

**Historical Overview in Management Culture:  
the Case in Poland\***

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**Abstract**

The traditions and conventions arising from cultural norms influence decision-making, as well as management behavior and style. The history of Poland is replete with upheavals, shifting borders, as well as economic and political changes. Its culture has been central for the endurance of the Polish people. It is important in doing business in Poland. Unique values and traditions continue to affect decision-making and the way enterprises are managed in Poland.

**Introduction**

Cultures exist in nations, as well as in business organizations. Because culture has a fundamental role the existence of societies and organizations, there is a broad base of research in this field. Business organizations are a significant and a diverse sector of every society. The defining measure of organizational behavior is its corporate culture. The core values of an enterprise provide the foundation for its governance, and thus its performance. Managers, employees, and numerous other stakeholders among these organizations represent an area in corporate operations where a clash of cultures can occur. According to Hofstede, “culture is more often a source of conflict than of synergy. Cultural differences are a nuisance at best and often a disaster.”

Organizations consist of a collection of people with different points of view working together to achieve a common goal. Because there can be multiple points of view depending on the backgrounds of individuals, cultural disparities can erupt and alter the compatibility or success of groups of workers. After all,

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employees are the foundation of corporate cultures. Workers themselves determine whether the corporate culture will help, or hinder, the achievement of goal attainment. For example, many organizations claim that dedicated innovative employees are the foundation for corporate success. However, the approach that employees take is overshadowed by their indigenous heritage, values, and behaviors. There have been many studies of the link between corporate culture and effectiveness in a variety of national settings. Examples of endeavors that encounter culture clash include wholly owned subsidiaries operating in multi-cultural environments.

The way people cooperate in their work by developing a solid understanding of the aims and goals of their department or division, particularly within multinational businesses, is important to organizational success. Work forces that are culturally different hold different beliefs, values, and patterns of thinking. Various work forces fashion structures, factors, and strategies that influence the achievement of organizational goals. Many organizations place culture as a low priority. Many managers believe it is one of those fuzzy variables that become part of the organization over time.

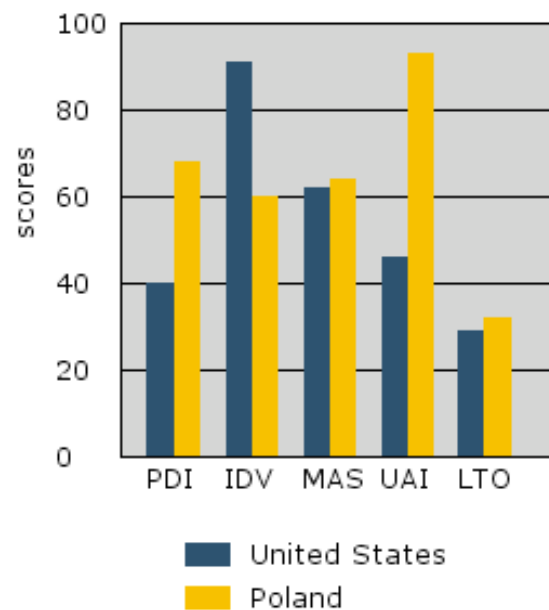
### The Case of Poland

While stereotyping is misleading, it is often a practical way to begin the analysis of different cultural values. Hofstede's studies of cultural dimensions that were started in the 1970s are an example. Table 1 shows the generalized comparison of the five cultural dimensions between the United States and Poland. Two dimensions are almost identical (Masculinity and Long-Term Orientation), but there are notable differences with three indexes: Power Distance, Individualism vs. community, and Uncertainty Avoidance. These are broad categories that assist in providing a general overview of leadership and management in Poland. However, many conceptual and methodology issues are still unresolved. Hence, the management discipline lacks firm answers to many questions about this topic. Furthermore, stories, traditions, and beliefs associated with specific cultural groups are often ignored. The methodological complications of cross-cultural research denote shortcomings in this field.

**Table 1**

Geert Hofstede 5D Cultural Dimensions:  
United States and Poland

|     |  |
|-----|--|
| PDI | Power Distance Index (hierarchal vs. cooperative leadership/power)                                     |
| IDV | Individualism vs. Community  |
| MAS | Masculinity (clear, different gender roles vs. gender equality)  |
| UAI | Uncertainty Avoidance Index (preference for formal structure vs. informal and level of risk tolerance) |
| LTO | Long-Term Orientation (value family and education vs. valuing shorter feedback and innovation)         |



Many issues exist that affect the ability of managers to transact business in an international environment. The interplay in negotiations between individuals from different backgrounds and nations can many times

cause a clash of corporate cultures. It is unfortunate that no major methodologies exist that concentrate on analyzing the effect of corporate culture clash on the results of general business activities (Zalewska). Larsson and Risberg pointed out the impact of culture clashes arising between organizations undergoing international mergers and acquisitions.

This problem is exacerbated due to the absence of inter-cultural communication skills among employees and managers. Additionally, many management practices are equipped with competencies for international management teams to operate properly. Korzenny discovered that large American multinational corporations, which had highly competent staffs, have not methodically organized their inter-cultural management functions. The associations between firms from different cultures produce difficult problems for international managers. Concerns relating to cultural miss-communication emerge because individuals in just about any business firm are triply indoctrinated “into arise culture, into their business, and into their corporate culture.” (Terpstra, p 8.)

The literature on this topic clearly maintains that the corporate culture is a major issue in the management of a business. All businesses have cultures whether they label them as a culture or not. Yet, explaining the particular culture is difficult to do. For instance, various companies may have an entrepreneurial culture, some may be bureaucratic, while others may show a customer-oriented culture. Such labels, superficially, may signify different ideas to different people.

The general characteristics of Polish culture include religion, identity, and relationships. The foundation of culture in Poland has been Roman Catholicism ever since the country officially adopted Latin Christianity in the year 966. This has historically been part of what kept the society together during numerous partitions of the lands by neighboring powers, as well as what separates Polish culture from its neighbors. To this day, the Roman Catholic traditions have a bearing on life and culture in Poland. It serves the nation and society with a sense of solidarity and constancy. This also plays a role in the Polish identity that has been retained during centuries of invasion and occupation by its neighbors. This unbroken cultural identity has increased the value the nation’s recently attained autonomy. A strong sense of community, as well as commitment to and involvement in the life of the country is also characteristic of Poles. It leads to another characteristic as a family-focused society. Its citizens build and maintain close personal relationships. However, given the nation’s history of foreign occupation, outsiders first need to earn trust. These characteristics are important in conducting business in Poland, but there are many additional nuances.

Culture and management that have been important and critical to the delivery of management practices in the Polish economy have taken on new dimensions. They have become, in some cases, substitutes for the old Polish myths. One example of legacy Polish traditions in management culture were the long era where the concept of “it is not mine, so I do not care” thinking was the expected response. This attitude is incompatible within a market-oriented economy. Nevertheless, this illustrates how ideas among nations can be expressed with unique beliefs, values, and points of view. As soon as new managers presented high productivity goals that are very efficiency oriented, Polish employees became angry because there was such a markedly different approach from the management rules of the past. Yet, productivity and increased sales are critical to the workers’ success and survival.

Because Poland has progressed through a transition from the centrally planned to a market-based economy, it has confronted major changes that have challenged its society. The fundamental myths and principles that were entrenched in the society had to be disposed, or reformed. Top on the list of changes came to the work environment itself. This sector is an important part of the organization that influences the ability of company staff and management to generate ideas. Absent an environment that supports staff participation in decision-making and idea development, the firm will move towards decay and decline. Managers now agree that motivated employees within a participative work environment are critical to

foster innovation. Another new approach is the learning organization where continuing employee development and training is emphasized. A learning organization keeps its human resources competent, skillful, and current with state-of-the-art capabilities. For any company this requirement cannot be waived, eliminated, or devalued. It must be supported with continuous resources.

Since the American-style of free-market system is pervasive in many markets, there is often a clash between American and Polish management principles and beliefs. There is a clear difference in the way Polish managers view a variety of management practices. This is important because of the possible potential conflicts that can have an impact on productivity. Furthermore, different perspectives influence the composition of the firm's corporate culture that is directly related to strategy development. Since strategy development is at the nucleus of goal attainment, it would seem important that there should exist a balance between the joint management philosophies of each group.

The Stalin-type bureaucratic approach relied heavily on coercion to get work done. The Polish bureaucratic structure has been a huge burden and obstacle to the transformation from a command oriented society to a market system. For example, policies in Poland promoted large mechanized farms over the traditional smaller family-run enterprises. The objective was to capture economies of scale that large agriculture theoretically offers. However, World Bank studies indicate that such large, mechanized farms are generally less efficient and use less labor than small family farms. It is a slow process, but management structures would be expected to shift away from bureaucracy towards flexibility and entrepreneurship. Joint effort is also an important aspect of idea development and innovation process within the new Polish environment. While independent thinking is important and individual participation is required, most successful firms achieve their goals because they are committed to teamwork.

Another change focused on management issues related to risk-taking, which in prior decades was unknown in the old Polish management structures. Employees did what they were told and carried out the centrally determined five-year plans, whatever that may be. Hofstede's Uncertainty Avoidance Index comparison between the United States and Poland illustrates the contrast in cultural-based decision-making. While Poland moved towards the market-system and new competitors came to, the need to embrace risks, change and even gamble with various resources is a necessity to make short- or long-term gains. Not many enterprises can escape the need to introduce products, processes, or markets that are not guaranteed to provide the desired return. This concept is significant because without taking risks, survival is impossible.

Organization leadership is now at the center of any successful venture. Poland previously had linear leadership that was often focused on unproductive methods that retarded rather than promoted its economic development. The old myths about producing products to meet plans that had no market are no longer acceptable. The leadership factor is critically important in any country and corporate culture. Absent its existence all other factors flounder and companies become aimless, in their pursuits. Lacking proper leadership, corporate culture is doomed, management strategy is worthless, and goal attainment is almost impossible.

A new hierarchy of values relating individual ownership and entrepreneurship has encountered the traditions leftover from the centrally planned system. Even though the old ideas are rapidly fading away, they are still a barrier to a complete transition. The calcified thinking includes Poland's ubiquitous bureaucracy, inefficient judiciary, poor infrastructure, as well as its constantly changing and complicated tax system. Similar to many other nations, the bureaucracy myth continues with its vested interest in maintaining the status quo.

The approaches of the old Polish management functions also originated from how citizens were socialized during the domination by the Soviets. The traditions and beliefs that were inculcated into the culture and

the mass society determined the way the people thought, worked and lived their lives. These beliefs influenced the way organizations were managed and how the managers conducted business. Even though management education teaches students skills and competencies to manage processes and decision making, it also in the Polish society the education not only provided the manager with skills to do his/her job but also a status in the society and the enterprise (Kostera). The skills provided the roles and conditions for the managers to perform and present an image to his/her peers and the community.

In communist Poland, the task related skills and the professional standards of the manager were context specific requiring different attributes that were not seen in western managers. The manager in the Polish context was an administrator with their task focused on performing and not to be creative. The administrator was greatly restricted by regulations and directives he received with a very limited degree of freedom. The manager's role was determined by the "production plan" prescribed by the central planned bureaucracy. The manager was required to enforce labor discipline by making the labor force obey the rules and regulations promulgated by bureaucracy. The managerial role was associated with conventionality rather than imaginatively. Management was not superstar career. They were not to be too noisy or visible. They should not be overzealous (Kostera). In order to survive, the managers played various games with authorities, the party and the secret police that had considerable power over the enterprises. The games were political negotiations including formation of coalitions aimed at maximizing power, as well as countering the symbols created and transmitted by the political authorities (Kostera & Wicha). Playing these games successfully without making him/herself vulnerable nor his/her company and employees was considered the most important quality of the former professional role of the manager, and also kind of a virtue (Kostera). The games were part of the managerial role but were also a necessity - the managers had to play for more power if they wanted their companies to survive and perhaps also to grow (Kostera and Wicha).

The social responsibility of the communist manager was then very broadly defined as related to the society as a whole. Individuality was banned, initiative and stressing of one's own position was not popular. Administrators were not to provide "individualistic gains" but were to subject themselves to the needs of the society (Kostera). The professional role contained a high degree of hypocrisy: declaring loyalty to the communist party and commitment to the system without really thinking so was an important element of the manager's career. Knowing the right people was tremendously important in the Polish managers' life and role as a manager of an enterprise. These were disingenuous declarations and personal networks were tools for accomplishing the most important informal aim of Polish managers: assuring that the central plans for their companies were minimal so that it would be easy to accomplish and not exceed them. This was needed to acquire additional financial and material means for social programs, bonuses for employees and foreign travel. The managers who accomplished this feat were labeled as good managers (Kostera).

## **Historic Changes**

It is essential in today's dynamic global environment for managers and business operators to understand that other cultures have different perspective on issues. Poles were required to reject the Western world's point of view a long time, and needed to sustain their allegiance to the Soviet Union's linear central command point of view. This has changed. However, culture and ideas about other people that are not understood continue to be obstacles to our interactions with other business cultures. The study of Polish management mythology provides another view; another lens for us to see how cultures can change and cultures can make adaptations to different patterns of living. For a long time, those in the West labeled the Poles "backward" unable to compete with the fast growing Western ways. It is interesting that since the incredible transformation of Poland which started in 1989 has made historic changes that allowed Poland

to be part of the European Union and an equal partner in global business activities. Noticeably, Poland has gained enormous strength by transforming its economy and its society.

Poland is in continuous transition conscientiously moving ahead with continuous improvement. Such progress has emerged because Poland has had bold leaders who were always seeking better way to improve the quality of life for its citizens. Lech Walesa demonstrated leadership in the streets of Poland when he led Solidarity toward freedom. His determination demonstrated to the world that Poland may be old and may be constrained by the central command of the Soviet Union, but it will not be enslaved any more. Those daring days led to the fall of communism and the historic change in Central and Eastern Europe. Balcerowicz also demonstrated leadership with the implementation of the “shock therapy” economic program. This created the base for the rapid transformation and the economic success in Poland. Both of these leaders broke away from the old mythology of defeat and “can’t do” to a positive, progressive proactive approach. Their methods were difficult for the Polish people to understand and accept but in the end they brought about a new society that is growing and continually improving. These leaders wanted a better quality of life for their citizens and worked to make that goal come true. The successes of the transformation and the old mythologies that were so embedded in the uneducated observer and reader are now long part of history.

The transition of Poland during the late 1980s and through the 1990s until the present day witnessed unprecedented change in the role of the manager. The roles of the new manager are becoming increasingly more like that of Western managers focused on a market economy (Kozminski and Obloj). The new Polish managers are involved in organization and motivation of teams. They are now working with and managing autonomous organizations, which no longer are under several layers of bureaucratic control. The managers believe that their new role is that of organizing tasks, and strategy formulation (Kostera). Moreover, Kwiatkowski and Kozminski assert that there is currently a large group of well-educated management professors in Poland and quite a few institutions offering high quality education.

Polish managers emphasize competence and professionalism and a code of ethics. According to Kostera, the key point to highlight is that managerial roles develop in two parallel tracks that seem to be independent of each other. The first is the mythical one, and it corresponds to the use of the right slogans. The mythical role has changed considerably in Poland. It is entirely different from the communist era, even if the myth it is now based on is in the distant past. The second track is the substantial or enacted role and it can best be described by words: wait and see.

The nation’s transformation produced dramatic changes in Poland’s business leadership, decision-making, and new organizational values. This gives rise to the possible existence of a shared set of business culture. The experience of organizational learning of new values or behaviors among Polish managers and employees was very rapid. There was acceptance of new corporate cultures that emphasized quality and results from Polish workers. In part, this was due to a historical cultural basis, as well as training for the new values and skills. Another factor was the new structure of rewards that provided incentives for effective decisions and productive behavior. In other words, there appear to be common traits that lead to effectiveness within organizations, but they are expressed differently in Poland.

## **Application**

Examining the firm’s corporate culture implies that each enterprise sets up a corporate culture conducive to accommodating the values and myths held by managers in Poland, as well as meeting the goal attainment as established by the organization. The major factors of culture that invigorate, promote, and sustain decision-making, as well as developing new approaches such as innovations are available within each enterprise. There has to be a positive attitude about idea development and a traditional bureaucratic

approach to management will lead to suboptimal results. Studies of successful and sustainable new enterprises in Poland highlight their structure as embracing the modern entrepreneurial culture. They are willing to take risks that have the probability of generating gains either in the short- or long-run.

A significant critical factor in building and sustaining a successful and effective corporate culture is leadership. There is no question that leadership is the key variable or the nucleus of any corporate culture. Absent strong leadership that sets the direction, vision, and culture for goal attainment, no firm can be successful in the long run. In his work, "Organizational Culture and Leadership," Edgar Schein examined companies with a vision to establish a corporate culture that emphasized goal attainment and success and found in all instances that successful firms have strong attitudes or beliefs towards leadership.

Although the world appears to be getting smaller within the dynamic global economy, the cultural differences seem to become less obvious. However, as interaction and business among cultural boundaries increase, the cultural differences become more significant. A major asset that a businessperson, or even a tourist, possesses is the ability to respect and appreciate the history of the country they are visiting. The case of Poland illustrates the role of centuries of difficulties in its history and culture. Poland is a nation that has had to meet challenges both internally and externally. The transformation of Poland towards western organizational and management values has led to a decreased bureaucracy and corporate culture focused on quality and efficiency. The nation is an important center of production in Central Europe and is now positioned to be a significant economic power in the world. It benefits from geography and demographics that contribute to its pursuit of becoming an advanced nation with a high quality of life for its citizens.

The ideas presented here offer some ideas for doing business in Poland. These cultural-based suggestions include the need to:

- Recognize the history of Poland and its role in shaping culture.
- Value the tenacity and perseverance of the Polish people.
- Appreciate that Poland is eager and anxious to continue to make improvements by discarding the old myths and acquiring new and innovative ways of doing business.
- Be tolerant of the Polish culture as it is.
- Empathize and interact with the Poles, no matter where they come from.

As a strong relationship driven culture, a high level of sincere trust in Poland does not typically extend beyond the family unit. Furthermore, the family (or relationship) will usually take precedence over work, rules, and decisions. Thus, business success in Poland is based on first developing a strong relationship that is grounded in mutual benefit and trust.

## **Conclusion**

Poland has a broad and rich culture. The traditions and conventions arising from its cultural norms continue to influence the management behavior and style in Poland. The experiences that Poles have witnessed over the history of the country have been embedded into their pattern of thinking and living. In many instances this historical baggage has been the glue that held the country together, even with the numerous upheavals, shifting borders, and total elimination of the country. The economic and political changes in Poland, as well as its cultural traditions, have provided an alignment mechanism to the present day society. This impacts on the content and direction of the society. The recent westernization of Poland has had a positive effect with a decreased bureaucracy and improvements in corporate culture. Nevertheless, historical values and traditions continue to affect the way decisions are made and the way enterprises are managed in Poland.

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