% of the total trade value on global scale (Zorska, 2005).

From the moment of Internet creation as a solution it has strong implication for society, business, technology development, and many more. With regard to business, those companies that are not fast enough with adjusting to current trend and rising new economy, which is based on Internet and new technologies, can experience a collapse of their operations. Firm internationalization level and IT solution applications are strong elements here. Consequently, many enterprises transform into internationalized virtual companies that can present differentiated forms. We can distinguish, for example, virtual firms created here for a specific period of time – a network of independent companies connected by Internet technology. Another example is new institutions that integrate independent processes conducted till now by multiple separate companies as another form of virtual company. The last one is pioneering firms that base their solutions on possibilities provided by the Internet. Growing internationalization also brings higher levels of competition, which can in turn bring better efficiency in customer service and more effective competitiveness on international markets. Virtual companies also create virtual

customers and develop concepts such as eSCM (Electronic Supply Chain Management) or proactive business, which aim to bring new solutions, innovations, and personification of international market offer (Pastuszak, 2005).

SMEs need to fulfill specific requirements if they want to compete in international market environment. First, they need to operate independently on the market and be owned by private business owner. They need to have access to international and national financial institutions or their brokers. Also, the requirement is that the entrepreneurs and other institutions acknowledge private ownership that is guaranteed by the law. SMEs experience bigger risk and challenges than ICs, with regard to survival on the international market. Changes applied in strategy here are considered as an innovative action. Those aim mostly at bringing new products on the market, improving internal processes and systems, as well as reaching highest returns with minimal cost in marketing. SMEs can outrun ICs only in the case of skillful management and marketing their products and competences (Galas, 2005).

### 3.2.2. *Internationalization – what is it exactly*

There is a heated debate on how to measure internationalization, but not enough attention is put on its level of contingency in changing environment of international business and measured sample. Research puts in question the creation of universal measures to test the degree of internationalization in firms due to the dynamic nature of international business (Hassel et al., 2003). Multiple definitions can be found across literature on internationalization; however, all of them focus in most cases on how the company functions or settles across markets it operates. In the current research project, a definition developed and described by Felício, Duarte et al. (2016) and Felício, Meidutė et al. (2016) will be applied since its connection with GM concept have been proven and tested. Moreover, a breakdown of multiple definitions can be found in Table 3.3.

*Table 3.3* Internationalization definitions.

|  |  |
|--|--|
| (Fletcher, 2001)   | <ul style="list-style-type: none"> <li>• Inward-driven activities</li> <li>• Outward-driven activities</li> </ul>  |
| (Felício, Duarte et al., 2016;<br>Felício, Meidutė et al., 2016) | <ul style="list-style-type: none"> <li>• Internationalization effect on firms</li> <li>• International networking activities</li> <li>• International know-how</li> </ul>            |
| (Nowakowski, 2005)   | <ul style="list-style-type: none"> <li>• A process in which the company extends its reach and develops</li> </ul>  |
| (Hassel et al., 2003)  | <ul style="list-style-type: none"> <li>• Real dimension</li> <li>• Financial dimension</li> </ul>  |
| (Jones & Coviello, 2005)   | <ul style="list-style-type: none"> <li>• An entrepreneurial behavior evidenced by outcomes and events with regard to time on an organizational level (behavioral process)</li> </ul> |

*Source:* Authors' own description, based on research results.



Fletcher (2001) has developed a holistic view of internationalization. It directs to inward-driven activities, outward internationalization and international behavior, and internationalization as a global exercise. Inward activities are indirect or direct importing, joining a venture with overseas partner within their domestic market, or manufacturing goods overseas in order to stock home market. This also includes for the company to become a licensee for a foreign firm. Outward activities relate to inward ones – they can lead to one another – this happens when a franchisee in one country becomes a franchisor in another one (international franchising effect). Above activities are closely linked with international behavior since internationalization is viewed more as a global action. Companies may deliberately reduce their involvement in one country to increase it in other countries. Hence internationalization should not be viewed as the firm’s action and focus in only one specific country overseas. Author’s holistic approach to internationalization is presented in Figure 3.1.

Internationalization is also widely researched by Felício and colleagues in connection with GM (Felício et al., 2012, 2013; Felício, Duarte et al., 2016; Felício, Meidutė et al., 2016). Factors influencing international behavior in small firms are as follows: internationalization effect on firms, international know-how, international formal activities, and international networking events (Felício et al., 2012, 2013). Later, this model developed into three factors, namely: internationalization effect on firms, international networking activities, and international know-how. Internationalization effect has three variables that are company’s specialization, know-how, and image. Networking, on the other hand, includes three variables that relate specifically to three dimensions of international networking, namely:

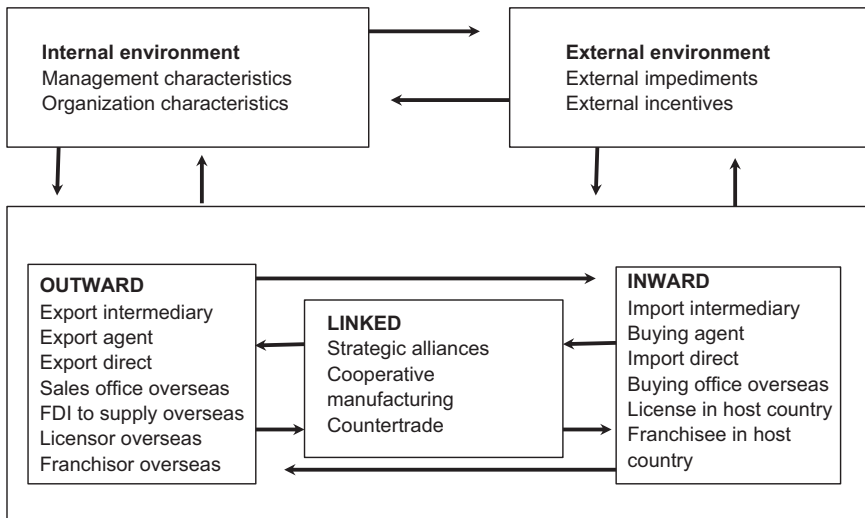


Figure 3.1 Holistic approach to internationalization.

Source: Fletcher (2001, p. 30).

to acquire more information, to explore market resources, and to create and maintain contacts with suppliers. Last factor, namely international know-how activities, consists of two layers: acquiring new knowledge by attending conferences, congresses, fairs, and the like (NewKnow) and presenting new skills, solutions, and technologies on congresses, fairs, and markets (PresSkill; Felício, Duarte et al., 2016; Felício, Meidutė et al., 2016). Research has found that GM contributes to the company's engagement in internationalization behaviors (Felício et al., 2012, 2013; Felício, Duarte, et al., 2016; Felício, Meidutė et al., 2016).

According to Nowakowski (2005), internationalization is considered as a process in which a company extends its reach and develops. As a first step, he outlines that there should be a deeper understanding on why companies engage in international business. There are multiple reasons behind such decisions, such as lower operational costs, increase of sales and income, increase of organization's capacity and development due to the new market expertise access. He also describes threats that can occur. Main one is geographical distance between business partners. However, by internationalization process, companies increase the awareness on how internationalization can benefit firm development in the long run as well as partners included in the carried-out transaction.

Hassel and colleagues (2003) outlined internationalization as two components: real and financial. Real dimension refers to the extent to which a company is performing foreign activities on the market. It is one of the most important features of internationalization because companies that engage in international activities are required to concentrate on foreign capital, for example, employees, sales, or assets. Financial dimension focuses on how the firm is orientating toward international capital markets. Financial variables are important to consider as it shows how a firm internationalizes its ownership structure or financing in general. This in turns can influence its behavior and strategic approach.

Internationalization is also viewed as a behavioral process. Here, we can come across two dimensions, namely time and behavior with four key constructs: the entrepreneur, firm, environment, and performance. This approach had an aim to create a definition of entrepreneurial internationalization. In this view, entrepreneurship and internationalization are viewed as interdependent processes and it is outlined that it is time-dependent and time-based. Hence, authors establish internationalization process as an entrepreneurial behavior evidenced by outcomes and events with regard to time on an organizational level (Jones & Coviello, 2005).

### **3.3. Organizational culture**

The following section discusses various definitions of organizational culture and provides a brief overview on how it relates to national culture.

#### **3.3.1. How it is defined**

Organizational culture is a prominent element driving any organization. It creates an environment in which an official code of conduct sets out the rules on how an

employee should achieve a goal set by the firm. It can be deeply rooted into an organization and be resistant to changes. At same time it means that if it is well outlined and established it can lead to success or failure of an organization. That is why it is of extreme importance for an organization to have a clear approach here since it is one of the most defining elements it has. Currently, business environment is extremely fast with changes happening almost daily. There are many mergers, acquisitions, or restructurings. If the organizational culture is not strong, employees can feel left out in this process and just a part of events chain. But if the organizational culture is strong, it can bring a sense of stability for employees who are part of such changes and make them part of this process. Building strong organizational culture can help the organization and its employees in achieving strategic goals and targets as there will be clear codes of conduct, that is, a set of rules one can follow, accepted within the company (Tănase, 2015).

Studying culture can support understanding further organizational culture interplay with national culture as well as strategic decisions that international companies need to make, having in mind both organizational and national culture aspects. By addressing the connection between corporate and national culture in international business, we may be able to better understand how culture studies can evolve and in which direction (Rohlfers & Zhang, 2016). Various approaches to organizational culture are presented in Table 3.4.

According to Konecki (2007), organizational culture can be understood as value systems and norms accepted and coming from a specific organization. Those also include common and very often unconscious assumptions and connected with

Table 3.4 Organizational culture approaches breakdown.

|                                 |  |
|---------------------------------|--|
| (Konecki, 2007)                 | “Value systems and norms accepted and coming from a specific organization”   |
| (Tănase, 2015)                  | “Symbols, ideology, rituals and history and internal behavior can be components of organizational culture”   |
| (Schein, 2004)                  | “A group culture that consists of patterns. Those patterns are built of shared basic assumptions learned by a group while it was solving its problems of internal integration and external adaptation. It needed to work well enough for this group to consider it valid to such extent that it was taught to new members of organization since it got considered as a accepted and right way of thinking and perceiving occurring issues” |
| (Hofstede et al., 2010, p. 344) | “The collective programming of the mind that distinguishes the members of one organization from others”  |
| (Hofstede, 1998)                | Six dimensions of organizational culture: <ul style="list-style-type: none"> <li>• Process- vs. results-oriented</li> <li>• Employee- vs. job-oriented</li> <li>• Parochial vs. professional</li> <li>• Open vs. closed system</li> <li>• Loose vs. tight control</li> <li>• Normative vs. pragmatic</li> </ul>  |

Source: Authors’ own description, based on research results.

those created rules of conduct as well as symbolic sphere of organization's functioning that is created by organization members. Symbolic level consists of firm's communication language, knowledge systems, rituals, myths, beliefs, and ideologies. Such values can be researched on four levels, namely macro (nation, society, religion), mezzo (local society, workplace), micro (family, friends, religion group), or individual (individual success or social advancement). Author suggests this can be researched by qualitative or quantitative methods but mixing both can give a better picture of the organization's culture, that is it can give possibility to research norms, values, basic assumptions, and symbolic sphere of the organization's activity. Values that one needs to assess are those connected strongly with company's actions, that is defining which priorities are tied with organization's actions. Organization's values are usually researched in as is and to be state.

Symbols, ideologies, rituals and history, and internal behavior can also be components of an organizational culture. Symbol or group of symbols can be ways in which one organization differentiates from another. Ideologies are beliefs about the organization with regard to how it operates and develops. It can be considered as a basis for forming the organizational culture. Ideology, by containing a set of values and principles, can outline behaviors for employees and help them in reaching defined goals. Rituals and history are important parts of employee induction in the company since one need to learn the rituals in the organization, its history and background and adjust to it. Finally, internal behavior conduct is an important aspect as well. It is vital; there are standards of behavior outlined for employees so one can know how to behave in any situation. Here we can distinguish, formal and informal standards. The latter is a set of unofficial rules set by employees, while the formal standards focus on official code of behavior (Tănase, 2015).

Culture is also defined as a concept that brings utility and attention to things that we require to reach our need for stability as humans. Forming organizational culture is an effort of integration and patter creation. Hence, organizational culture can be defined as a group culture that consists of patterns. Those patterns are built on shared basic assumptions learned by a group while it was solving its problems of internal integration and external adaptation. It needed to work well enough for this group to consider it valid to such an extent that it was taught to new members of organization since it got considered as a accepted and right way of thinking and perceiving occurring issues (Schein, 2004).

On the other hand, Hofstede and Minkov (2010, p. 344) describe organizational cultures as "the collective programming of the mind that distinguishes the members of one organization from others". It is not only maintained in the organization's member's minds, but also various stakeholders are affected, such as customers, authorities, and the press. How national culture differed from organizational one? National culture is our mental programming that we acquire in the first ten years of our lives. Our family, environment, and school shape us – they constitute our basic values shaping. Organizational culture starts to shape when one enters the work environment. It is more superficial and brings only organization's values to the table (Hofstede et al., 2010).

Hofstede (1998) described six dimensions of organizational culture, namely: process- versus results-oriented; employee- versus job-oriented; parochial versus professional; open versus closed system; loose versus tight control; and normative versus pragmatic. In process-oriented cultures, a more calm, foreseeable environment can be observed and is less inclined to take risks. Results-oriented cultures thrive in unknown situations and each day brings new challenges for them. Second dimension finds the distinction between a focus on having the job done and more of a people-oriented approach. In people-oriented cultures, employees feel that the organization takes care of their well-being, and important decisions are made with the participation of committees. In job-oriented environments, there is a strong pressure on performing the task, individuals make important decisions, and it makes employees perceive the company as only interested in performing tasks, nothing else. Within the third dimension, professional cultures are those in which employees keep their personal lives private. They believe organizations hire based on competence and skills, and they make future plans and steps. Parochial culture has a different approach here. They consider that hiring decisions are made because of their competence as well as social and family background. Their approach is that organization should take care of the future for them. In the fourth dimension, open system unit welcomes newcomers and outsiders into organizations. Its structure as well as current employees welcomes new employees. Here, almost everyone would be able to fit into the organization and it would take only a few days for newcomers to feel comfortable in the organization. In closed system unit, it may take up to a year for a new joiner to feel good in the new environment, and its structures are not welcoming to outsiders. The firm's structures are considered as secretive and hidden from the public. Only specific individuals can fit into an organization. In loose control organizations, keeping meetings on time or looking at costs within the limit are not of a highest concern. The atmosphere is more relaxed, and one can come across more jokes about the company or a job. In tight control environments, jokes are very rare, and there is a very high regard in keeping meetings on time or costs within the outlined budget. Finally, in the sixth dimension, normative units are more interested in following procedures than achieving results. Ethics, integrity, and honesty are very high in an organization. In pragmatic units, companies' customer satisfaction and results are considered more important than correct procedures.

### ***3.3.2. Organizational culture versus national culture***

Multiple researchers have outlined connections between organizational culture and national culture in their studies (Beauregard et al., 2018; Gerhart, 2009, 2009; Knein et al., 2019; Lee & Kramer, 2016; Nazarian et al., 2017; Nelson & Gopalan, 2003; Owusu Ansah & Louw, 2019; Pedersen & Dobbin, 2006; Vetráková & Smerek, 2016). The main question that arises is to which level organizational culture is independent from other cultures, namely national culture. Some researchers consider national culture as significant power that shapes organizational culture (e.g., Nelson & Gopalan, 2003), whereas other ones (e.g., Gerhart, 2009) considered a higher power of organizations and their culture over national culture influence.

Also, national culture as well as organizational culture are found to be influential on employees' behavior in organizations (Webster & White, 2010). What is more, in mergers and acquisitions study, it was found that managers use national culture to understand better any frustrations, issues, or areas of conflicts when entering a new environment. This helps them immensely in the development of a common organizational culture and creation of new entities. National culture helps in better understanding the integration process in mergers and acquisitions and contributes to its success (Moore, 2019).

Employees usually confront many cultures at the same time. By researching organizational culture, it may help reveal how many cultural assumptions raise conflicts within a group that exist. Authors suggest hierarchical data structures on four levels, namely: (1) countries or sector; (2) organizations within nations; (3) departments within organizations; and (4) individuals within departments (De Witte & van Muijen, 1999). Multilevel approach is also suggested by Dickson et al. (2000), while using quantitative approach, which should be mixed with qualitative methods since this can help to understand variation in meanings between societies. Understanding how organizations function in different societies is a challenging task, so it is important to link organizational culture with societal culture, understand how industry nests within a specific society, as well as organization's leadership, history, or structure. It is suggested that one should try to understand which society-level dimensions of culture might be associated with organizational culture dimensions. GLOBE data suggest that values within a society are linked with organizational values but not very strongly with organizational practices (Dickson et al., 2000).

Organizational culture was argued to be hugely determined by environment that the company sets in taking institutional forces as the main influence, for example national culture. Re-analysis of empirical evidence and conceptual analysis do not support the view that national culture can be considered as a constraint on organizational culture. Future research is suggested in order to understand more in depth as to when national culture may constraint organizational culture and what are the circumstances that may lower its constraints (Gerhart, 2009). Moreover, age of the company should be researched since younger companies probably have higher influence from individual's culture whereas older companies present more stable organizational culture (Felício, Meidutė et al., 2016).

Another research project studied Brazilian national culture versus organizational culture and took into consideration cultural agreement within existing group. It shows the influence of national culture on organizational culture. The prominence of relational networks and hierarchy was also shown here. It means that culture is important within the company's functioning and practices. By understanding relational ethic within Brazilian culture, it supported an understanding of organizational culture practices of the company that has international operations. Internal environment and nationality within a company was found as influencing on cultural agreement between group members. Hence, organizational context may affect the possibility of nationality influencing cultural agreement between members. Also, it was pointed out that monolithic organization (that was studied) tends to have senior management of same nationality as head office and with most jobs occupied

with local nationals from the host country. For companies that have branches in various countries differing on national cultures, organizational values should be validated by cultural values of the host country. National values are found to differ on basic level of values, while organizational culture varies within practices that are visible parts of the culture (Garibaldi de Hilal, 2006).

Societal culture practices and values are found to be influential on values and practices of organizations that are embedded within those societies. For example, power distance result may have an influence on how relationships with client will be built within a specific market. Results indicate that societal cultural practices have a considerable effect on organizational practices across societies with weak linkage to the industry in which the company operates. On the other hand, evidence was spotted that society has an indirect effect on organizational culture practices, and cultural values were found to have a mediating effect on differences between industries within countries. Also, research shows that their headquarters influence organizational design and competitive advantage of companies (Brodbeck et al., 2004). On the other hand, it is noted in literature that organizations create collectives and networks within one industry sector. This, as effect, increases members' profile similarities across various organizations within same industry (Abrahamson & Fombrun, 1994).

Another study conducted by Owusu Ansah and Louw (2019) focused on how organizational culture is influenced by national culture across multinational companies. Research has shown that organizational culture is influenced significantly by high power distance and uncertainty avoidance. On the other hand, such national culture attributes as collectiveness and masculinity were found to have a positive effect on the firm's culture, but with no bigger significance. Research suggests it is worth continuing studying how various national groups relate to corporate culture and how they effect corporate culture creation and functioning. Organizational culture is very often adjusted as per national culture requirements; hence, it has significant impact on company's culture shaping in a location.

Multinational companies that possess cross-cultural workforce usually experience the biggest challenge in finding a good solution on how to align organizational culture and national culture together. The mother entity (from origin country) very often shapes the firm's culture in those cases with national culture from initial country. However, in general, a company's cultural characteristics that are extended on other entities across the globe may or may not match with other national cultures of their employees. Study mentions the importance of person–environment fit and national culture component considered by organizations, which are required for successful firm's functioning and employees' as well. Bad alignment between organizations' culture and national culture can have a negative influence on the employees' effectiveness, work-life balance and effectiveness of designed organizational programs (Beauregard et al., 2018).

GM was linked to organizational culture in the research conducted by Felício, Meidutė et al. (2016), where there was a distinction between individual and corporate GM levels. Corporate GM reflected dominant organizational culture in the carried-out study.

### **3.4. Chapter summary**

This chapter focuses on multiple concepts that are valid for the designed research project. The aim is to take the readers through concept definitions of international business, national culture, internationalization, and organizational culture. This chapter also discusses how national and organizational culture may influence each other as well as how presented frameworks of national culture relate to Hofstede's. Terminologies are as well linked with GM and hence appropriate approaches are chosen for the purpose of designed research.

GM is to be tested on managerial and non-managerial levels of the organization. Hence, Hofstede's model is to be applied as Hofstede (2006) stated in his research clearly that it is not advisable to limit to only one level within the organization. Moreover, national culture dimensions will be linked with patterns of cross-cultural business behaviors, as this will be conducted in international business environment. This can help to answer the question on how country culture affects, and to what extent, business behaviors and how it impacts GM existence as well as development at multiple levels of organization.

In terms of international business, organizations like ICs, SMEs, and virtual companies are described. Focus will be on ICs since those organizations need to adjust to changing dynamic environment in international business most actively – they constitute around 80% of international trade overall. What is more, they are the major contributors in emerging economies nowadays (Zorska, 2005). Having this in mind, it would be vital to connect those companies with their level of internationalization and how this impacts GM levels within employees' society.

Internationalization is shown from multiple definitions perspectives. The common trait presented in all of them is on the process of the company's settlement across various locations and markets. The one chosen for the research purpose is the one consisting of three main components: internationalization effect on firms; international networking activities; and international know-how (Felício, Duarte et al., 2016; Felício, Meidutė et al., 2016). Internationalization is also linked with cultural factor. Cultural distance is marked as one of important factors in internationalization location decisions – the greater the distance, the less likely company will set operations in a given location. It also impacts company's internationalization growth decision – in case of high levels of cultural distance, the international expansion may be smaller due to adjusted costs. Hence, international business actors need to manage a multilevel internationalization decision (e.g., organization, country, or region) as well as multiple cultural location–host interactions. Having those in mind, it should be taken into consideration that national culture is dynamic and may adjust/change due to economic activities within the region (e.g., when operations get internationalized). Such changes can be seen faster on the surface level, which is, for example, behaviors on more deep levels, for instance, values of an individual or society. Having in mind that culture is a dynamic aspect, researcher should look into key drivers of cultural change more actively – mostly how international business actors and environment overlap each other and how (Lopez-Duarte et al., 2016). Research has found that GM influences the level of company's



engagement in internationalization behaviors (Felício et al., 2012; Felício, Duarte et al., 2016; Felício, Meidutė et al., 2016; Felício et al., 2013; He et al., 2020).

Finally, main definitions of organization culture are touched upon. Also, this concept is discussed with regard to how it connects with, and to what extent, national culture. It is a set of rules or norms within the company that helps employees understand what is an accepted code of conduct within the organization (Tănase, 2015). There are multiple definitions available, but mostly they refer to common norms or rules which are created by the specific group that is a part of a certain organization (Hofstede, 1998; Hofstede et al., 2010; Konecki, 2007; Schein, 2004; Tănase, 2015). Companies need to nest within various societies and hence understanding how organizational culture is linked with societies involved is important as it brings us closer to apprehend how organizations link with various societies. Since employees need to work with multiple cultures at the same time, linking national culture with organizational culture can help in acknowledging how cultural agreement is built between individuals effectively (Abrahamson & Fombrun, 1994; De Witte & van Muijen, 1999; Dickson et al., 2000; Garibaldi de Hilal, 2006; Gerhart, 2009). This can bring multiple benefits to many organizations in performance, on-time project delivery, effective mergers and acquisitions across borders, and the like.

Since the research project will look at multiple levels of organization, definition by Konecki (2007) is applied. It might support in defining dominant organizational culture within the company and how it might be linked with GM as well as to which extend and on which level of a firm. To date, research shows that dominant organizational culture is linked with GM on a corporate level (Felício, Duarte et al., 2016).

## 4 Empirical research

### 4.1. Research problem – research questions and aims of work

The main target of this research is to specify how national culture and international business behaviors affect GM in BPO. There is a need to unify the concept and build on the knowledge on how it develops within one sector. Business is going actively global nowadays and employees/companies need to be flexible and open to international environment. There is a need for them to develop adaptability and skills that can help them to be effective in the global context. Thus, we need to keep on developing our knowledge on the subject and creating clear, applicable structures of GM concept in business. This project mainly aims at ICs since they need to adjust to external conditions and global economy most actively (Zorska, 2005).

The practical aim is to define practical implications for BPO on how GM is developed across non-managerial (referred to in this project as employee) versus managerial levels in an organization. Theoretical objectives are to create a unified GM concept, research the individual and group levels of GM, and see how GM is influenced by national culture as well as international business behaviors.

Cognitive aims and research questions are described in sections 4.1.1 and 4.1.2 and section 4.1.3 focuses on research questions. Cognitive aims are divided into categories – BPO is outlined in section 4.1.1 and GM in section 4.1.2.

#### 4.1.1. BPO – cognitive aims

The following outlined cognitive aims present the approach undertaken in the study with regard to BPO sector in terms of analysis of the sector and internationalization effect.

##### 4.1.1.1. Analysis of BPO business

BPO business has a growth trend in its services across locations. It evolves as well technologically (Graf & Mudambi, 2005). It is vital to understand it more in depth from framework perspective (e.g., market overview, core terminology, levels, and drivers) as well as general outlook – its pluses and minuses for the client organization, innovations, or location decision factors. BPO is one among the three types

of outsourcing (the other two: IT and manufacturing; Mahmoodzadeh et al., 2009, in Krstić & Kahrović, 2015). This sector of outsourcing is currently on the rise and outruns such services like ITO (Krstić & Kahrović, 2015). BPO scholars are slowly picking up the pace with ITO research in past years. Scholars outlined the need to focus on this part of outsourcing for further research and exploration (Lacity et al., 2011; Sreedevi & Tanwar, 2018). It is advised to further study the outsourcing sector and show how cross-culturalism affects interactions as well as overall company's/employee's performance (Chmielecki, 2016).

BPO also includes IT-enabled services, such that we can outsource using IT capability, and hence they need such services included within the company. Processes that a company can outsource can be classified as IT-enabled and others. Hence, all processes that are organizational can be put into classification as core process, non-critical and non-core, and critical and non-core. IT-enabled services mostly operate within customer care, banking, administration, and those that involve a bigger number of employees (Ramachandran & Voleti, 2004). That is why, employees based within IT are also included in the study since those can be considered as an important part of a company's functioning within BPO sector.

Further analysis of BPO might bring multiple benefits to both scholars and professionals. It may help to understand how factors connected with internationalization or cross-culturalism affect its growth, management, and performance as a sector and from the employee and manager perspectives.

#### *4.1.1.2. Analysis of internationalization effect*

Internationalization will continue to grow. Biggest amount of interest in this context will have such aspects like business cultures, values, ethics, and norms. Also, more interest will be shown in how Western and Eastern economies and those that are emerging are colliding (Rooney & Chavan, 2017). Internationalization may have an influence to which degree a company is open to offshore outsourcing. If there is an international presence already, it facilitates coordination of international business partners. BPO should be examined further to help understand how internationalization can influence its effectiveness in, for example, risk reduction, international vendor management, or performance (Whitaker et al., 2005). It is also outlined that international experiences and competences enforce resources commitment with internationalization and reduce risks (Roque et al., 2019).

Having above in mind, researching how internationalization connects with GM brings a considerable knowledge addition within BPO sector. Also, considering BPO offshoring and onshoring tendencies, international cooperation happens daily here. Understanding those processes further and how they impact each other is beneficial for both organizations and employees.

#### *4.1.2. GM – cognitive aims*

Having in mind that available literature on GM is scarce and there is a multiplicity of approaches and definitions, it is advisable to create clear structures. This can be

done by arranging available literature appropriately not only by levels of appearance but also by a full systematic review of available data that take into consideration not only antecedents and outcomes but definitions as well. This systematic literature review aims to evaluate up-to-date knowledge on GM and show future research directions in the area.

#### *4.1.2.1. Analysis on national and business culture effect on GM*

Business and national culture should be analyzed further. Workplace behaviors that influence employer–employee relationship and cultural values have strong impact on how successful new and existing ventures will be for the company/client (Oshri et al., 2015; Palugod & Palugod, 2011). It is important for companies to learn how to manage cultural differences in the workplace effectively. The main reasons are active expansion globally nowadays, diverse workforce, and improving the ability to connect business and cultural sphere altogether in order to improve overall effectiveness as well as success rate (Beugelsdijk et al., 2018). Growing number of arrangements involve vendor–client interaction. BPO gains importance nowadays in business-to-business relationships and is expected to grow 25% annually. This growth stimulates international business and requires different approach on how to manage workforce, which becomes cross-culturally oriented. Cultural diversity is expected to bring multiple positive outcomes, for example, personal growth, learning flexible work styles, higher and more effective creativity, innovation, and communication. Researching the above can also help individuals to face stereotypes and bring individual benefits to both sides (Chmielecki, 2016). Further research is also recommended in understanding how multiculturalism is affected by social network validations and how those develop within, for example, multinational enterprises (MNEs) on various levels in an organization (individual or organizational; Vora et al., 2019).

#### *4.1.2.2. BPO sector effect on GM*

Also, industry effect in BPO is still considered a mystery and in need of further exploration. Research outcomes are mixed, with a number of them showing that clients from some industries are more inclined to outsource to higher degree, whereas some were less likely to do so or outsource smaller number of services. Researchers highly recommend further study on BPO sector, as a lot have been done up to date, but much still remain to be carried out (Lacity et al., 2017). Moreover, GM is considered as impacted by industry effect. Across top 12 industries researched, telecommunications industry has the biggest connect with GM, whereas manufacturing industry has lowest average results (Javidan & Bowen, 2013).

A single-sector effect is recommended for further research in case of GM – this can be checked on both individual and corporate levels (Felício, Meidutė et al., 2016).

#### 4.1.2.3. *Arranging available knowledge on GM by categorizing its antecedents and outcomes by a systematic review*

GM is currently developing on the scientific arena. Hence, it is prominent to understand its antecedents and outcomes – there is a lack of coherent operationalization and clear measures available (Hruby et al., 2016, 2018). Current study presents a systematic review in which antecedents and outcomes are grouped accordingly in categories by using independent judges' method. Category rating agreements achieved high levels – IRR reached 70%, and in the case of outcomes, it is 90%. In case of Scott's Pi, with regard to antecedents, there was a high reliability score ( $\pi = 0.65$ ), and outcomes reached a very high score ( $\pi = 0.9$ ).

Grouping and arranging up-to-date knowledge brings considerable benefit in academic and professional practices. Academics can benefit from arranged, categorized antecedents and outcomes as well as definitions, whereas, the presented review can help professionals in understanding the concept and apply it in their practice.

#### 4.1.2.4. *Comparison of individual and group levels of GM*

GM is divided across literature according to the level of appearance, that is, individual, group/team, and organizational. This is how it was divided, taking into consideration the antecedents, by Hruby et al. (2016) in their review. In another study they have investigated GM at individual level among leaders (Hruby et al., 2018). Ciszewska-Mlinarič (2015) distinguishes individual- and firm-level antecedents of GM. Felício, Meidutė et al. (2016) studied individual and corporate levels of GM. Further research was recommended for this concept on multiple levels of appearance (Felício, Meidutė et al., 2016).

GM contributes greatly to individual and organizational success. By looking at it from differentiated perspective, it can be pointed out that employees on various organization levels bring benefits to up-to-date research. By outlining what antecedents/outcomes one can find on each level can facilitate our understanding of the concept and what effectiveness it can bring. It is advised to keep on researching GM in this manner and extending available knowledge. In the carried-out research, GM is to be approached on both individual and group levels (managers vs. non-managers).

#### 4.1.2.5. *Creation of a unified GM author definition*

There is a lack of coherent operationalization for GM (Hruby et al., 2018; Hruby et al., 2016). After carrying out a systematic review for the concept, 18 definitions could be identified (Ananthram et al., 2014; Beechler & Javidan, 2007; Chatterjee, 2005; Clapp-Smith, 2009; Clapp-Smith & Lester, 2014; Cohen, 2010; Gaffney et al., 2014; Javidan & Teagarden, 2011; Kwantes & Chung-Yan, 2012; Lane et al., 2009; Levy et al., 2007; Miocevic & Crnjak-Karanovic, 2012; Ndum & Onukwugha, 2012; Nielsen, 2014; Nummela et al., 2004; Pucik, 2006; Quinonez & Ozyurt, 2014; Reis

et al., 2012). Those commonalities mostly refer to cognitive aspects and ability on how individuals/groups/organizations can be influenced despite coming from different cultural backgrounds. What is more, knowledge structures and cultural awareness can be spotted here most often as well.

Based on this a unified, author approach has been created and applied in the study, which is as follows: GM can be described as a cognitive complexity, cultural awareness, and knowledge structure of an individual that gives an ability to effectively influence other individuals, as well as groups or organizations that come from differentiated cultural backgrounds.

#### **4.1.3. Research questions**

Having in mind carried-out literature review and cognitive aims outlined earlier, the following research questions arise.

##### **1. How Internationalization influences GM?**

Internationalization is found as one of the most common outcomes of GM (Felício et al., 2012; Felício, Caldeirinha et al., 2015; Felício, Duarte et al., 2015, 2013; He et al., 2020; Jiang et al., 2018; Kyvik, 2018; Lazaris & Freeman, 2018; Miocevic & Crnjak-Karanovic, 2012; Nummela et al., 2004; Reis et al., 2018; Torkkeli et al., 2018). Within the review carried out for the purpose of this study, it was grouped by independent judges under the organizational international activity category as GM outcome. On the other hand, it was found that GM could be as well considered as an outcome of internationalization as it contributes to firm's active engagement in internationalization behaviors and thus require further examination. Internationalization is included in category four in current review by independent judges – organizational international strategy (company's internationalization, e.g., Kwantes & Chung-Yan, 2012, in GM's antecedents categorization).

Hence, understanding how GM and internationalization impact each other can help in understanding what effectiveness it can bring to various spheres of the BPO (Whitaker et al., 2005). Putting focus on this part of outsourcing for further research and exploration is outlined in the research recommended to be further carried out (Lacity et al., 2011; Sreedevi & Tanwar, 2018).

##### **2. How national and business culture influence GM in BPO industry on different levels of seniority?**

Nationality (Matthes, 2013) or multiple nationalities (Stokke, 2013) are one of the GM's antecedents (also categorized by independent judges in category five, that is, demographic factors).

Business behaviors can be affected by and connected to multiple antecedents of GM as per categorization applied in current review and independent judges' effort. Dimensions applied by Gesteland (2002, 2012) have a strong impact on establishing business partnerships and overall company success. In terms of antecedents

grouped in the current study, categories one, four and seven can be easily called out here as those variables that can be connected to some extent to those dimensions. Category one, organizational characteristics, includes such variables as location of employment (Cole & Konyu-Fogel, 2011), firm characteristics (Felicio et al., 2013), and job hierarchical level (Dekker, 2013). Category four, organizational international strategy, incorporate such variables as location of company's headquarters (Cole & Konyu-Fogel, 2011), firm international experience (Ciszewska-Mlinarič, 2015), market characteristics (globalness of the market, turbulence on the market; Nummela et al., 2004), firm foreign ownership (Ciszewska-Mlinarič, 2015), cultivating knowledge regarding diverse cultures and markets, and ability to integrate diverse knowledge bases (Gupta & Govindarajan, 2002). Category seven, cross-cultural factors, looks mostly into cultural experiences, knowledge, or intelligence, such as effective cross-cultural communication (Nielsen, 2014), cultural knowledge creation and cross-cultural competence (Mikhaylov & Fierro, 2015), diverse cultural background and motivation to work and lead cross-culturally (Stokke, 2013), intercultural adaptability (Ransom, 2007), and global business knowledge (Lane et al., 2009).

Current research will be carried out in an international business environment. Connecting Gesteland's (2002, 2012) patterns of cross-cultural business behaviors, Hofstede's (2011) dimensions and GM can help answer the question as to how culture can affect business behaviors and as an effect development of GM in employees on various levels in organization. It is also vital to study GM on multiple levels of organization (managerial and non-managerial) since Hofstede (2006) implied rightfully that it is vital to understand outlined process and impact on all levels in organization, not just limit to one. Till date, most researched and grounded in the literature is leadership as GM outcome (Ananthram & Nankervis, 2013; Beechler & Javidan, 2007; Bowen & Inkpen, 2009; Bücken & Poutsma, 2010; Chandwani et al., 2015; Cohen, 2010; Cole & Konyu-Fogel, 2011; Cruse, 2010; Dekker, 2013; Johnston, 2013; Khilji et al., 2010; Kwantes & Chung-Yan, 2012; Lane et al., 2009; Osland et al., 2012; Sakchalathorn & Swierczek, 2014; Vakilbashi et al., 2014; Vogelgesang et al., 2014; Zander et al., 2012).

### **3. How national culture dimensions connect with cross-cultural international business behaviors?**

Gesteland (2002, 2012) outlines five patterns of cross-cultural behavior within business environment. Direct connections with Hofstede's (2011) cultural dimensions can be spotted in most of them – this is carried out as own study that is to be validated within this study (please refer to Table 3.2). Hofstede's individualism scale has resemblance in deal-focused, rigid time, and direct communication dimensions. Collectivism scale can be linked with relationship-focused, fluid time, and indirect communication spheres. Informal business behaviors connect with feminine scale, whereas formal business style with masculine societies. Hofstede's indulgence and femininity scales reflect emotional cultures. Last but not least, Hofstede's masculinity and restraint dimensions can be connected to emotionally

reserved communities. Above assumptions need further validation in the current study.

Comparison of Gesteland's international business behaviors division with Hofstede dimensions is slowly starting to gain attention within academia. There is still scarce number of sources discussing both approaches. One comparison carried out by Chmielecki and colleagues (2014) is based on own study. This differentiation was not validated in the undertaken study on a small sample examined: mainly 39 mid-level managers. Study focus was on researching negotiation styles. It connects uncertainty avoidance with pro-transactional and pro-partnership cultures, individualism, and collectivism with those that are expressive and reserved. Power distance is considered to match with ceremonial and non-ceremonial business cultures and masculinity and long-time orientation with monochronic and polychronic styles. One of Hofstede's dimensions was not taken into consideration within this comparison, that is, indulgence versus constraint.

In the current study, Gesteland's (2002, 2012) and Hofstede's (2011) approaches are compared based on own study. This is to be validated in the further research that is carried out within this project.

## **4.2. Methodology**

In the following sections, research group's structure will be specified as well as tools and procedures that were carried out to gather data for analysis to confirm research questions.

### **4.2.1. Research groups**

The research group taken into consideration in the study consists of employees within BPO sector on managerial (49 respondents, 31.21%) and non-managerial levels (108 respondents, 68.79%). Study was not limited by location or nationality – main target was to research as many employees as possible within one sector which is BPO. The studied group was asked for multiple information to be able to provide descriptive statistics for the sample – for example, age, nationality, industry, and years of experience (please see survey in the Annex).

The total number of participants is 157, in which representatives of Poland were the largest group (55 participants, 35.03% of the sample). Other nationalities who were a part of the study were from United Kingdom (16 participants, 10.19%), Romania (13 participants, 8.28%), India (12 participants, 7.64%), Ukraine (10 participants, 6.37%), Italy (eight participants, 5.1%), France (seven participants, 4.46%), Czech Republic (five participants, 3.18%), Germany (five participants, 3.18%), Hungary (five participants, 3.18%), Spain, Portugal (five participants; 3.18%), and other category in which participants could list any other country that was not available so far on the given list (16 participants, 10.19% – countries like, e.g., Australia, Georgia, Ireland, or China).

Respondents of the study could also mark their country of residence and whether they are an expat or not (56 of responses [35.67%] indicate working outside of



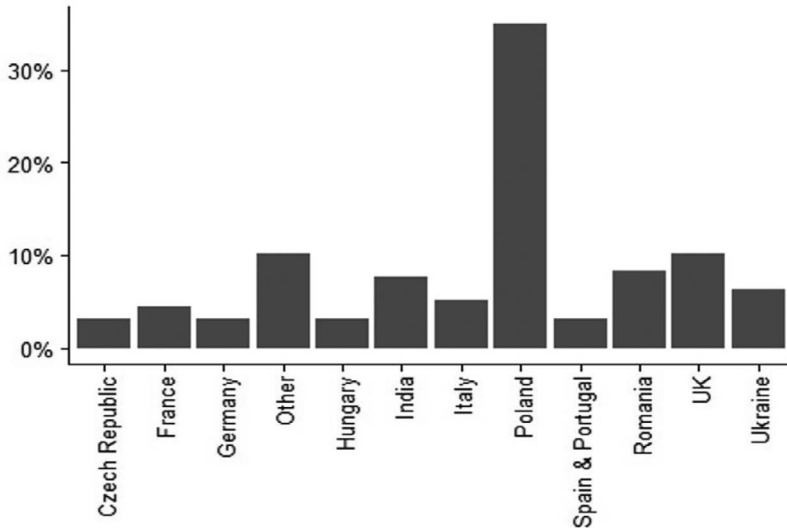


Figure 4.1 Country of origin.

Source: Authors' own description, based on research results.

home country and being an expat). Most of participants are living in Poland (total number of responses: 89, 56.69%). Other ones are located in, for example, United Kingdom (16 participants, 10.19%), Romania (12 participants, 7.64%), France (nine participants, 5.73%), or Czech Republic (six participants, 3.82%). Expats had different exposure in the new country of residence – the largest number being 49 (31.21%) has lived more than 12 months in residence country, four of them (2.55%) between seven and 12 months and three (1.91%) for 1–3 months. Out of the 157 respondents, 5 have more than one nationality and come from multicultural family (3.18%).

In terms of industry within BPO sector, the largest group comes from finance and accounting area (46 respondents, 29.3%), then IT (36 respondents, 22.93%), retail (eight respondents, 5.1%), e-commerce (six respondents, 3.82%), supply chain (six respondents, 3.82%), healthcare (four respondents, 2.55%), marketing (four respondents, 2.55%), and other group in which 47 responses (29.94%) were recorded and included such industries like HR, fast moving consumer goods, or business support. With regard to departments, the large numbers of respondents came from finance and accounting (44 respondents, 28.03%), HR (40 respondents, 25.48%), and IT (30 respondents, 19.11%).

In the studied group, 87 respondents (55.41%) achieved master's level in education, 55 (35.03%) bachelor's level, 13 (8.28%) high school diploma, and two (1.27%) PhD degree. A part of this group had studied abroad – 24 (15.29%) for more than 12 months, 18 (11.46%) for 4–6 months, 9 (5.73%) for 7–12 months and 3 (1.91%) for 1–3 months. Within the studied group, 119 respondents (75.8%)

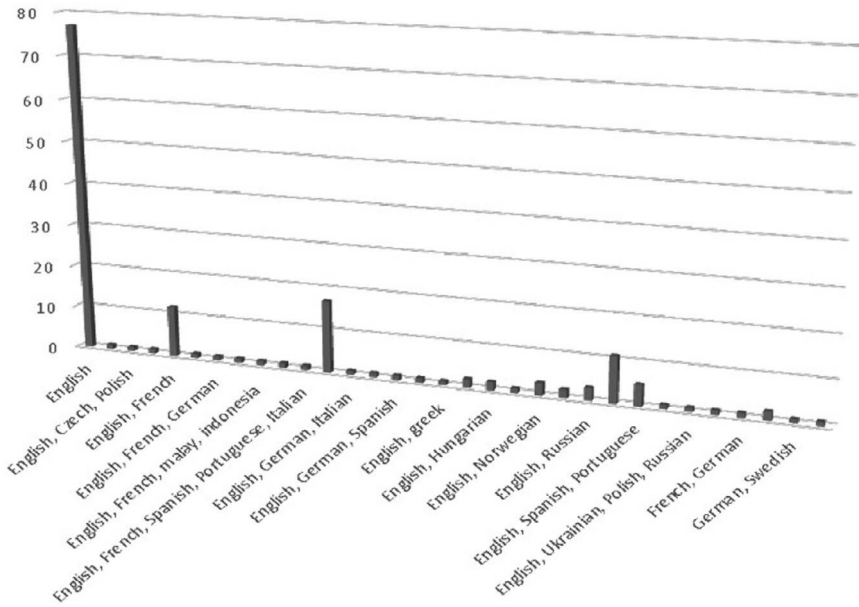


Figure 4.2 Foreign languages spoken.

have from 1 to 10 years of experience and 38 of them (24.2%) have more than 10 years of job experience. Moreover, only 56 of the participants (35.67%) never worked abroad. The vast number which is 67 (42.68%) have worked abroad longer than 12 months and 34 respondents were working abroad less than 12 months (21.66%). A large number of respondents identify the most with their current, direct employer (72 participants, 45.86%), for 68 of them (43.31%) it does not matter who employs them or if they are self-employed, but where they work and what they do, 12 (7.64%) identify with the agency they currently work for and deliver for their clients, and five (3.18%) with their own business they work though with their clients.

In terms of foreign languages, 79 (50.3%) respondents spoke more than one language, and 78 (49.7%) just one additional foreign language, which is English in most cases (77 respondents) and French (one respondent). Out of 157 studied respondents, 119 (75.8%) have international experiences, such as working, living, or studying abroad. They also perform work that requires them to cooperate internationally – in 98 cases (62.42%) permanently and in 42 cases (26.75%) sometimes (employees in 89.8% cases in total, and managers in 87.8%). A large number of respondents work for companies with US origin (73 cases, 48.34%) and then British (34 cases, 22.5%)

#### 4.2.2. *Research tools and procedure*

In following section, the procedure undertaken in the study is outlined as well as the used research tools.

#### 4.2.2.1. Procedure

Respondents taking part in this research project were 157 employees in the BPO sector on various levels of seniority. Those are from big companies from BPO sector, so such that employ more than 250 people as per the Organisation for Economic Co-operation and Development (OECD) classification (OECD, 2021). Respondents were contacted by the business networks and invitation for participation was released to few companies within BPO sector as well. One of them has expressed interest in direct participation in the study. After receiving all needed approvals, the company released the survey among their employees on all levels of seniority. Survey is password-protected and based on Google Forms.

The confidentiality and anonymity of the data were ensured as well as informed consent from participants to take part in the study. Participants were first asked to fill in a set of questionnaires in the following order – GM scale, Gesteland’s scale, and VSM scale. Questions referring to internationalization were included in the background information, which were gathered in the last section of the survey. Mentioned survey can be found in the Annex section of this book.

#### 4.2.2.2. Research tools

In this research project, four tools were used to study the employee group within BPO sector. GM scale will be described first and then Gesteland’s, VSM, and internationalization scales. The full view of the survey is available in the Annex.

##### 4.2.2.2.1. GM SCALE

A thorough systematic literature review was carried out to unify concept’s definition based on which the tool for research can be chosen, having in mind a multiplicity of approaches. As a result, in this book, GM is defined by the author as a cognitive complexity, cultural awareness, and knowledge structure of an individual that gives an ability to effectively lead other individuals, as well as groups or organizations, that come from differentiated cultural backgrounds. Since, there is a scarcity of tools available, the decision was made to use a tool applied by Arora and colleagues (2004) in their study. This 40-item scale was developed by Kefalas and Neuland (1997) and, as mentioned by Arora and colleagues (2004), it was also used with success by researchers to, for example, test differences in GM from a cross-cultural perspective (Zhang, 1998, in Arora et al., 2004).

This scale is divided into two dimensions consisting of 20 items each: conceptualization and contextualization that are measured on a Likert scale – 1 to 5 (strongly disagree to strongly agree). First subscale, conceptualization, measures the person’s ability to understand oneself as a part of global society and person’s thinking patterns. Items within this subscale are, for example, “In this interlinked world of ours, national boundaries are meaningless” or “I find it easy to rethink boundaries and change direction and behavior”. Higher scores on this scale represent individuals who think more globally (Arora et al., 2004). Hence, conceptualization can be linked with first part of applied definition, that is, cognitive complexity, cultural awareness, and knowledge structure of an individual. The second dimension, contextualization,

describes someone's ability to adapt one's ideas or act in a context within a local environment. Items within this subscale are, for example, "I enjoy trying food from other countries" or "Most of my affiliations are international". High scores in contextualization scale mean that a person prefers to act more locally (Arora et al., 2004). Contextualization can be related to the second part of applied definition, that is, the ability to effectively lead other individuals, as well as groups or organizations.

As outlined by Arora and colleagues (2004), the scale itself has good psychometric properties in the carried-out study. Cronbach's alpha for conceptualization dimension was on the level of 0.76, and was 0.69 for contextualization. Score achieved for whole scale reached the level of 0.84.

Having in mind the constant business change, rapid globalization trends and I4.0 as well as Industry 5.0, evolution scale will also be revalidated via PCA and CFA further to confirm that all items in outlined dimensions and total items in scale are applicable to currently tested environment in this form.

#### 4.2.2.2.2. GESTELAND'S SCALE

Due to the lack of available tools to test Gesteland's dimensions, a scale was created with the support of independent judges' procedure. Scale items were confirmed with two independent judges (professor and PhD). Since Gesteland defines five dimensions, each consisting of two sub-dimensions, 20 items were aligned for this tool (four items per dimension and two per sub-dimension). Tool was also checked on 10 representatives from BPO sector in terms of items understanding and items linkage to described dimensions. They were presented with the dimension and sub-dimension descriptions as well as items for the scale. Gathered feedback confirmed that dimension and sub-dimension definitions align well items confirmed for this scale. Each item is described on a Likert scale – 1 to 5 (strongly disagree to strongly agree). For example, deal-focused sub-dimension from dimension 1 is described by items, for example "I consider it professional to have all my tasks completed" or "Delivering my project is the biggest priority for me", and informal business behavior sub-dimension from dimension 3 is described by "In the office or social life, everyone should be approached as an equal" or "I prefer when community has a flat hierarchy". All items for the scale are available in Annex.

This tool will also be validated by PCA and CFA with regard to the tested sample of BPO sector employees.

#### 4.2.2.2.3. VSM SCALE

To measure national culture, VSM scale, which was created by Hofstede and Minkov (2013), is used. This is a 30-item questionnaire that aims at comparison of values that are culturally influenced. Respondents should come from two or more countries or region within countries. It covers six dimensions of national culture and the scores are be computed based on four questions per each dimension. Hence, dimensions are covered by 24 questions that are being used in this research

project (Hofstede & Minkov, 2013). Other six that cover demographic questions were relocated to background section of this project.

VSM as a tool has been developed over the years. The first version (VSM 82) covered four dimensions and was applied in the research among employees in 40 countries within IBM. Later, VSM 94 was developed and covered five dimensions. This study was validated among students mostly in 23 countries. Sixth dimension was added based on Minkov's analysis in up to 81 countries. This tool can be used as a part of bigger instrument that compares multiple countries within various aspects (Hofstede & Minkov, 2013).

All questions are marked on a 5-point scale (1 to 5) and, after applying specific formulas to each dimension, it is possible to produce index score that can outline whether researched group has, for example, strong, or weak, uncertainty avoidance. Example items from this questionnaire are "How often, in your experience, are subordinates afraid to contradict their boss (or students their teacher)?" or "An organization structure in which certain subordinates have two bosses should be avoided at all costs" (power distance index). This tool is confirmed by researchers as having a strong reliability confirmed for the dimensions based on initial database producing four initial dimensions (Cronbach's alpha ranging from 0.715 to 0.842). VSM can be freely used for research projects within academia (Hofstede & Minkov, 2013).

As in the case of other tools, VSM 2013 will be validated by PCA and CFA with regard to the tested sample of BPO sector employees.

#### 4.2.2.2.4. INTERNATIONALIZATION SCALE

Items included in the scale are created on the basis of the model created by Felício, Duarte et al. (2016) and Felício, Meidutė et al. (2016). There are three dimensions here: international know-how activities (two questions), internationalization effect on firms (one question), and international networking (three questions). Those are included in the last section of the survey. Respondents can choose "Yes", "No", or "I do not know" answer. In internationalization effect on firms' dimension (question: "Is your company having a clear know-how and specialization presented across markets?"), in the case of a Yes answer, participants can also add additional comments if they choose to.

### 4.3. Verification of research questions

Following sections' aim is to verify outlined research questions and present findings. Each research question consists of tool validation via PCA and CFA. After tool validation, each of them is addressed.

#### 4.3.1. Research question: how internationalization influences GM?

This section aims at presenting validation of internationalization and GM scale. First, internationalization scale is discussed in terms of frequency distribution of answers to questions and what steps will be taken in the research question validation.

Subsequently, GM scale is validated via PCA and CFA. Finally, research question is addressed, and final research outcomes are shown.

4.3.1.1. Internationalization

Figure 4.3 shows the frequency distribution of all questions that make up internationalization scale, which is created based on the model adapted in Felício, Duarte et al. (2016) and Felício, Meidutė et al. (2016).

Answer “yes” is dominant in all questions, which means that there is little variability in the set. For this reason, individual questions will be used for further analysis as individual indicators (the calculation for this construct of the total measure would be of little use since there is little variability – most respondents would receive the maximum value for the total measure, if the answer “I do not know” would be excluded from analysis).

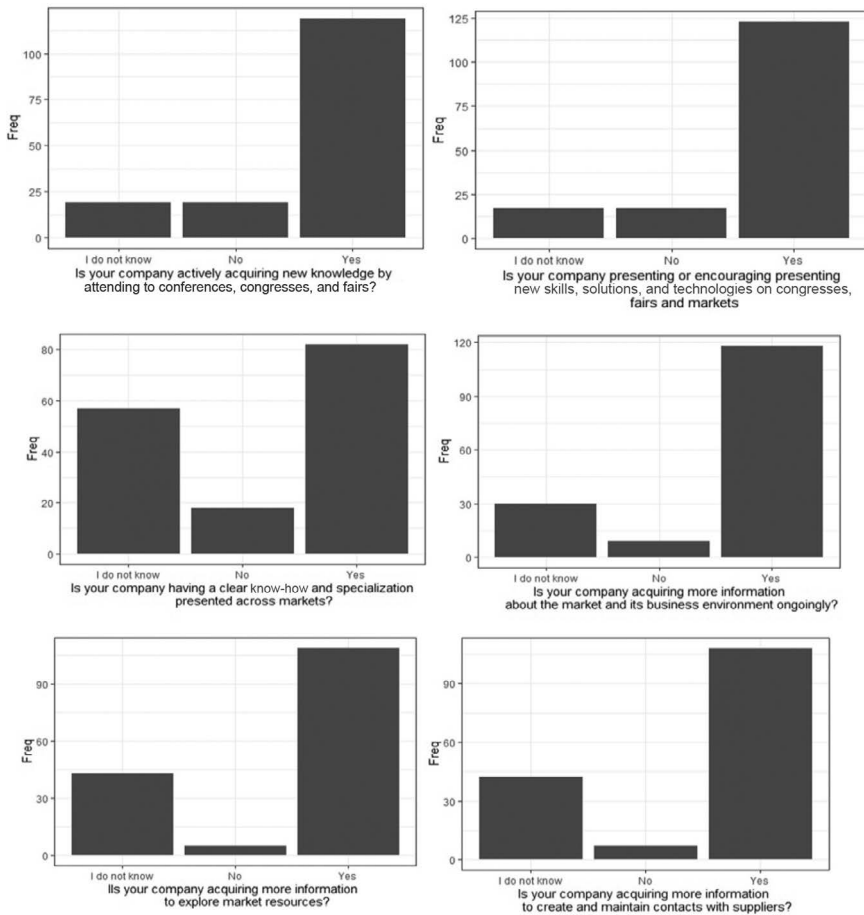


Figure 4.3 Internationalization scale answer matrix.

#### 4.3.1.2. GM scale

PCA and CFA are outlined here with a focus on reliability confirmation of the scale. Analysis starts from PCA for all scale items followed by CFA. All results are discussed in terms of next steps and why scale items are proposed for number reduction. Due to the used data gathering tool that coded the answers on a scale from “strongly agree” to “strongly disagree”, for the purpose of data analysis, those were reversely coded as strongly disagree to strongly agree.

##### 4.3.1.2.1. PCA FOR ALL SCALE ITEMS

The first step is to perform a PCA that will allow to assess how many dimensions the tested scale has. PCA is used to reduce the number of variables describing the phenomenon under study. In this case, it will allow to answer the question whether the theoretical factors assumed in the literature on the subject are reflected in the data. It is based on determining the main components that are in a linear combination with the examined variables, which are orthogonal to each other (they are not mutually correlated). The maximum number of principal components needed to account for the totality of the common variance is equal to the number of variables. The first principal component explains the largest portion of the total variance of the variables, the second explains the greatest portion of the variance not explained by the first principal component, and so on.

In practice, the developed model does not explain 100% of the variance in the dataset. Part of this variance is the result of a measurement error that is beyond our control at the analysis stage.

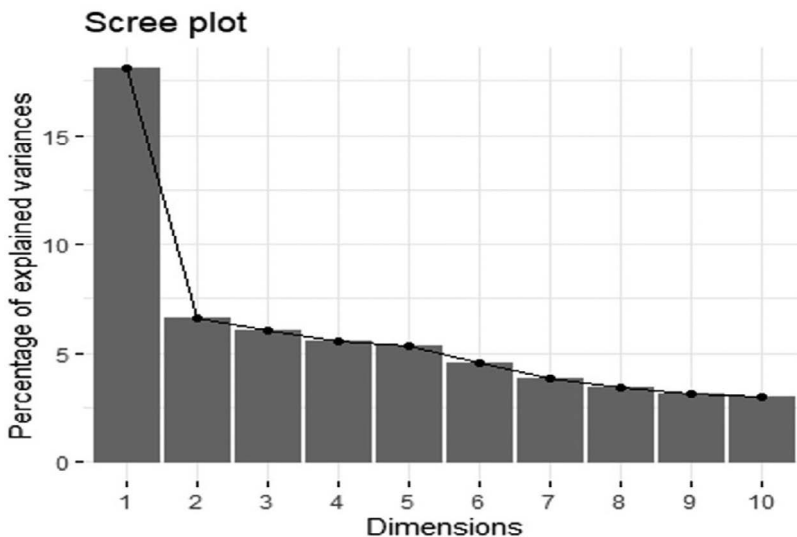


Figure 4.4 Scree plot, PCA, and Global Mindset.

The scree plot is used to choose the number of principal components. In this plot, we are looking for “scree” (a significant decrease in the amount of self-variance explained). The plot indicates that the best solution is a two-dimensional solution with two main components.

Unfortunately, the percentage of the explained variance by the first two main components is not too high. The first two dimensions explain 24.68% of the variance, which means that a large part of the variability in the data is not explained by our model. This model is not very powerful when it comes to explaining reality. It is worth noting that each successive dimension starting from the second one explains the comparable value of the variance (second dimension 6.58%, third 6.02%, etc.).

Table 4.1 presents the descriptive statistics for all dimensions (there are 40 of them – from PC1 to PC40). We can see that each successive major component explains a smaller part of the variance in the set.

*Table 4.1* Description of all dimensions outlined in PCA analysis, GM scale.

|                        |             |             |             |             |             |
|------------------------|-------------|-------------|-------------|-------------|-------------|
|                        | <i>PC1</i>  | <i>PC2</i>  | <i>PC3</i>  | <i>PC4</i>  | <i>PC5</i>  |
| SD                     | 2.691       | 1.622       | 1.552       | 1.494       | 1.463       |
| Proportion of variance | 0.181       | 0.066       | 0.060       | 0.056       | 0.053       |
| Cumulative proportion  | 0.181       | 0.247       | 0.307       | 0.363       | 0.416       |
|                        | <i>PC6</i>  | <i>PC7</i>  | <i>PC8</i>  | <i>PC9</i>  | <i>PC10</i> |
| SD                     | 1.345       | 1.238       | 1.168       | 1.125       | 1.091       |
| Proportion of variance | 0.045       | 0.038       | 0.034       | 0.032       | 0.030       |
| Cumulative proportion  | 0.461       | 0.500       | 0.534       | 0.566       | 0.595       |
|                        | <i>PC11</i> | <i>PC12</i> | <i>PC13</i> | <i>PC14</i> | <i>PC15</i> |
| SD                     | 1.052       | 1.033       | 1.007       | 1.002       | 0.954       |
| Proportion of variance | 0.028       | 0.027       | 0.025       | 0.025       | 0.023       |
| Cumulative proportion  | 0.623       | 0.650       | 0.675       | 0.700       | 0.723       |
|                        | <i>PC16</i> | <i>PC17</i> | <i>PC18</i> | <i>PC19</i> | <i>PC20</i> |
| SD                     | 0.888       | 0.885       | 0.862       | 0.824       | 0.793       |
| Proportion of variance | 0.020       | 0.020       | 0.019       | 0.017       | 0.016       |
| Cumulative proportion  | 0.743       | 0.762       | 0.781       | 0.798       | 0.813       |
|                        | <i>PC21</i> | <i>PC22</i> | <i>PC23</i> | <i>PC24</i> | <i>PC25</i> |
| SD                     | 0.786       | 0.782       | 0.752       | 0.743       | 0.709       |
| Proportion of variance | 0.015       | 0.015       | 0.014       | 0.014       | 0.013       |
| Cumulative proportion  | 0.829       | 0.844       | 0.858       | 0.872       | 0.885       |
|                        | <i>PC26</i> | <i>PC27</i> | <i>PC28</i> | <i>PC29</i> | <i>PC30</i> |
| SD                     | 0.682       | 0.662       | 0.639       | 0.623       | 0.609       |
| Proportion of variance | 0.012       | 0.011       | 0.010       | 0.010       | 0.009       |
| Cumulative proportion  | 0.896       | 0.907       | 0.917       | 0.927       | 0.936       |

(Continued)



Table 4.1 (Continued)

|                        | <i>PC31</i> | <i>PC32</i> | <i>PC33</i> | <i>PC34</i> | <i>PC35</i> |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| SD                     | 0.582       | 0.570       | 0.542       | 0.542       | 0.526       |
| Proportion of variance | 0.008       | 0.008       | 0.007       | 0.007       | 0.007       |
| Cumulative proportion  | 0.945       | 0.953       | 0.960       | 0.968       | 0.975       |
|                        | <i>PC36</i> | <i>PC37</i> | <i>PC38</i> | <i>PC39</i> | <i>PC40</i> |
| SD                     | 0.497       | 0.465       | 0.455       | 0.430       | 0.400       |
| Proportion of variance | 0.006       | 0.005       | 0.005       | 0.005       | 0.004       |
| Cumulative proportion  | 0.981       | 0.986       | 0.991       | 0.996       | 1.000       |

Note: SD – Standard deviation

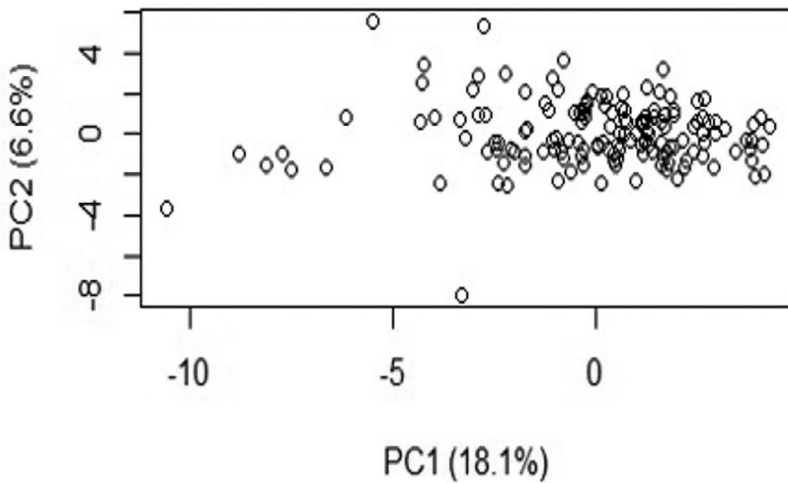


Figure 4.5 Chart showing the distribution of observations for the first two dimensions, PCA, GM scale.

It is standard procedure also to check how other packages/functions operate on this dataset. For this, the principal function from the psych package will be used. This package also includes additional measures (commonly used in structural equation modelling) to assess how closely the model fits our data. This time, VARIMAX rotation will be used, which will allow to better interpret the contribution of individual principal components to the variable representation. The rotation of the VARIMAX leads to relatively few variables having high loads on one principal component, and the others having much lower loads on that component.

The obtained statistics for the first two dimensions are very similar – they are presented in Table 4.2.

Since the scale we are interested in consists of two factors, we will look at how well individual variables are represented on individual dimensions. Table 4.3 shows

how well the individual factors “load the variables”, that is, how much variance of the variable is explained (“loadings” – covariance/correlation loads between the original variables and the principal components are presented here).

As seen in Table 4.3, individual main components do not “load” the individual variables according to the theory. Some variables are not well represented on either one or the other component (low “loadings”).

*Table 4.2* Descriptive statistics for the first two dimensions, all scale items, GM, PCA, VARIMAX rotation.

| <i>Dimension</i>      | <i>1</i> | <i>2</i> |
|-----------------------|----------|----------|
| SS loadings           | 5.46     | 4.41     |
| Proportion Var        | 0.14     | 0.11     |
| Cumulative Var        | 0.14     | 0.25     |
| Proportion explained  | 0.55     | 0.45     |
| Cumulative proportion | 0.55     | 1        |

*Note:* SS Loadings – Sum of Squared Loadings; Var – Variance

*Table 4.3* Factor loadings, a two-dimensional solution, PCA, VARIMAX rotation.

| <i>Dimension</i>  | <i>1</i>     | <i>2</i>      |
|---|--------------|---------------|
| <i>1. In my job, the best one can do is to plan ahead for at the most one year</i>                                  | -0.155       | -0.226        |
| <i>2. Doing business with former enemies is not patriotic</i>   |              | 0.263         |
| <i>3. I think it is necessary today to develop strategic alliances with organizations around the globe</i>          |              | -0.642        |
| <i>4. Projects that involve international dealings are long term</i>  |              | -0.439        |
| <i>5. I take pride in belonging to an international organization</i>  |              | -0.552        |
| <i>6. I believe that in the next 10 years the world will be the same as it is today</i>                             |              | 0.354         |
| <i>7. In this interlinked world of ours, national boundaries are meaningless</i>                                    | <b>0.054</b> | <b>-0.049</b> |
| <i>8. Almost everybody agrees that international projects must have a shorter payback period than domestic ones</i> |              | 0.215         |
| <i>9. We really live in a global village</i>  |              | -0.380        |
| <i>10. In discussions, I always drive for bigger, broader picture</i>   | 0.395        | -0.453        |
| <i>11. I believe life is a balance of contradictory forces that are to be appreciated, pondered, and managed</i>    |              | -0.351        |
| <i>12. I consider it to be a disgrace when foreigners buy our land and buildings</i>                                |              | 0.283         |
| <i>13. I really believe that 5–10 years is the best planning horizon in our line of business</i>                    | -0.303       |               |
| <i>14. I find it easy to rethink boundaries and change direction and behavior</i>                                   | 0.484        |               |
| <i>15. I feel comfortable with change, surprise, and ambiguity</i>  | 0.508        |               |
| <i>16. I get frustrated when someone is constantly looking for context</i>  |              | 0.259         |

(Continued)

Table 4.3 (Continued)

| <i>Dimension</i>  | <i>1</i>     | <i>2</i>      |
|---|--------------|---------------|
| 17. <i>Contradictors are time wasters who must be eliminated</i>  |              | 0.287         |
| 18. <i>I have no time for somebody trying to paint a broader, bigger picture</i>                              |              | 0.579         |
| 19. <i>I believe I can live fulfilling life in another culture</i>  | 0.472        |               |
| 20. <i>Five years is too long a planning horizon</i>  |              | 0.404         |
| 21. <i>I enjoy trying food from other countries</i>   | 0.378        |               |
| 22. <i>I find people from other countries to be boring</i>  |              | 0.530         |
| 23. <i>I enjoy working on world community projects</i>  | 0.527        |               |
| 24. <i>I get anxious around people from other cultures</i>  |              | 0.670         |
| 25. <i>I mostly watch and/or read local news</i>  | -0.350       |               |
| 26. <i>Most of my social affiliations are local</i>   | -0.610       |               |
| 27. <i>I am at my best when I travel to worlds that I do not understand</i>                                   | 0.672        |               |
| 28. <i>I get very curious when I meet somebody from another country</i>                                       | 0.566        |               |
| 29. <i>I enjoy reading foreign books or watching foreign movies</i>   | 0.598        |               |
| 30. <i>I find the idea of working with a person from another culture unappealing</i>                          |              | 0.638         |
| 31. <i>When I meet someone from another culture, I get very nervous</i>                                       |              | 0.566         |
| 32. <i>Traveling in lands where I cannot read the street names gives me anxiety</i>                           | -0.250       | 0.220         |
| 33. <i>Most of my affiliations are international</i>  | 0.708        |               |
| 34. <i>I get irritated when we do not accomplish on time what we set out to do</i>                            | <b>0.053</b> | <b>-0.033</b> |
| 35. <i>I become impatient when people from other cultures seem to take a long time to do something</i>        | -0.249       |               |
| 36. <i>I have a lot of empathy for people who struggle to speak my own language</i>                           | 0.296        |               |
| 37. <i>I prefer to act in my local environment (community or organization)</i>                                | -0.679       |               |
| 38. <i>When something unexpected happens, it is easier to change the process than the structure</i>           | <b>0.038</b> | <b>-0.190</b> |
| 39. <i>In trying to accomplish my objectives, I find diversity and multicultural teams play valuable role</i> | 0.529        |               |
| 40. <i>I have close friends from other cultural backgrounds</i>   | 0.631        |               |

Note: Items put in bold show statistical significance in both dimensions or just one

The reliability analysis with the use of Cronbach's alpha was also performed on a full sample. The values of this measure for all items of the scale were very low, well below the acceptable values (0.6 is considered the minimum threshold; Daud et al., 2018). Results for each of subscales (conceptualization and contextualization) is available in Table 4.4.

#### 4.3.1.2.2. CFA – GM SCALE

Having in mind PCA results, it is necessary to verify the scale based on CFA. CFA, in comparison to PCA, enables checking the theory behind the phenomenon

Table 4.4 Cronbach's alpha measures.

| Scale             | raw_<br>alpha | std.<br>alpha | G6 (smc) | average_r | S/N  | ase   | mean | SD  | median_r |
|-------------------|---------------|---------------|----------|-----------|------|-------|------|-----|----------|
| Conceptualization | 0.41          | 0.42          | 0.59     | 0.035     | 0.72 | 0.069 | 2.9  | 0.3 | 0.013    |
| Contextualization | 0.42          | 0.44          | 0.65     | 0.037     | 0.78 | 0.068 | 2.9  | 0.3 | 0.025    |

under study (checking the factor structure of the theoretical concept under study). It focuses on checking the fit of the hypothetical factor model to the covariance matrix of observable variables and the estimation of the factor model. It also enables competing models to be compared with each other and different fit rates can be calculated. As a result, we will receive a final verification whether the adopted theoretical model is justified by the data. All analyses were performed using the R: lavaan package. First, CFA analysis were performed for the whole scale.

*4.3.1.2.2.1. CFA results for the GM scale* The first step is to translate the theoretical structure into a model. For this purpose, a measurement model with two factors was built, to which, according to the theory, individual variables were assigned (the first factor is estimated based on the first 20 variables from the set, the second based on the next 20 variables). The measure of the hidden variable was established by setting the factor load of the first observable variable as 1 (the units of measure of the hidden variable are the units of this variable – this is the standard approach used in the lavaan package). Another assumption is that the automatic addition of the residual variances and the lack of correlation of exogenous latent variables with each other (the correlation of the variables makes all the variables of one of the dimensions insignificant).

The model turned out to have average values in terms of statistics used to evaluate the properties of the model. The RMSEA is 0.086 (0.01, 0.05, and 0.08 indicate a perfect, good, and average fit, respectively, some go to 0.10 for the average). The values of CFI and TLI are much below the level of 0.9 (considered a good fit, the closer to 1, the better the model is to fit the data).

More problematic was the fact that the estimation of the “regression paths” loading individual items for the two dimensions turned out to be statistically insignificant ( $p$  values were  $> 0.05$ , therefore the null hypothesis of 0 for these parameters in the population could not be rejected). In this situation, it was necessary to delete them (values in Table 4.6 in the  $p$  value column). In addition, the weak results of Cronbach's alpha also indicate the validity of reducing the scale's items ( $\sim$  means the correlation and  $=\sim$  means the regression path between the latent and the observable variable).

The path diagram for the full model is presented in Figure 4.6. It shows the variables that are poorly represented by our model – the arrows connecting these

Table 4.5 CFA model results (GM, all items).

**Model test user model:**

Test statistic: 1593.904  
 Degrees of freedom: 739  
*P* value (chi-square): 0.000

**Model test baseline model:**

Test statistic: 2453.325  
 Degrees of freedom: 780  
*P* value: 0.000

**User model vs. baseline model:**

Comparative Fit Index (CFI): 0.489  
 Tucker–Lewis Index (TLI): 0.461

**Log likelihood and information criteria:**

Log likelihood user model (H0): -8645.972  
 Log likelihood unrestricted model (H1): -7849.020  
 Akaike (AIC): 17453.945  
 Bayesian (BIC): 17701.501  
 Sample size-adjusted Bayesian (BIC): 17445.104

**Root mean square error of approximation (RMSEA):**

RMSEA: 0.086  
 90% confidence interval: < -0.080  
 90% confidence interval: > -0.092  
*P* value RMSEA:  $\leq 0.05$  and value is 0.000

**Standardized root mean square residual (SRMR):**

SRMR 0.099

variables to the hidden constructs are clearer, and in some cases, there is no connection at all (e.g., GM1).

The next step is to check what further improvements to the model will improve its parameters. The modifications most often consist in correlating the variables and their errors with each other. For this purpose, various combinations of modifications are checked with the help of the appropriate function. Table 4.7 presents suggestions for introducing additional constraints to the model ( $\sim\sim$  means the correlation and  $= \sim$  means the regression path between the latent and the observable variable).

Based on Table 4.4 (*p* value), the following items were removed for further analysis: 1, 2, 7, 13, 34, and 38 (according to the numbering of questions in the questionnaire). Moreover, additional correlations between the variables were introduced (except for the correlation with deleted variables). The connection of the variable number 19 with the construct contextualization and the variable number 24 with the construct conceptualization was also not introduced, because it is not justified in theory (Table 4.5).

Table 4.6 Estimate the parameters for the full model (full set of variables).

| <i>lhs</i>        | <i>op</i> | <i>rhs</i>  | <i>exo</i> | <i>est</i> | <i>se</i> | <i>z</i> | <i>P value</i> | <i>std.lv</i> | <i>std.all</i> | <i>std.nox</i> |
|-------------------|-----------|---|------------|------------|-----------|----------|----------------|---------------|----------------|----------------|
| Conceptualization | ≈         | 1. <i>In my job, the best one can do is to plan ahead for at the most one year</i>                                    | 0          | 0.03       | 0.1       | 0.31     | 0.76           | 0.03          | 0.03           | 0.03           |
| Conceptualization | ≈         | 2. <i>Doing business with former enemies is not patriotic</i>   | 0          | -0.08      | 0.11      | -0.79    | 0.43           | -0.08         | -0.07          | -0.07          |
| Conceptualization | ≈         | 3. <i>I think it is necessary today to develop strategic alliances with organizations around the globe</i>            | 0          | 0.45       | 0.08      | 5.85     | 0              | 0.45          | 0.48           | 0.48           |
| Conceptualization | ≈         | 4. <i>Projects that involve international dealings are long term</i>  | 0          | 0.24       | 0.09      | 2.75     | 0.01           | 0.24          | 0.24           | 0.24           |
| Conceptualization | ≈         | 5. <i>I take pride in belonging to an international organization</i>  | 0          | 0.5        | 0.09      | 5.87     | 0              | 0.5           | 0.48           | 0.48           |
| Conceptualization | ≈         | 6. <i>I believe that in the next 10 years the world will be the same as it is today</i>                               | 0          | -0.34      | 0.07      | -4.55    | 0              | -0.34         | -0.38          | -0.38          |
| Conceptualization | ≈         | 7. <i>In this interlinked world of ours, national boundaries are meaningless</i>                                      | 0          | 0.09       | 0.11      | 0.78     | 0.43           | 0.09          | 0.07           | 0.07           |
| Conceptualization | ≈         | 8. <i>Almost everybody agrees that international projects must have a shorter payback period than domestic ones .</i> | 0          | -0.35      | 0.08      | -4.24    | 0              | -0.35         | -0.36          | -0.36          |
| Conceptualization | ≈         | 9. <i>We really live in a global village</i>  | 0          | 0.44       | 0.09      | 5.03     | 0              | 0.44          | 0.42           | 0.42           |
| Conceptualization | ≈         | 10. <i>In discussions, I always drive for bigger, broader picture</i>   | 0          | 0.53       | 0.07      | 8.11     | 0              | 0.53          | 0.63           | 0.63           |
| Conceptualization | ≈         | 11. <i>I believe life is a balance of contradictory forces that are to be appreciated, pondered, and managed</i>      | 0          | 0.21       | 0.07      | 2.87     | 0              | 0.21          | 0.25           | 0.25           |
| Conceptualization | ≈         | 12. <i>I consider it to be a disgrace when foreigners buy our land and buildings</i>                                  | 0          | -0.31      | 0.1       | -3.11    | 0              | -0.31         | -0.27          | -0.27          |
| Conceptualization | ≈         | 13. <i>I really believe that 5–10 years is the best planning horizon in our line of business</i>                      | 0          | -0.18      | 0.1       | -1.78    | 0.08           | -0.18         | -0.15          | -0.15          |
| Conceptualization | ≈         | 14. <i>I find it easy to rethink boundaries, and change direction and behavior</i>                                    | 0          | 0.44       | 0.09      | 4.93     | 0              | 0.44          | 0.41           | 0.41           |

|                   |   |  |   |       |      |       |   |       |       |       |
|-------------------|---|--|---|-------|------|-------|---|-------|-------|-------|
| Conceptualization | ≈ | 15. <i>I feel comfortable with change, surprise, and ambiguity</i>                   | 0 | 0.44  | 0.09 | 4.98  | 0 | 0.44  | 0.42  | 0.42  |
| Conceptualization | ≈ | 16. <i>I get frustrated when someone is constantly looking for context</i>           | 0 | -0.4  | 0.08 | -4.89 | 0 | -0.4  | -0.41 | -0.41 |
| Conceptualization | ≈ | 17. <i>Contradictors are time wasters who must be eliminated</i>                     | 0 | -0.48 | 0.09 | -5.52 | 0 | -0.48 | -0.46 | -0.46 |
| Conceptualization | ≈ | 18. <i>I have no time for somebody trying to paint a broader, bigger picture</i>     | 0 | -0.68 | 0.07 | -9.21 | 0 | -0.68 | -0.7  | -0.7  |
| Conceptualization | ≈ | 19. <i>I believe I can live fulfilling life in another culture</i>                   | 0 | 0.24  | 0.08 | 2.96  | 0 | 0.24  | 0.25  | 0.25  |
| Conceptualization | ≈ | 20. <i>Five years is too long a planning horizon</i>                                 | 0 | -0.33 | 0.1  | -3.2  | 0 | -0.33 | -0.27 | -0.27 |
| Contextualization | ≈ | 21. <i>I enjoy trying food from other countries</i>                                  | 0 | 0.44  | 0.08 | 5.41  | 0 | 0.44  | 0.44  | 0.44  |
| Contextualization | ≈ | 22. <i>I find people from other countries to be boring</i>                           | 0 | -0.4  | 0.07 | -6.03 | 0 | -0.4  | -0.48 | -0.48 |
| Contextualization | ≈ | 23. <i>I enjoy working on world community projects</i>                               | 0 | 0.56  | 0.07 | 7.56  | 0 | 0.56  | 0.58  | 0.58  |
| Contextualization | ≈ | 24. <i>I get anxious around people from other cultures</i>                           | 0 | -0.56 | 0.07 | -7.53 | 0 | -0.56 | -0.58 | -0.58 |
| Contextualization | ≈ | 25. <i>I mostly watch and/or read local news</i>                                     | 0 | -0.37 | 0.1  | -3.55 | 0 | -0.37 | -0.3  | -0.3  |
| Contextualization | ≈ | 26. <i>Most of my social affiliations are local</i>                                  | 0 | -0.5  | 0.1  | -4.96 | 0 | -0.5  | -0.4  | -0.4  |
| Contextualization | ≈ | 27. <i>I am at my best when I travel to worlds that I do not understand</i>          | 0 | 0.69  | 0.09 | 7.89  | 0 | 0.69  | 0.6   | 0.6   |
| Contextualization | ≈ | 28. <i>I get very curious when I meet somebody from another country</i>              | 0 | 0.75  | 0.09 | 8.65  | 0 | 0.75  | 0.65  | 0.65  |
| Contextualization | ≈ | 29. <i>I enjoy reading foreign books or watching foreign movies</i>                  | 0 | 0.65  | 0.08 | 8.48  | 0 | 0.65  | 0.64  | 0.64  |
| Contextualization | ≈ | 30. <i>I find the idea of working with a person from another culture unappealing</i> | 0 | -0.42 | 0.07 | -5.59 | 0 | -0.42 | -0.45 | -0.45 |

(Continued)

Table 4.6 (Continued)

| <i>lhs</i>   | <i>op</i> | <i>rhs</i>  | <i>exo</i> | <i>est</i> | <i>se</i> | <i>z</i> | <i>P value</i> | <i>std.lv</i> | <i>std.all</i> | <i>std.nox</i> |
|--|-----------|---|------------|------------|-----------|----------|----------------|---------------|----------------|----------------|
| Contextualization  | ≈~        | 31. <i>When I meet someone from another culture, I get very nervous</i>                                       | 0          | -0.28      | 0.07      | -4.15    | 0              | -0.28         | -0.34          | -0.34          |
| Contextualization  | ≈~        | 32. <i>Traveling in lands where I cannot read the street names gives me anxiety</i>                           | 0          | -0.35      | 0.09      | -3.9     | 0              | -0.35         | -0.32          | -0.32          |
| Contextualization  | ≈~        | 33. <i>Most of my affiliations are international</i>  | 0          | 0.63       | 0.09      | 6.66     | 0              | 0.63          | 0.52           | 0.52           |
| Contextualization  | ≈~        | 34. <i>I get irritated when we do not accomplish on time what we set out to do</i>                            | 0          | 0.07       | 0.09      | 0.8      | 0.43           | 0.07          | 0.07           | 0.07           |
| Contextualization  | ≈~        | 35. <i>I become impatient when people from other cultures seem to take a long time to do something</i>        | 0          | -0.31      | 0.1       | -3.21    | 0              | -0.31         | -0.27          | -0.27          |
| Contextualization  | ≈~        | 36. <i>I have a lot of empathy for people who struggle to speak my own language</i>                           | 0          | 0.28       | 0.07      | 4.17     | 0              | 0.28          | 0.34           | 0.34           |
| Contextualization  | ≈~        | 37. <i>I prefer to act in my local environment (community or organization)</i>                                | 0          | -0.6       | 0.08      | -7.26    | 0              | -0.6          | -0.56          | -0.56          |
| Contextualization  | ≈~        | 38. <i>When something unexpected happens, it is easier to change the process than the structure</i>           | 0          | 0.12       | 0.07      | 1.69     | 0.09           | 0.12          | 0.14           | 0.14           |
| Contextualization  | ≈~        | 39. <i>In trying to accomplish my objectives, I find diversity and multicultural teams play valuable role</i> | 0          | 0.5        | 0.07      | 7.19     | 0              | 0.5           | 0.56           | 0.56           |
| Contextualization  | ≈~        | 40. <i>I have close friends from other cultural backgrounds</i>   | 0          | 0.58       | 0.08      | 7.15     | 0              | 0.58          | 0.56           | 0.56           |
| 1. <i>In my job, the best one can do is to plan ahead for at the most one year</i> | ≈~        | 1. <i>In my job, the best one can do is to plan ahead for at the most one year</i>                            | 0          | 1.36       | 0.15      | 8.86     | 0              | 1.36          | 1              | 1              |
| 2. <i>Doing business with former enemies is not patriotic</i>                      | ≈~        | 2. <i>Doing business with former enemies is not patriotic</i>   | 0          | 1.44       | 0.16      | 8.85     | 0              | 1.44          | 1              | 1              |



|   |    |   |   |      |      |      |   |      |      |      |
|---|----|---|---|------|------|------|---|------|------|------|
| 3. <i>I think it is necessary today to develop strategic alliances with organizations around the globe</i>          | ~~ | 3. <i>I think it is necessary today to develop strategic alliances with organizations around the globe</i>          | 0 | 0.69 | 0.08 | 8.32 | 0 | 0.69 | 0.77 | 0.77 |
| 4. <i>Projects that involve international dealings are long term</i>  | ~~ | 4. <i>Projects that involve international dealings are long term</i>  | 0 | 0.96 | 0.11 | 8.75 | 0 | 0.96 | 0.94 | 0.94 |
| 5. <i>I take pride in belonging to an international organization</i>  | ~~ | 5. <i>I take pride in belonging to an international organization</i>  | 0 | 0.84 | 0.1  | 8.32 | 0 | 0.84 | 0.77 | 0.77 |
| 6. <i>I believe that in the next 10 years the world will be the same as it is today</i>                             | ~~ | 6. <i>I believe that in the next 10 years the world will be the same as it is today</i>                             | 0 | 0.67 | 0.08 | 8.55 | 0 | 0.67 | 0.85 | 0.85 |
| 7. <i>In this interlinked world of ours, national boundaries are meaningless</i>                                    | ~~ | 7. <i>In this interlinked world of ours, national boundaries are meaningless</i>                                    | 0 | 1.69 | 0.19 | 8.85 | 0 | 1.69 | 1    | 1    |
| 8. <i>Almost everybody agrees that international projects must have a shorter payback period than domestic ones</i> | ~~ | 8. <i>Almost everybody agrees that international projects must have a shorter payback period than domestic ones</i> | 0 | 0.82 | 0.1  | 8.59 | 0 | 0.82 | 0.87 | 0.87 |
| 9. <i>We really live in a global village</i>  | ~~ | 9. <i>We really live in a global village</i>  | 0 | 0.92 | 0.11 | 8.48 | 0 | 0.92 | 0.82 | 0.82 |
| 10. <i>In discussions, I always drive for bigger, broader picture</i>   | ~~ | 10. <i>In discussions, I always drive for bigger, broader picture</i>   | 0 | 0.42 | 0.06 | 7.65 | 0 | 0.42 | 0.6  | 0.6  |
| 11. <i>I believe life is a balance of contradictory forces that are to be appreciated, pondered, and managed</i>    | ~~ | 11. <i>I believe life is a balance of contradictory forces that are to be appreciated, pondered, and managed</i>    | 0 | 0.69 | 0.08 | 8.74 | 0 | 0.69 | 0.94 | 0.94 |
| 12. <i>I consider it to be a disgrace when foreigners buy our land and buildings</i>                                | ~~ | 12. <i>I consider it to be a disgrace when foreigners buy our land and buildings</i>                                | 0 | 1.23 | 0.14 | 8.72 | 0 | 1.23 | 0.93 | 0.93 |
| 13. <i>I really believe that 5–10 years is the best planning horizon in our line of business</i>                    | ~~ | 13. <i>I really believe that 5–10 years is the best planning horizon in our line of business</i>                    | 0 | 1.32 | 0.15 | 8.82 | 0 | 1.32 | 0.98 | 0.98 |
| 14. <i>I find it easy to rethink boundaries, and change direction and behavior</i>                                  | ~~ | 14. <i>I find it easy to rethink boundaries, and change direction and behavior</i>                                  | 0 | 0.95 | 0.11 | 8.49 | 0 | 0.95 | 0.83 | 0.83 |
| 15. <i>I feel comfortable with change, surprise, and ambiguity</i>  | ~~ | 15. <i>I feel comfortable with change, surprise, and ambiguity</i>  | 0 | 0.94 | 0.11 | 8.48 | 0 | 0.94 | 0.83 | 0.83 |

Table 4.6 (Continued)

| <i>lhs</i>   | <i>op</i> | <i>rhs</i>   | <i>exo</i> | <i>est</i> | <i>se</i> | <i>z</i> | <i>P value</i> | <i>std.lv</i> | <i>std.all</i> | <i>std.nox</i> |
|--|-----------|--|------------|------------|-----------|----------|----------------|---------------|----------------|----------------|
| 16. <i>I get frustrated when someone is constantly looking for context</i>           | ~~        | 16. <i>I get frustrated when someone is constantly looking for context</i>           | 0          | 0.78       | 0.09      | 8.5      | 0              | 0.78          | 0.83           | 0.83           |
| 17. <i>Contradictors are time wasters who must be eliminated</i>                     | ~~        | 17. <i>Contradictors are time wasters who must be eliminated</i>                     | 0          | 0.87       | 0.1       | 8.39     | 0              | 0.87          | 0.79           | 0.79           |
| 18. <i>I have no time for somebody trying to paint a broader, bigger picture</i>     | ~~        | 18. <i>I have no time for somebody trying to paint a broader, bigger picture</i>     | 0          | 0.48       | 0.07      | 7.13     | 0              | 0.48          | 0.51           | 0.51           |
| 19. <i>I believe I can live fulfilling life in another culture</i>                   | ~~        | 19. <i>I believe I can live fulfilling life in another culture</i>                   | 0          | 0.86       | 0.1       | 8.74     | 0              | 0.86          | 0.94           | 0.94           |
| 20. <i>Five years is too long a planning horizon</i>                                 | ~~        | 20. <i>Five years is too long a planning horizon</i>                                 | 0          | 1.3        | 0.15      | 8.71     | 0              | 1.3           | 0.92           | 0.92           |
| 21. <i>I enjoy trying food from other countries</i>                                  | ~~        | 21. <i>I enjoy trying food from other countries</i>                                  | 0          | 0.8        | 0.09      | 8.57     | 0              | 0.8           | 0.81           | 0.81           |
| 22. <i>I find people from other countries to be boring</i>                           | ~~        | 22. <i>I find people from other countries to be boring</i>                           | 0          | 0.54       | 0.06      | 8.49     | 0              | 0.54          | 0.77           | 0.77           |
| 23. <i>I enjoy working on world community projects</i>                               | ~~        | 23. <i>I enjoy working on world community projects</i>                               | 0          | 0.61       | 0.07      | 8.22     | 0              | 0.61          | 0.66           | 0.66           |
| 24. <i>I get anxious around people from other cultures</i>                           | ~~        | 24. <i>I get anxious around people from other cultures</i>                           | 0          | 0.61       | 0.07      | 8.23     | 0              | 0.61          | 0.66           | 0.66           |
| 25. <i>I mostly watch and/or read local news</i>                                     | ~~        | 25. <i>I mostly watch and/or read local news</i>                                     | 0          | 1.43       | 0.16      | 8.74     | 0              | 1.43          | 0.91           | 0.91           |
| 26. <i>Most of my social affiliations are local</i>                                  | ~~        | 26. <i>Most of my social affiliations are local</i>                                  | 0          | 1.28       | 0.15      | 8.62     | 0              | 1.28          | 0.84           | 0.84           |
| 27. <i>I am at my best when I travel to worlds that I do not understand</i>          | ~~        | 27. <i>I am at my best when I travel to worlds that I do not understand</i>          | 0          | 0.83       | 0.1       | 8.15     | 0              | 0.83          | 0.64           | 0.64           |
| 28. <i>I get very curious when I meet somebody from another country</i>              | ~~        | 28. <i>I get very curious when I meet somebody from another country</i>              | 0          | 0.77       | 0.1       | 7.95     | 0              | 0.77          | 0.58           | 0.58           |
| 29. <i>I enjoy reading foreign books or watching foreign movies</i>                  | ~~        | 29. <i>I enjoy reading foreign books or watching foreign movies</i>                  | 0          | 0.6        | 0.08      | 8        | 0              | 0.6           | 0.59           | 0.59           |
| 30. <i>I find the idea of working with a person from another culture unappealing</i> | ~~        | 30. <i>I find the idea of working with a person from another culture unappealing</i> | 0          | 0.69       | 0.08      | 8.54     | 0              | 0.69          | 0.8            | 0.8            |

|   |    |   |   |      |      |       |    |      |      |      |
|---|----|---|---|------|------|-------|----|------|------|------|
| 31. <i>When I meet someone from another culture, I get very nervous</i>                                       | ~~ | 31. <i>When I meet someone from another culture, I get very nervous</i>                                       | 0 | 0.59 | 0.07 | 8.7   | 0  | 0.59 | 0.88 | 0.88 |
| 32. <i>Traveling in lands where I cannot read the street names gives me anxiety</i>                           | ~~ | 32. <i>Traveling in lands where I cannot read the street names gives me anxiety</i>                           | 0 | 1.07 | 0.12 | 8.72  | 0  | 1.07 | 0.9  | 0.9  |
| 33. <i>Most of my affiliations are international</i>  | ~~ | 33. <i>Most of my affiliations are international</i>  | 0 | 1.05 | 0.13 | 8.39  | 0  | 1.05 | 0.72 | 0.72 |
| 34. <i>I get irritated when we do not accomplish on time what we set out to do</i>                            | ~~ | 34. <i>I get irritated when we do not accomplish on time what we set out to do</i>                            | 0 | 1.07 | 0.12 | 8.85  | 0  | 1.07 | 1    | 1    |
| 35. <i>I become impatient when people from other cultures seem to take a long time to do something</i>        | ~~ | 35. <i>I become impatient when people from other cultures seem to take a long time to do something</i>        | 0 | 1.28 | 0.15 | 8.76  | 0  | 1.28 | 0.93 | 0.93 |
| 36. <i>I have a lot of empathy for people who struggle to speak my own language</i>                           | ~~ | 36. <i>I have a lot of empathy for people who struggle to speak my own language</i>                           | 0 | 0.6  | 0.07 | 8.69  | 0  | 0.6  | 0.88 | 0.88 |
| 37. <i>I prefer to act in my local environment (community or organization)</i>                                | ~~ | 37. <i>I prefer to act in my local environment (community or organization)</i>                                | 0 | 0.76 | 0.09 | 8.28  | 0  | 0.76 | 0.68 | 0.68 |
| 38. <i>When something unexpected happens, it is easier to change the process than the structure</i>           | ~~ | 38. <i>When something unexpected happens, it is easier to change the process than the structure</i>           | 0 | 0.73 | 0.08 | 8.83  | 0  | 0.73 | 0.98 | 0.98 |
| 39. <i>In trying to accomplish my objectives, I find diversity and multicultural teams play valuable role</i> | ~~ | 39. <i>In trying to accomplish my objectives, I find diversity and multicultural teams play valuable role</i> | 0 | 0.55 | 0.07 | 8.29  | 0  | 0.55 | 0.69 | 0.69 |
| 4. <i>Projects that involve international dealings are long term</i>  | ~~ | 40. <i>I have close friends from other cultural backgrounds</i>   | 0 | 0.74 | 0.09 | 8.3   | 0  | 0.74 | 0.69 | 0.69 |
| Conceptualization   | ~~ | Conceptualization   | 0 | 1    | 0    | NA    | NA | 1    | 1    | 1    |
| Contextualization   | ~~ | Contextualization   | 0 | 1    | 0    | NA    | NA | 1    | 1    | 1    |
| Conceptualization   | ~~ | Contextualization   | 0 | 0.74 | 0.05 | 13.97 | 0  | 0.74 | 0.74 | 0.74 |

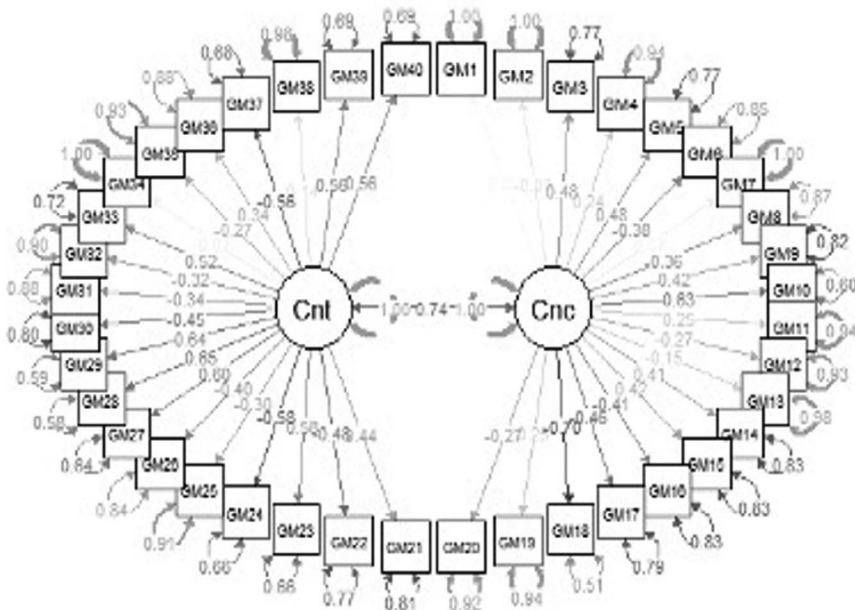


Figure 4.6 Path diagram for the full model, CFA, GM.

Note: In the chart, the positions of the scale are described briefly, where GM1: 1. In my job, the best one can do is to plan ahead for at the most one year, GM2: 2. Doing business with former enemies is not patriotic, and so on.

Table 4.7 Model setting proposal, Global Mind settings (all options)

| <i>lhs</i>  | <i>op</i> | <i>rhs</i>  | <i>mi</i> | <i>epc</i> |
|---|-----------|---|-----------|------------|
| 26. Most of my social affiliations are local                                  | ~         | 33. Most of my affiliations are international   | 38.26     | -0.6       |
| 25. I mostly watch and/or read local news                                     | ~         | 26. Most of my social affiliations are local  | 31.73     | 0.62       |
| 28. I get very curious when I meet somebody from another country              | ~         | 29. I enjoy reading foreign books or watching foreign movies  | 29.58     | 0.33       |
| 30. I find the idea of working with a person from another culture unappealing | ~         | 31. When I meet someone from another culture, I get very nervous                                    | 27.87     | 0.28       |
| 24. I get anxious around people from other cultures                           | ~         | 30. I find the idea of working with a person from another culture unappealing                       | 27.79     | 0.29       |
| 1. In my job, the best one can do is to plan ahead for at the most one year   | ~         | 3. I think it is necessary today to develop strategic alliances with organizations around the globe | 24.46     | 0.39       |

(Continued)

Table 4.7 (Continued)

| <i>lhs</i>  | <i>op</i> | <i>rhs</i>   | <i>mi</i> | <i>epc</i> |
|---|-----------|--|-----------|------------|
| 3. I think it is necessary today to develop strategic alliances with organizations around the globe | ~~        | 5. I take pride in belonging to an international organization  | 24.22     | 0.32       |
| Contextualization   | ≈         | 19. I believe I can live fulfilling life in another culture  | 23.52     | 0.7        |
| 17. Contradictors are time wasters who must be eliminated   | ~~        | 18. I have no time for somebody trying to paint a broader, bigger picture                              | 20.25     | 0.27       |
| 24. I get anxious around people from other cultures   | ~~        | 31. When I meet someone from another culture, I get very nervous                                       | 17.48     | 0.21       |
| 16. I get frustrated when someone is constantly looking for context                                 | ~~        | 17. Contradictors are time wasters who must be eliminated  | 17.21     | 0.29       |
| 15. I feel comfortable with change, surprise, and ambiguity   | ~~        | 40. I have close friends from other cultural backgrounds   | 16.09     | 0.28       |
| 5. I take pride in belonging to an international organization                                       | ~~        | 24. I get anxious around people from other cultures  | 15.78     | -0.24      |
| 14. I find it easy to rethink boundaries, and change direction and behavior                         | ~~        | 15. I feel comfortable with change, surprise, and ambiguity  | 15.77     | 0.31       |
| Conceptualization   | ≈         | 24. I get anxious around people from other cultures  | 14.69     | -0.5       |
| 21. I enjoy trying food from other countries  | ~~        | 22. I find people from other countries to be boring  | 12.95     | -0.2       |
| 15. I feel comfortable with change, surprise, and ambiguity   | ~~        | 39. In trying to accomplish my objectives, I find diversity and multicultural teams play valuable role | 12.91     | 0.22       |
| 2. Doing business with former enemies is not patriotic  | ~~        | 30. I find the idea of working with a person from another culture unappealing                          | 12.57     | 0.29       |
| 34. I get irritated when we do not accomplish on time what we set out to do                         | ~~        | 35. I become impatient when people from other cultures seem to take a long time to do something        | 12.42     | 0.33       |
| 26. Most of my social affiliations are local  | ~~        | 40. I have close friends from other cultural backgrounds   | 11.61     | -0.28      |
| 7. In this interlinked world of ours, national boundaries are meaningless                           | ~~        | 16. I get frustrated when someone is constantly looking for context                                    | 11.31     | 0.32       |

(Continued)

Table 4.7 (Continued)

| <i>lhs</i>  | <i>op</i> | <i>rhs</i>  | <i>mi</i> | <i>epc</i> |
|---|-----------|---|-----------|------------|
| 16. I get frustrated when someone is constantly looking for context | ~         | 18. I have no time for somebody trying to paint a broader, bigger picture | 11.28     | 0.19       |
| 26. Most of my social affiliations are local                        | ~         | 37. I prefer to act in my local environment (community or organization)   | 11.2      | 0.28       |

4.3.1.2.2.2. *CFA results for the GM scale, with a reduced number of items* The model was tested with the same assumptions as the base model. The only difference is in two aspects:

1. The removal of the aforementioned variables (items 1, 2, 7, 13, 34, 38).
2. The correlation of some variables, which resulted from the modification index (improvement of the model parameters).

The value of RMSEA is lower than that in the model with all variables, but it is still not an ideal value (it is 0.066), but it is much lower than in the base model (the lower value of the confidence interval is 0.058). On the other hand, the values of CFI and TLI are much higher (0.765 and 0.740, respectively). This is the final model as further modifications do not bring significant improvements in terms of model parameters. The representation of individual variables can be found in Table 4.9 (~ means the correlation and = ~ means the regression path between the latent and the observable variable).

All paths are statistically significant (rejection of the assumption that these parameters are equal in the population). This means that these variables reflect hidden constructs.

Overall, it can be assumed that the tested model confirms the legitimacy of adopting a two-factor solution for this scale. It should be borne in mind that in relation to the studied group, it is necessary to modify the position of the scale by removing a few items from the scale. The next step will be to check the psychometric properties of the scale.

4.3.1.2.2.3. *Cronbach's alpha for GM scale with a reduced number of items* For each subscale (conceptualization and contextualization), as well as for the entire scale, Cronbach's alpha was calculated, which makes it possible to check the reliability of the scale. All analyses were performed using the R: Psych package.

As shown by Table 4.10, Cronbach's alpha values are very good (0.75). Moreover, as outlined in Table 4.11, deleting subsequent items on the scale will not improve Cronbach's alpha values significantly.

In the case of contextualization subscale, as shown by Table 4.12, Cronbach's alpha values are very good as well (0.84), which indicates high reliability levels.

Table 4.13 outlines individual values for specific items.

Table 4.8 Summary of the CFA model – GM scale after deleting some items.

**Model test user model:**

Test statistic: 854.836  
 Degrees of freedom: 508  
*P* value (chi-square): 0.000

**Model test baseline model:**

Test statistic: 2036.902  
 Degrees of freedom: 561  
*P* value: 0.000

**User model vs. Baseline model:**

CFI: 0.765  
 TLI: 0.740

**Log likelihood and information criteria:**

Log likelihood user model (H0): -7046.464  
 Log likelihood unrestricted model (H1): -6619.046  
 Akaike (AIC): 14266.929  
 Bayesian (BIC): 14532.822  
 Sample size-adjusted Bayesian (BIC): 14257.433

**Root mean square error of approximation:**

RMSEA: 0.066  
 90% confidence interval: < -0.058  
 90% confidence interval > -0.074  
*P* value RMSEA: ≤ 0.05 and value is 0.001

**Standardized root mean square residual:**

SRMR: 0.087

Cronbach's alpha was also calculated for the whole scale (after items reduction). It also shows very high reliability levels (0.87; Table 4.14).

## 4.3.1.2.3. DESCRIPTIVE STATISTICS FOR INDIVIDUAL SUBSCALES – GM SCALE

The following tables present average scores for individual items for conceptualization (Table 4.15) and contextualization (Table 4.16) subscales. The average in the case of conceptualization for the entire sample is 3.098 and 2.907 for contextualization.

4.3.1.3. *Research question validation: how internationalization influences GM? Analysis of variance*

For this purpose, a series of one-way analysis of variance (ANOVA) was performed for each set of factors: the dependent variable and the scale. The purpose of ANOVA is usually to test for differences between means. The method relies on the comparison of the variance relating to the between-group variability (called the mean squared effect) with the within-group variability (known as the mean squared

Table 4.9 Parameter estimation for a model with a reduced number of items – GM.

| <i>lhs</i>        | <i>op</i> | <i>rhs</i>  | <i>exo</i> | <i>est</i> | <i>se</i> | <i>z</i> | <i>P value</i> | <i>std.lv</i> | <i>std.all</i> | <i>std.nox</i> |
|-------------------|-----------|---|------------|------------|-----------|----------|----------------|---------------|----------------|----------------|
| Conceptualization | ≈         | 3. I think it is necessary today to develop strategic alliances with organizations around the globe           | 0          | 0.43       | 0.08      | 5.38     | 0              | 0.43          | 0.46           | 0.46           |
| Conceptualization | ≈         | 4. Projects that involve international dealings are long term   | 0          | 0.28       | 0.09      | 3.15     | 0              | 0.28          | 0.27           | 0.27           |
| Conceptualization | ≈         | 5. I take pride in belonging to an international organization   | 0          | 0.47       | 0.09      | 5.46     | 0              | 0.47          | 0.46           | 0.46           |
| Conceptualization | ≈         | 6. I believe that in the next 10 years the world will be the same as it is today                              | 0          | -0.36      | 0.08      | -4.73    | 0              | -0.36         | -0.4           | -0.4           |
| Conceptualization | ≈         | 8. Almost everybody agrees that international projects must have a shorter payback period than domestic ones. | 0          | -0.29      | 0.08      | -3.45    | 0              | -0.29         | -0.3           | -0.3           |
| Conceptualization | ≈         | 9. We really live in a global village   | 0          | 0.5        | 0.09      | 5.71     | 0              | 0.5           | 0.48           | 0.48           |
| Conceptualization | ≈         | 10. In discussions, I always drive for bigger, broader picture  | 0          | 0.55       | 0.07      | 8.38     | 0              | 0.55          | 0.66           | 0.66           |
| Conceptualization | ≈         | I believe life is a balance of contradictory forces that are to be appreciated, pondered, and managed         | 0          | 0.24       | 0.08      | 3.2      | 0              | 0.24          | 0.28           | 0.28           |
| Conceptualization | ≈         | 12. I consider it to be a disgrace when foreigners buy our land and buildings                                 | 0          | -0.3       | 0.1       | -3.01    | 0              | -0.3          | -0.26          | -0.26          |



|                   |   |   |   |       |      |       |   |       |       |       |
|-------------------|---|---|---|-------|------|-------|---|-------|-------|-------|
| Conceptualization | ≈ | I find it easy to rethink boundaries, and change direction and behavior   | 0 | 0.42  | 0.09 | 4.63  | 0 | 0.42  | 0.4   | 0.4   |
| Conceptualization | ≈ | 15. I feel comfortable with change, surprise, and ambiguity               | 0 | 0.44  | 0.09 | 5.01  | 0 | 0.44  | 0.42  | 0.42  |
| Conceptualization | ≈ | 16. I get frustrated when someone is constantly looking for context       | 0 | -0.3  | 0.09 | -3.45 | 0 | -0.3  | -0.3  | -0.3  |
| Conceptualization | ≈ | 17. Contradictors are time wasters who must be eliminated                 | 0 | -0.34 | 0.09 | -3.69 | 0 | -0.34 | -0.32 | -0.32 |
| Conceptualization | ≈ | 18. I have no time for somebody trying to paint a broader, bigger picture | 0 | -0.6  | 0.08 | -7.67 | 0 | -0.6  | -0.62 | -0.62 |
| Conceptualization | ≈ | 19. I believe I can live fulfilling life in another culture               | 0 | 0.24  | 0.08 | 2.91  | 0 | 0.24  | 0.25  | 0.25  |
| Conceptualization | ≈ | 20. Five years is too long a planning horizon                             | 0 | -0.3  | 0.1  | -2.9  | 0 | -0.3  | -0.25 | -0.25 |
| Contextualization | ≈ | 21. I enjoy trying food from other countries                              | 0 | 0.41  | 0.08 | 4.96  | 0 | 0.41  | 0.41  | 0.41  |
| Contextualization | ≈ | 22. I find people from other countries to be boring                       | 0 | -0.38 | 0.07 | -5.57 | 0 | -0.38 | -0.45 | -0.45 |
| Contextualization | ≈ | 23. I enjoy working on world community projects                           | 0 | 0.56  | 0.07 | 7.54  | 0 | 0.56  | 0.59  | 0.59  |
| Contextualization | ≈ | 24. I get anxious around people from other cultures                       | 0 | -0.52 | 0.07 | -7.01 | 0 | -0.52 | -0.55 | -0.55 |
| Contextualization | ≈ | 25. I mostly watch and/or read local news                                 | 0 | -0.34 | 0.11 | -3.2  | 0 | -0.34 | -0.27 | -0.27 |

(Continued)

Table 4.9 (Continued)

| <i>lhs</i>        | <i>op</i> | <i>rhs</i>  | <i>exo</i> | <i>est</i> | <i>se</i> | <i>z</i> | <i>P value</i> | <i>std.lv</i> | <i>std.all</i> | <i>std.nox</i> |
|-------------------|-----------|---|------------|------------|-----------|----------|----------------|---------------|----------------|----------------|
| Contextualization | ≈         | 26. Most of my social affiliations are local  | 0          | -0.49      | 0.1       | -4.86    | 0              | -0.49         | -0.4           | -0.4           |
| Contextualization | ≈         | 27. I am at my best when I travel to worlds that I do not understand                            | 0          | 0.72       | 0.09      | 8.19     | 0              | 0.72          | 0.63           | 0.63           |
| Contextualization | ≈         | 28. I get very curious when I meet somebody from another country                                | 0          | 0.76       | 0.09      | 8.48     | 0              | 0.76          | 0.65           | 0.65           |
| Contextualization | ≈         | 29. I enjoy reading foreign books or watching foreign movies                                    | 0          | 0.6        | 0.08      | 7.68     | 0              | 0.6           | 0.6            | 0.6            |
| Contextualization | ≈         | 30. I find the idea of working with a person from another culture unappealing                   | 0          | -0.36      | 0.08      | -4.72    | 0              | -0.36         | -0.39          | -0.39          |
| Contextualization | ≈         | 31. When I meet someone from another culture, I get very nervous                                | 0          | -0.17      | 0.07      | -2.47    | 0.01           | -0.17         | -0.21          | -0.21          |
| Contextualization | ≈         | 32. Traveling in lands where I cannot read the street names gives me anxiety                    | 0          | -0.32      | 0.09      | -3.52    | 0              | -0.32         | -0.3           | -0.3           |
| Contextualization | ≈         | 33. Most of my affiliations are international   | 0          | 0.66       | 0.1       | 6.94     | 0              | 0.66          | 0.55           | 0.55           |
| Contextualization | ≈         | 35. I become impatient when people from other cultures seem to take a long time to do something | 0          | -0.35      | 0.1       | -3.49    | 0              | -0.35         | -0.29          | -0.29          |
| Contextualization | ≈         | 36. I have a lot of empathy for people who struggle to speak my own language                    | 0          | 0.25       | 0.07      | 3.64     | 0              | 0.25          | 0.31           | 0.31           |

|   |   |  |   |       |      |       |   |       |       |       |
|---|---|--|---|-------|------|-------|---|-------|-------|-------|
| Contextualization   | ≈ | 37. I prefer to act in my local environment (community or organization)                            | 0 | -0.62 | 0.08 | -7.51 | 0 | -0.62 | -0.59 | -0.59 |
| Contextualization   | ≈ | In trying to accomplish my objectives, I find diversity and multicultural teams play valuable role | 0 | 0.49  | 0.07 | 6.98  | 0 | 0.49  | 0.55  | 0.55  |
| Contextualization   | ≈ | 40. I have close friends from other cultural backgrounds   | 0 | 0.58  | 0.08 | 7.21  | 0 | 0.58  | 0.56  | 0.56  |
| 26. Most of my social affiliations are local  | ≈ | 33. Most of my affiliations are international  | 0 | -0.49 | 0.1  | -5.06 | 0 | -0.49 | -0.43 | -0.43 |
| 25. I mostly watch and/or read local news   | ≈ | 26. Most of my social affiliations are local   | 0 | 0.54  | 0.11 | 5.07  | 0 | 0.54  | 0.4   | 0.4   |
| 28. I get very curious when I meet somebody from another country                                    | ≈ | 29. I enjoy reading foreign books or watching foreign movies                                       | 0 | 0.31  | 0.07 | 4.33  | 0 | 0.31  | 0.43  | 0.43  |
| 30. I find the idea of working with a person from another culture unappealing                       | ≈ | 31. When I meet someone from another culture, I get very nervous                                   | 0 | 0.31  | 0.06 | 5.2   | 0 | 0.31  | 0.46  | 0.46  |
| 24. I get anxious around people from other cultures   | ≈ | 30. I find the idea of working with a person from another culture unappealing                      | 0 | 0.28  | 0.06 | 4.64  | 0 | 0.28  | 0.42  | 0.42  |
| 3. I think it is necessary today to develop strategic alliances with organizations around the globe | ≈ | 5. I take pride in belonging to an international organization                                      | 0 | 0.27  | 0.07 | 3.91  | 0 | 0.27  | 0.35  | 0.35  |
| 14. I find it easy to rethink boundaries, and change direction and behavior                         | ≈ | 15. I feel comfortable with change, surprise, and ambiguity  | 0 | 0.22  | 0.08 | 2.89  | 0 | 0.22  | 0.24  | 0.24  |

(Continued)

Table 4.9 (Continued)

| <i>lhs</i>  | <i>op</i> | <i>rhs</i>   | <i>exo</i> | <i>est</i> | <i>se</i> | <i>z</i> | <i>P value</i> | <i>std.lv</i> | <i>std.all</i> | <i>std.nox</i> |
|---|-----------|--|------------|------------|-----------|----------|----------------|---------------|----------------|----------------|
| 24. I get anxious around people from other cultures                 | ~~        | 31. When I meet someone from another culture, I get very nervous                                       | 0          | 0.23       | 0.05      | 4.31     | 0              | 0.23          | 0.36           | 0.36           |
| 17. Contradictors are time wasters who must be eliminated           | ~~        | 18. I have no time for somebody trying to paint a broader, bigger picture                              | 0          | 0.32       | 0.07      | 4.35     | 0              | 0.32          | 0.42           | 0.42           |
| 16. I get frustrated when someone is constantly looking for context | ~~        | 17. Contradictors are time wasters who must be eliminated  | 0          | 0.35       | 0.08      | 4.29     | 0              | 0.35          | 0.38           | 0.38           |
| 15. I feel comfortable with change, surprise, and ambiguity         | ~~        | 40. I have close friends from other cultural backgrounds   | 0          | 0.22       | 0.07      | 3.27     | 0              | 0.22          | 0.27           | 0.27           |
| 5. I take pride in belonging to an international organization       | ~~        | 24. I get anxious around people from other cultures  | 0          | -0.16      | 0.05      | -3.05    | 0              | -0.16         | -0.22          | -0.22          |
| 21. I enjoy trying food from other countries                        | ~~        | 22. I find people from other countries to be boring  | 0          | -0.2       | 0.06      | -3.44    | 0              | -0.2          | -0.29          | -0.29          |
| 15. I feel comfortable with change, surprise, and ambiguity         | ~~        | 39. In trying to accomplish my objectives, I find diversity and multicultural teams play valuable role | 0          | 0.16       | 0.06      | 2.88     | 0              | 0.16          | 0.23           | 0.23           |
| 16. I get frustrated when someone is constantly looking for context | ~~        | 18. I have no time for somebody trying to paint a broader, bigger picture                              | 0          | 0.23       | 0.07      | 3.54     | 0              | 0.23          | 0.33           | 0.33           |
| 21. I enjoy trying food from other countries                        | ~~        | 36. I have a lot of empathy for people who struggle to speak my own language                           | 0          | 0.19       | 0.06      | 3.23     | 0              | 0.19          | 0.26           | 0.26           |
| 19. I believe I can live fulfilling life in another culture         | ~~        | 31. When I meet someone from another culture, I get very nervous                                       | 0          | -0.16      | 0.05      | -3.13    | 0              | -0.16         | -0.22          | -0.22          |

|  |    |   |   |       |      |       |      |       |       |       |
|--|----|---|---|-------|------|-------|------|-------|-------|-------|
| 19. I believe I can live fulfilling life in another culture  | ~~ | 28. I get very curious when I meet somebody from another country  | 0 | -0.16 | 0.06 | -2.59 | 0.01 | -0.16 | -0.19 | -0.19 |
| 3. I think it is necessary today to develop strategic alliances with organizations around the globe          | ~~ | 3. I think it is necessary today to develop strategic alliances with organizations around the globe           | 0 | 0.71  | 0.09 | 8.26  | 0    | 0.71  | 0.79  | 0.79  |
| 4. Projects that involve international dealings are long term  | ~~ | 4. Projects that involve international dealings are long term   | 0 | 0.94  | 0.11 | 8.68  | 0    | 0.94  | 0.92  | 0.92  |
| 5. I take pride in belonging to an international organization  | ~~ | 5. I take pride in belonging to an international organization   | 0 | 0.84  | 0.1  | 8.33  | 0    | 0.84  | 0.79  | 0.79  |
| 6. I believe that in the next 10 years the world will be the same as it is today                             | ~~ | 6. I believe that in the next 10 years the world will be the same as it is today                              | 0 | 0.66  | 0.08 | 8.43  | 0    | 0.66  | 0.84  | 0.84  |
| 8. Almost everybody agrees that international projects must have a shorter payback period than domestic ones | ~~ | 8. Almost everybody agrees that international projects must have a shorter payback period than domestic ones. | 0 | 0.86  | 0.1  | 8.64  | 0    | 0.86  | 0.91  | 0.91  |
| 9. We really live in a global village  | ~~ | 9. We really live in a global village   | 0 | 0.86  | 0.1  | 8.2   | 0    | 0.86  | 0.77  | 0.77  |
| 10. In discussions, I always drive for bigger, broader picture   | ~~ | 10. In discussions, I always drive for bigger, broader picture  | 0 | 0.39  | 0.06 | 7.11  | 0    | 0.39  | 0.56  | 0.56  |
| 11. I believe life is a balance of contradictory forces that are to be appreciated, pondered, and managed    | ~~ | 11. I believe life is a balance of contradictory forces that are to be appreciated, pondered, and managed     | 0 | 0.68  | 0.08 | 8.67  | 0    | 0.68  | 0.92  | 0.92  |

(Continued)

Table 4.9 (Continued)

| <i>lhs</i>  | <i>op</i> | <i>rhs</i>  | <i>exo</i> | <i>est</i> | <i>se</i> | <i>z</i> | <i>P value</i> | <i>std.lv</i> | <i>std.all</i> | <i>std.nox</i> |
|---|-----------|---|------------|------------|-----------|----------|----------------|---------------|----------------|----------------|
| 12. I consider it to be a disgrace when foreigners buy our land and buildings | ~~        | 12. I consider it to be a disgrace when foreigners buy our land and buildings | 0          | 1.24       | 0.14      | 8.7      | 0              | 1.24          | 0.93           | 0.93           |
| 14. I find it easy to rethink boundaries, and change direction and behavior   | ~~        | 14. I find it easy to rethink boundaries, and change direction and behavior   | 0          | 0.96       | 0.11      | 8.44     | 0              | 0.96          | 0.84           | 0.84           |
| 15. I feel comfortable with change, surprise, and ambiguity                   | ~~        | 15. I feel comfortable with change, surprise, and ambiguity                   | 0          | 0.9        | 0.11      | 8.48     | 0              | 0.9           | 0.82           | 0.82           |
| 16. I get frustrated when someone is constantly looking for context           | ~~        | 16. I get frustrated when someone is constantly looking for context           | 0          | 0.85       | 0.1       | 8.6      | 0              | 0.85          | 0.91           | 0.91           |
| 17. Contradictors are time wasters who must be eliminated                     | ~~        | 17. Contradictors are time wasters who must be eliminated                     | 0          | 0.99       | 0.12      | 8.56     | 0              | 0.99          | 0.89           | 0.89           |
| 18. I have no time for somebody trying to paint a broader, bigger picture     | ~~        | 18. I have no time for somebody trying to paint a broader, bigger picture     | 0          | 0.58       | 0.08      | 7.5      | 0              | 0.58          | 0.62           | 0.62           |
| 19. I believe I can live fulfilling life in another culture                   | ~~        | 19. I believe I can live fulfilling life in another culture                   | 0          | 0.85       | 0.1       | 8.73     | 0              | 0.85          | 0.94           | 0.94           |
| 20. Five years is too long a planning horizon                                 | ~~        | 20. Five years is too long a planning horizon                                 | 0          | 1.32       | 0.15      | 8.71     | 0              | 1.32          | 0.94           | 0.94           |
| 21. I enjoy trying food from other countries                                  | ~~        | 21. I enjoy trying food from other countries                                  | 0          | 0.82       | 0.1       | 8.62     | 0              | 0.82          | 0.83           | 0.83           |
| 22. I find people from other countries to be boring                           | ~~        | 22. I find people from other countries to be boring                           | 0          | 0.56       | 0.07      | 8.47     | 0              | 0.56          | 0.79           | 0.79           |
| 23. I enjoy working on world community projects                               | ~~        | 23. I enjoy working on world community projects                               | 0          | 0.6        | 0.07      | 8.07     | 0              | 0.6           | 0.65           | 0.65           |

|   |    |   |   |      |      |      |   |      |      |      |
|---|----|---|---|------|------|------|---|------|------|------|
| 24. I get anxious around people from other cultures                           | ~~ | 24. I get anxious around people from other cultures                           | 0 | 0.63 | 0.08 | 8.31 | 0 | 0.63 | 0.7  | 0.7  |
| 25. I mostly watch and/or read local news                                     | ~~ | 25. I mostly watch and/or read local news                                     | 0 | 1.45 | 0.17 | 8.74 | 0 | 1.45 | 0.93 | 0.93 |
| 26. Most of my social affiliations are local                                  | ~~ | 26. Most of my social affiliations are local                                  | 0 | 1.24 | 0.14 | 8.89 | 0 | 1.24 | 0.84 | 0.84 |
| 27. I am at my best when I travel to worlds that I do not understand          | ~~ | 27. I am at my best when I travel to worlds that I do not understand          | 0 | 0.79 | 0.1  | 7.88 | 0 | 0.79 | 0.6  | 0.6  |
| 28. I get very curious when I meet somebody from another country              | ~~ | 28. I get very curious when I meet somebody from another country              | 0 | 0.81 | 0.1  | 7.79 | 0 | 0.81 | 0.58 | 0.58 |
| 29. I enjoy reading foreign books or watching foreign movies                  | ~~ | 29. I enjoy reading foreign books or watching foreign movies                  | 0 | 0.65 | 0.08 | 7.97 | 0 | 0.65 | 0.64 | 0.64 |
| 30. I find the idea of working with a person from another culture unappealing | ~~ | 30. I find the idea of working with a person from another culture unappealing | 0 | 0.73 | 0.09 | 8.58 | 0 | 0.73 | 0.85 | 0.85 |
| 31. When I meet someone from another culture, I get very nervous              | ~~ | 31. When I meet someone from another culture, I get very nervous              | 0 | 0.64 | 0.07 | 8.91 | 0 | 0.64 | 0.96 | 0.96 |
| 32. Traveling in lands where I cannot read the street names gives me anxiety  | ~~ | 32. Traveling in lands where I cannot read the street names gives me anxiety  | 0 | 1.09 | 0.13 | 8.72 | 0 | 1.09 | 0.91 | 0.91 |
| 33. Most of my affiliations are international                                 | ~~ | 33. Most of my affiliations are international                                 | 0 | 1.02 | 0.12 | 8.22 | 0 | 1.02 | 0.7  | 0.7  |

(Continued)

Table 4.9 (Continued)

| <i>lhs</i>   | <i>op</i> | <i>rhs</i>   | <i>exo</i> | <i>est</i> | <i>se</i> | <i>z</i> | <i>P value</i> | <i>std.lv</i> | <i>std.all</i> | <i>std.nox</i> |
|--|-----------|--|------------|------------|-----------|----------|----------------|---------------|----------------|----------------|
| 35. I become impatient when people from other cultures seem to take a long time to do something        | ~~        | 35. I become impatient when people from other cultures seem to take a long time to do something        | 0          | 1.26       | 0.14      | 8.72     | 0              | 1.26          | 0.91           | 0.91           |
| 36. I have a lot of empathy for people who struggle to speak my own language                           | ~~        | 36. I have a lot of empathy for people who struggle to speak my own language                           | 0          | 0.62       | 0.07      | 8.71     | 0              | 0.62          | 0.91           | 0.91           |
| 37. I prefer to act in my local environment (community or organization)                                | ~~        | 37. I prefer to act in my local environment (community or organization)                                | 0          | 0.73       | 0.09      | 8.08     | 0              | 0.73          | 0.66           | 0.66           |
| 39. In trying to accomplish my objectives, I find diversity and multicultural teams play valuable role | ~~        | 39. In trying to accomplish my objectives, I find diversity and multicultural teams play valuable role | 0          | 0.55       | 0.07      | 8.21     | 0              | 0.55          | 0.7            | 0.7            |
| 40. I have close friends from other cultural backgrounds   | ~~        | 40. I have close friends from other cultural backgrounds   | 0          | 0.72       | 0.09      | 8.16     | 0              | 0.72          | 0.68           | 0.68           |
| Conceptualization  | ~~        | Conceptualization  | 0          | 1          | 0         | NA       | NA             | 1             | 1              | 1              |
| Contextualization  | ~~        | Contextualization  | 0          | 1          | 0         | NA       | NA             | 1             | 1              | 1              |
| Conceptualization  | ~~        | Contextualization  | 0          | 0.77       | 0.05      | 14       | 0              | 0.77          | 0.77           | 0.77           |



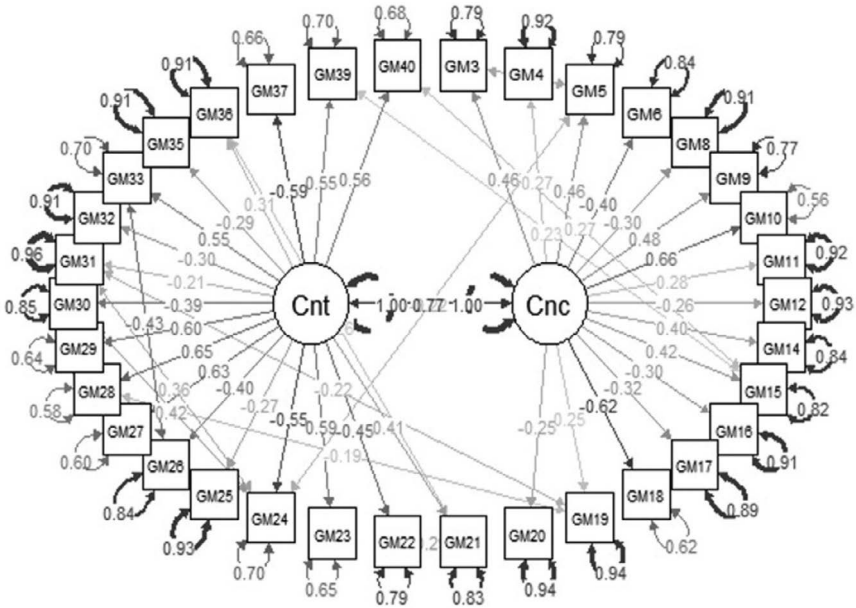


Figure 4.7 Pathway diagram for the reduced item model, CFA, GM.

Table 4.10 Cronbach’s alpha values for conceptualization.

| raw_alpha | std.alpha | G6(sm) | average_r | S/N | ase  | mean | SD   | median_r |
|-----------|-----------|--------|-----------|-----|------|------|------|----------|
| 0.74      | 0.75      | 0.79   | 0.16      | 3   | 0.03 | 2.2  | 0.46 | 0.15     |

Table 4.11 Cronbach’s alpha values for the GM – conceptualization scale.

|   | raw_alpha | std.alpha | G6(sm) | average_r | S/N | alpha se | var.r | med.r |
|---|-----------|-----------|--------|-----------|-----|----------|-------|-------|
| 3. I think it is necessary today to develop strategic alliances with organizations around the globe | 0.72      | 0.73      | 0.77   | 0.15      | 2.7 | 0.032    | 0.017 | 0.13  |
| 4. Projects that involve international dealings are long term                                       | 0.75      | 0.75      | 0.79   | 0.17      | 3   | 0.029    | 0.016 | 0.16  |
| 5. I take pride in belonging to an international organization                                       | 0.72      | 0.73      | 0.77   | 0.15      | 2.7 | 0.032    | 0.017 | 0.15  |

(Continued)

|   | <i>raw_alpha</i> | <i>std_alpha</i> | <i>G6(smc)</i> | <i>average_r</i> | <i>S/N</i> | <i>alpha_se</i> | <i>var.r</i> | <i>med.r</i> |
|---|------------------|------------------|----------------|------------------|------------|-----------------|--------------|--------------|
| 6. I believe that in the next 10 years the world will be the same as it is today –                            | 0.73             | 0.74             | 0.78           | 0.16             | 2.8        | 0.031           | 0.018        | 0.15         |
| 8. Almost everybody agrees that international projects must have a shorter payback period than domestic ones- | 0.73             | 0.74             | 0.78           | 0.16             | 2.8        | 0.031           | 0.017        | 0.15         |
| 9. We really live in a global village   | 0.73             | 0.73             | 0.77           | 0.16             | 2.8        | 0.032           | 0.017        | 0.15         |
| 10. In discussions, I always drive for bigger, broader picture  | 0.72             | 0.72             | 0.76           | 0.14             | 2.5        | 0.033           | 0.017        | 0.11         |
| 11. I believe life is a balance of contradictory forces that are to be appreciated, pondered, and managed     | 0.74             | 0.75             | 0.79           | 0.16             | 3          | 0.03            | 0.017        | 0.17         |
| 12. I consider it to be a disgrace when foreigners buy our land and buildings-                                | 0.74             | 0.75             | 0.79           | 0.16             | 3          | 0.03            | 0.018        | 0.16         |
| 14. I find it easy to rethink boundaries, and change direction and behavior                                   | 0.73             | 0.74             | 0.77           | 0.16             | 2.8        | 0.031           | 0.017        | 0.15         |
| 15. I feel comfortable with change, surprise, and ambiguity   | 0.73             | 0.74             | 0.78           | 0.16             | 2.8        | 0.031           | 0.017        | 0.15         |
| 16. I get frustrated when someone is constantly looking for context   | 0.73             | 0.74             | 0.78           | 0.16             | 2.8        | 0.031           | 0.015        | 0.15         |
| 17. Contradictors are time wasters who must be eliminated   | 0.73             | 0.73             | 0.77           | 0.16             | 2.8        | 0.032           | 0.016        | 0.15         |
| 18. I have no time for somebody trying to paint a broader, bigger picture                                     | 0.71             | 0.71             | 0.75           | 0.14             | 2.5        | 0.034           | 0.015        | 0.13         |

(Continued)

Table 4.11 (Continued)

|   | <i>raw_</i><br><i>alpha</i> | <i>std.</i><br><i>alpha</i> | <i>G6(sm)</i> | <i>average_r</i> | <i>S/N</i> | <i>alpha</i><br><i>se</i> | <i>var.r</i> | <i>med.r</i> |
|---|-----------------------------|-----------------------------|---------------|------------------|------------|---------------------------|--------------|--------------|
| 19. I believe I can live fulfilling life in another culture | 0.75                        | 0.76                        | 0.79          | 0.17             | 3.1        | 0.029                     | 0.016        | 0.17         |
| 20. Five years is too long a planning horizon               | 0.74                        | 0.74                        | 0.78          | 0.16             | 2.9        | 0.03                      | 0.017        | 0.15         |

Table 4.12 GM – contextualization scale.

| <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(sm)</i> | <i>average_r</i> | <i>S/N</i> | <i>ase</i> | <i>mean</i> | <i>SD</i> | <i>median_r</i> |
|------------------|------------------|---------------|------------------|------------|------------|-------------|-----------|-----------------|
| 0.84             | 0.84             | 0.88          | 0.23             | 5.5=4      | 0.02       | 2.1         | 0.54      | 0.21            |

Table 4.13 Cronbach's alpha values for the GM – contextualization scale.

|  | <i>raw_</i><br><i>alpha</i> | <i>std.</i><br><i>alpha</i> | <i>G6(sm)</i> | <i>average_r</i> | <i>S/N</i> | <i>alpha</i><br><i>se</i> | <i>var.r</i> | <i>med.r</i> |
|--|-----------------------------|-----------------------------|---------------|------------------|------------|---------------------------|--------------|--------------|
| 21. I enjoy trying food from other countries                         | 0.84                        | 0.84                        | 0.87          | 0.23             | 5.2        | 0.02                      | 0.02         | 0.21         |
| 22. I find people from other countries to be boring                  | 0.83                        | 0.84                        | 0.87          | 0.23             | 5.1        | 0.02                      | 0.02         | 0.21         |
| 23. I enjoy working on world community projects                      | 0.83                        | 0.83                        | 0.87          | 0.23             | 5          | 0.02                      | 0.02         | 0.21         |
| 24. I get anxious around people from other cultures                  | 0.83                        | 0.83                        | 0.87          | 0.22             | 4.9        | 0.02                      | 0.02         | 0.2          |
| 25. I mostly watch and/or read local news                            | 0.84                        | 0.84                        | 0.87          | 0.24             | 5.3        | 0.02                      | 0.02         | 0.22         |
| 26. Most of my social affiliations are local                         | 0.83                        | 0.84                        | 0.87          | 0.23             | 5.2        | 0.02                      | 0.02         | 0.22         |
| 27. I am at my best when I travel to worlds that I do not understand | 0.83                        | 0.83                        | 0.87          | 0.22             | 4.9        | 0.02                      | 0.02         | 0.2          |
| 28. I get very curious when I meet somebody from another country     | 0.83                        | 0.83                        | 0.86          | 0.22             | 4.9        | 0.02                      | 0.02         | 0.2          |

(Continued)

Table 4.13 (Continued)

|  | <i>raw_</i><br><i>alpha</i> | <i>std.</i><br><i>alpha</i> | <i>G6(sm)</i> | <i>average_r</i> | <i>S/N</i> | <i>alpha</i><br><i>se</i> | <i>var.r</i> | <i>med.r</i> |
|--|-----------------------------|-----------------------------|---------------|------------------|------------|---------------------------|--------------|--------------|
| 29. I enjoy reading foreign books or watching foreign movies   | 0.83                        | 0.83                        | 0.86          | 0.22             | 4.9        | 0.02                      | 0.02         | 0.2          |
| 30. I find the idea of working with a person from another culture unappealing                          | 0.83                        | 0.84                        | 0.87          | 0.23             | 5.1        | 0.02                      | 0.02         | 0.21         |
| 31. When I meet someone from another culture, I get very nervous                                       | 0.84                        | 0.84                        | 0.87          | 0.24             | 5.3        | 0.02                      | 0.02         | 0.22         |
| 32. Traveling in lands where I cannot read the street names gives me anxiety                           | 0.84                        | 0.84                        | 0.88          | 0.24             | 5.3        | 0.02                      | 0.02         | 0.22         |
| 33. Most of my affiliations are international  | 0.83                        | 0.83                        | 0.87          | 0.23             | 5          | 0.02                      | 0.02         | 0.21         |
| 35. I become impatient when people from other cultures seem to take a long time to do something        | 0.84                        | 0.84                        | 0.88          | 0.24             | 5.4        | 0.02                      | 0.02         | 0.22         |
| 36. I have a lot of empathy for people who struggle to speak my own language                           | 0.84                        | 0.84                        | 0.88          | 0.24             | 5.4        | 0.02                      | 0.02         | 0.22         |
| 37. I prefer to act in my local environment (community or organization)                                | 0.83                        | 0.83                        | 0.87          | 0.22             | 4.9        | 0.02                      | 0.02         | 0.2          |
| 39. In trying to accomplish my objectives, I find diversity and multicultural teams play valuable role | 0.83                        | 0.83                        | 0.87          | 0.23             | 5          | 0.02                      | 0.02         | 0.21         |
| 40. I have close friends from other cultural backgrounds   | 0.83                        | 0.83                        | 0.87          | 0.23             | 5          | 0.02                      | 0.02         | 0.21         |

(Continued)

Table 4.14 GM scale – all items after reduction.

| <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(smc)</i> | <i>average_r</i> | <i>S/N</i> | <i>ase</i> | <i>mean</i> | <i>SD</i> | <i>median_r</i> |
|------------------|------------------|----------------|------------------|------------|------------|-------------|-----------|-----------------|
| 0.87             | 0.87             | 0.91           | 0.17             | 6.7        | 0.015      | 2.2         | 0.54      | 0.16            |

Table 4.15 Conceptualization, average scores for individual items.

|  |   |  |   |
|--|---|--|---|
| 3. I think it is necessary today to develop strategic alliances with organizations around the globe          | 4. Projects that involve international dealings are long term               | 5. I take pride in belonging to an international organization  | 6. I believe that in the next 10 years the world will be the same as it is today                          |
| <b>4.24</b>  | <b>3.23</b>   | <b>3.90</b>  | <b>1.59</b>   |
| 8. Almost everybody agrees that international projects must have a shorter payback period than domestic ones | 9. We really live in a global village                                       | 10. In discussions, I always drive for bigger, broader picture | 11. I believe life is a balance of contradictory forces that are to be appreciated, pondered, and managed |
| <b>2.68</b>  | <b>3.92</b>   | <b>4.07</b>  | <b>4.07</b>   |
| 12. I consider it to be a disgrace when foreigners buy our land and buildings                                | 14. I find it easy to rethink boundaries, and change direction and behavior | 15. I feel comfortable with change, surprise, and ambiguity    | 16. I get frustrated when someone is constantly looking for context                                       |
| <b>2.12</b>  | <b>3.38</b>   | <b>3.52</b>  | <b>2.39</b>   |
| 17. Contradictors are time wasters who must be eliminated  | 18. I have no time for somebody trying to paint a broader, bigger picture   | 19. I believe I can live fulfilling life in another culture    | 20. Five years is too long a planning horizon   |
| <b>2.25</b>  | <b>1.82</b>   | <b>3.88</b>  | <b>2.52</b>   |

error. The null (tested) hypothesis is that the mean values do not differ between groups in the population. When the test value is less than 0.05, we can predict with 95% confidence that the tested means are different in the population (the scale has different values depending on the level of the factor), so that the tested factor differentiates the dependent variable.

From the point of view of the main objectives of the study, it is important to answer whether the level in the organization affects GM. The results are presented in Table 4.15. The level in the organization significantly differentiates the GM scale

Table 4.16 Contextualization, averages for individual items.

|   |  |  |   |   |
|---|--|--|---|---|
| 21. I enjoy trying food from other countries                            | 22. I find people from other countries to be boring  | 23. I enjoy working on world community projects                  | 24. I get anxious around people from other cultures   | 25. I mostly watch and/or read local news                                     |
| <b>4.31</b>   | <b>1.52</b>  | <b>4.02</b>  | <b>1.69</b>   | <b>2.58</b>   |
| 26. Most of my social affiliations are local                            | 27. I am at my best when I travel to worlds that I do not understand                                   | 28. I get very curious when I meet somebody from another country | 29. I enjoy reading foreign books or watching foreign movies                                    | 30. I find the idea of working with a person from another culture unappealing |
| <b>2.71</b>   | <b>3.39</b>  | <b>3.94</b>  | <b>4.08</b>   | <b>1.72</b>   |
| 31. When I meet someone from another culture, I get very nervous        | 32. Traveling in lands where I cannot read the street names gives me anxiety                           | 33. Most of my affiliations are international                    | 35. I become impatient when people from other cultures seem to take a long time to do something | 36. I have a lot of empathy for people who struggle to speak my own language  |
| <b>1.65</b>   | <b>2.17</b>  | <b>3.29</b>  | <b>2.57</b>   | <b>3.25</b>   |
| 37. I prefer to act in my local environment (community or organization) | 39. In trying to accomplish my objectives, I find diversity and multicultural teams play valuable role | 40. I have close friends from other cultural backgrounds         |   |   |
| <b>2.66</b>   | <b>2.1</b>   | <b>1.9</b>   |   |   |

considered as a whole (confidence level: 0.9). When we go down to the individual dimensions of GM, it turns out that the level in the organization does not affect conceptualization but differentiates contextualization: managers achieve higher values on the scale than employees.

Since the questions on internationalization are not very differentiating, which is caused by the specifics of the sample (the research was conducted in large, mostly international companies), it is necessary to test the impact of each of the components that indicate the internationalization of the enterprises in which the respondents work.

Regarding conceptualization, only two dimensions of internationalization are statistically significantly differentiating. In first, “Is your company presenting or encouraging presenting new skills, solutions, and technologies on congresses, fairs, and markets?” – the mean values for the scale are highest for those who answered “Yes” for this question. In second, “Is your company acquiring more information about the market and its business environment?”, surprisingly, higher values for the scale are assigned to the respondents who answered in the affirmative (“Yes”). Detailed results are presented in Table 4.18.

Table 4.17 ANOVA analysis results: Organizational level versus GM.

| <i>Independent variable</i>        | <i>n</i> | <i>Mean</i> | <i>SD</i> | <i>Significance (p value)</i> |
|------------------------------------|----------|-------------|-----------|-------------------------------|
| <b>Level: All scale</b>            |          |             |           |                               |
| Employee (non-managerial position) | 108      | 3           | 1.38      | 0.0055*                       |
| Manager                            | 49       | 3.11        | 1.34      |                               |
| <b>Level: Conceptualization</b>    |          |             |           |                               |
| Employee (non-managerial position) | 108      | 3.08        | 1.33      | 0.148                         |
| Manager                            | 49       | 3.14        | 1.33      |                               |
| <b>Level: Contextualization</b>    |          |             |           |                               |
| Employee (non-managerial position) | 108      | 2.92        | 1.42      | 0.00203**                     |
| Manager                            | 49       | 3.08        | 1.35      |                               |

Note: \* Significant at the level of 0.9; \*\* significant at the level of 0.95.

Table 4.18 ANOVA results: Internationalization versus conceptualization.

|  | <i>Mean</i> | <i>SD</i> | <i>p value</i> |
|--|-------------|-----------|----------------|
| <b>Is your company actively acquiring new knowledge by attending to conferences, congresses, and fairs?</b>                            |             |           |                |
| Yes  | 3.11        | 1.31      | 0.715          |
| No   | 3.05        | 1.44      |                |
| I do not know  | 3.09        | 1.34      |                |
| <b>Is your company presenting or encouraging presenting new skills, solutions, and technologies on congresses, fairs, and markets?</b> |             |           |                |
| I do not know  | 3.24        | 1.24      | 0.036**        |
| No   | 2.98        | 1.30      |                |
| Yes  | 3.09        | 1.34      |                |

(Continued)

Table 4.18 (Continued)

|  | <i>Mean</i> | <i>SD</i> | <i>p value</i> |
|--|-------------|-----------|----------------|
| <b>Is your company having a clear know-how and specialization presented across markets? If yes please specify.</b> |             |           |                |
| I do not know  | 3.10        | 1.31      | 0.989          |
| No   | 3.09        | 1.35      |                |
| Yes  | 3.10        | 1.34      |                |
| <b>Is your company acquiring more information about the market and its business environment?</b>                   |             |           |                |
| I do not know  | 2.97        | 1.30      | 0.00286**      |
| No   | 3.33        | 1.27      |                |
| Yes  | 3.11        | 1.34      |                |
| <b>Is your company acquiring more information to explore market resources?</b>                                     |             |           |                |
| I do not know  | 43          | 3.03      | 0.125          |
| No   | 5           | 3.29      | 1.17           |
| Yes  | 109         | 3.11      | 1.35           |
| <b>Is your company acquiring more information to create and maintain contacts with suppliers?</b>                  |             |           |                |
| I do not know  | 42          | 3.03      | 0.148          |
| No   | 7           | 3.24      | 1.20           |
| Yes  | 108         | 3.11      | 1.35           |

Note: \* Significant at the level of 0.9; \*\* significant at the level of 0.95.

Regarding contextualization, the same two dimensions of internationalization (as in the case of conceptualization) are statistically significantly differentiating. First one, “Is your company presenting or encouraging presenting new skills, solutions, and technologies on congresses, fairs, and markets”, presents the mean values for the scale as the highest for those who answered “No” for this question. Second one, “Is your company acquiring more information about the market and its business environment?”, presents higher values for the scale among respondents who answered in the negative (No). More detailed results are presented in Table 4.19.

#### 4.3.2. *Research question validation: how national and business cultures influence GM in BPO industry on different levels of seniority?*

Following sections describe the PCA and CFA results for Gesteland’s and VSM scales. Various interrelations between GM and national and business cultures are also tested. Due to the used data gathering tool that coded the answers on a scale from strongly agree to strongly disagree, for the purpose of data analysis, those were reversely coded as strongly disagree to strongly agree in both scales.

##### 4.3.2.1. *Gesteland’s scale*

The Gesteland scale items: 1 to 10, 13, 14, 17, and 18 have been coded in such a way that a value of 1 means I strongly disagree and 5 means I strongly agree. The rest of the answers were left as they were in the original database (a value of 1 means I strongly agree, 5 means I strongly disagree) – the items have been given



Table 4.19 ANOVA results: Internationalization versus contextualization.

|  | Mean | SD   | Significance (p value) |
|--|------|------|------------------------|
| <b>Is your company actively acquiring new knowledge by attending to conferences, congresses, and fairs?</b>                            |      |      |                        |
| Yes  | 2.99 | 1.38 | 0.0558**               |
| No   | 3.01 | 1.52 |                        |
| I do not know  | 2.82 | 1.42 |                        |
| <b>Is your company presenting or encouraging presenting new skills, solutions, and technologies on congresses, fairs, and markets?</b> |      |      |                        |
| I do not know  | 2.91 | 1.44 | 0.381                  |
| No   | 2.92 | 1.41 |                        |
| Yes  | 2.99 | 1.39 |                        |
| <b>Is your company having a clear know-how and specialization presented across markets? If yes please specify.</b>                     |      |      |                        |
| I do not know  | 2.97 | 1.40 | 0.993                  |
| No   | 2.97 | 1.49 |                        |
| Yes  | 2.98 | 1.38 |                        |
| <b>Is your company acquiring more information about the market and its business environment?</b>                                       |      |      |                        |
| I do not know  | 2.82 | 1.38 | 0.00597**              |
| No   | 3.03 | 1.34 |                        |
| Yes  | 3.01 | 1.41 |                        |
| <b>Is your company acquiring more information to explore market resources?</b>   |      |      |                        |
| I do not know  | 2.90 | 1.39 | 0.0992                 |
| No   | 3.90 | 1.33 |                        |
| Yes  | 3.01 | 1.41 |                        |
| <b>Is your company acquiring more information to create and maintain contacts with suppliers?</b>                                      |      |      |                        |
| I do not know  | 2.92 | 1.38 | 0.38                   |
| No   | 2.93 | 1.38 |                        |
| Yes  | 3.00 | 1.41 |                        |

Note: \* Significant at the level of 0.9; \*\* significant at the level of 0.95.

in bold in the table. Thanks to this, it will allow to maintain a coherent interpretative sense of individual dimensions. Table 4.20 shows the descriptive statistics for all items of the scale. The variance for individual items is not large enough – the greatest for items 5 (1.15), 9 (1.35), 10 (1.24), and 20 (1.46).

According to the adopted theoretical concept, Gesteland is described in the study by five dimensions, which consist of four items (from one to four it is the first dimension, from five to eight it is the second dimension, etc.).

The first step to check whether Gesteland can really be described in the study by these five dimensions is to conduct a PCA.

#### 4.3.2.1.1. PCA ANALYSIS RESULTS FOR GESTELAND SCALE

The scree plot (Figure 4.8) shows that the first dimension is dominant, explaining 16% of the variance observed in the dataset. There is no clear indication that

Table 4.20 Descriptive statistics for all Gesteland scale items.

| <i>Item number</i> | <i>Item</i>   | <i>Mean</i> | <i>Median</i> | <i>Var</i> |
|--------------------|---|-------------|---------------|------------|
| 1                  | Delivering my project is the biggest priority for me                            | 3.76        | 4             | 0.95       |
| 2                  | I consider it professional to have all my tasks completed                       | 3.34        | 3             | 0.48       |
| 3                  | Creating positive business relations is most important for me                   | 4.13        | 4             | 0.79       |
| 4                  | I value good relations with others over any task I need to finish               | 2.87        | 3             | 0.69       |
| 5                  | I like to openly communicate my needs and feelings                              | 3.66        | 4             | 1.15       |
| 6                  | Straightforward communication makes it easier to cooperate with others          | 3.29        | 4             | 0.73       |
| 7                  | Political correctness is something I value when communicating with others       | 3.34        | 4             | 1.52       |
| 8                  | I prefer to avoid direct conflict with others as much as possible               | 3.64        | 4             | 1.05       |
| 9                  | I believe everyone should know and follow official code of conduct              | 3.61        | 4             | 1.35       |
| 10                 | It is important to acknowledge other person's social or business status         | 3.22        | 3             | 1.24       |
| 11                 | I prefer when community has a flat hierarchy                                    | 4.24        | 4             | 0.72       |
| 12                 | In the office or social life, everyone should be approached as an equal         | 3.85        | 4             | 0.95       |
| 13                 | Being on time is very important for me  | 3.41        | 4             | 1.32       |
| 14                 | I like having a clear day schedule  | 4.16        | 4             | 0.65       |
| 15                 | I prefer flexibility in how I manage my time                                    | 2.5         | 2             | 1.05       |
| 16                 | Timelines can be always moved for meetings or projects                          | 1.68        | 1             | 0.68       |
| 17                 | I do not like to show my emotions to others                                     | 1.98        | 2             | 0.97       |
| 18                 | I believe it is important to control how I react to people and situations       | 2.79        | 3             | 1.09       |
| 19                 | I consider showing emotions like fear, sadness, or happiness as a healthy habit | 2.65        | 3             | 1.16       |
| 20                 | I often gesticulate or touch friends during conversations                       | 3.03        | 3             | 1.45       |

a five-dimensional solution would be the best for the data collected. The first five dimensions explain 51% of the variance in the set, so this value is also well below expectations. All dimensions results extracted by PCA in the Gesteland scale are available in Table 4.21 for review.

#### 4.3.2.1.2. CFA RESULTS FOR GESTELAND'S SCALE

The decisive analysis which will decide whether the theoretical assumptions are reflected in the data will be the CFA, where each item of the scale will be assigned to the appropriate dimensions. The 20 items are divided into five dimensions (each dimension is defined by four items).

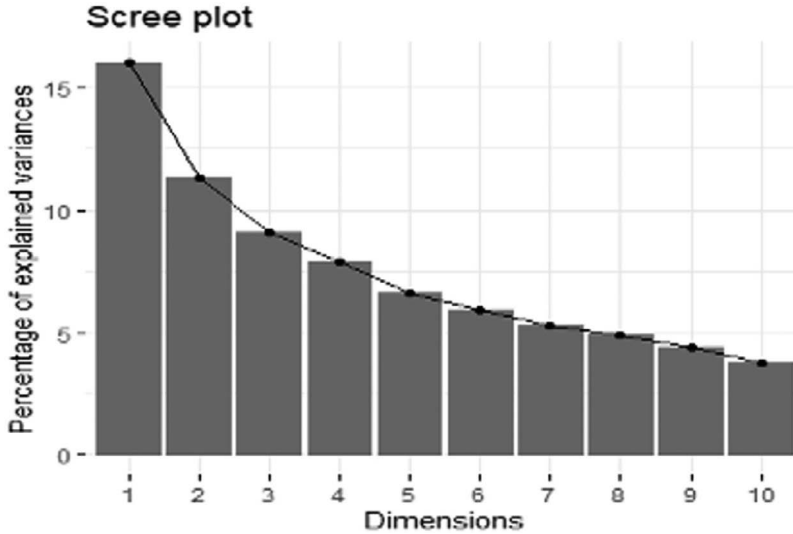


Figure 4.8 PCA: Scree plot, Gesteland scale.

Table 4.21 Description of all dimensions extracted by the PCA, Gesteland scale.

|                        | <b>PC1</b>  | <b>PC2</b>  | <b>PC3</b>  | <b>PC4</b>  | <b>PC5</b>  | <b>PC6</b>  |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Standard deviation     | 1.790       | 1.506       | 1.350       | 1.254       | 1.148       | 1.086       |
| Proportion of variance | 0.160       | 0.113       | 0.091       | 0.079       | 0.066       | 0.059       |
| Cumulative proportion  | 0.160       | 0.274       | 0.365       | 0.443       | 0.509       | 0.568       |
|                        | <b>PC7</b>  | <b>PC8</b>  | <b>PC9</b>  | <b>PC10</b> | <b>PC11</b> | <b>PC12</b> |
| Standard deviation     | 1.028       | 0.989       | 0.937       | 0.871       | 0.847       | 0.809       |
| Proportion of variance | 0.053       | 0.049       | 0.044       | 0.038       | 0.036       | 0.033       |
| Cumulative proportion  | 0.621       | 0.670       | 0.714       | 0.752       | 0.788       | 0.820       |
|                        | <b>PC13</b> | <b>PC14</b> | <b>PC15</b> | <b>PC16</b> | <b>PC17</b> | <b>PC18</b> |
| Standard deviation     | 0.772       | 0.769       | 0.730       | 0.672       | 0.653       | 0.644       |
| Proportion of variance | 0.030       | 0.029       | 0.027       | 0.023       | 0.021       | 0.021       |
| Cumulative proportion  | 0.850       | 0.879       | 0.906       | 0.929       | 0.950       | 0.971       |
|                        | <b>PC19</b> | <b>PC20</b> |             |             |             |             |
| Standard deviation     | 0.570       | 0.502       |             |             |             |             |
| Proportion of variance | 0.016       | 0.013       |             |             |             |             |
| Cumulative proportion  | 0.987       | 1.000       |             |             |             |             |

The values of the basic statistics for the model also outline that it is not confirmed by the collected data. First, it turns out that there is no positive correlation between all dimensions, as shown by the covariance matrix (Dim1 means dimension 1, etc.; please see Table 4.22).

Other statistics, such as CFI (0.52) and TLI (0.428), are also far too low ( $< 0.9$ ). The RMSEA value indicates that the verified model has a slight fit to the data – it reaches 0.097 (where, in line with the practice: 0.01, 0.05, and 0.08 indicate a

Table 4.22 Matrix of covariance of latent variables in the model.

|      | <i>Dim1</i> | <i>Dim2</i> | <i>Dim3</i> | <i>Dim4</i> | <i>Dim5</i> |
|------|-------------|-------------|-------------|-------------|-------------|
| Dim1 | 1           |             |             |             |             |
| Dim2 | 0.634       | 1           |             |             |             |
| Dim3 | 0.48        | 0.411       | 1           |             |             |
| Dim4 | -0.666      | -0.587      | -0.323      | 1           |             |
| Dim5 | -0.065      | -0.372      | 0.067       | -0.561      | 1           |

Table 4.23 Basic statistics values for CFA, Gesteland.

**Model test user model:**

Test statistic: 397.583

Degrees of freedom: 160

*P* value (chi-square): 0.000**Model test baseline model:**

Test statistic: 683.545

Degrees of freedom: 190

*P* value: 0.000**User model vs. baseline model:**

CFI: 0.519

TLI: 0.428

**Log likelihood and information criteria:**

Log likelihood user model (H0): -4235.187

Log likelihood unrestricted model (H1): -4036.396

Akaike (AIC): 8570.374

Bayesian (BIC): 8723.186

Sample size-adjusted Bayesian (BIC): 8564.917

**Root mean square error of approximation:**

RMSEA: 0.097

90% confidence interval: &lt; -0.085

90% confidence interval: &gt; -0.109

*P* value RMSEA:  $\leq 0.05$  and value is 0.000**Standardized root mean square residual:**

SRMR: 0.108

perfect, good, and average fit, respectively, some of them reach 0 and 10 for the average). All measures for CFA basic statistics are described in Table 4.23.

The final confirmation that not all dimensions are described by variables in accordance with the adopted theoretical model is the fact that the regression paths

Table 4.24 Descriptive statistics for individual variables, CFA, Gesteland scale.

| <i>lhs</i> | <i>op</i> | <i>rhs</i>   | <i>exo</i> | <i>est</i> | <i>se</i> | <i>z</i> | <i>P value</i> | <i>std.lv</i> | <i>std.all</i> | <i>std.nox</i> |
|------------|-----------|--|------------|------------|-----------|----------|----------------|---------------|----------------|----------------|
| Dim1       | ≈         | 1. Delivering my project is the biggest priority for me                      | 0          | 0.57       | 0.09      | 6.53     | 0              | 0.57          | 0.58           | 0.58           |
| Dim1       | ≈         | 2. I consider it professional to have all my tasks completed                 | 0          | 0.42       | 0.06      | 6.76     | 0              | 0.42          | 0.6            | 0.6            |
| Dim1       | ≈         | 3. Creating positive business relations is most important for me             | 0          | 0.5        | 0.08      | 6.32     | 0              | 0.5           | 0.57           | 0.57           |
| Dim1       | ≈         | 4. I value good relations with others over any task I need to finish         | 0          | 0.3        | 0.08      | 3.87     | 0              | 0.3           | 0.36           | 0.36           |
| Dim2       | ≈         | 5. I like to openly communicate my needs and feelings                        | 0          | 0.68       | 0.1       | 6.86     | 0              | 0.68          | 0.64           | 0.64           |
| Dim2       | ≈         | 6. Straightforward communication makes it easier to cooperate with others    | 0          | 0.5        | 0.08      | 6.41     | 0              | 0.5           | 0.59           | 0.59           |
| Dim2       | ≈         | 7. Political correctness is something I value when communicating with others | 0          | 0.14       | 0.12      | 1.21     | <b>0.23</b>    | 0.14          | 0.11           | 0.11           |
| Dim2       | ≈         | 8. I prefer to avoid direct conflict with others as much as possible         | 0          | 0.18       | 0.1       | 1.84     | <b>0.07</b>    | 0.18          | 0.17           | 0.17           |
| Dim3       | ≈         | 9. I believe everyone should know and follow official code of conduct        | 0          | 1.1        | 0.2       | 5.52     | 0              | 1.1           | 0.95           | 0.95           |
| Dim3       | ≈         | 10. It is important to acknowledge other person's social or business status  | 0          | 0.44       | 0.11      | 3.89     | 0              | 0.44          | 0.4            | 0.4            |
| Dim3       | ≈         | 11. I prefer when community has a flat hierarchy                             | 0          | -0.04      | 0.09      | -0.48    | <b>0.63</b>    | -0.04         | -0.04          | -0.04          |
| Dim3       | ≈         | 12. In the office or social life, everyone should be approached as an equal  | 0          | 0.13       | 0.07      | 1.85     | <b>0.06</b>    | 0.13          | 0.16           | 0.16           |
| Dim4       | ≈         | 13. Being on time is very important for me                                   | 0          | -0.25      | 0.08      | -3.07    | 0              | -0.25         | -0.3           | -0.3           |

(Continued)

Table 4.24 (Continued)

| <i>lhs</i>  | <i>op</i> | <i>rhs</i>   | <i>exo</i> | <i>est</i> | <i>se</i> | <i>z</i> | <i>P value</i> | <i>std.lv</i> | <i>std.all</i> | <i>std.nox</i> |
|---|-----------|--|------------|------------|-----------|----------|----------------|---------------|----------------|----------------|
| Dim4  | ≈         | 14. <i>I like having a clear day schedule</i>  | 0          | -0.24      | 0.09      | -2.58    | 0.01           | -0.24         | -0.24          | -0.24          |
| Dim4  | ≈         | 15. <i>I prefer flexibility in how I manage my time</i>                                    | 0          | -0.44      | 0.11      | -4.08    | 0              | -0.44         | -0.45          | -0.45          |
| Dim4  | ≈         | 16. <i>Timelines can be always moved for meetings or projects</i>                          | 0          | -0.18      | 0.1       | -1.91    | <b>0.06</b>    | -0.18         | -0.18          | -0.18          |
| Dim5  | ≈         | 17. <i>I do not like to show my emotions to others</i>                                     | 0          | 1.09       | 0.13      | 8.44     | 0              | 1.09          | 0.95           | 0.95           |
| Dim5  | ≈         | 18. <i>I believe it is important to control how I react to people and situations</i>       | 0          | 0.24       | 0.07      | 3.52     | 0              | 0.24          | 0.3            | 0.3            |
| Dim5  | ≈         | 19. <i>I consider showing emotions like fear, sadness, or happiness as a healthy habit</i> | 0          | -0.46      | 0.1       | -4.85    | 0              | -0.46         | -0.43          | -0.43          |
| Dim5  | ≈         | 20. <i>I often gesticulate or touch friends during conversations</i>                       | 0          | -0.3       | 0.1       | -2.9     | 0              | -0.3          | -0.25          | -0.25          |
| 1. <i>Delivering my project is the biggest priority for me</i>              | ≈         | 1. <i>Delivering my project is the biggest priority for me</i>                             | 0          | 0.62       | 0.09      | 6.84     | 0              | 0.62          | 0.66           | 0.66           |
| 2. <i>I consider it professional to have all my tasks completed</i>         | ≈         | 2. <i>I consider it professional to have all my tasks completed</i>                        | 0          | 0.3        | 0.05      | 6.62     | 0              | 0.3           | 0.63           | 0.63           |
| 3. <i>Creating positive business relations is most important for me</i>     | ≈         | 3. <i>Creating positive business relations is most important for me</i>                    | 0          | 0.53       | 0.08      | 7.02     | 0              | 0.53          | 0.68           | 0.68           |
| 4. <i>I value good relations with others over any task I need to finish</i> | ≈         | 4. <i>I value good relations with others over any task I need to finish</i>                | 0          | 0.6        | 0.07      | 8.3      | 0              | 0.6           | 0.87           | 0.87           |

|  |    |  |   |      |      |      |      |      |      |      |
|--|----|--|---|------|------|------|------|------|------|------|
| 5. I like to openly communicate my needs and feelings                        | ~~ | 5. I like to openly communicate my needs and feelings                        | 0 | 0.68 | 0.12 | 5.82 | 0    | 0.68 | 0.59 | 0.59 |
| 6. Straightforward communication makes it easier to cooperate with others    | ~~ | 6. Straightforward communication makes it easier to cooperate with others    | 0 | 0.48 | 0.07 | 6.65 | 0    | 0.48 | 0.66 | 0.66 |
| 7. Political correctness is something I value when communicating with others | ~~ | 7. Political correctness is something I value when communicating with others | 0 | 1.49 | 0.17 | 8.81 | 0    | 1.49 | 0.99 | 0.99 |
| 8. I prefer to avoid direct conflict with others as much as possible         | ~~ | 8. I prefer to avoid direct conflict with others as much as possible         | 0 | 1.01 | 0.12 | 8.74 | 0    | 1.01 | 0.97 | 0.97 |
| 9. I believe everyone should know and follow official code of conduct        | ~~ | 9. I believe everyone should know and follow official code of conduct        | 0 | 0.13 | 0.41 | 0.32 | 0.75 | 0.13 | 0.1  | 0.1  |
| 10. It is important to acknowledge other person's social or business status  | ~~ | 10. It is important to acknowledge other person's social or business status  | 0 | 1.03 | 0.13 | 7.67 | 0    | 1.03 | 0.84 | 0.84 |
| 11. I prefer when community has a flat hierarchy                             | ~~ | 11. I prefer when community has a flat hierarchy                             | 0 | 1.04 | 0.12 | 8.86 | 0    | 1.04 | 1    | 1    |
| 12. In the office or social life, everyone should be approached as an equal  | ~~ | 12. In the office or social life, everyone should be approached as an equal  | 0 | 0.66 | 0.07 | 8.81 | 0    | 0.66 | 0.97 | 0.97 |
| 13. Being on time is very important for me                                   | ~~ | 13. Being on time is very important for me                                   | 0 | 0.65 | 0.08 | 8.39 | 0    | 0.65 | 0.91 | 0.91 |
| 14. I like having a clear day schedule                                       | ~~ | 14. I like having a clear day schedule                                       | 0 | 0.89 | 0.1  | 8.61 | 0    | 0.89 | 0.94 | 0.94 |
| 15. I prefer flexibility in how I manage my time                             | ~~ | 15. I prefer flexibility in how I manage my time                             | 0 | 0.77 | 0.11 | 6.89 | 0    | 0.77 | 0.8  | 0.8  |

(Continued)

Table 4.24 (Continued)

| <i>lhs</i>  | <i>op</i> | <i>rhs</i>  | <i>exo</i> | <i>est</i> | <i>se</i> | <i>z</i> | <i>P value</i> | <i>std.lv</i> | <i>std.all</i> | <i>std.nox</i> |
|---|-----------|---|------------|------------|-----------|----------|----------------|---------------|----------------|----------------|
| 16. Timelines can be always moved for meetings or projects                          | ~~        | 16. Timelines can be always moved for meetings or projects                          | 0          | 1.05       | 0.12      | 8.76     | 0              | 1.05          | 0.97           | 0.97           |
| 17. I do not like to show my emotions to others                                     | ~~        | 17. I do not like to show my emotions to others                                     | 0          | 0.12       | 0.24      | 0.51     | 0.61           | 0.12          | 0.09           | 0.09           |
| 18. I believe it is important to control how I react to people and situations       | ~~        | 18. I believe it is important to control how I react to people and situations       | 0          | 0.58       | 0.07      | 8.67     | 0              | 0.58          | 0.91           | 0.91           |
| 19. I consider showing emotions like fear, sadness, or happiness as a healthy habit | ~~        | 19. I consider showing emotions like fear, sadness, or happiness as a healthy habit | 0          | 0.94       | 0.12      | 8.16     | 0              | 0.94          | 0.82           | 0.82           |
| 20. I often gesticulate or touch friends during conversations                       | ~~        | 20. I often gesticulate or touch friends during conversations                       | 0          | 1.36       | 0.15      | 8.76     | 0              | 1.36          | 0.94           | 0.94           |
| Dim1  | ~~        | Dim1  | 0          | 1          | 0         | NA       | NA             | 1             | 1              | 1              |
| Dim2  | ~~        | Dim2  | 0          | 1          | 0         | NA       | NA             | 1             | 1              | 1              |
| Dim3  | ~~        | Dim3  | 0          | 1          | 0         | NA       | NA             | 1             | 1              | 1              |
| Dim4  | ~~        | Dim4  | 0          | 1          | 0         | NA       | NA             | 1             | 1              | 1              |
| Dim5  | ~~        | Dim5  | 0          | 1          | 0         | NA       | NA             | 1             | 1              | 1              |
| Dim1  | ~~        | Dim2  | 0          | 0.63       | 0.11      | 5.63     | 0              | 0.63          | 0.63           | 0.63           |
| Dim1  | ~~        | Dim3  | 0          | 0.48       | 0.12      | 4.06     | 0              | 0.48          | 0.48           | 0.48           |
| Dim1  | ~~        | Dim4  | 0          | -0.67      | 0.18      | -3.69    | 0              | -0.67         | -0.67          | -0.67          |
| Dim1  | ~~        | Dim5  | 0          | -0.06      | 0.11      | -0.61    | 0.54           | -0.06         | -0.06          | -0.06          |
| Dim2  | ~~        | Dim3  | 0          | 0.41       | 0.12      | 3.37     | 0              | 0.41          | 0.41           | 0.41           |
| Dim2  | ~~        | Dim4  | 0          | -0.59      | 0.19      | -3.05    | 0              | -0.59         | -0.59          | -0.59          |
| Dim2  | ~~        | Dim5  | 0          | -0.37      | 0.11      | -3.41    | 0              | -0.37         | -0.37          | -0.37          |
| Dim3  | ~~        | Dim4  | 0          | -0.32      | 0.16      | -2.02    | 0.04           | -0.32         | -0.32          | -0.32          |
| Dim3  | ~~        | Dim5  | 0          | 0.07       | 0.09      | 0.75     | 0.45           | 0.07          | 0.07           | 0.07           |
| Dim4  | ~~        | Dim5  | 0          | -0.56      | 0.16      | -3.5     | 0              | -0.56         | -0.56          | -0.56          |



between individual dimensions and the variables loading them are statistically insignificant ( $p$  value is  $> 0.05$ ). All such cases are given in bold in Table 4.24 ( $\sim$  means the correlation and  $=\sim$  means the regression path between the latent and the observable variable).

A summary of all problems with the specification of the discussed model is shown in Figure 4.9 – a graphical representation of the model with the given values of the issued parameters. It is also evident that not all variables explain the dimensions equally well (fainter lines in the diagram, values less than 0.5) – for example, item number 7 (regression parameter value 0.11) and item number 8 (regression parameter value 0.17).

The final confirmation that it is not justified to consider the Gesteland dimensional model in relation to the collected data is the analysis of the reliability of individual subscales. It clearly shows that Cronbach's alpha values take on satisfactory values mainly for the first dimension (Cronbach's alpha value is 0.61). For this reason, the first subscale, consisting of four statements, is used for further analysis.

More detailed results of each scale dimension's reliability, starting from one to five, are listed next.

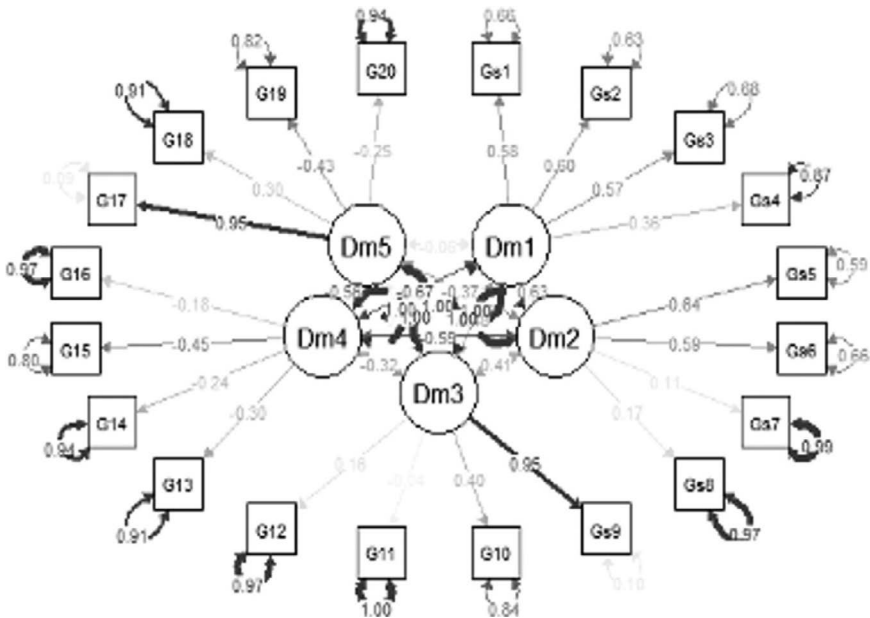


Figure 4.9 CFA path diagram, Gesteland.

Table 4.25 Cronbach's alpha – dimension 1.

| <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(smc)</i> | <i>average_r</i> | <i>S/N</i> | <i>ase</i> | <i>mean</i> | <i>SD</i> | <i>Median_r</i> |
|------------------|------------------|----------------|------------------|------------|------------|-------------|-----------|-----------------|
| 0.61             | 0.61             | 0.56           | 0.28             | 1.6        | 0.05       | 3.5         | 0.58      | 0.32            |

1. *Dimension 1: reliability analysis* Cronbach's alpha has 0.61 for dimension 1 (Table 4.25). For specific items within this dimension, it is within the range from 0.48 to 0.6 (Table 4.26).

2. *Dimension 2: reliability analysis* Cronbach's alpha has 0.44 for dimension 2 (Table 4.27). For specific items within this dimension, it is within the range from 0.31 to 0.4 (Table 4.28).

3. *Dimension 3: reliability analysis* Cronbach's alpha has 0.23 for dimension 3 (Table 4.29). For specific items within this dimension, it is within the range from 0.01 to 0.35 (Table 4.30).

4. *Dimension 4: reliability analysis* Cronbach's alpha has 0.26 for dimension 4 (Table 4.31). For specific items within this dimension, it is within the range from 0.01 to 0.35 (Table 4.32).

5. *Dimension 5: reliability analysis* Cronbach's alpha has 0.56 for dimension 5 (Table 4.33). For specific items within this dimension, it is within the range from 0.39 to 0.58 (Table 4.34).

Table 4.26 Cronbach's alpha – individual items.

|   | <i>raw_alpha</i> | <i>std_alpha</i> | <i>G6(sm)</i> | <i>average_r</i> | <i>S/N</i> | <i>alpha_se</i> | <i>var.r</i> | <i>med.r</i> |
|---|------------------|------------------|---------------|------------------|------------|-----------------|--------------|--------------|
| Delivering my project is the biggest priority for me              | 0.55             | 0.55             | 0.47          | 0.29             | 1.22       | 0.06            | 0.02         | 0.35         |
| I consider it professional to have all my tasks completed         | 0.54             | 0.55             | 0.46          | 0.29             | 1.21       | 0.06            | 0.01         | 0.29         |
| Creating positive business relations is most important for me     | 0.47             | 0.48             | 0.39          | 0.23             | 0.91       | 0.07            | 0.01         | 0.2          |
| I value good relations with others over any task I need to finish | 0.58             | 0.6              | 0.5           | 0.33             | 1.48       | 0.06            | 0            | 0.35         |

Table 4.27 Cronbach's alpha – dimension 2

| <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(sm)</i> | <i>average_r</i> | <i>S/N</i> | <i>ase</i> | <i>mean</i> | <i>SD</i> | <i>Median_r</i> |
|------------------|------------------|---------------|------------------|------------|------------|-------------|-----------|-----------------|
| 0.42             | 0.44             | 0.42          | 0.16             | 0.78       | 0.076      | 3.5         | 0.64      | 0.11            |

Table 4.28 Cronbach's alpha – individual items.

|   | <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(smc)</i> | <i>average_r</i> | <i>S/N</i> | <i>alpha se</i> | <i>var.r</i> | <i>med.r</i> |
|---|------------------|------------------|----------------|------------------|------------|-----------------|--------------|--------------|
| I like to openly communicate my needs and feelings                        | 0.4              | 0.39             | 0.31           | 0.17             | 0.64       | 0.08            | 0.01         | 0.14         |
| Straightforward communication makes it easier to cooperate with others    | 0.31             | 0.3              | 0.25           | 0.13             | 0.43       | 0.09            | 0.03         | 0.06         |
| Political correctness is something I value when communicating with others | 0.38             | 0.4              | 0.35           | 0.18             | 0.66       | 0.09            | 0.04         | 0.14         |
| I prefer to avoid direct conflict with others as much as possible         | 0.35             | 0.38             | 0.33           | 0.17             | 0.63       | 0.09            | 0.03         | 0.08         |

Table 4.29 Cronbach's alpha – dimension 3.

| <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(smc)</i> | <i>average_r</i> | <i>S/N</i> | <i>ase</i> | <i>mean</i> | <i>SD</i> | <i>Median_r</i> |
|------------------|------------------|----------------|------------------|------------|------------|-------------|-----------|-----------------|
| 0.28             | 0.23             | 0.26           | 0.07             | 0.3        | 0.089      | 3.4         | 0.58      | 0.038           |

Table 4.30 Cronbach's alpha – individual items.

|   | <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(smc)</i> | <i>average_r</i> | <i>S/N</i> | <i>alpha se</i> | <i>var.r</i> | <i>med.r</i> |
|---|------------------|------------------|----------------|------------------|------------|-----------------|--------------|--------------|
| I believe everyone should know and follow official code of conduct      | -0.12            | -0.16            | -0.08          | -0.05            | -0.14      | 0.15            | 0.01         | -0.01        |
| It is important to acknowledge other person's social or business status | 0.04             | 0.01             | 0.04           | 0                | 0.01       | 0.13            | 0.03         | 0.04         |
| I prefer when community has a flat hierarchy                            | 0.42             | 0.39             | 0.34           | 0.17             | 0.63       | 0.08            | 0.04         | 0.14         |
| In the office or social life, everyone should be approached as an equal | -0.37            | 0.35             | 0.31           | 0.15             | 0.54       | 0.09            | 0.04         | 0.04         |

Table 4.31 Cronbach's alpha – dimension 4.

| <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(smc)</i> | <i>average_r</i> | <i>S/N</i> | <i>ase</i> | <i>mean</i> | <i>SD</i> | <i>Median_r</i> |
|------------------|------------------|----------------|------------------|------------|------------|-------------|-----------|-----------------|
| 0.25             | 0.26             | 0.27           | 0.082            | 0.36       | 0.096      | 3.6         | 0.53      | 0.066           |

Table 4.32 Cronbach's alpha – individual items.

|  | <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(smc)</i> | <i>average_r</i> | <i>S/N</i> | <i>alpha se</i> | <i>var.r</i> | <i>med.r</i> |
|--|------------------|------------------|----------------|------------------|------------|-----------------|--------------|--------------|
| Being on time is very important for me                 | 0.02             | 0.03             | 0.07           | 0.01             | 0.03       | 0.14            | 0.04         | -0.03        |
| I like having a clear day schedule                     | 0.13             | 0.16             | 0.17           | 0.06             | 0.18       | 0.12            | 0.04         | 0.07         |
| I prefer flexibility in how I manage my time           | -0.3             | 0.31             | 0.26           | 0.13             | 0.46       | 0.1             | 0.02         | 0.16         |
| Timelines can be always moved for meetings or projects | 0.35             | 0.35             | 0.27           | 0.15             | 0.53       | 0.09            | 0.01         | 0.16         |

Table 4.33 Cronbach's alpha – dimension 5.

| <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(smc)</i> | <i>average_r</i> | <i>S/N</i> | <i>ase</i> | <i>mean</i> | <i>SD</i> | <i>Median_r</i> |
|------------------|------------------|----------------|------------------|------------|------------|-------------|-----------|-----------------|
| 0.57             | 0.56             | 0.51           | 0.24             | 1.3        | 0.055      | 3.3         | 0.71      | 0.26            |

Table 4.34 Cronbach's alpha – individual items.

|   | <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(smc)</i> | <i>average_r</i> | <i>S/N</i> | <i>alpha se</i> | <i>var.r</i> | <i>med.r</i> |
|---|------------------|------------------|----------------|------------------|------------|-----------------|--------------|--------------|
| I do not like to show my emotions to others                                     | 0.41             | 0.39             | 0.32           | 0.18             | 0.65       | 0.08            | 0.01         | 0.13         |
| I believe it is important to control how I react to people and situations       | 0.58             | 0.58             | 0.49           | 0.32             | 1.38       | 0.06            | 0.01         | 0.31         |
| I consider showing emotions like fear, sadness, or happiness as a healthy habit | 0.42             | 0.43             | 0.35           | 0.2              | 0.75       | 0.08            | 0.01         | 0.23         |
| I often gesticulate or touch friends during conversations                       | 0.54             | 0.53             | 0.46           | 0.28             | 1.14       | 0.06            | 0.02         | 0.29         |

## 4.3.2.2. Hofstede's VSM scale

All calculations (including the variable coding method) were carried out in accordance with the guidelines contained in the VSM manual (Hofstede & Minkov, 2013). Descriptive statistics for individual items of the scale are available in Table 4.35.

## 4.3.2.2.1. PCA FOR HOFSTEDÉ'S VSM SCALE

VSM scale is a well-researched empirical concept that is used to compare national cultures between countries. In this study, it was used to examine elements of national culture at the individual level. For this reason, it is necessary to check whether the theoretical assumptions are related to the collected data. For this purpose, the first step was to conduct PCA to check in how many dimensions the VSM scale should be decomposed. As shown in Figure 4.10, the first dimension

Table 4.35 Mean values: Hofstede.

|   | <i>n</i> | <i>Mean</i> | <i>SD</i> |
|---|----------|-------------|-----------|
| 1. <i>Have sufficient time for your personal or home life</i>   | 157      | 1.7         | 0.83      |
| 2. <i>Have a boss (direct superior) you can respect</i>   | 157      | 1.7         | 0.8       |
| 3. <i>Get recognition for good performance</i>  | 157      | 1.6         | 0.78      |
| 4. <i>Have security of employment</i>   | 157      | 1.7         | 0.86      |
| 5. <i>Have pleasant people to work with</i>   | 157      | 1.7         | 0.87      |
| 6. <i>Do work that is interesting</i>   | 157      | 1.6         | 0.78      |
| 7. <i>Be consulted by your boss in decisions involving your work</i>  | 157      | 1.9         | 0.87      |
| 8. <i>Live in a desirable area</i>  | 157      | 2.1         | 0.88      |
| 9. <i>Have a job respected by your family and friends</i>   | 157      | 2.9         | 1.26      |
| 10. <i>Have chances for promotion</i>   | 157      | 1.7         | 0.85      |
| 11. <i>Keeping time free for fun</i>  | 157      | 1.8         | 0.77      |
| 12. <i>Moderation: Having few desires</i>   | 157      | 2.6         | 0.97      |
| 13. <i>Doing a service to a friend</i>  | 157      | 2.2         | 0.93      |
| 14. <i>Thrift (not spending more than needed)</i>   | 157      | 2.4         | 1.09      |
| 15. <i>How often do you feel nervous or tense?</i>  | 157      | 3.8         | 0.85      |
| 16. <i>Are you a happy person?</i>  | 157      | 3.4         | 0.87      |
| 17. <i>Do other people or circumstances ever prevent you from doing what you really want to?</i>  | 157      | 3           | 0.68      |
| 18. <i>All in all, how would you describe your state of health these days?</i>  | 157      | 2.1         | 0.98      |
| 19. <i>How proud are you to be a citizen of your country?</i>   | 157      | 2.7         | 1.68      |
| 20. <i>How often, in your experience, are subordinates afraid to contradict their boss (or students their teacher)?</i>   | 157      | 4           | 1.09      |
| 21. <i>One can be a good manager without having a precise answer to every question that a subordinate may raise about their work</i>                                  | 157      | 2.3         | 1.08      |
| 22. <i>Persistent efforts are the surest way to results</i>   | 157      | 2.1         | 0.89      |
| 23. <i>An organization structure in which certain subordinates have two bosses should be avoided at all cost</i>  | 157      | 2.9         | 1.17      |
| 24. <i>A company's or organization's rules should not be broken, not even when the employee thinks breaking the rule would be in the organization's best interest</i> | 157      | 2.9         | 1.17      |

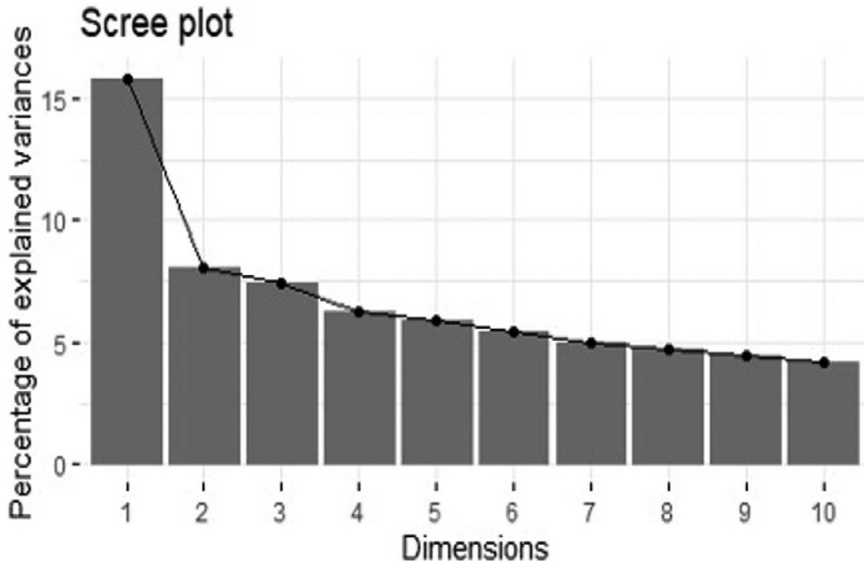


Figure 4.10 Scree plot, PCA, VSM scale.

Table 4.36 Basic statistics for all dimensions, PCA, VSM scale.

|                        | <i>PC1</i>  | <i>PC2</i>  | <i>PC3</i>  | <i>PC4</i>  | <i>PC5</i>  | <i>PC6</i>  | <i>PC7</i>  | <i>PC8</i>  |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Standard deviation     | 1.95        | 1.39        | 1.33        | 1.22        | 1.19        | 1.14        | 1.09        | 1.07        |
| Proportion of variance | 0.16        | 0.08        | 0.07        | 0.06        | 0.06        | 0.05        | 0.05        | 0.05        |
| Cumulative proportion  | 0.16        | 0.24        | 0.31        | 0.38        | 0.43        | 0.49        | 0.54        | 0.59        |
|                        | <i>PC9</i>  | <i>PC10</i> | <i>PC11</i> | <i>PC12</i> | <i>PC13</i> | <i>PC14</i> | <i>PC15</i> | <i>PC16</i> |
| Standard deviation     | 1.03        | 1           | 0.98        | 0.9         | 0.86        | 0.85        | 0.81        | 0.78        |
| Proportion of variance | 0.04        | 0.04        | 0.04        | 0.03        | 0.03        | 0.03        | 0.03        | 0.03        |
| Cumulative proportion  | 0.63        | 0.67        | 0.71        | 0.74        | 0.78        | 0.8         | 0.83        | 0.86        |
|                        | <i>PC17</i> | <i>PC18</i> | <i>PC19</i> | <i>PC20</i> | <i>PC21</i> | <i>PC22</i> | <i>PC23</i> | <i>PC24</i> |
| Standard deviation     | 0.74        | 0.72        | 0.69        | 0.67        | 0.65        | 0.62        | 0.6         | 0.53        |
| Proportion of variance | 0.02        | 0.02        | 0.02        | 0.02        | 0.02        | 0.02        | 0.02        | 0.01        |
| Cumulative proportion  | 0.88        | 0.9         | 0.92        | 0.94        | 0.96        | 0.97        | 0.99        | 1           |

dominates, explaining 16% of the variance in the set. Beginning with the second, successive dimensions explain less than 8% of the variance. The scree plot does not clearly indicate that, in relation to the collected data, the six-dimensional solution suggested by the theory is not optimal (no significant “decline” in the diagram). In addition, basic statistics for all dimensions are available in Table 4.36.

Table 4.37 Cronbach's alpha for all scale items

| <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(sm)</i> | <i>average_r</i> | <i>S/N</i> | <i>ase</i> | <i>mean</i> | <i>SD</i> | <i>Median_r</i> |
|------------------|------------------|---------------|------------------|------------|------------|-------------|-----------|-----------------|
| 0.59             | 0.66             | 0.74          | 0.074            | 1.9        | 0.047      | 2.4         | 0.31      | 0.063           |

## 4.3.2.2.2. RELIABILITY ANALYSIS FOR ALL ITEMS OF THE VSM SCALE

It is worth noting that the performed reliability analysis for all items of the scale clearly shows that the VSM scale reaches the acceptable Cronbach's alpha value (for all items of the scale, the value of this coefficient is 0.66; Table 4.37). However, it is not useful due to its interpretative value, as the VSM scale fully explains the individual elements of national culture because of its decomposition into individual components. In the next step, the reliability analysis for the individual VSM components is performed (Table 4.38). However, it is worth bearing in mind that the PCA analysis clearly shows that it is doubtful that all the elements assumed by VSM would be reflected in the collected data.

## 4.3.2.2.3. RELIABILITY ANALYSIS FOR INDIVIDUAL VSM COMPONENTS

Individual VSM components will be described here in terms of obtained analysis results. In each there are values showed for Cronbach alpha's dimension and its individual items. All calculations are listed next.

*1. Masculinity index* Cronbach's alpha for masculinity turns out to be at an acceptable level (0.65; Table 4.39). It will be used for further analysis.

Since VSM was mainly used as an aggregate at the national level, to calculate individual values of this index for each respondent, it was necessary to consider the information about the respondent's country of origin. Depending on the country from which the respondent came from, one was assigned the appropriate value of the coefficient  $C(mf)$ , an index component. It is worth noting that, in line with the proposed value of this coefficient by Hofstede and Minkov (2013), it has a wide range, depending on the country of origin; for example, the value for Poland is 64, and for the Czech Republic is 57. For the purposes of this study, it was necessary to correct the value of this coefficient for Hungary (from the proposed 88 to 84), so that the final index value was within the recommended range from 0 to 100. Figure 4.11 shows the distribution of the index values for the tested sample.

*2. Power distance index* Cronbach's alpha has 0.14 for power distance dimension (Table 4.41). For specific items within this dimension, it is within the range from 0 to 0.29 (Table 4.42).

*3. Individualism index* Cronbach's alpha has 0.36 for individualism dimension (Table 4.43). For specific items within this dimension, it is within the range from 0.19 to 0.4 (Table 4.44).

Table 4.38 Cronbach's alpha – individual items

|  | <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(smc)</i> | <i>average_r</i> | <i>S/N</i> | <i>alpha se</i> | <i>var.r</i> | <i>med.r</i> |
|--|------------------|------------------|----------------|------------------|------------|-----------------|--------------|--------------|
| 1. Have sufficient time for your personal or home life   | 0.58             | 0.65             | 0.73           | 0.07             | 1.8        | 0.05            | 0.02         | 0.06         |
| 2. Have a boss (direct superior) you can respect   | 0.57             | 0.64             | 0.72           | 0.07             | 1.8        | 0.05            | 0.02         | 0.06         |
| 3. Get recognition for good performance  | 0.56             | 0.62             | 0.7            | 0.07             | 1.6        | 0.05            | 0.02         | 0.06         |
| 4. Have security of employment   | 0.57             | 0.64             | 0.72           | 0.07             | 1.8        | 0.05            | 0.02         | 0.06         |
| 5. Have pleasant people to work with   | 0.55             | 0.62             | 0.7            | 0.07             | 1.6        | 0.05            | 0.02         | 0.06         |
| 6. Do work that is interesting   | 0.56             | 0.62             | 0.71           | 0.07             | 1.7        | 0.05            | 0.02         | 0.06         |
| 7. Be consulted by your boss in decisions involving your work  | 0.56             | 0.62             | 0.71           | 0.07             | 1.6        | 0.05            | 0.02         | 0.05         |
| 8. Live in a desirable area  | 0.57             | 0.63             | 0.72           | 0.07             | 1.7        | 0.05            | 0.02         | 0.06         |
| 9. Have a job respected by your family and friends   | 0.58             | 0.65             | 0.73           | 0.08             | 1.9        | 0.05            | 0.02         | 0.06         |
| 10. Have chances for promotion   | 0.55             | 0.62             | 0.71           | 0.07             | 1.6        | 0.05            | 0.02         | 0.06         |
| 11. Keeping time free for fun  | 0.57             | 0.63             | 0.72           | 0.07             | 1.7        | 0.05            | 0.02         | 0.06         |
| 12. Moderation: having few desires   | 0.58             | 0.65             | 0.73           | 0.07             | 1.8        | 0.05            | 0.02         | 0.06         |
| 13. Doing a service to a friend  | 0.59             | 0.65             | 0.73           | 0.08             | 1.9        | 0.05            | 0.02         | 0.06         |
| 14. Thrift (not spending more than needed)   | 0.58             | 0.65             | 0.73           | 0.07             | 1.8        | 0.05            | 0.02         | 0.07         |
| 15. How often do you feel nervous or tense?  | 0.6              | 0.66             | 0.74           | 0.08             | 1.9        | 0.05            | 0.02         | 0.06         |
| 16. Are you a happy person?  | 0.6              | 0.66             | 0.74           | 0.08             | 2          | 0.05            | 0.02         | 0.07         |
| 17. Do other people or circumstances ever prevent you from doing what you really want to?  | 0.6              | 0.67             | 0.74           | 0.08             | 2          | 0.05            | 0.02         | 0.07         |
| 18. All in all, how would you describe your state of health these days?  | 0.61             | 0.67             | 0.75           | 0.08             | 2.1        | 0.05            | 0.02         | 0.07         |
| 19. How proud are you to be a citizen of your country?   | 0.64             | 0.68             | 0.75           | 0.08             | 2.1        | 0.04            | 0.02         | 0.07         |
| 20. How often, in your experience, are subordinates afraid to contradict their boss (or students their teacher)?   | 0.61             | 0.67             | 0.74           | 0.08             | 2          | 0.05            | 0.02         | 0.07         |
| 21. One can be a good manager without having a precise answer to every question that a subordinate may raise about their work                                  | 0.6              | 0.66             | 0.74           | 0.08             | 1.9        | 0.05            | 0.02         | 0.06         |
| 22. Persistent efforts are the surest way to results   | 0.57             | 0.64             | 0.72           | 0.07             | 1.8        | 0.05            | 0.02         | 0.06         |
| 23. An organization structure in which certain subordinates have two bosses should be avoided at all cost  | 0.61             | 0.67             | 0.74           | 0.08             | 2          | 0.05            | 0.02         | 0.07         |
| 24. A company's or organization's rules should not be broken, not even when the employee thinks breaking the rule would be in the organization's best interest | 0.59             | 0.66             | 0.74           | 0.08             | 1.9        | 0.05            | 0.02         | 0.07         |



Table 4.39 Cronbach's alpha for masculinity dimension.

| <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(sm)</i> | <i>average_r</i> | <i>S/N</i> | <i>ase</i> | <i>mean</i> | <i>SD</i> | <i>Median_r</i> |
|------------------|------------------|---------------|------------------|------------|------------|-------------|-----------|-----------------|
| 0.65             | 0.65             | 0.61          | 0.32             | 1.9        | 0.046      | 1.8         | 0.59      | 0.32            |

Table 4.40 Cronbach's alpha – individual items

|   | <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(sm)</i> | <i>average_r</i> | <i>S/N</i> | <i>alpha se</i> | <i>var.r</i> | <i>med.r</i> |
|---|------------------|------------------|---------------|------------------|------------|-----------------|--------------|--------------|
| 5. Have pleasant people to work with    | 0.59             | 0.59             | 0.53          | 0.32             | 1.4        | 0.06            | 0.03         | 0.31         |
| 3. Get recognition for good performance | 0.53             | 0.54             | 0.44          | 0.28             | 1.2        | 0.06            | 0.01         | 0.31         |
| 10. Have chances for promotion          | 0.5              | 0.51             | 0.43          | 0.25             | 1          | 0.07            | 0.02         | 0.18         |
| 8. Live in a desirable area             | 0.69             | 0.69             | 0.61          | 0.43             | 2.2        | 0.04            | 0.01         | 0.43         |

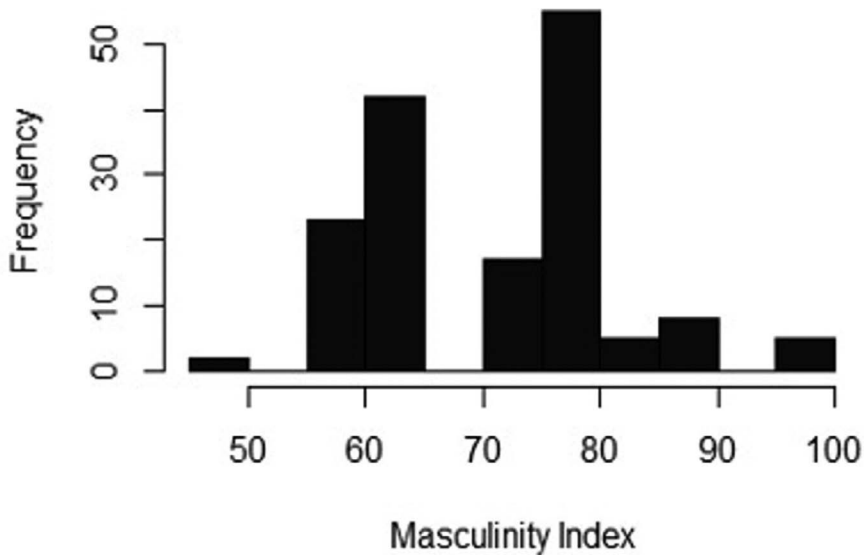


Figure 4.11 Histogram: Masculinity index.

Table 4.41 Cronbach's alpha for power distance dimension.

| <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(sm)</i> | <i>average_r</i> | <i>S/N</i> | <i>ase</i> | <i>mean</i> | <i>SD</i> | <i>Median_r</i> |
|------------------|------------------|---------------|------------------|------------|------------|-------------|-----------|-----------------|
| 0.079            | 0.14             | 0.15          | 0.039            | 0.16       | 0.12       | 2.6         | 0.51      | 0.047           |

Table 4.42 Cronbach's alpha – individual items.

|  | <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(sm)</i> | <i>average_r</i> | <i>S/N</i> | <i>alpha</i><br><i>se</i> | <i>var.r</i> | <i>med.r</i> |
|--|------------------|------------------|---------------|------------------|------------|---------------------------|--------------|--------------|
| 7. Be consulted by your boss in decisions involving your work  | -0.19            | -0.17            | -0.1          | -0.05            | -0.14      | 0.16                      | 0.01         | -0.07        |
| 2. Have a boss (direct superior) you can respect   | -0.03            | 0                | 0.02          | 0                | 0          | 0.14                      | 0.01         | 0.06         |
| 20. How often, in your experience, are subordinates afraid to contradict their boss (or students their teacher)? | 0.25             | 0.29             | 0.23          | 0.12             | 0.41       | 0.1                       | 0.02         | 0.06         |
| 23. An organization structure in which certain subordinates have two bosses should be avoided at all cost        | 0.18             | 0.22             | 0.19          | 0.08             | 0.27       | 0.11                      | 0.03         | 0.06         |

Table 4.43 Cronbach's alpha for individualism dimension.

| <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(sm)</i> | <i>average_r</i> | <i>S/N</i> | <i>ase</i> | <i>mean</i> | <i>SD</i> | <i>Median_r</i> |
|------------------|------------------|---------------|------------------|------------|------------|-------------|-----------|-----------------|
| 0.32             | 0.36             | 0.33          | 0.12             | 0.57       | 0.088      | 2           | 0.55      | 0.15            |

Table 4.44 Cronbach's alpha – individual items.

|  | <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(sm)</i> | <i>average_r</i> | <i>S/N</i> | <i>alpha</i><br><i>se</i> | <i>var.r</i> | <i>med.r</i> |
|--|------------------|------------------|---------------|------------------|------------|---------------------------|--------------|--------------|
| 4. Have security of employment                         | 0.16             | 0.19             | 0.17          | 0.07             | 0.24       | 0.11                      | 0.02         | 0.12         |
| 1. Have sufficient time for your personal or home life | 0.34             | 0.37             | 0.28          | 0.16             | 0.58       | 0.09                      | 0            | 0.18         |

(Continued)

Table 4.44 (Continued)

|  | <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(smc)</i> | <i>average_r</i> | <i>S/N</i> | <i>alpha se</i> | <i>var.r</i> | <i>med.r</i> |
|--|------------------|------------------|----------------|------------------|------------|-----------------|--------------|--------------|
| 9. Have a job respected by your family and friends | 0.4              | 0.4              | 0.31           | 0.18             | 0.65       | 0.08            | 0            | 0.18         |
| 6. Do work that is interesting                     | 0.17             | 0.21             | 0.19           | 0.08             | 0.27       | 0.12            | 0.03         | 0.11         |

Table 4.45 Cronbach's alpha for uncertainty avoidance.

| <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(smc)</i> | <i>average_r</i> | <i>S/N</i> | <i>ase</i> | <i>mean</i> | <i>SD</i> | <i>Median_r</i> |
|------------------|------------------|----------------|------------------|------------|------------|-------------|-----------|-----------------|
| -0.19            | -0.2             | -0.12          | -0.043           | -0.17      | 0.15       | 2.8         | 0.48      | -0.033          |

Table 4.46 Cronbach's alpha – individual items.

|  | <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(smc)</i> | <i>average_r</i> | <i>S/N</i> | <i>alpha se</i> | <i>var.r</i> | <i>med.r</i> |
|--|------------------|------------------|----------------|------------------|------------|-----------------|--------------|--------------|
| 18. All in all, how would you describe your state of health these days?  | -0.27            | -0.28            | -0.15          | -0.08            | -0.22      | 0.17            | 0.02         | -0.11        |
| 15. How often do you feel nervous or tense?  | -0.09            | -0.08            | -0.04          | -0.03            | -0.07      | 0.15            | 0.01         | -0.01        |
| 21. One can be a good manager without having a precise answer to every question that a subordinate may raise about their work                                  | 0.06             | 0.05             | 0.04           | 0.02             | 0.05       | 0.13            | 0            | 0.04         |
| 24. A company's or organization's rules should not be broken, not even when the employee thinks breaking the rule would be in the organization's best interest | -0.3             | -0.32            | -0.18          | -0.09            | -0.24      | 0.18            | 0.01         | -0.06        |

4. *Uncertainty avoidance index* Cronbach's alpha has - 0.2 for this dimension (Table 4.45). For specific items within this dimension, it is within the range from 0.39 to 0.58 (Table 4.46). What is more, most of variables are negatively correlated.

5. *Long-term orientation index* Cronbach's alpha has 0.12 for this dimension (Table 4.47). For specific items within this dimension, it is within the range from -0.1 to 0.28 (Table 4.48).

6. *Indulgence versus restraint index* Cronbach's alpha has 0.078 for this dimension (Table 4.49). For specific items within this dimension, it is within the range from -0.04 to 0.1 (Table 4.50).

Table 4.47 Cronbach's alpha for long-term orientation dimension.

| <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(smc)</i> | <i>average_r</i> | <i>S/N</i> | <i>ase</i> | <i>mean</i> | <i>SD</i> | <i>Median_r</i> |
|------------------|------------------|----------------|------------------|------------|------------|-------------|-----------|-----------------|
| 0.06             | 0.12             | 0.12           | 0.034            | 0.14       | 0.12       | 2.4         | 0.61      | 0.08            |

Table 4.48 Cronbach's alpha – individual items.

|  | <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(smc)</i> | <i>average_r</i> | <i>S/N</i> | <i>alpha se</i> | <i>var.r</i> | <i>med.r</i> |
|--|------------------|------------------|----------------|------------------|------------|-----------------|--------------|--------------|
| 13. Doing a service to a friend                      | 0                | 0.01             | 0.03           | 0                | 0.01       | 0.13            | 0.02         | 0.08         |
| 14. Thrift (not spending more than needed)           | -0.17            | -0.1             | -0.04          | -0.03            | -0.09      | 0.15            | 0.02         | -0.07        |
| 14. Thrift (not spending more than needed)           | 0.27             | 0.28             | 0.2            | 0.11             | 0.38       | 0.1             | 0            | 0.13         |
| 22. Persistent efforts are the surest way to results | 0.1              | 0.13             | 0.11           | 0.05             | 0.15       | 0.12            | 0.01         | 0.08         |

Table 4.49 Cronbach's alpha for indulgence versus restraint dimension.

| <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(smc)</i> | <i>average_r</i> | <i>S/N</i> | <i>ase</i> | <i>mean</i> | <i>SD</i> | <i>Median_r</i> |
|------------------|------------------|----------------|------------------|------------|------------|-------------|-----------|-----------------|
| 0.085            | 0.078            | 0.074          | 0.021            | 0.085      | 0.12       | 2.7         | 0.43      | 0.017           |

Table 4.50 Cronbach's alpha – individual items.

|                                    | <i>raw_alpha</i> | <i>std.alpha</i> | <i>G6(smc)</i> | <i>average_r</i> | <i>S/N</i> | <i>alpha se</i> | <i>var.r</i> | <i>med.r</i> |
|------------------------------------|------------------|------------------|----------------|------------------|------------|-----------------|--------------|--------------|
| 12. Moderation: Having few desires | -0.04            | -0.04            | -0.02          | -0.01            | -0.04      | 0.14            | 0.01         | -0.05        |
| 11. Keeping time free for fun      | 0.08             | 0.1              | 0.07           | 0.04             | 0.11       | 0.13            | 0            | 0.05         |

(Continued)

Table 4.50 (Continued)

|   | <i>raw_</i><br><i>alpha</i> | <i>std.</i><br><i>alpha</i> | <i>G6(sm)</i> | <i>average_r</i> | <i>S/N a</i> | <i>lpha</i><br><i>se</i> | <i>var.r</i> | <i>med.r</i> |
|---|-----------------------------|-----------------------------|---------------|------------------|--------------|--------------------------|--------------|--------------|
| 17. Do other people or circumstances ever prevent you from doing what you really want to? | 0.06                        | 0.06                        | 0.05          | 0.02             | 0.07         | 0.13                     | 0.01         | -0.02        |
| 16. Are you a happy person?   | 0.14                        | 0.11                        | 0.09          | 0.04             | 0.13         | 0.11                     | 0.01         | 0.05         |

4.3.2.2.4. RESEARCH QUESTION: HOW THE NATIONAL AND BUSINESS CULTURES AFFECT GM IN THE BPO INDUSTRY AT VARIOUS LEVELS IN THE ORGANIZATION (EMPLOYEE VS. MANAGER)

The primary research technique to answer this research question will be regression analysis. Before starting the analysis, the main assumptions of the regression analysis were checked (normality of the distribution of variables – no large correlation between the variables, assumption of linearity – please see the Annex). In each case, the independent variable was the GM: conceptualization or contextualization scale.

Firstly, analyses are described with regard to GM and Gesteland's scale (business culture) among employees and managers. As a next step, GM is analyzed within manager and employee group with respect to national culture (VSM scale). In addition, it is discussed how nationality can affect GM.

*4.3.2.2.4.1. GM versus Gesteland among employees* Basic parameters of the model estimation are presented in Table 4.51. The most important from the point of view of how Gesteland affects GM: conceptualization is checking if the *p* value (column: *Pr (> | t |)*) is less than 0.05. Then we can reject the null hypothesis that there is no influence of the predictor on the explained variable. From the estimate column, the value of the statistics is available, which informs about how Gesteland scale influences conceptualization (GM scale). In this case, the relationship is positive: every 1 point more on the Gesteland scale increases the mean value of conceptualization by 0.18. The parameter values under the table show how well the estimated model fits the data. The most important is the value of the  $R^2$  parameter (it informs what percentage of the variance is explained by the model, the closer to 0 the values, the worse the fit to the data, the optimal fit is 1) and the *p* value statistic (whether it is < 0.05). In the given case, we are more interested in the fact whether Gesteland influences conceptualization (whether the result is statistically significant). We are not interested in explaining the complete model (all factors influencing conceptualization), therefore the value of  $R^2$  is secondary.

More important from the point of view of the model evaluation is checking the table from the residual values (Table 4.52). The median is close to 0, which is good

news. This means that the value between the real values and those estimated by the model are minimal. In this case, they are almost close to 0.

Figure 4.12 shows a graphical representation of the residuals. The most important plot is residuals versus fitted. This graph allows to capture a possible bias in the data that could affect the results. In the optimal version, the red line should be horizontal and oscillating around zero. In this case, it is not perfect, but still acceptable. Also, the Q-Q chart deviates slightly from the regular line at its ends.

Table 4.51 Regression model parameters: GM: Conceptualization and Gesteland (dimension 1) for employees.

|             | Estimate | Std. error | t value | Pr (> t ) |     |
|-------------|----------|------------|---------|-----------|-----|
| (Intercept) | 2.43     | 0.18       | 13.52   | < 2e-16   | *** |
| Gesteland_1 | 0.18     | 0.05       | 3.66    | 0         | *** |

Notes: Significant codes: 0 “\*\*\*” 0.001 “\*\*” 0.01 “\*” 0.05 “.” 0.1 “.” 1.  
 Residual standard error: 0.2958 on 106 degrees of freedom.  
 Multiple R<sup>2</sup>: **0.1123**; Adjusted R<sup>2</sup>: 0.1039  
 F-statistic: 13.41 on 1 and 106 DF, *p* value: **0.0003921**

Table 4.52 Residual values for the model: GM: Conceptualization and Gesteland (dimension 1) for employees.

| Min      | 1Q    | Median | 3Q   | Max  |
|----------|-------|--------|------|------|
| -0.77982 | -0.22 | -0.03  | 0.24 | 0.83 |

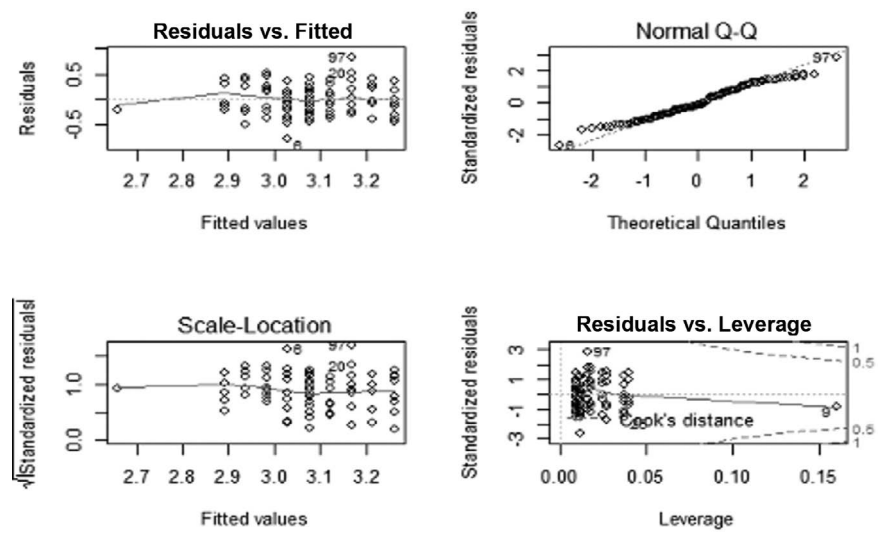


Figure 4.12 Residual values for the model: GM: Conceptualization and Gesteland (dimension 1) for employees

Regarding GM: Contextualization, the  $p$  value for Gesteland (dimension 1) is 0.845, which means that it does not have a statistically significant influence on contextualization (please see Table 4.53).

For contextualization and Gesteland scale, the table from the residual values (Table 4.54) shows the median close to 0. This means that the value between the real values and those estimated by the model are minimal – they are almost close to 0. In Figure 4.13, the graphical representation of the values is within the acceptable range. The Q-Q chart follows regular line.

Table 4.53 Regression model parameters: GM: Contextualization and Gesteland (dimension 1) for employees.

|             | Estimate | Std. error | t value | Pr (> t ) |     |
|-------------|----------|------------|---------|-----------|-----|
| (Intercept) | 2.891285 | 0.17114    | 16.894  | <2e-16    | *** |
| Gesteland_1 | 0.009382 | 0.047901   | 0.196   | 0.845     |     |

Notes: Significant codes: 0 “\*\*\*\*” 0.001 “\*\*\*” 0.01 “\*\*” 0.05 “.” 0.1 “.” 1.  
 Residual standard error: 0.2815 on 106 degrees of freedom.  
 Multiple  $R^2$ : **0.0003618**; Adjusted  $R^2$ : -0.009069  
 F-statistic: 0.03836 on 1 and 106 DF,  $p$  value: **0.845**

Table 4.54 Residual values for the model: GM: Contextualization and Gesteland (dimension 1) for employees.

| Min      | IQ    | Median | 3Q   | Max  |
|----------|-------|--------|------|------|
| -0.98906 | -0.14 | 0.02   | 0.19 | 0.63 |

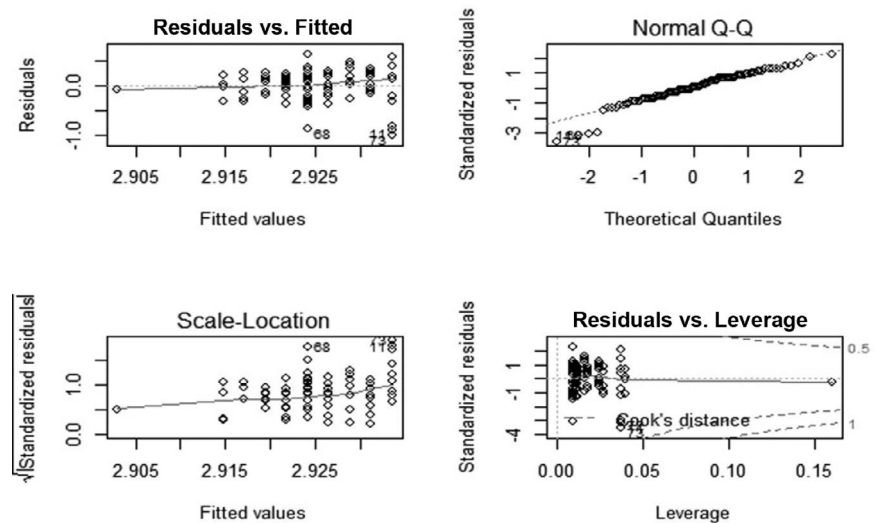


Figure 4.13 Residual values for the model: GM: Contextualization and Gesteland (dimension 1) for employees.

4.3.2.2.4.2. *GM versus Gesteland among managers* In the group of managers, we can also observe that Gesteland (dimension 1) influences GM: Conceptualization. However, we can confirm the existence of this relationship with a slightly less certainty, as the  $p$  value for this parameter is 0.01. Also in this case, we observe a positive relationship: each 1 point more on the Gesteland scale increases the mean value of conceptualization by 0.12. The  $R^2$  value is just 0.07 and the  $p$  value is 0.06, (significance at 0.9; Table 4.55).

Table presenting values of the residues (Table 4.56) indicates that they are close to 0, which is a good fit. The value of the residuals versus fitted chart is not close to the ideal, however, as it contains a slight deviation (a slight “hill” in the chart), which confirms the relationship at a lower level of significance (Figure 4.14).

Gesteland (dimension 1) also influences GM: Contextualization in the group of managers. The  $p$  value for the Gesteland (dimension 1) is 0.01. Once again, we can

Table 4.55 Regression model parameters: GM: Conceptualization and Gesteland (dimension 1) for managers.

|             | Estimate | Std. error | t value | Pr (> t ) |     |
|-------------|----------|------------|---------|-----------|-----|
| (Intercept) | 2.7      | 0.23       | 11.81   | 0         | *** |
| Gesteland_1 | 0.12     | 0.06       | 1.94    | 0.06      | .   |

Notes: Significant codes: 0 “\*\*\*” 0.001 “\*\*” 0.01 “\*” 0.05 “.” 0.1 “.” 1.  
 Residual standard error: 0.2702 on 47 degrees of freedom.  
 Multiple  $R^2$ : **0.07411**; Adjusted  $R^2$ : 0.05441  
 F-statistic: 3.762 on 1 and 47 DF,  $p$  value: **0.05844**.

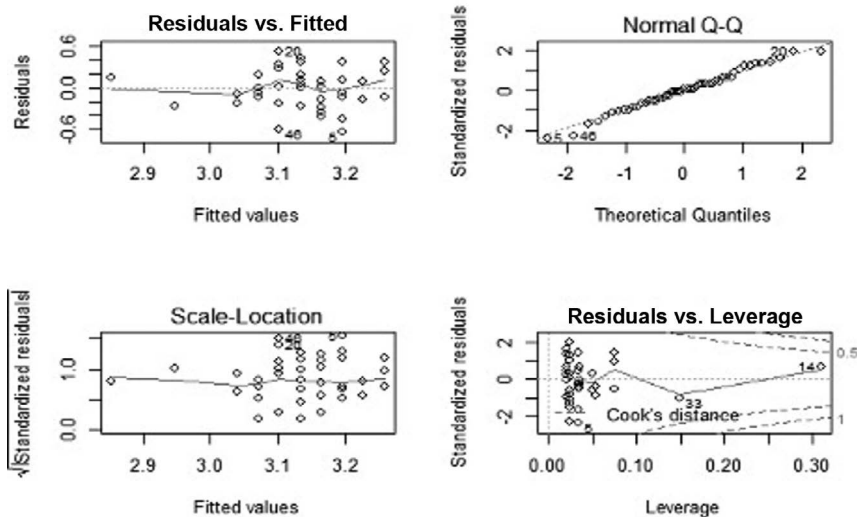


Figure 4.14 Residual values for the model: GM: Conceptualization and Gesteland (dimension 1) for managers.



observe a positive relationship: every 1 point more on the Gesteland scale increases the average contextualization value by 0.21. The  $R^2$  value is 0.15 and the  $p$  value is 0.006 (Table 4.57).

Table 4.58 with the residue values indicates that they are close to 0, which is a good fit. However, the value of the residuals versus fitted chart is not close to the ideal, as it contains a slight deviation (a small “hill” in the chart; Figure 4.15).

Table 4.56 Residual values for the model: GM: Conceptualization and Gesteland (dimension 1) for managers.

| Min      | <i>IQ</i> | Median | <i>3Q</i> | Max  |
|----------|-----------|--------|-----------|------|
| -0.63291 | -0.16     | 0.02   | 0.15      | 0.52 |

Table 4.57 Regression model parameters: GM: Contextualization and Gesteland (dimension 1) for managers.

|             | Estimate | Std. error | t value | Pr (> t ) |     |
|-------------|----------|------------|---------|-----------|-----|
| (Intercept) | 2.35     | 0.26       | 9.17    | 0         | *** |
| Gesteland_1 | 0.21     | 0.07       | 2.91    | 0.01      | **  |

Notes: Significant codes: 0 “\*\*\*” 0.001 “\*\*” 0.01 “\*” 0.05 “.” 0.1 “.” 1.  
 Residual standard error: 0.3031 on 47 degrees of freedom.  
 Multiple  $R^2$ : **0.1522**; Adjusted  $R^2$ : 0.1342.  
 F-statistic: 8.438 on 1 and 47 DF,  $p$  value: **0.005585**.

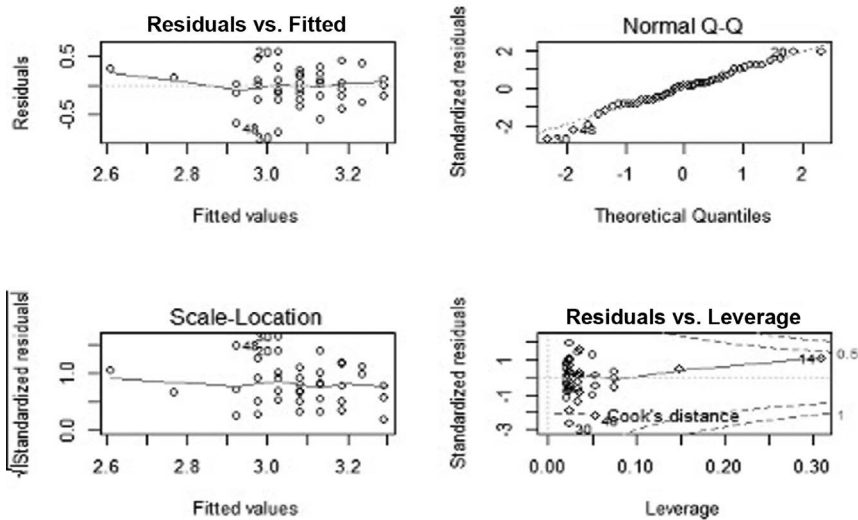


Figure 4.15 Residual values for the model: GM: Contextualization and Gesteland (dimension 1) for managers.

4.3.2.2.4.3. *GM versus Hofstede among managers* The following results can be found for Hofstede VSM scale and GM dimensions within the tested scale among managers' community – first conceptualization is discussed, followed by contextualization.

VSM: The Masculinity Index (MAS) has no impact on the GM (conceptualization) among managers. There is no linear relationship between the mentioned variables (please see scatter plot – Figure 4.16) and no statistical significance for this parameter (please see Tables 4.59 and 4.60 and Figure 4.17).

VSM: The Masculinity Index (MAS) has no impact on the GM (contextualization) among managers. There is no linear relationship between mentioned variables (please see scatter plot – Figure 4.18) and no statistical significance for this parameter (please see Tables 4.61 and 4.62 and Figure 4.19).

Table 4.58 Residual values for the model: GM: Contextualization and Gesteland (dimension 1) for managers.

| <i>Min</i> | <i>1Q</i> | <i>Median</i> | <i>3Q</i> | <i>Max</i> |
|------------|-----------|---------------|-----------|------------|
| -0.80631   | -0.19     | 0.03          | 0.2       | 0.58       |

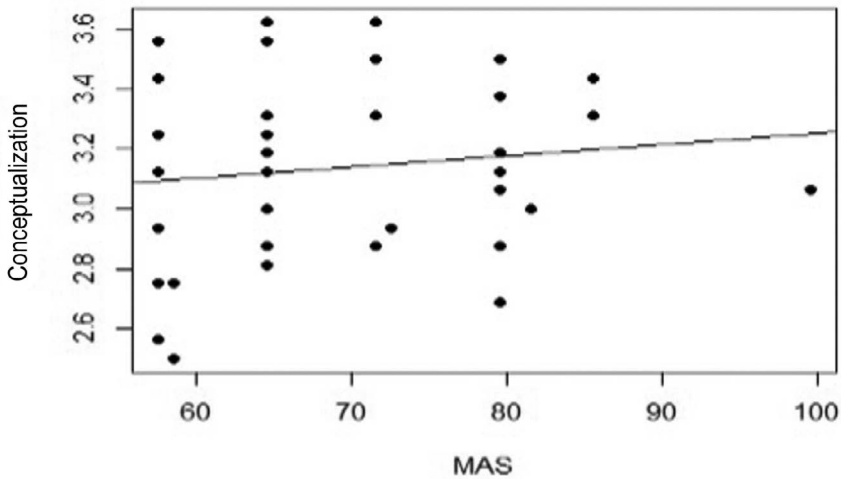


Figure 4.16 Relationship between GM: Conceptualization and VSM: Masculinity Index with an overlaid regression line – managers.

Table 4.59 Residual values for the model: GM: Conceptualization and VSM: Masculinity (dimension 1) for managers.

| <i>Min</i> | <i>1Q</i> | <i>Median</i> | <i>3Q</i> | <i>Max</i> |
|------------|-----------|---------------|-----------|------------|
| -0.59525   | -0.21     | 0.01          | 0.17      | 0.51       |

Table 4.60 Regression model parameters: GM: Conceptualization and VSM: Masculinity (dimension 1; MAS) for managers

|             | Estimate | Std. error | t value | Pr (> t ) |     |
|-------------|----------|------------|---------|-----------|-----|
| (Intercept) | 2.87     | 0.29       | 9.84    | 0         | *** |
| MAS         | 0        | 0          | 0.91    | 0.37      |     |

Notes: Significant codes: 0 “\*\*\*\*” 0.001 “\*\*\*” 0.01 “\*\*” 0.05 “.” 0.1 “.” 1.  
 Residual standard error: 0.2783 on 47 degrees of freedom.  
 Multiple R<sup>2</sup>: 0.01739; Adjusted R<sup>2</sup>: -0.003514.  
 F-statistic: 0.

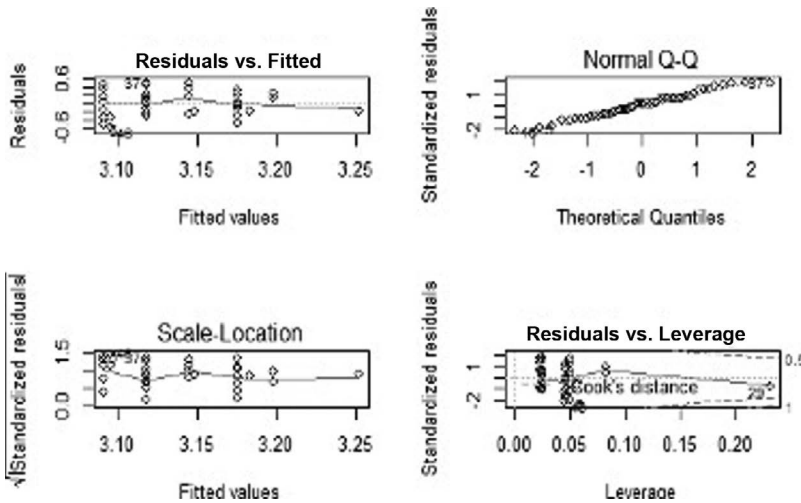


Figure 4.17 Residual values for the model – GM: Conceptualization and VSM: Masculinity (dimension 1) for managers.

Table 4.61 Regression model parameters: GM: Contextualization and VSM: Masculinity (dimension 1) for managers.

|             | Estimate | Std. error | t value | Pr (> t ) |     |
|-------------|----------|------------|---------|-----------|-----|
| (Intercept) | 2.8938   | 0.343869   | 8.415   | 6.15E-11  | *** |
| MAS         | 0.002752 | 0.004932   | 0.558   | 0.579     |     |

Notes: Significant codes: 0 “\*\*\*\*” 0.001 “\*\*\*” 0.01 “\*\*” 0.05 “.” 0.1 “.” 1.  
 Residual standard error: 0.3281 on 47 degrees of freedom.  
 Multiple R<sup>2</sup>: 0.006582; Adjusted R<sup>2</sup>: -0.01455.  
 F-statistic: 0.3114 on 1 and 47 DF, p value: 0.5795.

4.3.2.2.4.4. GM vs Hofstede among employees VSM: The Masculinity Index (MAS) has no impact on the GM (conceptualization) among managers. There is no linear relationship between mentioned variables (please see scatter plot – Figure 4.20) and no statistical significance for this parameter (please see Tables 4.63 and 4.64 and Figure 4.21).

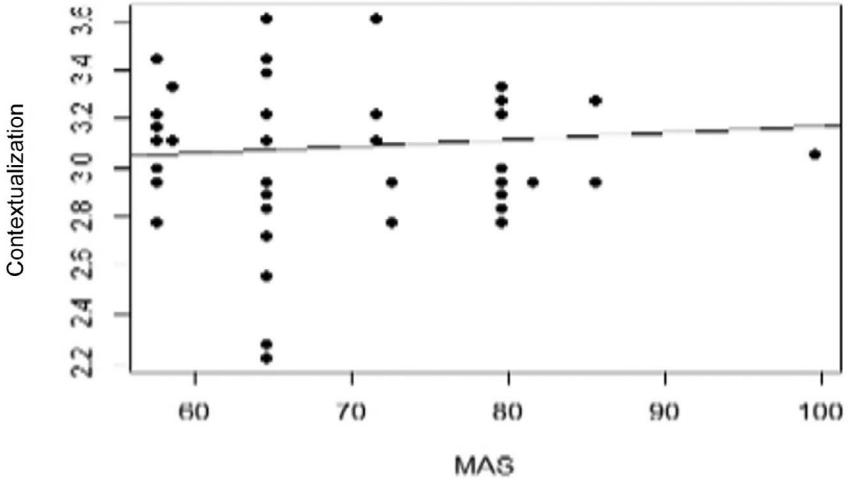


Figure 4.18 Relationship between GM: Contextualization and VSM: Masculinity Index with an overlaid regression line – managers.

Table 4.62 Residual values for the model – GM: Contextualization and VSM: Masculinity (dimension 1) for managers.

| Min      | IQ       | Median  | 3Q      | Max     |
|----------|----------|---------|---------|---------|
| -0.84938 | -0.18495 | 0.02025 | 0.16989 | 0.53951 |

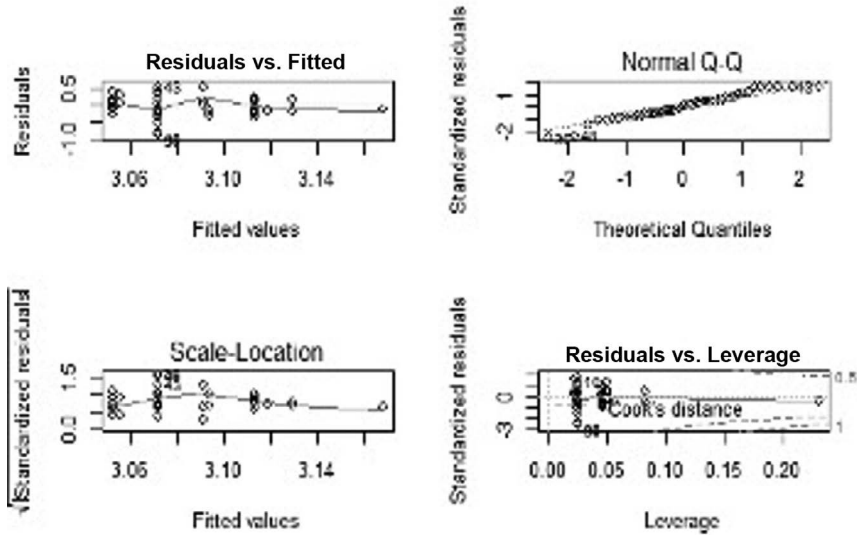


Figure 4.19 Residual values for the model – GM: Contextualization and VSM: Masculinity (dimension 1) for managers.

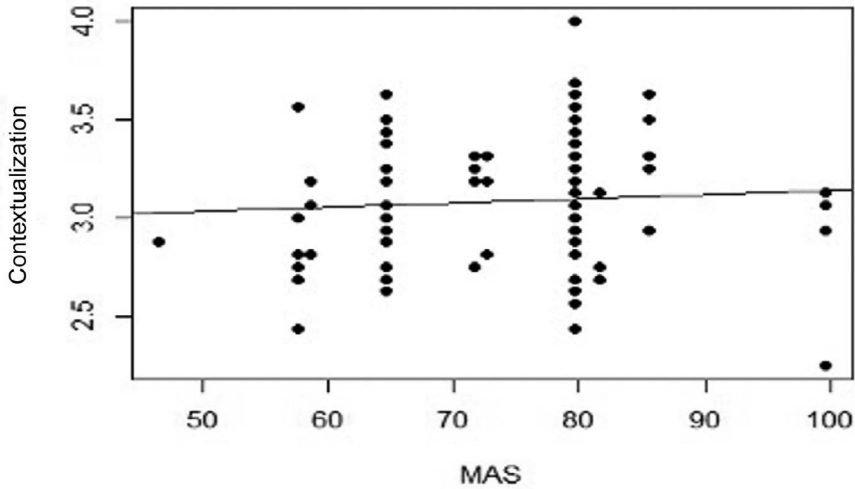


Figure 4.20 Relationship between GM: Conceptualization and VSM (dimension 1) with an overlaid regression line – employees.

Table 4.63 Regression model parameters – GM: Conceptualization and VSM: Masculinity (dimension 1) for employees.

|             | <i>Estimate</i> | <i>Std. error</i> | <i>t value</i> | <i>Pr (&gt; t )</i> |     |
|-------------|-----------------|-------------------|----------------|---------------------|-----|
| (Intercept) | 2.929009        | 0.212609          | 13.776         | <2e-16              | *** |
| MAS         | 0.002066        | 0.002861          | 0.722          | 0.472               |     |

Notes: Significant codes: 0 “\*\*\*\*” 0.001 “\*\*\*” 0.01 “\*\*” 0.05 “.” 0.1 “.” 1.

Residual standard error: 0.3132 on 106 degrees of freedom.

Multiple  $R^2$ : 0.004897; Adjusted  $R^2$ : -0.00449.

$F$ -statistic: 0.5217 on 1 and 106  $DF$ ,  $p$  value: 0.4717.

Table 4.64 Residual values for the model – GM: Conceptualization and VSM: Masculinity (dimension 1) for employees.

| <i>Min</i> | <i>IQ</i> | <i>Median</i> | <i>3Q</i> | <i>Max</i> |
|------------|-----------|---------------|-----------|------------|
| -0.8848    | -0.2185   | 0.0124        | 0.2097    | 0.9065     |

VSM: Masculinity Index (MAS) has very little impact on GM: Contextualization among employees since  $p$  value for this parameter is 0.1. Hence the value of this impact is almost minimal – 1 point of MAS increase causes only 0.004 in GM: Contextualization. There is no linear relationship between mentioned variables (please see scatter plot – Figure 4.22, and Tables 4.65 and 4.66; Figure 4.23).

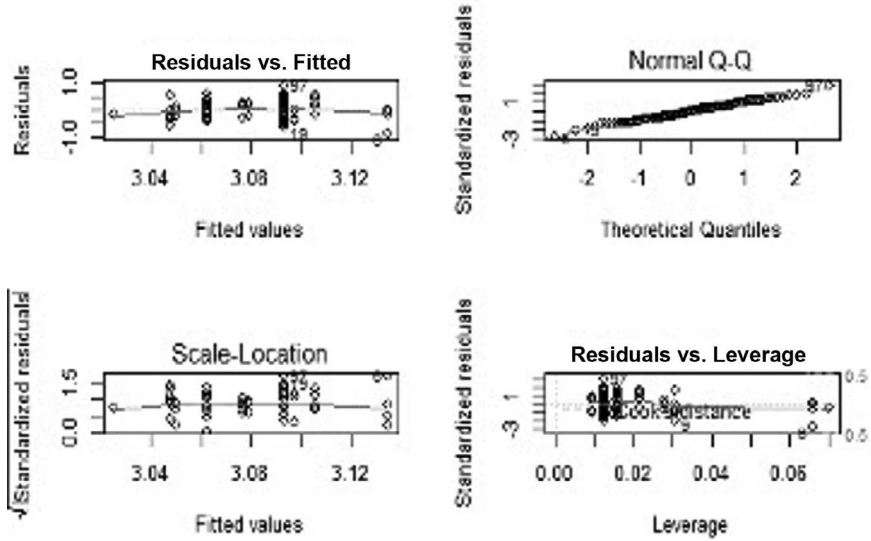


Figure 4.21 Residual values for the model – GM: Conceptualization and VSM: Masculinity (dimension 1) for employees

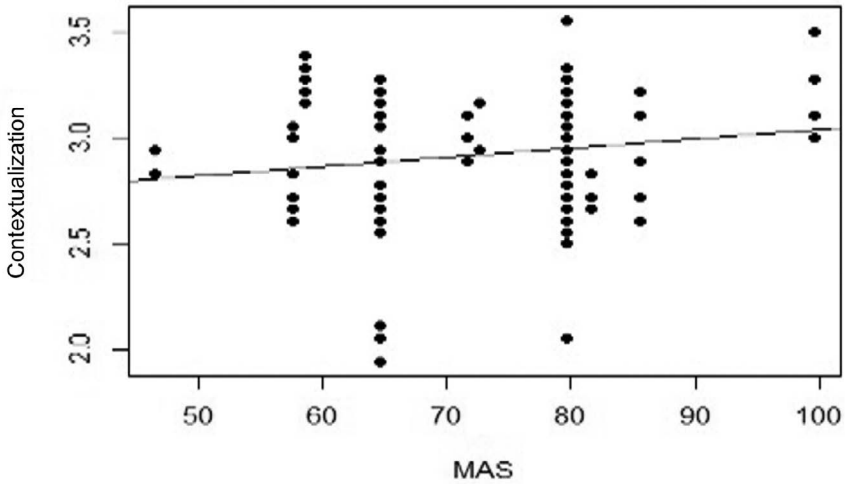


Figure 4.22 Residual values for the model – GM: Contextualization and VSM: Masculinity (dimension 1) for employees.

4.3.2.2.4.5. *Is country of origin affecting GM?* The country of origin (nationality) differentiates GM, in case of both contextualization and conceptualization, but on a slightly different level. The undeniable influence of the country (statistical significance at the level of 0.95) is noticeable in the case of contextualization. The highest

Table 4.65 Regression model parameters: GM: Contextualization and VSM: Masculinity (dimension 1) for employees.

|             | Estimate | Std. error | t value | Pr (> t ) |     |
|-------------|----------|------------|---------|-----------|-----|
| (Intercept) | 2.605992 | 0.188587   | 13.819  | <2e-16    | *** |
| MAS         | 0.004328 | 0.002538   | 1.706   | 0.091     | .   |

Notes: Significant codes: 0 “\*\*\*\*” 0.001 “\*\*\*” 0.01 “\*\*” 0.05 “.” 0.1 “.” 1. Residual standard error: 0.2778 on 106 degrees of freedom. Multiple R<sup>2</sup>: 0.02671; Adjusted R<sup>2</sup>: 0.01753. F-statistic: 2.909 on 1 and 106 DF, p value: 0.09103

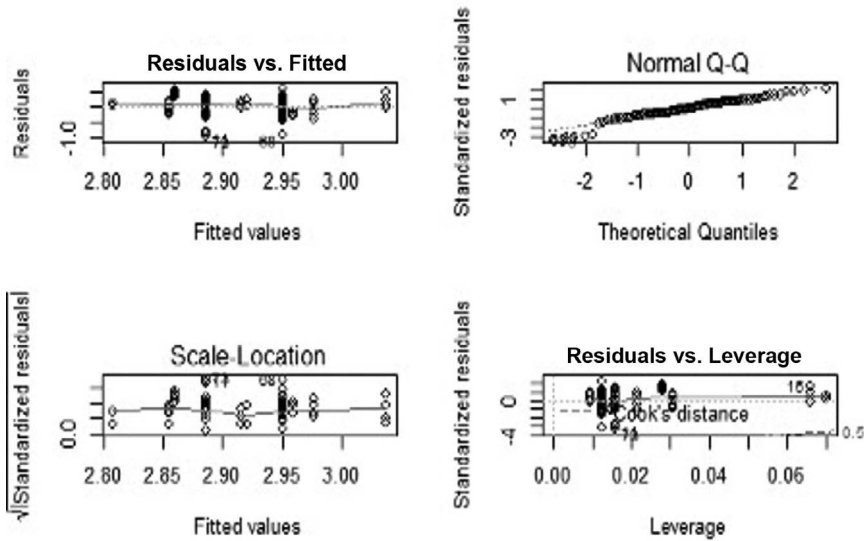


Figure 4.23 Residual values for the model – GM: Contextualization and VSM: Masculinity (dimension 1) for employees.

Table 4.66 Residual values for the model – GM: Contextualization and VSM: Masculinity (dimension 1) for employees

| Min     | 1Q     | Median | 3Q     | Max   |
|---------|--------|--------|--------|-------|
| -0.9412 | 0.1406 | 0.0033 | 0.1952 | 0.605 |

average is those coming from India (3.3) and Hungary (3.19), and the lowest from the United Kingdom (2.6) and Germany (2.8). Country of origin also influences conceptualization, but here only at the level 0.9. More details can be found in Table 4.67.

Being an expat has no effect on GM, in terms of both conceptualization and contextualization as shown in Table 4.68.

Table 4.67 ANOVA results: Country of origin versus GM.

| <i>Independent variable</i>       | <i>n</i> | <i>Mean</i> | <i>SD</i> | <i>Significance (p value)</i> |
|-----------------------------------|----------|-------------|-----------|-------------------------------|
| <b>Country: Conceptualization</b> |          |             |           |                               |
| Czech Republic                    | 5        | 3.04        | 1.38      | 0.0191*                       |
| France                            | 7        | 2.92        | 1.63      |                               |
| Germany                           | 5        | 2.94        | 1.47      |                               |
| Other                             | 16       | 3.16        | 1.36      |                               |
| Hungary                           | 5        | 2.89        | 1.53      |                               |
| India                             | 12       | 3.28        | 1.16      |                               |
| Italy                             | 8        | 3.36        | 1.43      |                               |
| Poland                            | 55       | 3.1         | 1.28      |                               |
| Spain and Portugal                | 5        | 2.84        | 1.27      |                               |
| Romania                           | 13       | 3.07        | 1.26      |                               |
| United Kingdom                    | 16       | 3.04        | 1.33      |                               |
| Ukraine                           | 10       | 3.14        | 1.26      |                               |
| <b>Country: Contextualization</b> |          |             |           |                               |
| Czech Republic                    | 5        | 2.96        | 1.24      | 0.000**                       |
| France                            | 7        | 3.26        | 1.41      |                               |
| Germany                           | 5        | 2.8         | 1.53      |                               |
| Other                             | 16       | 3.08        | 1.48      |                               |
| Hungary                           | 5        | 3.19        | 1.39      |                               |
| India                             | 12       | 3.3         | 1.14      |                               |
| Italy                             | 8        | 2.96        | 1.5       |                               |
| Poland                            | 55       | 2.97        | 1.41      |                               |
| Spain and Portugal                | 5        | 2.96        | 1.48      |                               |
| Romania                           | 13       | 2.92        | 1.26      |                               |
| United Kingdom                    | 16       | 2.6         | 1.32      |                               |
| Ukraine                           | 10       | 2.91        | 1.54      |                               |

Note: \* Significant at the level of 0.9; \*\* significant at the level of 0.95.

Table 4.68 ANOVA results: Expat versus GM.

| <i>Independent variable</i>     | <i>n</i> | <i>Mean</i> | <i>SD</i> | <i>Significance (p value)</i> |
|---------------------------------|----------|-------------|-----------|-------------------------------|
| <b>Expat: Conceptualization</b> |          |             |           |                               |
| An expat                        | 56       | 3.12        | 1.33      | 0.45                          |
| Not an expat                    | 101      | 3.08        | 1.33      |                               |
| <b>Expat: Contextualization</b> |          |             |           |                               |
| An expat                        | 56       | 3.01        | 1.44      | 0.32                          |
| Not an expat                    | 101      | 2.96        | 1.38      |                               |

Note: \* Significant at the level of 0.9; \*\* significant at the level of 0.95.

#### 4.3.3. *Research questions: how do the dimensions of national culture relate to international business behavior? (employee vs. manager)*

There is no clear relationship between international behavior (Gesteland's scale) and Hofstede's MAS dimension (VSM scale) due to no statistical significance and no linear relationship as see on scatter plot (Table 4.69 and Figure 4.24).



Table 4.69 Correlation between variables: MAS and Gesteland (total research sample)

|             | MAS         | Gesteland_1 |
|-------------|-------------|-------------|
| MAS         | 1           | <b>0.42</b> |
| Gesteland_1 | <b>0.42</b> | 1           |

Note:  $N = 157$ ;  $p = 0.1$ .

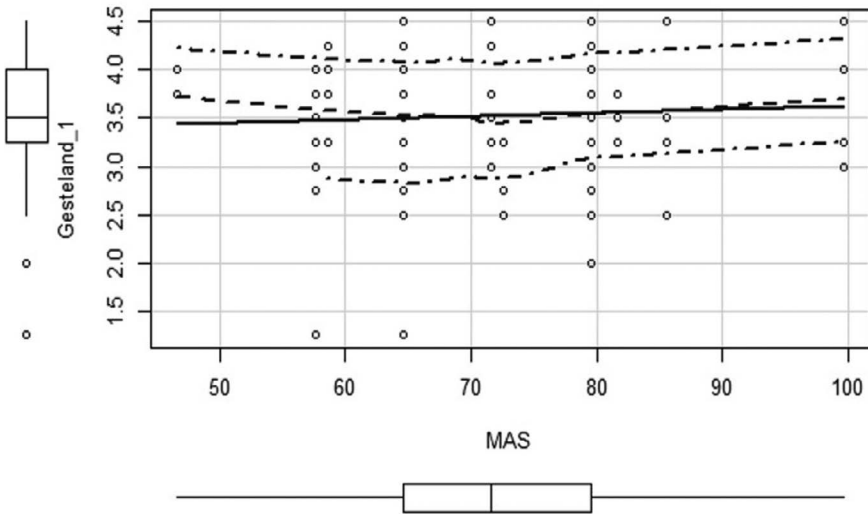


Figure 4.24 Scatter plot: Gesteland (dimension 1) and VSM: Masculinity Index (MAS)

Table 4.70 Regression model parameters – dependent variable: MAS and independent variable: Gesteland (dimension 1) for employees.

|             | Estimate | Std. error | t value | Pr(> t ) |     |
|-------------|----------|------------|---------|----------|-----|
| (Intercept) | 3.083558 | 0.385081   | 8.008   | 1.60E-12 | *** |
| MAS         | 0.006038 | 0.005182   | 1.165   | 0.246    |     |

Notes: Significant codes: 0 “\*\*\*” 0.001 “\*\*” 0.01 “\*” 0.05 “.” 0.1 “.” 1.

Residual standard error: 0.5672 on 106 degrees of freedom.

Multiple  $R^2$ : 0.01265; Adjusted  $R^2$ : 0.003335.

F-statistic: 1.358 on 1 and 106 DF, p value: 0.2465.

Table 4.71 Residual values for the model – MAS and Gesteland (dimension 1) for employees (independent variable: Gesteland (dimension 1)).

| Min      | 1Q       | Median   | 3Q      | Max     |
|----------|----------|----------|---------|---------|
| -2.18139 | -0.31423 | -0.06423 | 0.39772 | 1.02634 |

Additionally, regression models were tested for manager and employee communities – results show no statistical significance in both directions of the impact. Starting from employees' specific results can be observed in Tables 4.70 to 4.73 and Figures 4.25 and 4.26. Analyses that relate to managers' community can be observed in Tables 4.75 to 4.77 and Figures 4.27 and 4.28.

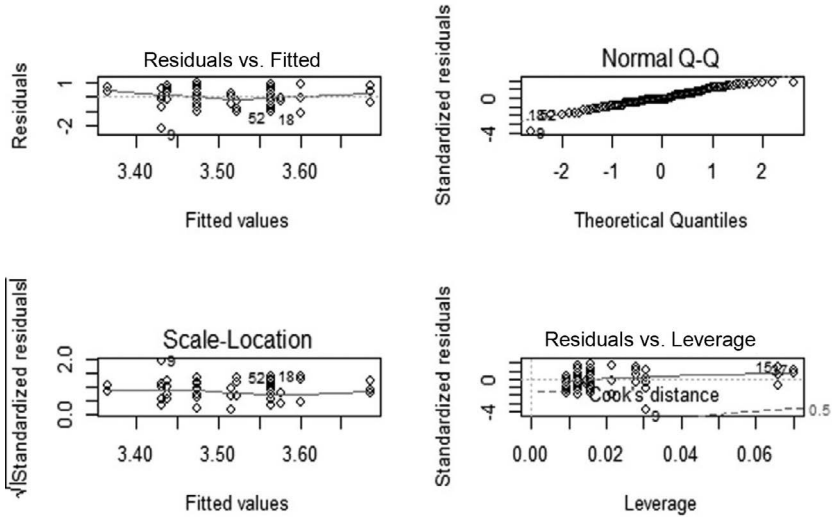


Figure 4.25 Residual values for the model – MAS and Gesteland (dimension 1) for employees.

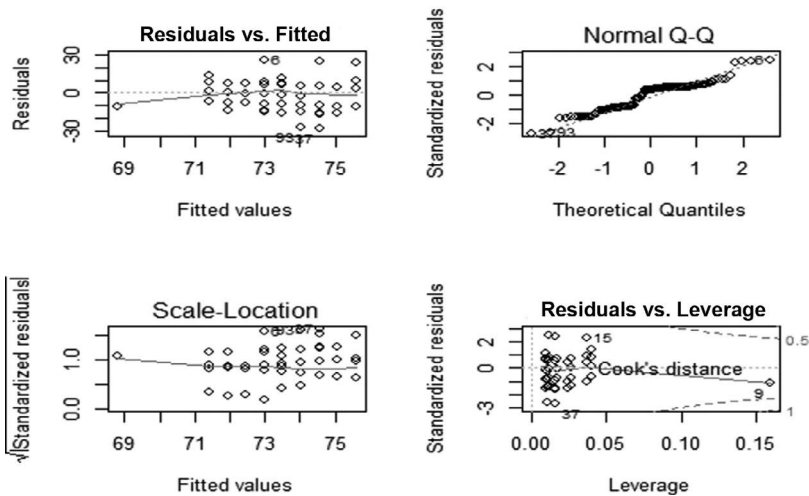


Figure 4.26 Residual values for the model – MAS and Gesteland (dimension 1) for employees (independent variable: MAS).

Table 4.72 Regression model parameters – independent variable: MAS and dependent variable: Gesteland (dimension 1) for employees.

|             | <i>Estimate</i> | <i>Std. error</i> | <i>t value</i> | <i>Pr(&gt; t )</i> |     |
|-------------|-----------------|-------------------|----------------|--------------------|-----|
| (Intercept) | 66.178          | 6.423             | 10.304         | <2e-16             | *** |
| Gesteland_1 | 2.095           | 1.798             | 1.165          | 0.246              |     |

Notes: Significant codes: 0 “\*\*\*\*” 0.001 “\*\*\*” 0.01 “\*\*” 0.05 “.” 0.1 “.” 1.  
 Residual standard error: 10.57 on 106 degrees of freedom.  
 Multiple  $R^2$ : 0.01265; Adjusted  $R^2$ : 0.003335.  
 F-statistic: 1.358 on 1 and 106 *DF*, *p* value: 0.2465.

Table 4.73 Residual values for the model – MAS and Gesteland (dimension 1) for employees (independent variable: MAS).

| <i>Min</i> | <i>IQ</i> | <i>Median</i> | <i>3Q</i> | <i>Max</i> |
|------------|-----------|---------------|-----------|------------|
| -27.952    | -8.905    | 4.524 6       | 619       | 26.619     |

Table 4.74 Regression model parameters – dependent variable: MAS and independent variable: Gesteland (dimension 1) for managers.

|             | <i>Estimate</i> | <i>Std. error</i> | <i>t value</i> | <i>Pr(&gt; t )</i> |     |
|-------------|-----------------|-------------------|----------------|--------------------|-----|
| (Intercept) | 3.711971        | 0.644332          | 5.761          | 6.18E-07           | *** |
| MAS         | -0.002847       | 0.009241          | -0.308         | 0.759              |     |

Notes: Significant codes: 0 “\*\*\*\*” 0.001 “\*\*\*” 0.01 “\*\*” 0.05 “.” 0.1 “.” 1.  
 Residual standard error: 0.6148 on 47 degrees of freedom.  
 Multiple  $R^2$ : 0.002016; Adjusted  $R^2$ : -0.01922.  
 F-statistic: 0.09492 on 1 and 47 *DF*, *p* value: 0.7594.

Table 4.75 Residual values for the model – MAS and Gesteland (dimension 1) for managers (independent variable: Gesteland (dimension 1)).

| <i>Min</i> | <i>IQ</i> | <i>Median</i> | <i>3Q</i> | <i>Max</i> |
|------------|-----------|---------------|-----------|------------|
| -2.27803   | -0.27803  | 0.01468       | 0.45204   | 1.01       |

Table 4.76 Regression model parameters – independent variable: MAS and dependent variable: Gesteland (dimension 1) for managers.

|             | <i>Estimate</i> | <i>Std. error</i> | <i>t value</i> | <i>Pr (&gt; t  )</i> |     |
|-------------|-----------------|-------------------|----------------|----------------------|-----|
| (Intercept) | 71.5631         | 8.1952            | 8.732          | 2.10E-11             | *** |
| Gesteland_1 | -0.7079         | 2.2978            | -0.308         | 0.759                |     |

Notes: Significant codes: 0 “\*\*\*\*” 0.001 “\*\*\*” 0.01 “\*\*” 0.05 “.” 0.1 “.” 1.  
 Residual standard error: 9.695 on 47 degrees of freedom.  
 Multiple  $R^2$ : 0.002016; Adjusted  $R^2$ : -0.01922.  
 F-statistic: 0.09492 on 1 and 47 *DF*, *p* value: 0.7594.

Table 4.77 Residual values for the model – MAS and Gesteland (dimension 1) for managers (independent variable: MAS).

| Min     | IQ     | Median | 3Q    | Max    |
|---------|--------|--------|-------|--------|
| -11.834 | -5.011 | -4.126 | 9.458 | 30.166 |

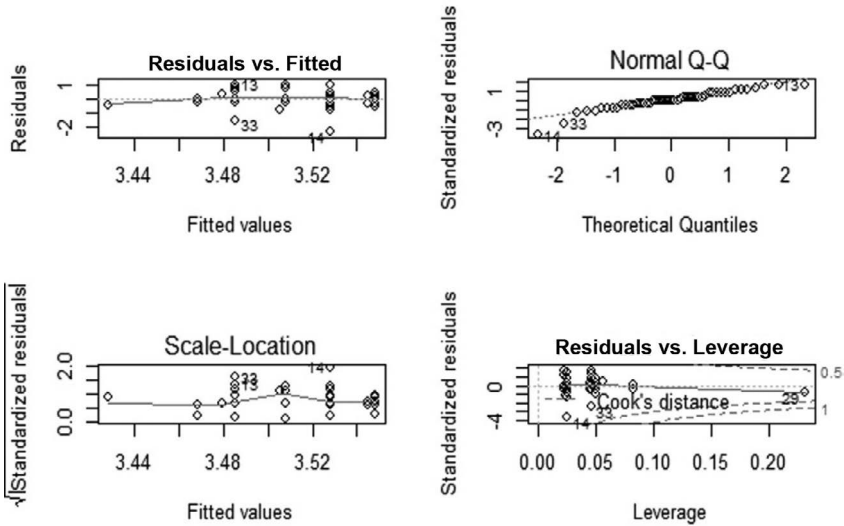


Figure 4.27 Residual values for the model – MAS and Gesteland (dimension 1) for managers (independent variable: Gesteland (dimension 1)).

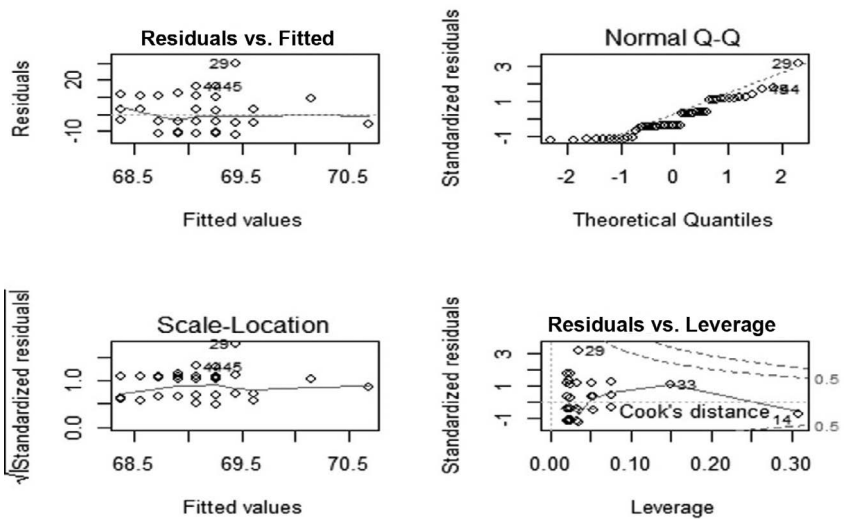


Figure 4.28 Residual values for the model – MAS and Gesteland (dimension 1) for managers (independent variable: MAS).

#### 4.4. Summary of research results

Carried-out research not only validated outlined research questions but also carried out PCA and CFA of used scales – GM, Gesteland, and VSM scale. All the findings are summarized next. First, scales' analyses are presented followed by research questions outcome.

In terms of GM scale (all items, before reduction), PCA shows two-dimensional approach as the best solution as the first two dimensions explain 24.68% of the variance. The split was also checked using another package – psych package (VA-RIMAX rotation). Statistics received are similar and confirm two dimensions. As a next step, it has been checked how much of the variable is explained in the individual factors. Analysis has confirmed that some factors do not load the individual variables according to the theory – those are not well represented in neither dimension. Reliability analysis has shown low Cronbach's alpha measures for both conceptualization (0.42) and contextualization (0.44) subscales, with 0.6 being considered as a minimum acceptance level (Daud et al., 2018).

Due to received results, CFA has been carried out to check the factor structure for the studied theoretical concept. As a first step, CFA has been performed for the whole GM scale. The RMSEA is 0.086, which indicates that it is not a good fit, CFI (0.489) and TLI (0.461) are below the level of 0.9, which indicate that they is not a good fit. Regression paths estimation for loading individual items in case of two dimensions turned out to be statistically insignificant for some items ( $p$  value > 0.05 and weak results for Cronbach's alpha). Path diagram for the full model (CFA; Figure 4.7) shows poor representation of variables in the model (in some cases there are no connection between variables and hidden constructs). Hence, it is necessary to delete those (item 1, 2, 7, 13, 34, and 38).

Next taken step, is to test GM scale with the reduced number of items (1, 2, 7, 13, 34, and 38). This has shown an improvement in the parameters in comparison with initial, full model. RMSEA value reached a level of 0.066, which is a good fit and CFI (0.765), TLI (0.740) are much higher. Since further modifications do not bring any prominent improvements to the model parameters, this is considered as a final model for the study (in addition, all the paths are statistically significant). Pathway diagram for the model (Figure 4.7) with reduced items also confirms two-dimensional approach for the scale. Cronbach's alpha for the whole scale after item reduction is very high (0.87), and each subscale also shows good reliability – conceptualization reached 0.75, contextualization reached 0.84.

Gesteland's scale PCA analysis shows first dimension, out of five tested, is dominant for collected data. That is why, CFA analysis is carried out – it needs to be decided whether theoretical assumptions are reflected in the data. Covariance matrix for all five dimensions show no positive correlations between all dimensions. CFI (0.519) and TLI (0.428) are much lower than expected (0.9); RMSEA (0.097) presents slight fit to the data. Regression paths between individual dimensions and the variables that load those are not statistically significant in all cases. In addition, pathway diagram (CFA; Figure 4.9) shows that not all variables explain the dimensions well and Cronbach's alpha reached satisfactory level for the first

dimension (0.61). That is why, first dimension is applied in further analyses in this research project.

VSM scale is used to examine elements of national culture on the individual level in this study. That is why, additional analyses are carried out to confirm whether theoretical assumptions relate to collected data. After carrying out PCA for the scale, it is found that first dimension explains 16% of the variance in the dataset; the subsequent dimensions explain less than 8% of the variance. Even though VSM scale reached a satisfactory reliability measure (0.66; scale as a whole) as a next step, reliability check of individual components has been carried out due to lack of interpretative value in this case. Also, CFA analysis showed a doubt that all the elements within VSM would be reflected in the collected data. Out of the six dimensions, only masculinity index reached satisfactory level of reliability (0.65) and has been used for further analysis. To calculate individual values for research participants, their country of origin has been taken into consideration. Each respondent was assigned an appropriate  $C(mf)$  coefficient values (an index component) as proposed by Hofstede and Minkov (2013). The coefficient value was adjusted only for Hungary from 88 to 84 so the final value would be within the 0–100 range.

Internationalization scale is based on the model created by Felício, Duarte et al. (2016) and Felício, Meidutė et al. (2016). Since the research was conducted in international environment and bigger companies' "yes" answer is dominant in most questions – there is little variability in dataset. That is why, individual questions are used for further analysis and research question validation.

Before focusing on answering outlined research questions, it is prominent to understand whether the level of organization affects GM in any way. Research confirms that level in organization differentiates GM (in case of the total scale) significantly – managers and employees achieve similar values on the scale in this case. However, on subscale level, conceptualization is not found as affected by the level in the organization, but in case of contextualization it is affected in case of managers – they achieve higher values than employees.

First research question aims to answer the question how internationalization influences GM. As mentioned earlier, internationalization is approached from the aspect of individual questions. GM scale with the reduced number of items is applied here. In the case of conceptualization, two questions are found as significant: "Is your company presenting or encouraging presenting new skills, solutions, and technologies on congresses, fairs, and markets" (International know-how activities dimension) and "Is your company acquiring more information about the market and its business environment?" (International networking dimension). Higher values for the mean are for those who answered "Yes" for those questions. For contextualization subscale, same questions were asked and hence dimensions are found significant, but in this case higher values for the mean are found in the group that answered "No" for the questions.

Second research question, that is how the national and business culture affects GM in the BPO industry at various levels in the organization (employee vs. manager), has been validated by the GM scale with reduced items, VSM scale

(Masculinity dimension – MAS), and Gesteland’s scale (first dimension) that are validated for tested sample by PCA and CFA analyses. In case of Gesteland’s scale and GM, it is found that Gesteland’s first dimension influences conceptualization (positive correlation), but not contextualization in the employee group. In case of managers, both GM dimensions (conceptualization and contextualization) are influenced by Gesteland’s first dimension (positive correlation). For VSM and GM, there is no interdependence found for managers community. For employees, only small significance is found between VSM and GM: Contextualization. In addition, it is checked whether the country of origin (nationality) can affect GM. It is found that nationality is significant and differentiates GM in case of both conceptualization and contextualization. However, contextualization is found to have an undeniable influence on the country of origin (statistical significance on the level of 0.95). Highest average is received for participants coming from India, France, and Hungary and lowest from United Kingdom or Germany. In case of conceptualization, highest average is for respondents from Italy, United Kingdom, or Ukraine. Being an expat is found to have no effect on GM.

In case of third, and last research question, that is, how do the dimensions of national culture relate to international business behavior (employee vs. manager), VSM scale (Masculinity dimension – MAS) and Gesteland’s scale (first dimension) that are validated for tested sample by PCA and CFA analyses are used. There is no clear relationship found between those two constructs. This is also tested within employee and manager communities. Regression models show no statistical significance in both directions of the tested impact.

# 5 Project evaluation

## 5.1. Evaluation of theoretical and cognitive values

Current work aims to determine how national culture and international business behaviors affect GM in BPO. In addition, the project covers various cognitive aims, for example, current view on BPO business, estimating internationalization levels within the sector, or cross-cultural variability, as well as those referring to GM concept. First, outlined cognitive aims for BPO sector and GM are discussed followed by research questions findings.

With regard to BPO, two cognitive aims are outlined: analysis of BPO business and analysis of internationalization effect. In terms of studied sample within the BPO sector, it can bring some insights on the sector itself and allow its analysis to certain degree. First, what can be observed is high cross-cultural profile of the sector that incorporates multiple nationalities, also in one location. Most of the respondents (75.8%) have international experiences such as living, working, or studying abroad (e.g., 42.68% have worked abroad longer than 12 months). Among the respondents, 35.67% are expats and many of them, that is, 31.21% had lived more than 12 months in their residence country. A lot of participants speak more than one foreign language (50.3%) and 49.7% just one additional foreign language (English). In terms of industries within the BPO sector, the biggest group within studied sample comes from finance and accounting (29.3%). With regard to departments, the biggest number of participants come from finance and accounting (28.03%) and HR (25.48%). What is more, most of employees have permanent or occasional exposure to international cooperation (managers – 87.8% cases and non-managers – 89.8% cases). This is also reflected in the responses matrix for internationalization questions in the survey, as most answers confirm internationalization effect in the sector in two researched dimensions out of three (international know-how activities and international networking; confirmed significance).

In terms of cognitive aims referring to GM, the carried-out systematic review confirmed the need to create a unified operationalization of the concept and to arrange available antecedents and outcomes (Hruby et al., 2016, 2018). Current work not only provides an author definition of GM but also provides categorization and grouping of antecedents and outcomes with the usage of



independent judges' procedure. Category ratings agreements reached high levels – IRR 70%. Scott's Pi for antecedents achieved a high reliability score ( $\pi = 0.65$ ), and in the case of outcomes reliability score is very high ( $\pi = 0.9$ ). The effect of national culture measured by VSM 2013 first dimension (Masculinity) and Gesteland's first dimension (deal vs. relationship focus) on GM on individual and group levels is to be discussed further with relation to validated research question. However, as results provided by this research indicate, GM is affected by the organizational level. Managers receive higher values in contextualization scale, which means this group shows lower levels of GM than employees (higher values in contextualization scale means higher levels of local orientation, that is, local mindset). The interesting finding is that conceptualization scale, which defines the level of GM for a person is not affected by organizational level at all.

Internationalization is considered as a common outcome of GM (Felício et al., 2012, 2013; Felício, Caldeirinha et al., 2015; Felício, Duarte et al., 2015; He et al., 2020; Jiang et al., 2018; Kyvik, 2018; Lazaris & Freeman, 2018; Miocevic & Crnjak-Karanovic, 2012; Nummela et al., 2004; Reis et al., 2018; Torkkeli et al., 2018), and its antecedent as well (e.g. Kwantes & Chung-Yan, 2012), since it influences company's active engagement in internationalization behaviors. Findings for current study show relevance in two dimensions, namely international know-how activities and international networking, and exclude one dimension, that is, internationalization effect on firms. Having in mind, the low variability in dataset (study was conducted in bigger, international companies), most respondents answered "Yes", confirming internationalization effect for their company. However, in case of both conceptualization and contextualization, same dimensions are confirmed to be significant – international know-how activities and international networking. Still, different outcome can be spotted here. In conceptualization subscale, respondents received higher values in affirmative ("Yes") answer – this confirms internationalization effect on GM and connection. For contextualization subscale, which directs us to lower GM levels, that is, local mindset, respondents answered "No". This indicates that low internationalization is connected to local mindset and not GM. Above findings confirm that GM and internationalization are connected and validate to some level the dimensions studied by researchers, but it excludes internationalization effect on firms (Felício et al., 2012, 2013; Felício, Duarte et al., 2016; Felício, Meidutė et al., 2016). Hence, in bigger companies' new market exploration, new markets, new products, as well as international networking lead to higher levels and development of GM. In SME sector, as confirmed by He and colleagues (2020) in their study, the process looks different. Their results show that, unlike among employees within MNEs as showed in this project, such companies rely heavily on manager's GM in internationalization process. Developed GM has positive effect on international networking and international know-how activities. Hence, it contributes highly to internationalization process for SME. In case of MNEs that are under study in this project within BPO sector, internationalization activities such as increase in know-how and networking contribute to development and higher GM levels.

Dimensions described by Gesteland (2002, 2012) present a strong impact on establishing overall company success and the way business partnerships are set up. Nationality (Matthes, 2013) or multiple nationalities (Stokke, 2013) are outlined as one of the most prominent GM's antecedents. Hence, as a next step, this project aims to test interrelations between Gesteland's dimensions, national culture as defined by Hofstede (2011), and test nationality influence on GM to see what outcomes these brings. This is also tested on individual levels within a specific group, that is, employees or managers, and between those groups. Hofstede (2006) stressed the need to research and broaden the understanding of the impact on all levels in the organization (managerial and non-managerial). As PCA and CFA analyses confirmed validity for only one dimension for Gesteland (deal- and relationship-focused – first dimension), and Hofstede (Masculinity) further interrelations with GM among employees and managers are checked on this basis.

For Gesteland's scale and GM, positive relation was found in the case of conceptualization but not in contextualization in the employee group. It means that higher GM levels are based on what business relationship-building patterns an employee needs to deal with. Hence in the case of employees, higher level of GM is influenced on how one conducts overall business and delivery. Both GM dimensions (conceptualization and contextualization) are found in positive correlation with Gesteland's first dimension for managers. Those results indicate both local mindset and GM existence at the same time and significance in the case of relationship-building and business partners management, communication.

Having in mind constant changes in business, this can also be an effect on increase of global teams and work from home patterns, how they are managed, perform, or build relationships. For managers, study outcome confirms the connection between how we build business relations and communicate with GM and local mindset developments at the same time. In this group, relationally oriented communication may play a prominent role in the performance/management of culturally diverse teams. Importance of relationally oriented communication and its impact on teams' enablement is studied by Glikson and Erez (2020). They outlined the relevance of managers in creating the relationally oriented content from the start of the team formation in virtual, global environment. How the relationally oriented content is communicated to the team can result in team's performance and further communication patterns. Since there is a rise in remote teams and work from home solutions, the way managers communicate with employees and provide them with information is crucial. It may be a challenge to specify on how employees are adapting to virtual cooperation and work from home – this may result in a need to focus on individual needs here as well (Manko, 2021). So, apart from developing GM approach in terms of relationally based communication and virtual cross-cultural teams' management, it is also important to look at the employee on individual basis, hence express high levels of GM and local mindset at the same time. This outcome also confirms the need for a human-centric approach in business, as in Industry 5.0, it is one of its core values (the other ones are sustainability and resilience). The Fifth Industrial Revolution was formally called for

in 2021 by the European Commission. This approach extends and complements the I4.0 approach. They are considered to go side by side but differ in what they deliver – I4.0 is technology-driven, while Industry 5.0 is value-driven. Industry 5.0 outlines that workers are to develop new roles and focus, among others, on societal needs (Xu et al., 2021).

In the case of VSM and GM, no relationship is found for managers community. Among employees, only small significance is found between VSM and GM: Contextualization, that is, local mindset. However, it turned out that nationality differentiates both GM subscales, that is, conceptualization and contextualization. Contextualization, that is, local mindset, is found to be more strongly connected with nationality than conceptualization (GM). But there is no connection in being an expat with GM (in case of both conceptualization and contextualization).

What is more, there is no clear relationship found between Gesteland's first dimension and Hofstede's masculinity dimension within both managers and employees' groups. Relations between those constructs are not confirmed empirically. Such comparison was undertaken by Chmielecki and colleagues (2014) and was based on own study. However, due to small sample examined in the study, outlined differentiation was not confirmed. In the current study, which includes 157 participants, above interrelations proved not to exist.

## **5.2. Cognitive evaluation of tools and research procedures**

Research is carried out in international environment within BPO sector as ICs need to adjust to conditions and changes in global economy the most (Zorska, 2005). Data have been gathered by an online tool to which only verified respondents from studied sector has received a password and link to participate. What is more, apart from acquiring the participants via business connections, one company from the sector decided to take part in the study and released the survey among the employees on various levels of seniority. Each participant was informed about the aim of the study and was asked to provide consent to take part; the survey was available in English. A number of 157 employees from the BPO sector took part in the study.

Participants were asked to fill in a set of questionnaires in the order – GM scale, Gesteland's scale, VSM scale, and a set of background questions that also included internationalization dimensions. At the point of data analysis, each tool has been verified by the PCA and CFA analyses to validate each tool used within the studied group. PCA analysis were to confirm whether theoretical factors assumed by the tools are reflected in the collected data. Next, each scale has been verified by CFA to check the theoretical concept factor structure that is studied within the tested sample.

GM has been tested as a dependent variable in 26 empirical research projects (please refer to Table 4.3), in which the approach to measure the concept was differentiated highly. For example, Dekker (2013) used the GM questionnaire and approached GM as a hypothetical construct that cannot be observed directly. It has been measured by questioning managers about their opinions, beliefs, or ideas related to globalization processes. Two dimensions were tested here – GM (18

items), local mindset (15 items), and universal mindset (13 items). Another approach of GM measurement is shown in the work of Story and colleagues (2014). Here, this concept was tested by using three subscales of global business orientation scale and three subscales from Cultural Intelligence Questionnaire. Lately, one of the studies published by He and colleagues (2020) tested GM by adapting three items introduced by Felício, Caldeirinha et al. (2015) in their research. The three items are as follows: see the world as single, vast market; internationalization as a means to achieve growth objectives; and lead the firm into the international market.

GM scale that has been developed by Kefalas and Neuland (1997) and applied in the study by Arora and colleagues (2004) was also used with success by researchers to, for example, test differences in GM from cross-cultural perspective (Zhang, 1998, in Arora et al., 2004). Having in mind the multiplicity of approaches, the fact that this study focuses on international environment and its main theoretical concept is aligned with the author's definition, it was used to test the GM level among employees within BPO sector.

PCA analysis confirms a two-dimensional approach, but some factors do not load the individual variables according to the theory. Tested reliability for the conceptualization and contextualization is also below the acceptable level. Measures received in CFA analysis for the whole GM scale and no statistical significance within regression paths for some items show the necessity to delete those and check the parameters for scale with reduced number of items. This step has proven to improve the results in the carried-out analysis, including Cronbach's alpha for the whole scale after item reduction received high score (0.87) as well as in the case of the subscales – conceptualization (0.75), and contextualization (0.84). Hence, after item reduction, GM scale is recommended to be used for further research. Since this tool has been extended to respondents within the BPO sector working in international environment, it is highly recommended to extend the respondents sample with the usage of this tool to other sectors as well as various groups of employees or students to further revalidate and reconfirm tool properties.

This research project aims also to create a tool that can be used to measure Gesteland's five dimensions (Gesteland, 2002, 2012) – referred to as international business behaviors in this work. For this reason, a 20-item tool has been created with the usage of independent judges' procedure and validation within a group of employees from the BPO sector. To validate the tool and apply it in confirmation of research questions, PCA and CFA analyses are performed. First dimension turned out to be dominant out of the five tested in PCA analysis, and CFA confirmed it is the only dimension reaching acceptable reliability level (0.61). Hence, this dimension has been mostly used in the analyses in this project, excluding remaining four described by Gesteland (2002, 2012), as those theoretical assumptions show no fit in the studied data. It is advised to apply the tool to other respondents coming from various backgrounds to further confirm dominance of the first dimension in the outcome (deal- and relationship-focused dimension) in the actual business environment.

Another tool used is the VSM scale created by Hofstede and Minkov (2013) for the purpose of checking the interrelations between national culture and international business behaviors or GM. Since VSM is used on the individual level,

further analyses were performed (PCA and CFA) to confirm whether theoretical assumptions relate to collected data. PCA analysis has shown that though the scale (total number of items) reaches satisfactory reliability level (0.66), its first dimension explains 16% of the variance in the dataset. CFA analysis also confirmed that not all elements within VSM are reflected in the available data. Once again, only the first dimension (Masculinity) reached an acceptable level of reliability (0.65) and was included in further analyses. Having above in mind, only first dimension (Masculinity) is used for further analyses and research questions validation. To calculate individual values for research participants – country of origin is incorporated here (for one country, Hungary, index component *C (mf)* needed to be adjusted so the final value would fit 1–100 range).

Results obtained from VSM 2013 in the current study on a sample of 157 employees from the BPO sector (Hofstede & Minkov, 2013) support findings in carried-out research by Gerlach and Eriksson (2021) and a need to keep on revalidating the tool. VSM 2013's three dimensions (individualism, power distance, and indulgence) were checked on a student sample from 57 countries in this study. Results put reliability of VSM 2013 in doubt as well as internal consistency of the tool (there is no reliable measurement of appropriately defined constructs). Findings put in question Cultural Dimensions Theory application in the current world (Gerlach & Eriksson, 2021).

Authors pointed out that the main aim of VSM 2013 is to estimate attitudes of respondents toward the work organization structures (Hofstede's sample of IBM employees) and this shows only a small subgroup of what can be considered as cultural values (this can bring challenges in generalizability of findings on other studied samples who may have limited work experience, etc.). Weak correlations between separate tested items can bring conceptual questions and concerns within cultural dimensions scope (e.g., indulgence vs. restraint current scores do not correlate with previous scores). Country averages that are applied in VSM 2013 to create comparison between national cultures can face measurement challenges when facing social reality and cultural variability within countries. Constant development in the aspect of globalization and individualization across the globe might bring challenges to draw generalized conclusions applicable in all groups within the society. Hence, there is a call for better measures of culture (Gerlach & Eriksson, 2021).

Even though the studied sample in current study consists of 157 employees within a specific sector, that is, BPO, initial results support finding of Gerlach and Eriksson (2021). Results show an issue with tool reliability and dimensions matrix. That is why, it is advised to keep on revalidating VSM 2013 on larger samples within various communities (employees, students, etc.) to understand how the tool behaves when exposed to samples of different sizes, experiences, and origins. This can bring us closer to create measures and tools that can be applicable with higher assurance in academia and help draw more reliable conclusions.

Internationalization is measured in this project on the basis of dimensions created by Felício, Duarte et al. (2016) and Felício, Meidutė et al. (2016). Respondents are measures on three dimensions: international know-how activities (two

questions), internationalization effect on firms (one question), and international networking (three questions). Since the study is carried out within ICs, little variability in answers can be observed (affirmative (“Yes”) answer is observed in most cases). Hence, individual questions are used in further analyses, not total score, since there is little variability in dataset. It is recommended to extend the research with regard to this aspect to other sectors and companies of various sizes and reach to confirm whether in such cases differentiation in responses can change and general score can be calculated.

# 6 Practical implications of research

## 6.1. GM in Industry 4.0 (I4.0) environment

### 6.1.1. *New business models, using the meaning and scope of social competences – in the world of I4.0. social competence is an important source of value generation for the customer*

The transformations associated with I4.0 are not only related to digitization and automation. As in the case of previous industrial revolutions, entire sectors of the economy may face not only a radical transformation but also a decline, while new areas of activity are emerging. The value of human work and social competences is changing. Processes that can easily be described in terms of “sequences of zeros and ones” quickly become digitized and usually become very cheap. At the same time, the role of social competences as “specifically human” is growing (Rosiński, 2019).

In the realities of I4.0, we can find the two main ways of building business models (Rosiński, 2021): developing existing models toward digital maturity and building completely new models. different from previous solutions. In other words, we observe basically two solutions:

1. Modification of existing models and adaptation to the changing environment of the organization (analogous to the evolutionary approach).
2. Construction of completely new models, resulting from the realities of functioning in the Fourth Industrial Revolution (analogous to the revolutionary approach).

In some areas of I4.0, we are dealing with a process with a slightly different dynamics: initially there is investment in technologies, and after the phase of “technological saturation”, there is a search for sources of value generation in the non-technological range, referred to as “soft” or “human” (Rosiński, 2022).

In search of specific indications as to social competences, valuable in the world of I4.0, the following original model can be helpful (Rosiński, 2019).

The analyses conducted in 2018–2019, based on the 2017–2019 material, found their final form by describing how modern leisure industry organizations operate through the following categories:

- Customization (extreme)
- Handmade (not by a robot)
- Real-time feedback (and action)
- Creativity (unordered)

Since the start-up challenge was also run in the next year, the next step in the analysis was to verify whether the four-factor model, derived from 2017–2018 material, was also available based on the 2019 material. To this end, the same steps as those taken on the 2017–2018 material were repeated on the 2019 material.

With the new material (from 2019), it was also possible to ask new questions for the four-factor model that had been previously created. The model initially detected for start-ups turned out to be a functional description for the leisure industry (Rosiński, 2019), SMEs and their functioning smart cities (Rosiński, 2022), or the automotive industry (Rosiński, 2021).

The proposed model is important because we postulate not only the growing importance of social competences in the I4.0 world, but we are also able to specify these social competences in a model that goes beyond a single industry. This is also aligned with one of core values of Industry 5.0 – human-centric approach – since employees are to develop new identities/roles within workplace (Xu et al., 2021).

#### *How does GM fit into this?*

The meta-competencies that make up GM are part of this trend. Thus, the development of GM in the organization can be a source of value for the customer and be a differentiator from the competition.

Developing GM-related competencies can increase the ability to fit in with the client/other party (customization). Developed GM should facilitate real-time feedback (and action). Activities deviating from the current schemes, dilemmas, or divisions certainly increase the creativity (unordered). So thanks to GM, we have met three of the four model criteria.

At the same time, by meeting three of the four criteria, customers can make sure that they are working with a “real person” and not with computer software. Thanks to this, we not only meet the four out of the four model criteria, but – as mentioned earlier – in the world of I4.0, we generate value resulting from cooperation with a “living person”.

The above findings are rather universal in nature and are detailed by BPO-specific findings.

## **6.2. Recommendations for BPO sector**

### ***6.2.1. Supporting GM attitudes in employees of BPO companies can affect the better development of this type of organization***

It seems that systemic solutions should be adopted here: covering all employees of the organization and at the same time profiling support due to the task-specific



nature of the position and the initial/expected level of development of GM attitudes. Such solutions are described in separate studies (Rosiński & Filipkowska, 2008, 2009)

This study brings some insights into the structure of BPO sector and provides implications for practice. GM can support development of effectiveness in international opportunity identification and result in bigger number of internationalization endeavors (He et al., 2020). GM can also be applicable within business practices management (Andresen & Bergdolt, 2017). This project confirms the significance of international networking and international know-how within MNEs and their effect on GM development among employees (managers and non-managers) within BPO sector. In comparison to SME sector, the process works the other way round – already developed GM contributes to internationalization process. Hence, within MNEs, which are studied in this project, there is a positive outcome for employees in terms of engagement in international activities and development of knowledge about international markets and results in the development of GM. Research has confirmed that GM contributes to the firm's engagement in internationalization behaviors (Felicio et al., 2012, 2013; Felício, Duarte et al., 2016; Felício, Meidutė et al., 2016), but this project outcome outlines the influence of employees' active international behaviors and their contributions to develop GM as important process to follow.

The outcomes of this study also support current business market trends and changes. The most important among top five priorities for HR leaders in 2022 is building critical skills and competencies (prioritized by 59% of HR leaders). This also goes along with business priorities listed by mentioned HR leaders, namely improving operational excellence (66% of answers) and executing business transformations (65% of answers). Skills development solutions are in the highest demand in organizations and matching up evolving dynamic needs (since 2018 there is 6.3% of annual total skills requirement increase across IT, sales, or finance jobs). Moreover, it is worth to mention that one in three skills that are vital for jobs in 2018 are no longer looked for in 2022. Organizations are going toward skill-based infrastructures, and hence there is a new move to structure talent management not around roles but around skill sets. This is an effect of hybrid work demand, competition for talent, and increase in the attrition within organizations and the need to level up within diversity, equality, and inclusion practices (Gartner for HR, 2022).

### ***6.2.2 Priority in the patterns of intercultural communication and business communication: the pro-partner–pro-transactional dimension***

The conducted research (with its geographical limitations) indicates the priority in communicating the understanding of the dimension: pro-partner–pro-transaction in intercultural communication in business. Without denying the importance of other dimensions and models, it clearly indicates the priority of developing communication competences – especially for specialists working in international projects.

Next implication is a focus on communication patterns and how business partnerships are carried out. For non-managerial group, research outcome shows clear

relationship among the type of communication pattern, relationship management, and GM development. For managers, the outcome is different, since the above has a positive effect on them in terms of both local mindset and GM rise. This implies the need to develop relationally oriented communication with non-managerial employees (Glikson & Erez, 2020) and focus both on dispersed teams' management and on individual needs of an employee (Manko, 2021). This is also aligned with one of the core values from Industry 5.0 – human-centric approach. Since employees are to develop new identities/roles within the workplace (Xu et al., 2021), it may require further training and skills development in this area for the employees.

### ***6.2.3 The development of GM meta-competence allows the organization to meet both the current needs of diverse groups of employees and the broader market trends***

Research conducted by Edelman Data and Intelligence (2022) shows work trends across the markets and shift in priorities. Main findings outline the highest importance for health and well-being and changes in employee expectations and approach to work. Leaders are more demanded right now to help rebuild social capital, which can be challenging in a hybrid work and shifting employee expectations (especially a change from hybrid to fully remote positions). It also outlines the importance of relationship-building and communication patterns since only 48–50% of employees are successful at building their networks remotely. What is highlighted is how vital are the leaders in supporting employees in strong social networks set-up.

Presented research stressed the difference of the GM meta-competence development among employees who are managers (local mindset and GM at same time) and non-managers (GM). This can have a very huge impact on how one performs, and hence skills development that can be triggered by certain development path build based on the research findings can bring sustainable benefits to both the employee and the organization itself. Market changes are highly dynamic nowadays. This can also be seen by even just switch of employee expectations toward the way they work and engage at work (e.g., 51% of hybrid workers consider going fully remote soon, as found by Edelman Data and Intelligence, 2022). What is more, an increase in employer of record (EOR) companies that provide their services globally connecting remote workers and companies are on the rise. EOR market size has a prognosis to reach US\$6,794.5 million by 2028, from US\$4,235.8 million in 2021, at a compound annual growth rate of 6.9% between 2022 and 2028. EOR is a third-party organization that takes over all formal employment tasks for another company who would like to hire a talent without the need to set a local entity or taking a risk of mismanaging local employment laws. This helps many firms to engage with international workers legally and efficiently (QYResearch, 2022).

Having all those changes in consideration, support of GM meta-competence development is crucial nowadays. As shown by current project, it can be developed by including company's employees in various international activities such as networking and knowledge/experience expansion, adjusting communication patterns and relationship management to those that are more relationally oriented can bring

multiple benefits to employee effectiveness and as a result company's success. A new imperative, by Gartner for HR (2022) outlines the importance of an empathy-driven mid-level manager. This approach outlines multiple levels of support for the employee, including development and contextualization of an employee's mindset. Barriers that are listed as common to empathy increase are skills, mindset, and capacity. What should also be stressed is that CEOs' strategic business priority areas shifted between years 2020 and 2022 too. Workforce advanced from fifth place to third (especially with regard to recruitment and talent retention practices need – higher by 32%; *Planning for the Never Normal*, 2022). Development of adaptability and skills that will help to be effective in a global context is crucial. Therefore, we must constantly develop our knowledge on this subject and create clear, appropriate structures of the GM concept in business on multiple levels of appearance.

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# Annex

Table A.1 ANOVA analysis results: Internationalization versus GM.

|  | <i>N</i> | <i>Mean</i> | <i>SD</i> | <i>Significance<br/>(p value)</i> |
|--|----------|-------------|-----------|-----------------------------------|
| <b>Is your company actively acquiring new knowledge by attending to conferences, congresses, and fairs?</b>                            |          |             |           |                                   |
| Yes  | 119      | 3.05        | 1.35      | 0.222                             |
| No   | 19       | 3.03        | 1.48      |                                   |
| I do not know  | 19       | 2.95        | 1.39      |                                   |
| <b>Is your company presenting or encouraging presenting new skills, solutions, and technologies on congresses, fairs, and markets?</b> |          |             |           |                                   |
| I do not know  | 17       | 3.06        | 1.36      | 0.236                             |
| No   | 17       | 2.94        | 1.36      |                                   |
| Yes  | 123      | 3.04        | 1.37      |                                   |
| <b>Is your company having a clear know-how and specialization presented across markets? If yes please specify.</b>                     |          |             |           |                                   |
| I do not know  | 57       | 3.03        | 1.36      | 0.996                             |
| No   | 18       | 3.03        | 1.43      |                                   |
| Yes  | 82       | 3.03        | 1.36      |                                   |
| <b>Is your company acquiring more information about the market and its business environment?</b>                                       |          |             |           |                                   |
| I do not know  | 30       | 2.89        | 1.35      | 0.000172**                        |
| No   | 9        | 3.17        | 1.32      |                                   |
| Yes  | 118      | 3.06        | 1.38      |                                   |
| <b>Is your company acquiring more information to explore market resources?</b>   |          |             |           |                                   |
| I do not know  | 43       | 2.96        | 1.35      | 0.0576                            |
| No   | 5        | 3.08        | 1.27      |                                   |
| Yes  | 109      | 3.06        | 1.38      |                                   |
| <b>Is your company acquiring more information to create and maintain contacts with suppliers?</b>                                      |          |             |           |                                   |
| I do not know  | 42       | 2.97        | 1.33      | 0.164                             |
| No   | 7        | 3.08        | 1.31      |                                   |
| Yes  | 108      | 3.05        | 1.39      |                                   |

Note: \* Significant at the level of 0.9; \*\* significant at the level of 0.95.



Table A.2 Reliability analysis results for all Gesteland scale items.

| <i>raw_alpha</i> | <i>std_alpha</i> | <i>G6(smc)</i> | <i>average_r</i> | <i>S/N</i> | <i>ase</i> | <i>mean</i> | <i>SD</i> | <i>median_r</i> |
|------------------|------------------|----------------|------------------|------------|------------|-------------|-----------|-----------------|
| 0.47             | 0.47             | 0.63           | 0.042            | 0.89       | 0.06       | 3.3.        | 0.3       | 0.038           |

Table A.3 Results of the reliability analysis for the Gesteland scale when the item is removed.

|   | <i>raw_alpha</i> | <i>std_alpha</i> | <i>G6(smc)</i> | <i>average_r</i> | <i>S/N</i> | <i>alpha se</i> | <i>var.r</i> | <i>med.r</i> |
|---|------------------|------------------|----------------|------------------|------------|-----------------|--------------|--------------|
| Delivering my project is the biggest priority for me                      | 0.42             | 0.41             | 0.59           | 0.04             | 0.7        | 0.07            | 0.03         | 0.03         |
| I consider it professional to have all my tasks completed                 | 0.45             | 0.43             | 0.59           | 0.04             | 0.76       | 0.06            | 0.02         | 0.03         |
| Creating positive business relations is most important for me             | 0.47             | 0.45             | 0.61           | 0.04             | 0.83       | 0.06            | 0.02         | 0.04         |
| I value good relations with others over any task I need to finish         | 0.46             | 0.46             | 0.61           | 0.04             | 0.84       | 0.06            | 0.03         | 0.04         |
| I like to openly communicate my needs and feelings                        | 0.49             | 0.47             | 0.62           | 0.05             | 0.9        | 0.06            | 0.03         | 0.04         |
| Straightforward communication makes it easier to cooperate with others    | 0.45             | 0.44             | 0.6            | 0.04             | 0.77       | 0.06            | 0.03         | 0.03         |
| Political correctness is something I value when communicating with others | 0.42             | 0.43             | 0.6            | 0.04             | 0.75       | 0.07            | 0.03         | 0.02         |

(Continued)

Table A.3 (Continued)

|   | <i>raw_</i><br><i>alpha</i> | <i>std.</i><br><i>alpha</i> | <i>G6(sm)</i> | <i>average_r</i> | <i>S/N</i> | <i>alpha se</i> | <i>var.r</i> | <i>med.r</i> |
|---|-----------------------------|-----------------------------|---------------|------------------|------------|-----------------|--------------|--------------|
| I prefer to avoid direct conflict with others as much as possible       | 0.41                        | 0.41                        | 0.58          | 0.04             | 0.68       | 0.07            | 0.03         | 0.03         |
| I believe everyone should know and follow official code of conduct      | 0.4                         | 0.4                         | 0.57          | 0.03             | 0.67       | 0.07            | 0.03         | 0.03         |
| It is important to acknowledge other person's social or business status | 0.44                        | 0.44                        | 0.6           | 0.04             | 0.79       | 0.06            | 0.03         | 0.04         |
| I prefer when community has a flat hierarchy                            | 0.44                        | 0.43                        | 0.6           | 0.04             | 0.74       | 0.06            | 0.03         | 0.03         |
| In the office or social life, everyone should be approached as an equal | 0.45                        | 0.45                        | 0.61          | 0.04             | 0.8        | 0.06            | 0.03         | 0.04         |
| Being on time is very important for me                                  | 0.47                        | 0.46                        | 0.6           | 0.04             | 0.86       | 0.06            | 0.03         | 0.03         |
| I like having a clear day schedule                                      | 0.47                        | 0.46                        | 0.62          | 0.04             | 0.87       | 0.06            | 0.03         | 0.04         |
| I prefer flexibility in how I manage my time                            | 0.47                        | 0.47                        | 0.62          | 0.04             | 0.87       | 0.06            | 0.03         | 0.03         |
| Timelines can be always moved for meetings or projects                  | 0.52                        | 0.53                        | 0.66          | 0.06             | 1.15       | 0.06            | 0.02         | 0.06         |
| I do not like to show my emotions to others                             | 0.52                        | 0.52                        | 0.65          | 0.05             | 1.09       | 0.06            | 0.03         | 0.06         |

(Continued)

Table A.3 (Continued)

|   | <i>raw_</i><br><i>alpha</i> | <i>std.</i><br><i>alpha</i> | <i>G6(sm)</i> | <i>average_r</i> | <i>S/N</i> | <i>alpha se</i> | <i>var.r</i> | <i>med.r</i> |
|---|-----------------------------|-----------------------------|---------------|------------------|------------|-----------------|--------------|--------------|
| I believe it is important to control how I react to people and situations       | 0.49                        | 0.48                        | 0.63          | 0.05             | 0.94       | 0.06            | 0.03         | 0.05         |
| I consider showing emotions like fear, sadness, or happiness as a healthy habit | 0.47                        | 0.47                        | 0.62          | 0.05             | 0.89       | 0.06            | 0.03         | 0.05         |
| I often gesticulate or touch friends during conversations                       | 0.49                        | 0.48                        | 0.63          | 0.05             | 0.94       | 0.06            | 0.03         | 0.05         |

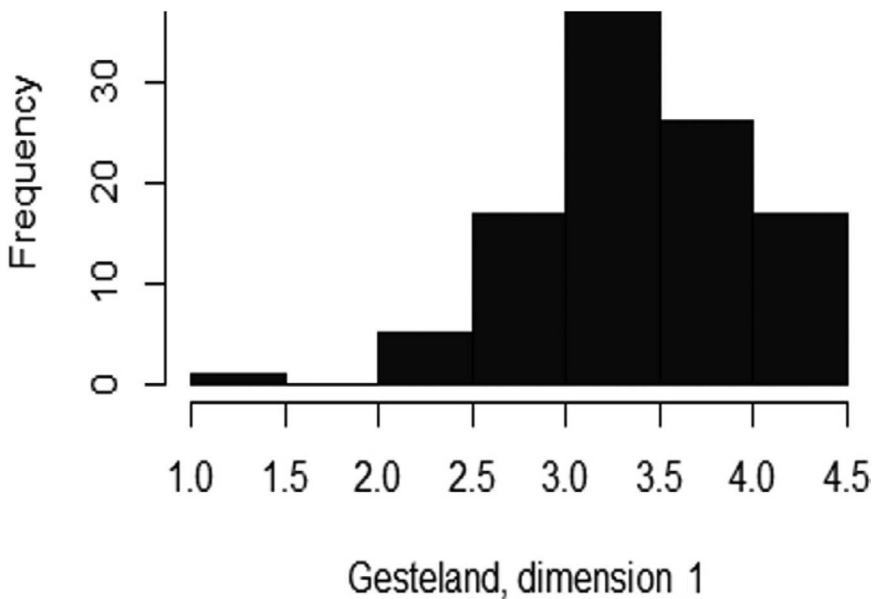


Figure A.1 Gesteland, dimension 1, workers – normal distribution of variables test.

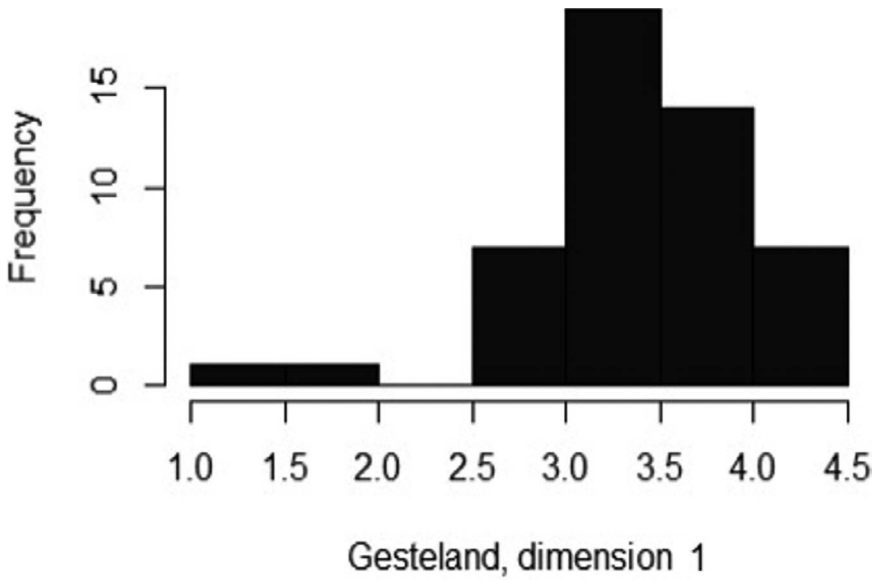


Figure A.2 Gesteland, dimension 1, managers – normal distribution of variables test.

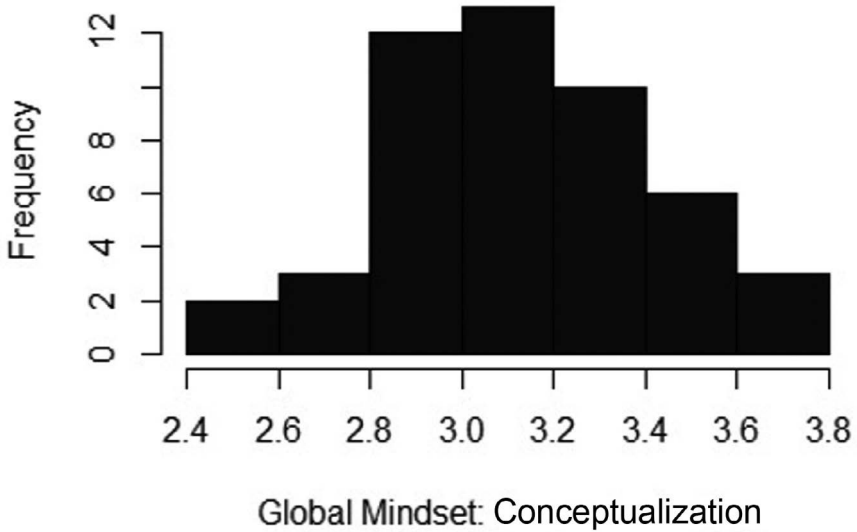


Figure A.3 GM: Conceptualization, managers – normal distribution of variables test.

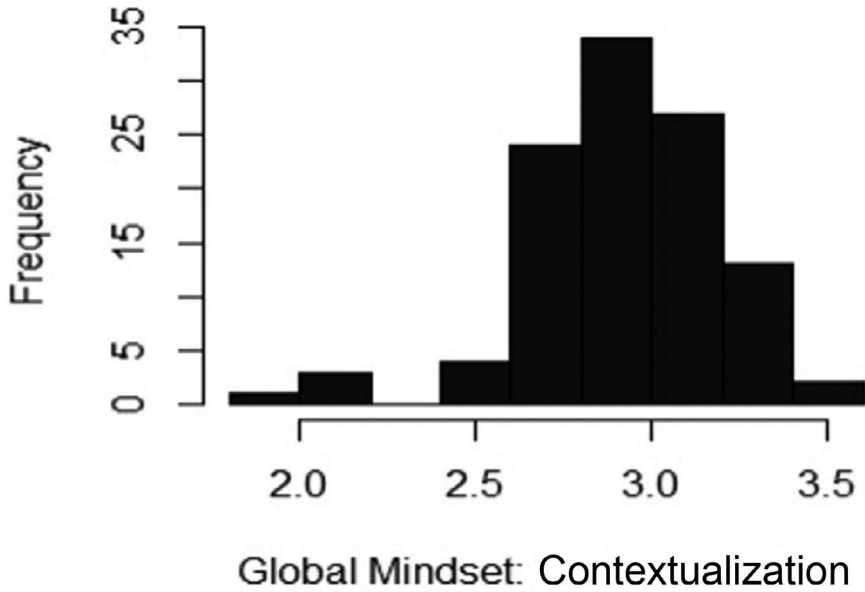


Figure A.4 GM: Contextualization, workers – normal distribution of variables test.

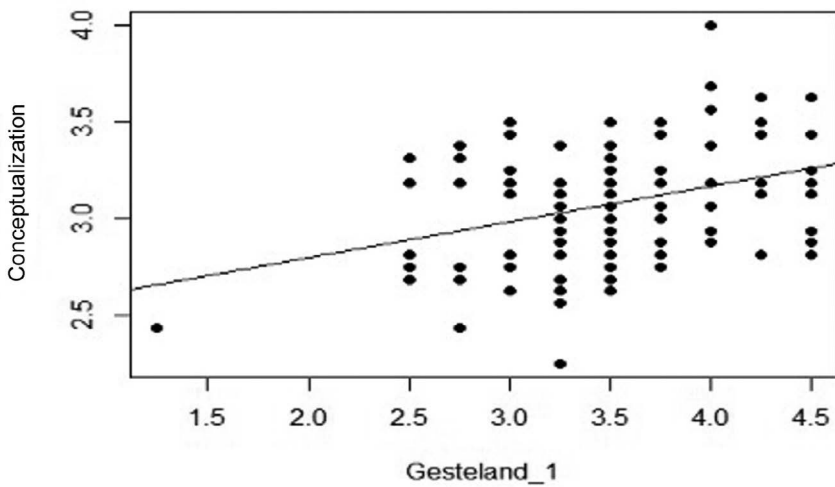


Figure A.5 Relationship between GM: Conceptualization and Gesteland (dimension 1) with an overlaid regression line – employees.

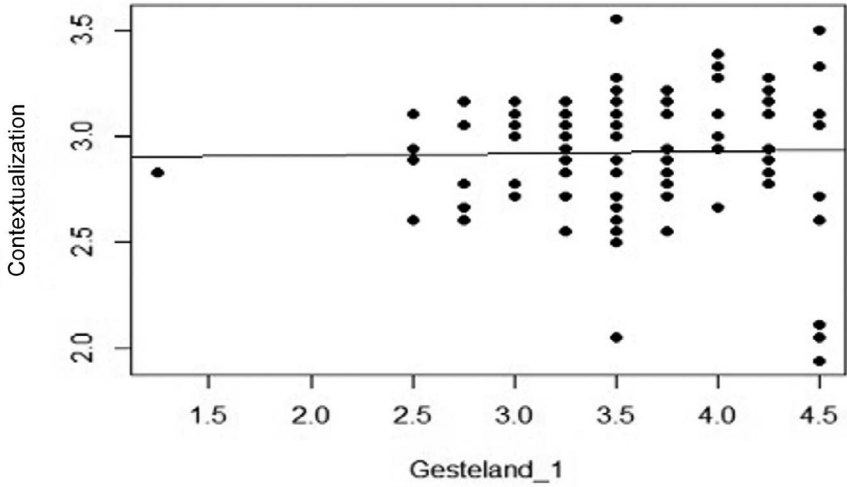


Figure A.6 Relationship between GM: Contextualization and Gesteland (dimension 1) with an overlaid regression line – employees.

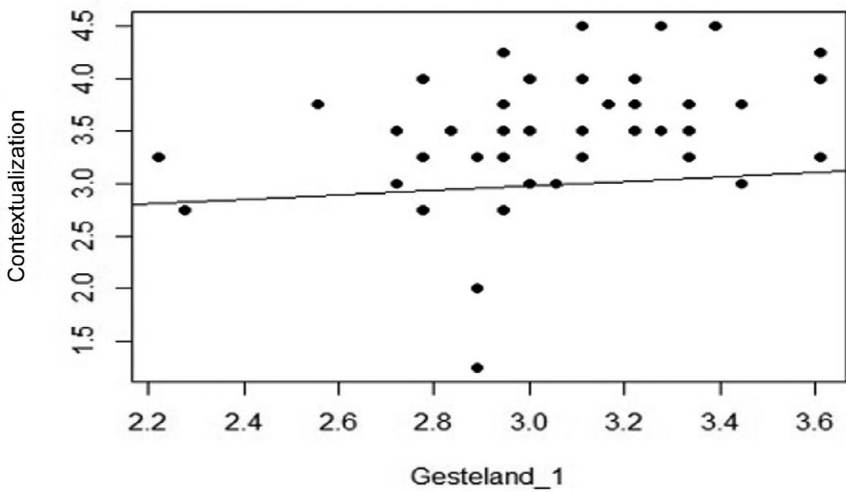


Figure A.7 Relationship between GM: Contextualization and Gesteland (dimension 1) with an overlaid regression line – managers.

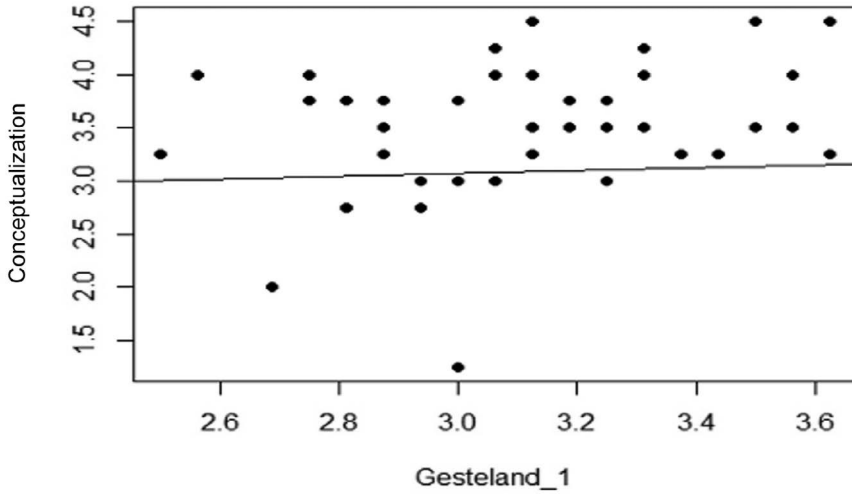


Figure A.8 Relationship between GM: Conceptualization and Gesteland (dimension 1) with an overlaid regression line – managers.

Table A.4 Sources matrix; authored research

| <i>Publications</i>   | <i>No. of publications</i> |
|---|----------------------------|
| <i>Academy of Management Executive</i>                        | 1                          |
| <i>Advances in Global Leadership</i>                          | 3                          |
| <i>Asia-Pacific Management and Business Application</i>       | 1                          |
| <i>Canadian Journal of Administrative Sciences</i>            | 1                          |
| <i>Contemporary Management Research</i>                       | 2                          |
| <i>EuroMed Journal of Business</i>                            | 1                          |
| <i>European Management Journal</i>                            | 1                          |
| <i>FEWEB Research Memoranda, VU Periodicals</i>               | 1                          |
| <i>Human Resource Management</i>                              | 1                          |
| <i>International Business and Management</i>                  | 1                          |
| <i>Industrial and Commercial Training</i>                     | 1                          |
| <i>International Business Review</i>                          | 1                          |
| <i>International Entrepreneurship and Management Journal</i>  | 3                          |
| <i>International Journal of Intercultural Relations</i>       | 1                          |
| <i>International Studies of Management &amp; Organization</i> | 1                          |
| <i>International Journal of Management</i>                    | 1                          |
| <i>Journal of Applied Behavioral Science</i>                  | 1                          |
| <i>Journal of Business and Social Science</i>                 | 1                          |
| <i>Journal of Business Research</i>                           | 1                          |
| <i>Journal of Chinese Economic and Foreign Trade Studies</i>  | 1                          |
| <i>Journal of Human Values</i>                                | 1                          |
| <i>Journal of International Business Studies</i>              | 2                          |
| <i>Journal of International Education in Business</i>         | 1                          |

(Continued)

Table A.4 (Continued)

| <i>Publications</i>  | <i>No. of publications</i> |
|--|----------------------------|
| <i>Journal of International Management</i>                         | 2                          |
| <i>Journal of Leadership &amp; Organizational Studies</i>          | 2                          |
| <i>Journal of Leadership Studies</i>                               | 1                          |
| <i>Journal of Management &amp; Organization</i>                    | 1                          |
| <i>Journal of Management Development</i>                           | 1                          |
| <i>Journal of Managerial Psychology</i>                            | 1                          |
| <i>Journal of Organizational Behavior</i>                          | 1                          |
| <i>Journal of Research in Business and Management</i>              | 1                          |
| <i>Journal of Social Economics Research</i>                        | 1                          |
| <i>Journal of Teaching In International Business</i>               | 4                          |
| <i>Journal of World Business</i>                                   | 2                          |
| <i>Leader to Leader</i>  | 1                          |
| <i>Management International Review</i>                             | 1                          |
| <i>Management Decision</i>   | 1                          |
| <i>Mediterranean Journal of Social Sciences</i>                    | 1                          |
| <i>Organizational Dynamics</i>                                     | 1                          |
| <i>Problemy Zarządzania</i>  | 1                          |
| <i>Revista de Administração da UFSM</i>                            | 1                          |
| <i>Revista Alcance</i>   | 1                          |
| <i>South Asian Journal of Global Business Research</i>             | 1                          |
| <i>The Journal of International Business Research and Practice</i> | 1                          |
| <i>Thunderbird International Business Review</i>                   | 1                          |
| <i>Japan Studies Review</i>  | 1                          |
| <b>PhD dissertations</b>   | 16                         |
| <b>MBA thesis</b>  | 2                          |
| <b>MA thesis</b>   | 3                          |
| <b>Book chapters</b>   | 14                         |

## GM research

You are invited to a research project that aims to measure GM in the outsourcing sector. It is a part of doctoral degree dissertation conducted at Jagiellonian University.

You are considered as an anonymous participant and no information is gathered which can be related to your personal data or allows your identification. In order to continue, you will need to accept your free-will participation in this project.

It consists of GM questionnaire which is followed by business behaviors and national culture surveys. In the end, we will ask you few basic questions about your background.

Please make sure you answer outlined questions in a reliable manner and that you are able to focus on this task for the given amount of time.

Results will be afterward published in a scientific publication. This survey will take up to 10–20 minutes of your time at most.

Thank you for your contribution!



**\*Obligatory**

1. By accepting you express your willingness to participate in the research project.\*

*Please choose one answer*



I agree

I do not agree

Please input the password you have received      Password\*

Let us check your GM!      To what extent do you agree or disagree with each of the following statements?  
(please choose one answer in each line across):

Strongly agree

Agree

Undecided

Disagree

Strongly disagree

Questions with \* are obligatory.

1. In my job, the best one can do is to plan ahead for at the most one year.\*

*Please choose one answer*

---

strongly agree                  strongly disagree

---

2. Doing business with former enemies is not patriotic.\*

*Please choose one answer*

---

strongly agree                  strongly disagree

---

3. I think it is necessary today to develop strategic alliances with organizations around the globe.\*

*Please choose one answer*

---

strongly agree                  strongly disagree

---

4. Projects that involve international dealings are long term.\*

*Please choose one answer*

---

strongly agree                  strongly disagree

---

5. I take pride in belonging to an international organization.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

6. I believe that in the next ten years the world will be the same as it is today.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

7. In this interlinked world of ours, national boundaries are meaningless.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

8. Almost everybody agrees that international projects must have a shorter pay-back period than domestic ones.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

9. We really live in a global village.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

10. In discussions, I always drive for bigger, broader picture.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

11. I believe life is a balance of contradictory forces that are to be appreciated, pondered, and managed.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

12. I consider it to be a disgrace when foreigners buy our land and buildings.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

13. I really believe that 5–10 years is the best planning horizon in our line of business.\*

*Please choose one answer*

strongly agree      strongly disagree

14. I find it easy to rethink boundaries and change direction and behavior.\*

*Please choose one answer*

strongly agree      strongly disagree

15. I feel comfortable with change, surprise, and ambiguity.\*

*Please choose one answer*

strongly agree      strongly disagree

16. I get frustrated when someone is constantly looking for context.\*

*Please choose one answer*

strongly agree      strongly disagree

17. Contradictors are time wasters who must be eliminated.\*

*Please choose one answer*

strongly agree      strongly disagree

18. I have no time for somebody trying to paint a broader, bigger picture.\*

*Please choose one answer*

strongly agree      strongly disagree

19. I believe I can live fulfilling life in another culture.\*

*Please choose one answer*

strongly agree      strongly disagree

20. Five years is too long a planning horizon.\*

*Please choose one answer*

strongly agree      strongly disagree

21. I enjoy trying food from other countries.\*

*Please choose one answer*

strongly agree      strongly disagree

22. I find people from other countries to be boring.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

23. I enjoy working on world community projects.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

24. I get anxious around people from other cultures.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

25. I mostly watch and/or read local news.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

26. Most of my social affiliations are local.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

27. I am at my best when I travel to worlds that I do not understand.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

28. I get very curious when I meet somebody from another country.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

29. I enjoy reading foreign books or watching foreign movies.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

30. I find the idea of working with a person from another culture unappealing.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

31. When I meet someone from another culture, I get very nervous.\*

*Please choose one answer*

strongly agree      strongly disagree

32. Traveling in lands where I cannot read the street names gives me anxiety.\*

*Please choose one answer*

strongly agree      strongly disagree

33. Most of my affiliations are international.\*

*Please choose one answer*

strongly agree      strongly disagree

34. I get irritated when we do not accomplish on time what we set out to do.\*

*Please choose one answer*

strongly agree      strongly disagree

35. I become impatient when people from other cultures seem to take a long time to do something.\*

*Please choose one answer*

strongly agree      strongly disagree

36. I have a lot of empathy for people who struggle to speak my own language.\*

*Please choose one answer*

strongly agree      strongly disagree

37. I prefer to act in my local environment (community or organization).\*

*Please choose one answer*

strongly agree      strongly disagree

38. When something unexpected happens, it is easier to change the process than the structure.\*

*Please choose one answer*

strongly agree      strongly disagree

39. In trying to accomplish my objectives, I find diversity and multicultural teams play valuable role.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

40. I have close friends from other cultural backgrounds.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

To what extent do you agree or disagree with each of the following statements?

(please choose one answer in each line across):

- Business behaviors
- Strongly agree
  - Agree
  - Undecided
  - Disagree
  - Strongly disagree

Questions with \* are obligatory.

1. Delivering my project is the biggest priority for me.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

2. I consider it professional to have all my tasks completed.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

3. Creating positive business relations is most important for me.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

4. I value good relations with others over any task I need to finish.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

5. I like to openly communicate my needs and feelings.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

6. Straightforward communication makes it easier to cooperate with others\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

7. Political correctness is something I value when communicating with others\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

8. I prefer to avoid direct conflict with others as much as possible.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

9. I believe everyone should know and follow official code of conduct.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

10. It is important to acknowledge other person's social or business status.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

11. I prefer when community has a flat hierarchy.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

12. In the office or social life, everyone should be approached as an equal.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

13. Being on time is very important for me.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

14. I like having a clear day schedule.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

15. I prefer flexibility in how I manage my time.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

16. Timelines can be always moved for meetings or projects.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

17. I do not like to show my emotions to others.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

18. I believe it is important to control how I react to people and situations.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

19. I consider showing emotions like fear, sadness, or happiness as a healthy habit.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---

20. I often gesticulate or touch friends during conversations.\*

*Please choose one answer*

---

strongly agree      strongly disagree

---



Please think of an ideal job, disregarding your present job, if you have one. In choosing an ideal job, how important would it be for you to . . . (please choose one answer in each line across):

- VSM
- Of utmost importance
  - Very important
  - Of moderate importance
  - Of little importance
  - Of very little or no importance

Questions with \* are obligatory.

1. Have sufficient time for your personal or home life\*

*Please choose one answer*

of utmost importance      of very little or no important

2. Have a boss (direct superior) you can respect\*

*Please choose one answer*

of utmost importance      of very little or no important

3. Get recognition for good performance\*

*Please choose one answer*

of utmost importance      of very little or no important

4. Have security of employment\*

*Please choose one answer*

of utmost importance      of very little or no important

5. Have pleasant people to work with\*

*Please choose one answer*

of utmost importance      of very little or no important

6. Do work that is interesting\*

*Please choose one answer*

of utmost importance      of very little or no important

7. Be consulted by your boss in decisions involving your work\*

*Please choose one answer*

of utmost importance      of very little or no important

8. Live in a desirable area\*

*Please choose one answer*

of utmost importance      of very little or no important

9. Have a job respected by your family and friends\*

*Please choose one answer*

of utmost importance      of very little or no important

10. Have chances for promotion\*

*Please choose one answer*

of utmost importance      of very little or no important

In your private life, how important is each of the following to you:

(please choose one answer in each line across)

- VSM      Of utmost importance  
            Very important  
            Of moderate importance  
            Of little importance  
            Of very little or no importance

Questions with \* are obligatory.

11. Keeping time free for fun\*

*Please choose one answer*

of utmost importance      of very little or no important

12. Moderation: Having few desires\*

*Please choose one answer*

of utmost importance      of very little or no important

13. Doing a service to a friend\*

*Please choose one answer*

---

of utmost importance      of very little or no important

---

14. Thrift (not spending more than needed)\*

*Please choose one answer*

---

of utmost importance      of very little or no important

---

VSM Please choose most valid answer.  
Questions with \* are obligatory.

15. How often do you feel nervous or tense?\*

*Please choose one answer*

- Always  
 Usually  
 Sometimes  
 Seldom  
 Never

16. Are you a happy person?\*

*Please choose one answer*

- Always  
 Usually  
 Sometimes  
 Seldom  
 Never

17. Do other people or circumstances ever prevent you from doing what you really want to?\*

*Please choose one answer*

- Yes, always  
 Yes, usually  
 Sometimes  
 No, seldom  
 No, never

18. All in all, how would you describe your state of health these days?\*

*Please choose one answer*

- Very good
- Good
- Fair
- Poor
- Very poor

19. How proud are you to be a citizen of your country?\*

*Please choose one answer*

- Very proud
- Fairly proud
- Somewhat proud
- Not very proud
- Not proud at all

20. How often, in your experience, are subordinates afraid to contradict their boss (or students their teacher)?\*

*Please choose one answer*

- Never
- Seldom
- Sometimes
- Usually
- Always

To what extent do you agree or disagree with each of the following statements?  
(please choose one answer in each line):

- VSM
- Strongly agree
  - Agree
  - Undecided
  - Disagree
  - Strongly disagree

Questions with \* are obligatory.

21. One can be a good manager without having a precise answer to every question that a subordinate may raise about their work.\*

*Please choose one answer*

strongly agree      strongly disagree

22. Persistent efforts are the surest way to results.\*

*Please choose one answer*

strongly agree      strongly disagree

23. An organization structure in which certain subordinates have two bosses should be avoided at all cost.\*

*Please choose one answer*

strongly agree      strongly disagree

24. A company's or organization's rules should not be broken, not even when the employee thinks breaking the rule would be in the organization's best interest.\*

*Please choose one answer*

strongly agree      strongly disagree

Tell us more  
about  
yourself

In this section we will ask you basic questions about you,  
your company and your experiences. This will help us to  
understand your background better

What is your gender?\*

*Please choose one answer*

- Female  
 Male

What is your age?\*

*Please choose one answer*

- Under 20  
 20–24  
 25–29  
 30–34

- 35–39
- 40–49
- 50–59
- 60 or over

What is your country of origin?\*

*Please choose one answer*

- Poland
- Germany
- Spain
- Italy
- France
- Portugal
- United States
- India
- Canada
- Czech Republic
- Romania
- Hungary
- Greece
- Other

If your country of origin is not in the list, please let us know here:

---

What is your country of residence?\*

*Please choose one answer*

- Poland
- Germany
- Spain
- Italy
- France
- Portugal

- United States
- India
- Canada
- Czech Republic
- Romania
- Hungary
- Greece
- Other

If other please specify:

---

Please indicate how big is your direct employer size by the following classification\*

*Please choose one answer*

- Less than 10 employees
- 10 to 49 employees
- 50 – 249 employees
- More than 250 employees

This is who I identify with the most\*

*Please choose one answer*

- My current, direct employer
- Agency via which I currently work for to deliver for my clients
- My own business I work through with my clients
- It does not matter who employs me or if I am self-employed, but where I work and what I do

Please specify your department at work\*

*Please choose one answer*

- Finance and Accounting
- Marketing
- IT
- Sales

- HR
- Other: \_\_\_\_\_

If other in department please specify:

\_\_\_\_\_

What is your level in organization?\*

*Please choose one answer*

- Manager
- Employee (non-managerial position)

In which industry do you work?\*

*Please choose one answer*

- Finance and Accounting
- Marketing
- IT
- Healthcare
- Retail
- E-commerce
- Supply Chain
- Other

If other in industry, please specify

\_\_\_\_\_

How many years of job experience do you have?\*

*Please choose one answer*

- Less than 1
- 1–3
- 3–5
- 5–10
- More than 10



If you have worked abroad, please let us know for how long\*

*Please choose one answer*

- 1–3 months
- 3–6 months
- 6–12 months
- Longer than 12 months
- Does not apply

Having in mind your current employment, do you work outside of your home country (country of origin)?\*

*Please choose one answer*

- Yes
- No

If you are an expat, how many months have you lived in the residence country?\*

*Please choose one answer*

- 1–3 months
- 4–6 months 7–12
- months more
- than 12 months
- Does not apply (not an expat)

If you have studied abroad, please let us know for how long\*

*Please choose one answer*

- 1–3 months
- 4–6 months 7–12
- months more
- than 12 months
- Does not apply

What is your highest achieved education level?\*

*Please choose one answer*

- PhD
- Master's
- Bachelor's
- High School

Which foreign languages do you speak fluently (at least on B2 level; multiple choice option)\*

*Choose all correct answers*

- English
- French
- German
- Norwegian
- Swedish
- Spanish
- Portuguese
- Hungarian
- Danish

Other  \_\_\_\_\_

If you chose other in boxes above, please describe shortly which ones:

Do you have any international experiences? If yes, specify which ones (multiple choice option)\*

*Choose all correct answers*

- No, I do not have any
- I lived abroad
- I studied abroad
- I have been abroad for an international scholarship
- I worked abroad
- I work abroad (for expats)
- I do not have any international experiences

Do you have more than one nationality?\*

*Please choose one answer*

- Yes
- No

Do you come from a multicultural family? (This means one of parents coming from other culture than the other.)\*

*Please choose one answer*

- Yes

No

Is your work requiring you to cooperate internationally?\*

*Please choose one answer*

Yes, permanently

Yes, sometimes

No

Is your company actively acquiring new knowledge by attending to conferences, congresses, and fairs?\*

*Please choose one answer*

Yes

No

I do not know

Is your company presenting or encouraging presenting new skills, solutions, and technologies on congresses, fairs, and markets?\*

*Please choose one answer*

Yes

No

I do not know

Is your company having a clear know-how and specialization presented across markets? If yes, please specify in following question.\*

*Please choose one answer*

Yes

No

I do not know

Please describe shortly on your company's know-how activities if you have answered yes:

---

Is your company acquiring more information about the market and its business environment ongoingly?\*

*Please choose one answer*

- Yes
- No
- I do not know

Is your company acquiring more information to explore market resources?\*

*Please choose one answer*

- Yes
- No
- I do not know

Is your company acquiring more information to create and maintain contacts with suppliers?\*

*Please choose one answer*

- Yes
- No
- I do not know

Do you know what is your employer's country of origin/headquarters? (If yes, specify in following questions)\*

*Please choose one answer*

- Yes
- No

Please specify on your employer's headquarters/capital.

*Please choose one answer*

- United States
- Norwegian
- British
- Dutch
- Swedish
- Polish

German

Other:

If you have chosen “other” in the question above, please let us know the details:

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