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## Country-of-origin effect on manager's competence evaluations

**Abstract:** Functioning of multinational corporations requires international staffing decisions, which involves, among other issues, sending expatriates to foreign subsidiaries and/or hiring inpatriates in the headquarters. The evaluation of a manager's professional competence by his/her subordinates, peers or superiors is determined, for example, by cultural stereotypes intertwined with the manager's nationality. Such an evaluation may affect the quality of cross-cultural interactions and therefore influence effectiveness of a MNC's staff. Thus the aim of this paper is to initially verify whether the country-of-origin of a manager may affect the perception of his/her professional competence. The analysis of this relationship is based on the literature review and the empirical findings from the authors' research. An experiment on management students is the research method that was applied in the study. As a result, the authors attempt to examine whether there are cultural stereotypes that ascribe higher or lower managerial competence to individuals from certain countries. The analysis may also contribute to the literature and research on liability of foreignness as well as cultural stigmatization issues. The empirical findings from the pilot study suggest that the nationality of a manager may affect the evaluation of his/her competences by other people.

**Key words:** country-of-origin effect, cultural barriers, cultural stigmatization, cultural stereotypes, international staffing, liability-of-foreignness, multinational corporations (MNCs)

### Introduction

Effective functioning of multinational corporations (MNCs) requires, among other issues, a rational staffing decision making concerning job posts,

frequently managerial ones, in the headquarters (HQ) and subsidiaries. Such a post may be filled by a foreigner – an expatriate or inpatriate. There is ample literature on international staffing regarding expatriate management and the staffing configuration [for the overview see Rozkwitalska M., 2012, pp. 50-57] as well as rather scant, yet growing studies on inpatriate management [see e.g. Harvey M., *et al.*, 2000, pp. 825-846; Harvey M. *et al.*, 2005, pp. 267-280; Harvey M., *et al.*, 2011, pp. 150-161]. They cover a relatively wide range of topics on International Human Resource Management (IHRM) that concern issues such as selection, the preparation and training of a candidate for overseas assignments, performance appraisal and compensation, repatriation, failure ratio on foreign assignments and its costs, and cultural adaptation of ex/inpatriates to international staffing options, their determinants, motives and effects, and the staffing trends and patterns [Rozkwitalska, 2012, pp. 50-57]. Nonetheless, only a few studies so far have tackled the problem of liability-of-foreignness (LOF) as a consequence of country-of-origin (COO) effect of an overseas relocated individual and how they impact on his/her quality perception by foreign locals. Although, the literature on intercultural management emphasizes the role of cultural stereotyping that causes misinterpretation in cross-cultural interactions [see e.g. Alder, N.J. and Gundersen A., 2008, pp. 80-86; Rozkwitalska, M., 2012a, pp. 49-55], it rather neglects the fact that cultural stigmatization associated with LOF may interrupt the evaluation of a foreigner's managerial competences<sup>1</sup>. Such an evaluation can later negatively influence cross-cultural interactions by generating barriers to them<sup>2</sup> and causing process losses [Harvey, M. *et al.*, 2005, pp. 267-280]. Therefore, to fill the gap identified above, the aim of this paper is to verify whether the nationality of a manager may affect the evaluation of his/her professional competence, or in other words, whether COO effect can be apparent when managerial skills of a foreign individual are assessed by locals.

The paper is structured as follows: it begins with the literature review concerning COO effect, LOF and stigmatization issues. Then, the relationship

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<sup>1</sup> An article by Harvey M. *et al.* [2005, pp. 267-280] is a good exception that provides a deep explanation on how stigmatization associated with LOF and being a consequence of COO effect may affect the perception of the quality of managers in MNCs. However, the analyses there were limited to inpatriates. Another study, conducted by Carr *et al.* [2001, pp. 441-457] tested whether COO effect can be observed when candidates for various job positions are selected. Generally, the respondents when determining their preferences for hiring employees from particular country group (i.e. Tanzania, East Africa and the West) indicated the locals as their first choice over expatriates. Nevertheless, a technical expertise of Westerners was valued higher than host country nationals and they were preferred for a job position where technical skills were a matter of importance.

<sup>2</sup> The opposite situation is also possible, namely a MNC's staff may be prone to cooperate with an individual whose professional skills are valued higher due to his/her COO.

of these constructs with the evaluation of foreign managers is identified. The next part describes research method and the empirical findings. The final section deals with the contributions and limitations of the analysis, which are subsequently followed by concluding remarks.

### Literature review

Country-of-origin effect is a concept relatively widely investigated in the international business literature. It has specifically attracted the attention of researchers in the international marketing field, where COO effect is defined as an influence of a country's origin of a product on its perception by its buyers [Ghazali M. *et al.*, 2008, p. 91]. It "refers to how individuals perceive value/utility of products/brands/organizations emanating from a particular country" [Moeller M. *et al.*, 2013, p. 92]. A few studies have also analyzed COO effect in international and intercultural management fields. However, here the researchers have mainly referred COO effect to the extent to which practices of MNCs are rooted in their COO with regards to various aspects of their functioning, suggesting that MNCs from different countries behave in distinctive ways [Ferner A. *et al.*, 2001, pp. 107-127]. For example, Pauly and Reich [1997, pp. 1-30] studied the behaviors of firms and they found out that those behaviors could be explained by differences in MNCs' national embeddedness. Other authors have analyzed how the nationality of MNCs determines their approach to human resource management (HRM) [Ngo H.-Y. *et al.*, 1998, pp. 632-652; Tregaskis O., 1998, pp. 136-163; Lindholm N., 1999-2000, pp. 45-66, Ferner A. *et al.*, 2001, pp. 107-127], the headquarter-subsidary relationships [Lubatkin M. *et al.*, 1998, pp. 60-684; Harzing A.-W. *et al.*, 2002, pp. 96-118], the control mechanism used in foreign subsidiaries and the internationalization strategy of MNCs [Harzing A.-W. and Sorge A.M., 2003, pp. 187-214; Noorderhaven N.G and Harzing A.-W., 2003, pp. 47-66]. Another emerging stream in the international management literature on COO effect, with some works directly stemming from LOF studies, is concerned with the impact of COO on the acceptance of foreign affiliates [Moeller M. *et al.*, 2013, pp. 89-99] or inpatriates/immigrants/foreign newcomers by a host environment [Harvey M. *et al.*, 2000, pp. 825-846; Harvey M. *et al.*, 2005, pp. 267-280, Coates K. and Carr S.C., 2005, pp. 577-599; Jordar A. *et al.*, 2007, pp. 513-537]. Although the influence of COO/LOF on the evaluation of managerial competences of foreigners has not been directly examined yet, the latter stream provides understanding of COO effect, which can be useful with respect to the aim of this paper. Namely, it sees COO effect as a specific predisposition to a particular country that results in a positive or negative attitude towards an organization or a person (inpatriate/immigrant/foreign newcomer) from that state.

Separating from the literature the stream which concerns solely immigrants, it tackles primarily what problems they face when searching for a job outside their homelands. Thus, it focuses on COO/LOF effects impact on job search success regardless of in which types of organization, i.e. domestic or multinational, immigrants apply for jobs [see e.g. Carr S.C. *et al.*, 2001, pp. 441–457; Coates K. and Carr S.C., 2005, pp. 577–599; Fang T. *et al.*, 2013, pp. 98–109] and selection biases towards them. Among others, it conceptually refers to social dominance theory, which claims that people tend to “use implicit mental models about which countries-of-origin are socio-economically dominant over others, with deference flowing to the more dominant countries, and prejudice being directed at the rest” [Carr S.C. *et al.* 2001, p. 580]. Basing on this concept, it can be inferred that a foreign manager from a so-called dominant country would be preferred as an ex/inpatriate to others from different states, who may be challenged with biases concerning the evaluation of their professional competences. Therefore, the locals’ mental hierarchies about countries of origin will affect the way they perceive foreign managers’ skills.

COO effect is conceptually related to the LOF construct [Harvey M. *et al.*, 2005, pp. 267–280, Moeller M. *et al.*, 2013, pp. 89–99]. Liability-of-foreignness with regards to MNCs is defined as overall, additional costs of operating abroad relative to the costs incurred by domestic enterprises, usually well-embedded in a local setting. These costs are associated, among other issues, with the spatial distance between the HQ and its subsidiaries, unfamiliarity with cultural, economic, political, legal, technological host-environments, a political and host-country risk and a lack of legitimacy among the locals [for overview of the construct see Mezias M.J., 2002, pp. 265–282 and Denk N. *et al.*, 2012, pp. 322–334]. LOF suggests that a MNC faces additional challenges on overseas markets, which results from its foreign status that may become its liabilities [Moeller M. *et al.*, 2013, pp. 89–99]. For instance, when a subsidiary integrates into a host surrounding, it can encounter cultural barriers due to its insufficient knowledge of the local values and norms<sup>3</sup>. Then some practices and behaviors of its foreign managers differ from those legitimated or locally accepted and, as a result, ex/inpatriates may experience liabilities of foreignness [Mezias M.J., 2002, pp. 265–282]<sup>4</sup>. Thus, such a foreign status is likely to turn into a

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<sup>3</sup> Calhoun’s paper on LOF [2002, pp. 301–321] delineates culturally driven sources of liability to a foreign subsidiary.

<sup>4</sup> LOF is a concept that was previously applied to explain obstacles faced by MNCs. However, later this concept was adapted to reflect challenges encountered at the individual level by foreigners. Therefore, it is hypothesized that foreignness may entail a liability, limiting a relative success of foreign actors in host markets, either an organization or a person. The major source of liability for an individual comes from his/her unfamiliarity with the local environment. Furthermore, a foreigner’s lack of the local roots interrupts him/her gaining

public stigmatization of a firm and its relocated, alien employees [Zaheer S. and Mosakowski E., 1997, pp. 439–464; Moeller M. *et al.*, 2013, pp. 89–99].

Moeller *et al.* [1997, p. 94] defines public stigma as “a process by which the public labels human differences, ascribes meaning to these differences through stereotypes”. A stigmatized person, since he/she deviates from the majority standard, can experience disapproval, rejection, exclusion and even discrimination [Miller C.T. and Kaiser C.R., 2001, pp. 73–92, [Harvey M. *et al.*, 2005, pp. 267–280] and his/her performance “may be compromised by concerns about confirming the negative stereotypes” [Moeller M. *et al.*, 2013, p. 94], which is a consequence of a so-called stereotype threat, causing stress and performance losses [Harvey M. *et al.*, 2005, pp. 267–280]<sup>5</sup>. ‘Foreignness’ becomes a liability to managers from a different culture when they “attempt to construct a professional or managerial role identity in the domestic organization of their new country” [Harvey M. *et al.*, 2005, pp. 272]. In this case a relocated manager becomes an out-group member and as such suffers from a lack of acceptance by the others who perceive themselves as in-group members. Consequently, they may be reluctant to work or foster the relationships with him/her, having a detrimental effect on a MNC [Jordar A. *et al.*, 2007, pp. 513–537].

Basing on the models of the impact of COO on an organization's/impatriate's acceptance in a host country [Moeller M. *et al.* 2013, p. 92; Harvey M. *et al.*, 2005, p. 273] and social dominance theory [Coates K. and Carr S.C., 2005, pp. 577–599], a basic concept is developed of how COO/LOF effects influence locals' evaluation of a foreign manager's competences, which can be seen as his/her quality (see Figure 1).

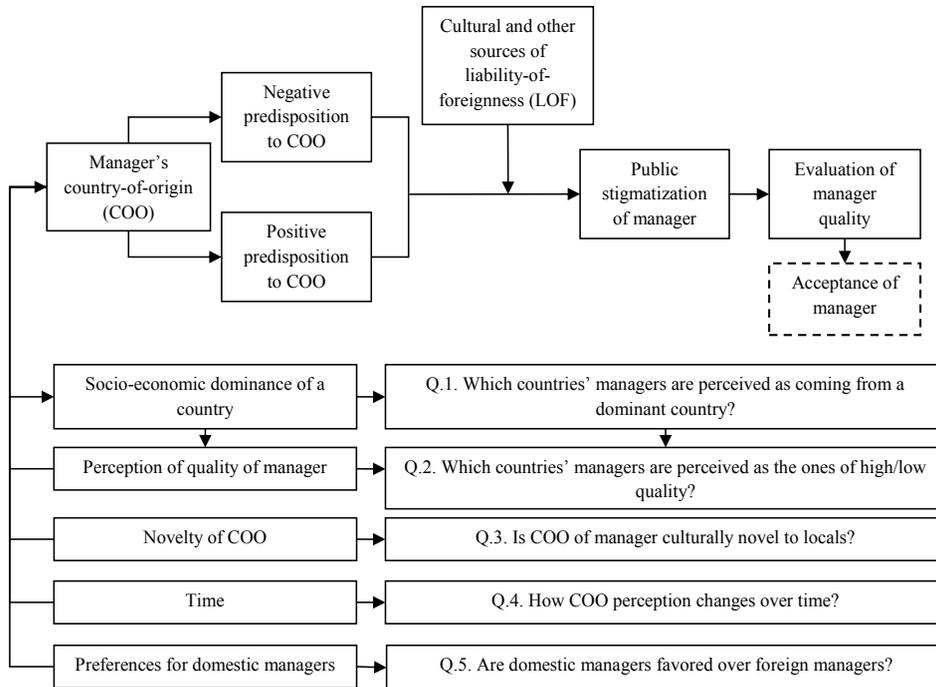
The four moderators were indicated that affect relationships between the image of a country and the perception of a manager from that state [Harvey M. *et al.*, 2005, pp. 267–280]. One of them, i.e. perception of quality of a manager, is determined, in congruence with social dominance theory, by the degree of socio-economic dominance of his/her country. By addressing to these four dimensions MNCs may increase a chance of hiring an ex/impatriate, who will be valued by his/her surroundings due to a positive reception of his/her quality and consequently limit COO/LOF effects experienced by a manager when entering an overseas organization.

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necessary legitimacy. His/her COO may pose a stereotyping hazard [Fang T. *et al.*, 2013, pp. 98–109].

<sup>5</sup> It is worth mentioning that a stigmatized individual may be stereotyped both negatively but also positively [Harvey M. *et al.*, 2005, pp. 267–280].

Figure 1. Country-of-origin impact on the evaluation of the quality of a manager



Source: the authors.

The following section portrays the research method and the empirical findings concerning testing of the hypothesis that COO effect is apparent when managerial competences of foreigners are evaluated.

### Method

To test the hypothesis that COO may have an influential effect on managerial competences evaluation two phases of the research were carried out.

The first phase was selective in character, namely the main aim of this phase was to empirically pick up the list of countries (so-called mental hierarchies, as stated in the theoretical part of the paper), which are associated with a high *versus* low level of a manager's competences and to determine whether domestic managers would be favoured over the foreign ones (see Figure 1 for theoretical background).

The aim of the second phase was to answer the question about COO impact on the evaluation of managerial competences and personal dispositions. Particularly, the authors tried to verify to what extent the perceived competences and anticipated personal dispositions of highly and lowly qualified managers differ among domestic and foreign managers.

### Participants

40 students participated in the first phase of the research: 23 women and 16 men. All the participants were recruited from a group of undergraduate full-time students. The mean age of the participants was  $M=20.76$ ,  $s=1.09$ . The participation in the research was voluntary. The data concerning one participant was excluded from the analysis because of violation of procedural rules, hence 39 outcomes were analyzed.

There were 105 participants (49 women and 56 men) in the second part of the research. The mean age of the participants was  $M=22.12$ ,  $s=3.73$ . All the participants were undergraduate full- or part-time students of the following faculties: management, logistics, and finance. Participation in the second phase of the study was also voluntary. Due to the research aim and the procedural requirements, none of the participants of the previous phase did take part in the second one.

### Procedure and material

The method applied to the study was an experiment composed of two phases, while the first one helped to prepare the material to the second one.

In the first phase the participants were asked to list three countries which, in their opinion, educate the best managers, and three countries that educate the worst ones. The participants were to write their proposition on a prepared form. Duration of this phase was approx. 5 min. The top selected countries were then used at the second phase of the experiment.

In the second phase, using a given questionnaire, the participants were asked to put themselves in a role of a firm's owner looking for a new manager. They read a short description of a fictitious person who applied for this position. The COO variable, on three levels, was introduced to the description. Basing on the results of the first selective phase, the following origins of a manager were chosen: American (the USA), Russian and Polish, whereas the third origin was introduced to compare domestic *versus* foreign COO effect. In consequence, three versions of the questionnaire were prepared, which differed only with regards to the description of the manager's origin. The participants of the experiments were divided into three groups (there were 35 people in each group). Each group was to fill in only one version of the questionnaire that included several evaluative questions or anticipations:

1. general in character (i.e. the readiness to like the described manager, the readiness for hiring a particular applicant, the duration of his/her potential employment, the level of employment risk)
2. related to managerial competences (i.e. his/her ability to lead his/her team effectively, an anticipated level of acceptance of that person by his/her

employees, anticipated chances for the firm development if the manager was employed)

### 3. anticipation of the manager's personal dispositions<sup>6</sup>.

There was a five-step scale applied to the questions general in character and related to the managerial competences. The description of the scale was as follows: -2 - definitely no, -1- no, 0 - neither yes nor no, +1- yes, +2 - definitely yes). Concerning the evaluation of the manager's personal dispositions, a seven-step semantic differential was employed. The duration of this phase was approx. 20 min.

## Results

The following results were obtained in the first phase of the study: The USA with the highest frequency was pointed out as the best country for managers' education (66,67%<sup>7</sup> of the respondents indicated this country), 58% of the respondents picked Germany as the best place for acquiring managerial skills and 51% of the respondents chose the UK. The remaining countries that were selected by the participants with a similar frequency were: France, Japan, China, Norway and Sweden. The detailed results showing the frequency of indications according to the place on the list are presented in Table 1.

Table 1. Frequency and percentage ratio of countries most often perceived as places with the highest level of managerial education – the ranking of mental hierarchies of countries

Country	Number of total choices	Percentage of total choices	Indication at 1 <sup>st</sup> place on the list		Indication at 2 <sup>nd</sup> place on the list		Indication at 3 <sup>rd</sup> place on the list	
			N	%	N	%	N	%
USA	26	66.67	21	80.77	3	11.54	2	7.69
Germany	23	58.97	7	30.43	11	47.83	5	21.74
UK	20	51.28	6	30	6	30	8	40
Poland*	6	15.38	1	16.67	3	50	2	33.33

Source: the authors.

Percentage of total choices was calculated as a total number of choices related to the number of the participants (39).

\*Poland was included to illustrate associations with the domestic level of managerial education.

<sup>6</sup> Some personal traits were selected and incorporated to the initial version of the questionnaire.

<sup>7</sup> The given percentage rates were set up regardless of the rank on the list.

The outcomes of listing countries with a low level of managerial education were highly dispersed. On the list much more countries (often with a single occurrence) were pointed at when compared to the first list (with the best countries). Russia was indicated the most frequently (30,77%) as a country with a low level of managers' education, the second country with the highest frequency was Poland, and the third – Ukraine. The remaining countries with a similar frequency indicated on the list were: Greece, Japan and Lithuania. With a single or double indication were: Hungary, Bulgaria, Turkey, the Czech Republic, the Netherlands and Italy. The detailed results showing the frequency of indications according to the place on the list are presented in Table 2.

Table 2. Frequency and percentage ratio of countries most often perceived as places with the lowest level of managerial education – the ranking of mental hierarchies of countries

Country	Number of total choices	Percentage of total choices	Indication at 1 <sup>st</sup> place on the list		Indication at 2 <sup>nd</sup> place on the list		Indication at 3 <sup>rd</sup> place on the list	
			N	%	N	%	N	%
Russia	13	33.33	9	75	2	16.67	1	8.33
Poland*	11	28.21	10	90.91	1	9.09	0	0
Ukraine	10	25.64	4	40	6	60	0	0
Belarus	6	15.38	0	0	3	50	3	50

Source: the authors.

Percentage of total choices was calculated as a total number of choices related to the number of participants (39).

\*Poland was included in the research as a domestic origin. Associating this country with a low level of managerial skills can be an additional factor interfering the results.

Although the aim of the first phase was to select countries for the next step of the research, some additional preliminary information about COO effect was obtained from the difference of the scope of the countries indicated on the first and the second list (i.e. countries with high *versus* low managerial education). Namely, in the case of countries with a high level of managerial education the scope of the given answers was relatively small and the biggest number of indications were shared among the USA, Germany and the UK. A relative coherence in the evaluation of the countries with a high educational quality may suggest that the states which prepare better managers were easier identified by the respondents. By contrast, the scope of the given countries with a low level of managerial education was relatively high and the dominance of the chosen countries was not so distinctive.

Three types of analyses were applied to the data obtained from the second phase of the experiment, i.e. the expected COO influence on the evaluation of managers' competences was investigated by means of one-way or two-way ANOVA, the data related to the anticipated manager's personal dispositions were described in terms of Osgood's semantic differential, while the correlation coefficient, as the third type of statistics, was introduced to analyze the potential statistical relation between a pair of given evaluations or anticipations.

The analysis of the variance was conducted in the following model for every dependent variable. The results of two way ANOVA in a model 3 x 2 (COO [USA, Russia, Poland] x [participant's sex [woman, man] showed a significant COO effect in "the readiness to like" the manager. In that case the main significant effect of sex occurred as follows:  $F(1, 99)=6.67, p<.05, M_{\text{man}}=1.14, M_{\text{woman}}=0.82$ ). It illustrates that the men were more ready to like the potential manager than the women. Additionally, the main effect of COO was found:  $F(2, 99)=3.14, p<.05, M_{\text{usa}}=1.03, M_{\text{Russia}}=1.15, M_{\text{Poland}}=0.76$ . Performing the LSD<sup>8</sup> test proved a difference between the USA and Poland (LSD:  $p=.03$ ). The results demonstrate that domestic managers are less liked when compared to foreigners. The interaction between sex and COO was insignificant.

One-way ANOVA revealed the country of origin influence on the evaluation of the hypothetical manager's personal dispositions. With regards to the personal disposition "openness to people", the analysis of the variance exposed, at the level closed to significant, an influence of COO -  $F(2, 102)=2.8417, p=.06, M_{\text{usa}}=5.54, M_{\text{Russia}}=5.48, M_{\text{Poland}}=6.26$ . A particular difference occurred between Russia and Poland (LSD:  $p=.03$ ), and the USA and Poland (LSD:  $p=.05$ ). The obtained means reveal that high openness to people is generally expected from managerial work, but significant differences indicate that higher openness is anticipated in the case of domestic managers than foreigners.

ANOVA revealed a significant COO main effect:  $F(2, 102)=3.8361, p<.05, M_{\text{usa}}=2.42, M_{\text{Russia}}=3.31, M_{\text{Poland}}=2.83$  concerning personal disposition "dominance". The means presented that dominance is anticipated in all the cases, however the difference was found between the USA and Russia (LSD:  $p=.03$ ), i.e. higher dominance is expected with regards to American managers comparing to Russian ones.

The analysis of the variance was close to significant COO effect in anticipation of "effectiveness"  $F(2, 102)=2.801, p=0.06, M_{\text{Poland}}=6.2$ . Nonetheless, LSD test demonstrated a significant difference ( $p=.03$ ) in anticipated effectiveness between Russian ( $M_{\text{Russia}}=5.63$ ) and American ( $M_{\text{usa}}=0.09$ ) managers.

A significant COO effect was revealed in the case of anticipation of a manager's "strength"  $F(2, 102)=3.975, p<.05, M_{\text{usa}}=6.03, M_{\text{Russia}}=5.23,$

<sup>8</sup> LSD test - last significant differences according to Fisher's test.

$M_{\text{Poland}}=5.68$ . Although high strength was expected from managerial work, the participants anticipated that a Russian manager would be less strong than an American one (LSD:  $p=.005$ ).

The remaining analyses of the variance showed insignificant interactions or the main effect of COO or sex.

The second type of the analysis, namely semantic differential, was set up as descriptive in character. There was a wide scope of personal traits included in this part. Due to likely different categories of these personal dispositions, the authors did not decide to calculate the general mean indicators. The results of anticipated personal dispositions for managers from the USA, Russia and Poland are presented in seventeen dimensions (Figure 2). Subtle yet statistically significant differences in some dimensions were obtained in the analysis of the variance (see ANOVA results described above).

Due to the preliminary character of the conducted research, the third type of statistics was involved in the data analysis: the correlation coefficient. Its aim was to discover the potential statistical relation between every pair of the given evaluations or anticipations. The separate correlation coefficients were calculated for three distinguished countries: the USA, Russia and Poland. All the conclusions drawn from the analysis of the correlation served to initially explore the nature of COO effect.

An interesting positive correlation was obtained in the case of the pair: "ethical" and "readiness to hire". For Russia and the USA the data coefficient was significant,  $r_{\text{Russia}} = 0.34$ ,  $p < .05$ ,  $r_{\text{USA}} = 0.48$ ,  $p < .05$ , while for Poland the correlation was insignificant. It shows that readiness to hire foreign managers is significantly related to their level of ethical attitude. Concerning Polish managers, none of the given traits correlated with readiness to hire them. Moreover, readiness to hire foreign managers is positively correlated with:

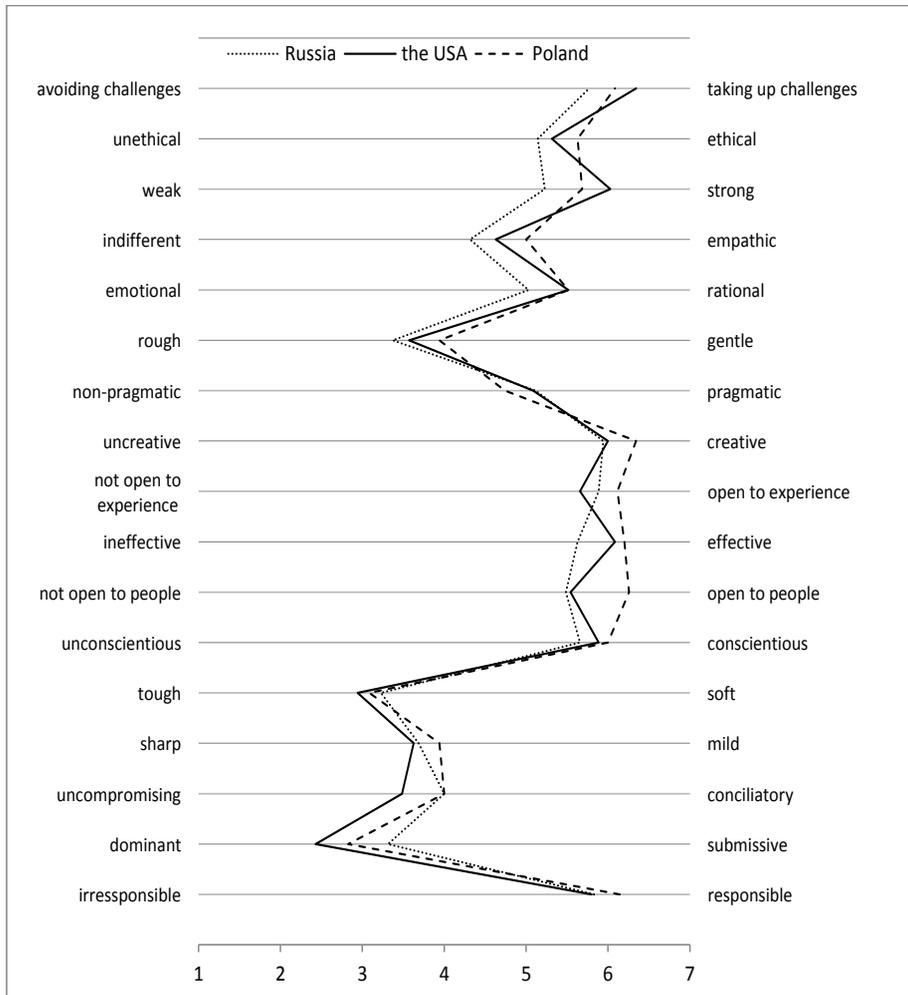
1. conscientiousness -  $r_{\text{Russia}} = 0.36$ ,  $p < .05$ ,  $r_{\text{USA}} = 0.70$ ,  $p < .05$ ,
2. effectiveness -  $r_{\text{Russia}} = 0.53$ ,  $p < .05$ ,  $r_{\text{USA}} = 0.39$ ,  $p < .05$ ,
3. creativity -  $r_{\text{Russia}} = 0.47$ ,  $p < .05$ ,  $r_{\text{USA}} = 0.63$ ,  $p < .05$ ,
4. strength -  $r_{\text{Russia}} = 0.51$ ,  $p < .05$ ,  $r_{\text{USA}} = 0.4$ ,  $p < .05$ ,
5. taking up a challenge -  $r_{\text{Russia}} = 0.38$ ,  $p < .05$ ,  $r_{\text{USA}} = 0.63$ ,  $p < .05$ ,

The obtained positive correlations exposed congruent demands or expectations from foreigners regardless of the perceived level of their professional skills (low -Russia, high -USA). In addition, a lack of any correlations for "readiness to hire" with regards to a Polish manager proves a privileged position of a domestic manager. Both of the above aspects confirm, to some degree, COO impact on a manager's competences evaluation (see Figure 1 for the theoretical background).

Readiness to hire a foreigner negatively correlates with a submissive ( $r_{\text{Russia}} = -0.36$ ,  $p < .05$ ), conciliatory ( $r_{\text{Russia}} = -0.35$ ,  $p < .05$ ) or mild ( $r_{\text{USA}} = -0.34$ ,  $p < .05$ )

attitude. Yet, no negative correlation was found in the data concerning a Polish manager.

Figure 2. Mean results related to anticipation of managerial personal dispositions



Source: the authors.

The participants were asked what kind of personal disposition the manager described in the short story would have shown, if he was employed. There was a 1-7 scale given in the questionnaire.

The results of semantic differential (see Figure 2) demonstrated that regardless of a country of origin, some personal features are not desirable among managers, i.e.: submission, being gentle, a mild attitude, being soft

or conciliatory. However, the analysis of the correlation coefficients exposed that those features were only negatively related to readiness to hire a foreign manager. All over again, it indirectly confirms COO effect on a manager's competences evaluation, particularly in terms of different requirements imposed to foreign and domestic managers.

Further calculations revealed interesting results with regards to an American manager's origin. In that case the evaluation of a firm's future development correlated with some features of the manager such as responsibility ( $r_{USA}=0.42$ ,  $p<.05$ ), conscientiousness ( $r_{USA}=0.60$ ,  $p<.05$ ), effectiveness ( $r_{USA}=0.54$ ,  $p<.05$ ), openness to experiences ( $r_{USA}=0.38$ ,  $p<.05$ ), creativity ( $r_{USA}=0.48$ ,  $p<.05$ ), strength ( $r_{USA}=0.38$ ,  $p<.05$ ) and taking up challenges ( $r_{USA}=0.56$ ,  $p<.05$ ). Similar correlations were not found regarding Russian and Polish managers' origins. Comparable results obtained from the data on Poland and Russia may have a source in low managerial skills associated with these countries (see Table 2.). It is possible that expectations for a firm's development can be evoked only in the case of a highly skilled manager.

The most coherent results independent of a country of origin were obtained with regards to the following:

1. effectiveness, which correlates with responsibility ( $r_{Russia} = 0.59$ ,  $p<.05$ ,  $r_{USA} = 0.57$ ,  $p<.05$ ,  $r_{Poland} = 0.40$ ,  $p<.05$ ) and being conscientious ( $r_{Russia} = 0.83$ ,  $p<.05$ ,  $r_{USA} = 0.37$ ,  $p<.05$ ,  $r_{Poland} = 0.47$ ,  $p<.05$ )
2. taking up challenges, which correlates with being conscientious ( $r_{Russia} = 0.81$ ,  $p<.05$ ,  $r_{USA} = 0.69$ ,  $p<.05$ ,  $r_{Poland} = 0.60$ ,  $p<.05$ ), openness to people ( $r_{Russia} = 0.48$ ,  $p<.05$ ,  $r_{USA} = 0.54$ ,  $p<.05$ ,  $r_{Poland} = 0.70$ ,  $p<.05$ ), openness to experience ( $r_{Russia} = 0.72$ ,  $p<.05$ ,  $r_{USA} = 0.61$ ,  $p<.05$ ,  $r_{Poland} = 0.74$ ,  $p<.05$ ), creativity ( $r_{Russia} = 0.75$ ,  $p<.05$ ,  $r_{USA} = 0.73$ ,  $p<.05$ ,  $r_{Poland} = 0.88$ ,  $p<.05$ ), strength ( $r_{Russia} = 0.51$ ,  $p<.05$ ,  $r_{USA} = 0.47$ ,  $p<.05$ ,  $r_{Poland} = 0.46$ ,  $p<.05$ ), and being ethical ( $r_{Russia} = 0.57$ ,  $p<.05$ ,  $r_{USA} = 0.42$ ,  $p<.05$ ,  $r_{Poland} = 0.39$ ,  $p<.05$ ),

The significant correlations obtained regardless of a country of origin lead to a conclusion that there are some essential features of managers which to some extent are not affected by their COO.

### Discussion and conclusions

The main aim of the paper was to initially test the hypothesis that country-of-origin effect is apparent when managerial competences are evaluated by locals. Although COO effect is relatively widely investigated in the subject literature and research, most of the previous studies have defined COO effect in terms of product and buyers perception. In this paper, COO impact on evaluation of managerial competences and a personal manager's disposition were directly analyzed to fill in the obvious gap in the existing knowledge of COO and to shed a new light on it. Therefore, the main contribution of the conducted study

is the investigation of COO effect in a new context of managerial competences evaluation. The analysis may also support, to some extent, the literature and research on liability of foreignness as well as cultural stigmatization. The practical implication of the study is that there is a necessity to consider COO of a manager while searching for an appropriate candidate for an overseas assignment.

The authors managed to demonstrate the influence of COO on the perception of a manager's competences. According to the empirical findings, the expected managerial effectiveness and strength differ depending on a manager's COO, namely lower effectiveness and strength are expected from managers whose countries were evaluated as demonstrating weak managerial potentials. However, generally congruent demands or expectations appeared towards foreigners regardless of the perceived level of their professional skills. Hence, to some extent domestic managers can be favoured over foreign ones. Some features which are recommended in managerial position were also confirmed as pivotal in the research, yet a few of them in some degree are resistant to the COO influence. The general conclusion regarding domestic managers is as follows: readiness to like a domestic manager is lower than readiness to like a foreign manager, yet expectations and requirements towards a domestic manager are lower comparing to foreign ones, which once again suggests a privileged position of local managers. Taking the foregoing into account, it can be posited that the hypothesis concerning that country-of-origin effect is apparent when managerial competences are evaluated by locals was initially confirmed. Nevertheless, the research was explorative and pilot in nature, thus additional studies are necessary to validate the expected relationship between COO of a manager and his/her evaluation by host country nationals.

The analyses in the paper are limited due to several reasons. Firstly, the provided empirical findings are based on the pilot study, which by its very nature, is initial and exploratory. Secondly, the participants of the experiment were young students whose work experience was relatively low or even not existent and who might have never met foreign managers. These factors could have affected their choices and evaluations. Thirdly, the respondents were Poles, thus generalization to other cultures is limited. Moreover, a preliminary version of the applied questionnaire did not allow for calculating the general indicator of personal dispositions or for clustering them according to statistical congruency. Furthermore, the experiment was designed to investigate the declared attitudes of the participants, which may have run counter to their implicit attitudes<sup>9</sup>. Finally, the research was designed to respond only to

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<sup>9</sup> The aim of the experiment was not disclosed to the participants, however, it is likely that they were able to recognize it from the fictional story included in the questionnaire.

question 2 and indirectly to question 5 of the proposed model (see Figure 1)<sup>10</sup>.

In view of the above, in order to increase the knowledge of the COO issue, future research is necessary that would explore in more detail the influence of COO on managers and employees cooperation. Further research could be conducted among people with greater work experience, employees in MNCs and respondents who have encountered foreigners at their work. Such a study may be carried out as a comparative analysis within the groups mentioned above. Moreover, future research may be extended to other nationalities in order to compare cross-culturally possible results. In addition, the part of the questionnaire related to psychological dispositions of managers should be better grounded in theory. The experiments may be redesigned or additional research methods could be applied in order to scrutinize implicit attitudes of respondents. Furthermore, to respond to question 4 of the model, future research is advised to be undertaken as a longitudinal study.

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Therefore, they could try to portrait themselves as people who were not biased towards certain nationalities (i.e. COO of the manager).

<sup>10</sup> Nevertheless, the list of countries with the best managerial education comprises those economies that may be seen as dominant (in accordance with social dominance theory). Thus, the list may reflect an answer to question 1 in the authors' model. It can be also assumed that all countries that were included in the experiment were not novel to the participant. This assumption refers to question 3 of the model.

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## Lean Manufacturing – results of selected implementation projects

**Abstract:** Lean Manufacturing is a structured program whose objective is to maximize the effectiveness of the company. It is based on the practices and methods of KAIZEN / LEAN applied by the world's best companies. The experiences from the Author led us to the conclusion that the Lean Manufacturing is based , among others, on the following concepts:

- Total Productive Maintenance TPM
- Single Minute Exchange Die SMED

The Lean Manufacturing focuses on the systematic pursuit and elimination of waste and losses. The losses identified are analyzed, evaluated in adequate manner to the attribute processes. The result of the analysis determines where and how to intervene.

In the paper has been presented the bases of Lean Manufacturing. The results of the implementation of Lean Manufacturing in different companies have been described. The main issues of Lean Manufacturing implementation have been characterized.

**Keywords:** Lean Manufacturing, continuous improvement, KAIZEN, implementation case study.

### The Lean Manufacturing bases

The times we live in are a period of transformation [Bednarek M. et al. 2012]. We witness everyday rapid changes and it seems to us that we control them, although we actually tend to adapt to them. The rhythm of changes used to be measured in intervals of more or less fifty years. Now it is measured in monthly or yearly periods. It has been caused by the following trends we can observe in the contemporary world economy:

- scientific and technical progress, particularly in the field of information technology,

- scientific and technical progress which requires the economy to be restructured, thus causing that enterprises operate in an environment forcing them to act under conditions of ongoing uncertainty, characterised by unexpected emergence of new competitors which, in turn, forces them to seek further outlet markets.

It strengthens the position of countries and regions whose markets, along with their scientific and technical surrounding and a strong private sector, facilitate the flow of capital triggering even stronger dynamics of changes.

It requires entrepreneurs to:

1. Attain and maintain condition enabling their enterprises to respond to both foreseeable and unforeseeable changes in the surrounding;
2. Obtain customer satisfaction under dynamically changing market conditions;
3. Manage their operations in a lean, agile and smart manner;
4. Hire employees working based on their knowledge;
5. Satisfy interests of all the company stakeholders (shareholders, employees, suppliers etc.).

The lean enterprise concept was born in Japan when Eiji Toyota along with his partner Taiidzi Ohno came to a conclusion that mass production of cars was lacking *raison d'être* in their country. This is how a production model known as Toyota Production System (TPS) came into being, only to be subsequently transformed into a concept of lean manufacturing, as described by J. Womack et al. in "La maquina que cambio el mundo" published in 1992.

### **The Lean Manufacturing implementation**

The main point of TPS was to manufacture economically sound products in short batches, adjusting their characteristics to requirements of various groups of customers. When this concept was developed, the market was far less globalised and more stable, and it was not obvious to all companies that different clients groups represented different requirements. The main feature of TPS was seeking and minimising (or eliminating) all kinds of waste and introducing automation primarily based on numerically controlled machines. What it practically meant was such a design and performance of production processes as to make it possible to manufacture more on smaller and smaller quantities of human, material, time and territorial resources consumed. Hence the concept was referred to as *Lean Manufacturing*. The model of production according to the Lean Manufacturing concept is focused on systematic search and elimination of loss and waste in production processes. The waste thus identified is analysed and appropriately assessed. What is also defined is a set of ways applied to eliminate or minimise the waste. One is to determine where

teams must interfere in order to eliminate the waste and how to measure the outcomes attained in the given process. For the sake of the Lean Manufacturing concept implementation, KAIZEN is applied. Lean Manufacturing is based on the following grounds:

1. The very basis of management is the added value generated in the process of creating a product or a service;
2. For the sake of efficient management, one needs to define a chain of values composed of three basic links:
  - product (service) designing process,
  - production planning and programming process,
  - production or service performance process.
3. The main goal of the management is to eliminate all waste which may emerge in each of the three basic links in the chain of values as well as continuous improvement of the actions undertaken in the given link.

In order to be able to put the ideas of lean manufacturing and management into practice, one must apply a number of methods in the enterprise, only to mention TPM (Total Productive Maintenance) or SMED (Single Minute Exchange of Die) chosen according to the company's individual characteristics. The author believes that all such methods are of major importance for the implementation of Lean Manufacturing in Polish enterprises, especially small and medium-size ones.

The ultimate goal of Lean Manufacturing is to attain a zero waste status in the enterprise, meaning:

- no scraps,
- no stocks,
- no unplanned downtimes,
- no changeovers.

Production machinery and equipment changeover is assumed to prepare them for new production, whereas unplanned downtimes result to a large extent from inefficiency of maintenance and repair works. Finding ways to reduce the time of changeover and unplanned downtimes is the goal managers responsible for production processes pursue. Quick changeovers and planned downtimes do not only stand for cost saving and efficiency increase, but also enable elimination of the existing bottlenecks in the process. Following the author's observations made in the course of research and implementation efforts undertaken in industrial facilities, long changeover times are predominantly due to:

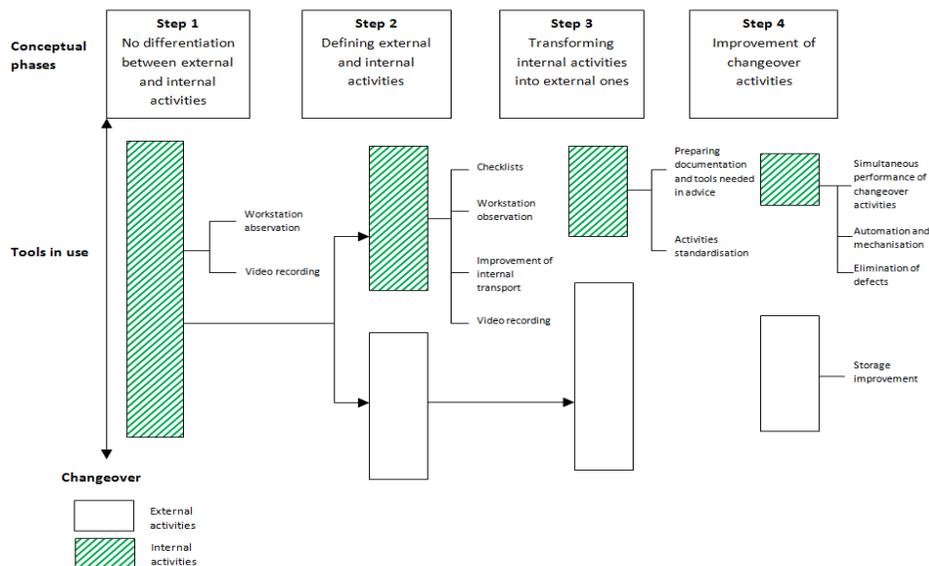
- organisational disorder at the production department (lack of documentation, appropriate tooling or action procedures),
- inconsistent implementation of the principles of Autonomous Maintenance or 5S,

- putting machines out of the process not only for the sake of the changeover and what it requires, but also while conducting actions necessary to overcome the existing organisational disorder.

### SMED – Single Minute Exchange of Die

Reducing changeover time is never the ultimate purpose itself, since the related projects are usually involved in implementation of *Just-in-time* (JiT) schemes or Group Technologies. Decreasing the time required for machinery changeover is the fundamental goal of the Single Minute Exchange of Die (SMED) method originally proposed in 1985 in a book entitled “A Revolution in Manufacturing. The SMED System”. Its author, Shigeo Shingo [Shingo 1990], is a Japanese consultant of worldwide renown who wrote a number of books on the ways to improve manufacturing systems. Shingo noticed that the changeover process can be divided into external activities, i.e. those which do not require the machinery to be stopped, and the internal ones, when some downtime is necessary. This observation had led him to develop conceptual assumptions of the SMED method. They have been depicted in Figure 1.

Figure 1. SMED concept – stages of machinery and equipment changeover



Source: author's own study based on: Shingo S., *op. cit.*

The above diagram comprises the following activities, being components of the SMED method:

**Step 1** – Persons responsible for the changeover operations do not distinguish between internal and external activities. A machine is stopped for

the entire time required to perform the changeover, regardless of whether the person performing the operation is actually searching for drawings or the necessary tool (external activities), or replaces one tool or jig with another (internal activity).

**Step 2** – Machines are only stopped for a period of time needed to perform internal activities. Before proceeding with the changeover operation, one must prepare the relevant documentation, tools and instruments next to the station, and only then is the machine stopped.

**Step 3** – The number of internal activities is reduced by transforming them into external ones. This can be achieved through the tooling optimisation, by performing such activities as mounting, inspection or measurements without interference with the machine, and by using auxiliary devices. This conversion is fully achieved through application of checklists of the activities performed, monitoring stations or analysing the activities undertaken by video recording them.

**Step 4** – Improvement of the changeover works. The main point in this respect is to eliminate all unnecessary activities, to introduce automation techniques, e.g. setting operations, or to improve the ways in which transport operations are performed.

While implementing the SMED methodology, the author noticed the following regularities to exist in the process:

- by following the sequence of actions shown in Figure 1, one can reduce the setup time by ca. 50%. Attaining such an effect is initially fairly easy. The problem is to make this time reduction repeatable. This goal is only achieved after several months of intense team efforts supported by those of managers, enabling the existing habits and deeply rooted operational customs to be altered;
- what matters particularly in the SMED implementation is the inclusion of machinery and equipment operators in the project.

#### **TPM – Total Productive Maintenance**

The assumptions of the Total Productive Maintenance (TPM) system were originally defined by Seiichi Nakajima representing the Japan Institute of Plant Engineers (JIPE) [Nakajima 1988]. The main purpose of TPM is the continuous improvement of operating efficiency of machinery and equipment with active participation of all the enterprise employees in maintenance and repair processes. It takes 12 basic steps [Suzuki 1992] to implement TPM, including the following ones:

1. Top management's obligation to implement TPM.
2. Establishing organisational structures required in TPM implementation process.

3. Establishing basic TPM policies and goals.
4. Formulating the TPM implementation master plan.
5. Implementing an autonomous maintenance programme.
6. Implementing a preventive maintenance programme for machinery and equipment.
7. Implementing an office work efficiency system.
8. Implementing an occupational safety and environment management system.
9. Implementing an early equipment management programme.  
Like in TQM, so in TPM, the word *Total* is attached special importance.  
This is because the gist of the problem is:
  - to attain comprehensive efficiency and profitability through elimination of all kinds of machinery and equipment downtime,
  - to introduce a comprehensive system of preventive maintenance,
  - to ensure comprehensive participation of the enterprise personnel in the TPM programmes.

#### **Lean Manufacturing implementation – selected outcomes**

Figure 2 illustrates a sequence of steps developed and applied by the author while implementing the Lean Manufacturing methodology. A detailed description of the activities performed in individual steps has been provided below.

An audit is envisaged to define the degree to which Lean principles have been implemented in the enterprise, and it consists in:

- identifying and describing the existing waste and inefficiency,
- identifying elements of visual communication,
- analysing the method and means applied to solve problems,
- analysing the ways to supply materials,
- analysing the arrangement of workstations and storage areas,
- analysing the organisation of workstations.

Based on the audit results, one is to determine the scope of works necessary to be performed further on in the process.

Step 1 is the implementation preparation comprising:

- training of top management and selected managers in the scope of Lean,
- promotion of the Lean agenda among employees,
- explanatory meetings with employees and trade unions,
- Lean team appointment and training.

Steps 2 and 3 are pilot implementations of the Lean Manufacturing scheme.

They comprise the following works:

- choice of the pilot implementation area,

- mapping of the production process and developing detailed definitions of the existing waste and inefficiency,
- defining success indicators (i.e. the expected level of waste reduction owing to the implementation) and means to measure them,
- training courses and workshops for the Lean team and selected employees,
- implementation kick-off,
- developing and implementing the suggestion scheme,
- summarising and closing the pilot Lean implementation project,
- assessment of the success indicators attained and stabilised.

Having completed steps 2 and 3, one usually obtains the following outcomes:

- improvement of the workplace organisation,
- improvement of machinery management,
- implementation of a pull system using Kanban or Supermarkets, necessary layout and organisational structure changes,
- utilisation of the personnel's potential and skills,
- Lean culture building,
- attaining initial tangible savings in the processes performed within the framework of the pilot implementation.

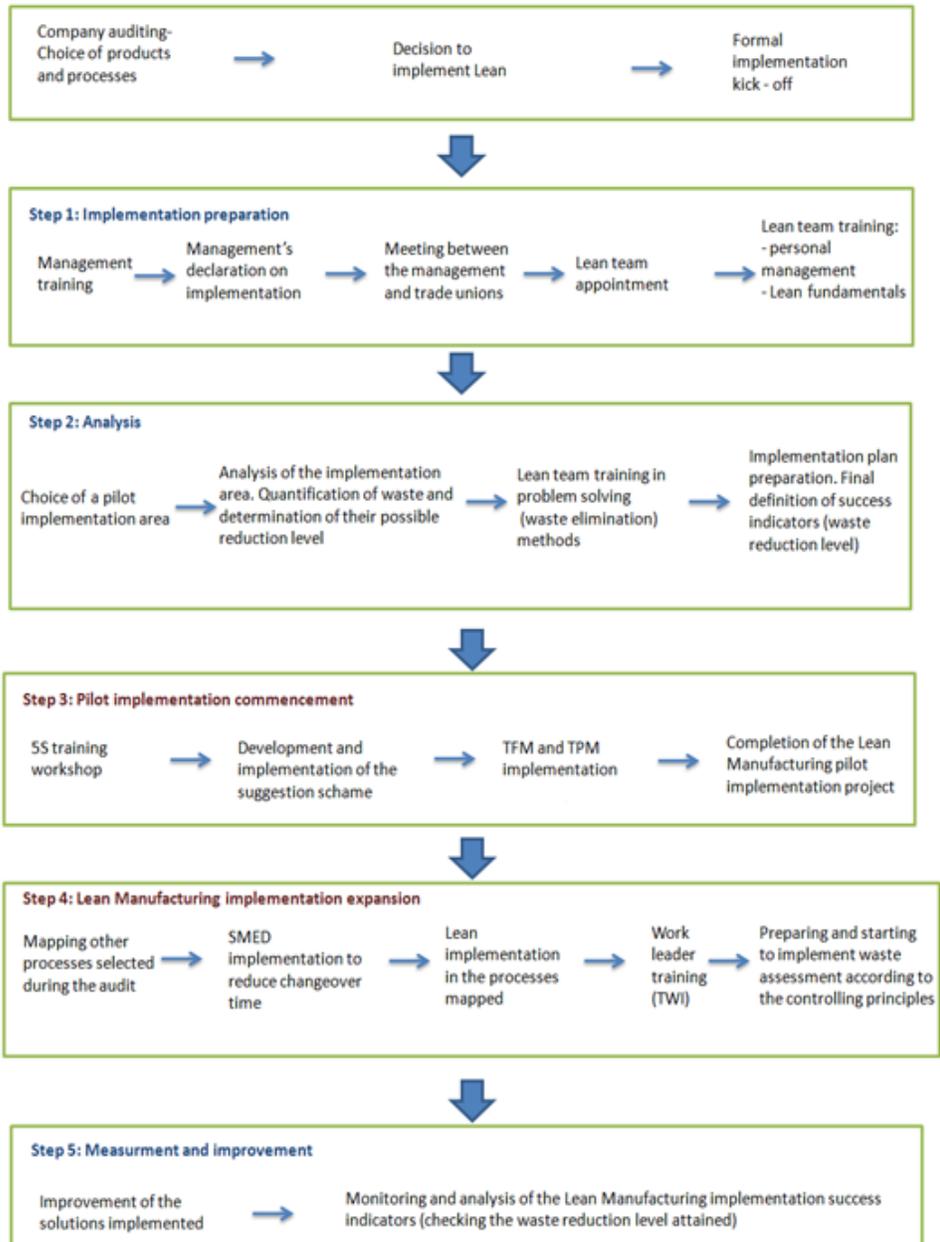
Step 4 is expansion of the Lean Manufacturing methodology implementation in the remaining parts of the enterprise. The following works are conducted at this step:

- mapping of other production processes,
- repeating, depending on the mapping outcomes, the selected scope of implementation works described under steps 2 and 3,
- specialised training for work leaders, known as Training Within Industry (TWI),
- continued assessment of tangible savings attained in the scope of the implementation processes performed.

The following outcomes are usually obtained as a result of step 4:

- reduction of the level of waste in the operation of machinery and equipment,
- spreading the Lean culture among employees across other enterprise areas,
- improvement of practical implementation of Lean tools and methods,
- completion of the Lean team preparation to unassisted continuation of the Lean Manufacturing methodology implementation.

Figure 2. Sequence of steps in the Lean manufacturing implementation



Source: authors' own study.

Step 5 entails measurements and improvements of implementation works, which consists in the enterprise monitoring and improving the Lean implementation on its own.

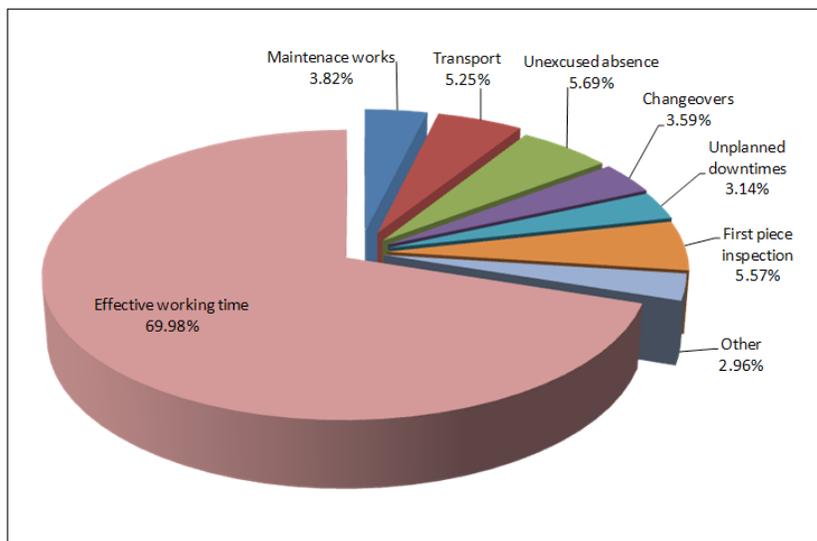
Implementing TPM and SMED methodologies in industrial enterprises has brought the outcomes illustrated in several exemplary drawings. Figures 3 and 4 show how working outcomes (success indicators) change in a group of machinery and equipment items owing to a similar TPM and SMED implementation project completed at one of manufacturing divisions of an automotive company. Figure 3 is based on data obtained while measuring machinery downtimes during an audit, whereas Figure 4 shows values of the same indicators in the course of the TPM and SMED implementation.

Comparing both diagrams, one may notice the following implementation outcomes (ca.):

- 15% increase in the effective operating time of machinery and equipment,
- 36% decrease in changeover time,
- 58% decrease in downtime related to maintenance of machinery and equipment,
- 63% decrease in unplanned downtime caused by various defects of maintenance of machinery and equipment.

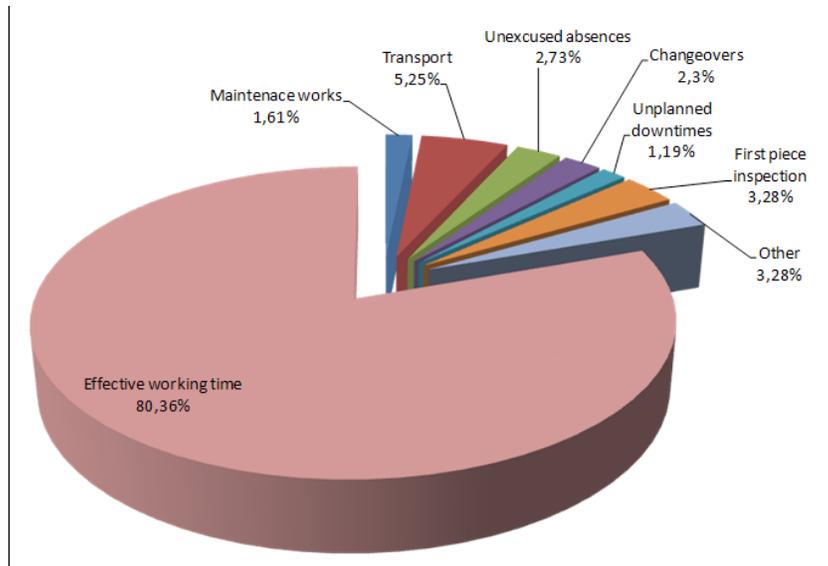
The outcomes shown are average waste values measured in the course of the operations described as steps 2, 3 and 4 (compare Figure 1) of the Lean Manufacturing concept implementation.

Figure 3. TPM and SMED implementation – status as of the audit time



Source: authors' own study.

Figure 4. TPM and SMED implementation – values of indicators after the implementation completion



Source: authors' own study.

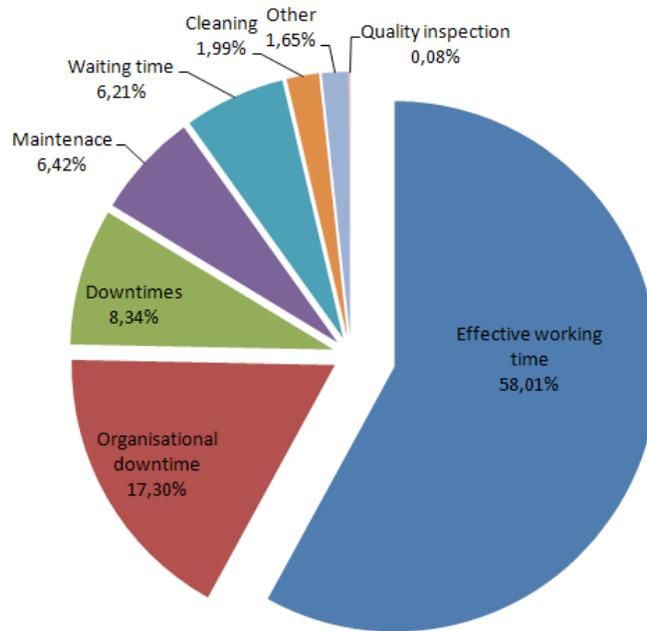
Figures 5 and 6 show how working outcomes (success indicators) change in a group of machinery and equipment items owing to the TPM method implementation at one of manufacturing divisions of a furniture company. Figure 5 is based on data obtained while measuring machinery downtimes during an audit, whereas Figure 6 shows values of the same indicators in the course of the TPM implementation.

Comparing both diagrams, one may notice the following implementation outcomes (ca.):

- 32% increase in the effective operating time of machinery and equipment,
- 72% decrease in maintenance time,
- 64% decrease in downtimes,
- 97% decrease in cleaning time.

The outcomes shown are average waste values measured in the course of the operations described as steps 2, 3 and 4 (compare Figure 1) of the Lean Manufacturing concept implementation. The clear reduction in the times of defect processing, maintenance and cleaning is mainly due to the fact that emphasis was put in this project on implementation of the 5S and autonomous maintenance principles in the enterprise.

Figure 5. TPM implementation – status as of the audit time

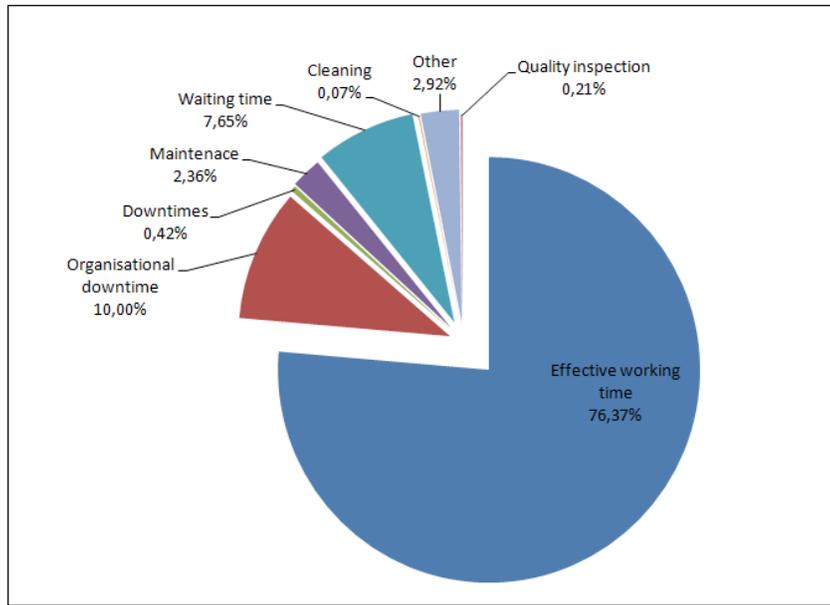


Source: authors' own study.

### Conclusions

Lean Manufacturing, once it has been implemented, is an ample source of benefits for the entire enterprise. It triggers a considerable increase of manufacturing flexibility, puts order into the workstation arrangement and reduces downtimes. Production is handled according to the customers' demand and deliveries are faster. The standardisation being an outcome of the 5S principle implementation improves work organisation and stabilised production. Making organisational structures more flat owing to the Lean Management principles and improved information transfer between the management and employees exerts a positive influence on mutual communication. Training is a means to improve professional qualifications among employees. In other words, implementation of the Lean Manufacturing concept is a shift from a traditional production scheme to a modern manufacturing systems, rapidly responding to market changes and varying demands of final recipients. It also stands for reduction of the amount of operating resources involved in the production process.

Figure 6. TPM implementation – values of indicators after the implementation completion



Source: authors' own study.

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## **Integrated Reporting as a Cross-border Communication Tool for Business - a Fad or a Sign of Times? <sup>1</sup>**

**Abstract:** A model of business communication currently used by companies, based on the financial statements and a number of satellite different themed reports, turns out to be unsatisfying towards high stakeholders' demands for information. Stakeholders expect environmental, social and corporate governance indicators enclosed in the financial and non-financial information, in a form that provides a complete, consistent, clear, comparable and reliable picture of the corporates' achievements. Therefore, in this article we analyze whether the Integrated Report (IR) could become a cross-border communication tool of business, which would satisfy the internal and external global environment needs. For this purpose, in the light of the differences in understanding of business responsibility for society between countries on each side of the Atlantic, the "pros" and "cons" of Integrated Reports are considered and the willingness of the business environment on this new form of communication is examined.

**Keywords:** Business communication, Integrated Report, implications of integrated reporting

### **Introduction**

A widely and rapidly available information is a sign of our times. Accordingly, the transparency of companies in all aspects of their business is now an

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essential requirement of the market. The activities of companies beside financial consequences have also social and environmental dimension. Companies strive to communicate it throughout financial statements providing mainly financial information and by publishing satellite reports i.e. Management Commentary, Intellectual Capital Statement, Governance and Remuneration, Environmental Report or Sustainability Report, which disclose also the non-financial information on a business approach to the environment and to the society. In other words, these reports are a tool for communication of environmental, social and governance (ESG) issues, which all together state for corporate social responsibility (CSR). It turns out, however, that these reports are only partially able to meet the information requirements of stakeholders. Several different business reports, indeed, present the activities of corporations in different sections, but information that they contain is incomplete and inconsistent. Without more complete and comprehensive information neither management, nor investors are in a position of effective decision making. In response to the information needs the concept of Integrated Reporting was implemented.

Integrated Reporting means a holistic approach enabling stakeholders to understand how the organization operates. Integrated Report reveals the relationship between financial and non-financial (social, environmental and corporate governance, which constitute the social responsibility) aspects of the organization's activities and their results.

Due to the enormous cultural, organizational and industrial diversity of companies each of these may take responsibility for its impact on the society and the environment in a different way and extend [Sobczyk M., 2013, p. 351]. It is argued that national differences in CSR can be explained by historically grown institutional frameworks that shape "national business systems" [Whitley R., 1997, pp. 173-186]. Particularly large differences between the United States and Europe are characterized and explained by Matten and Moon. They argue that "U.S.-style CSR has been embedded in a system that leaves more incentive and opportunity for corporations to take comparatively explicit responsibility. European CSR has been implied in systems of wider organizational responsibility that have yielded comparatively narrow incentives and opportunities for corporations to take explicit responsibility" [Matten D., Moon J., 2008, p. 409]. Thus, divergence in the form and scope of the presentation of information about CSR is obvious and the process and way of CSR communication should be harmonized globally. However, it is worth stressing that organizational culture, which is strongly influenced by national culture [Sułkowski, 2009] also shapes CSR practices.

The aim of this article is to present the benefits and challenges of Integrated Reporting that may determine its success in business environment. We

shortly present the development of the concept of CSR communication in the form of Integrated Reports and try to define the place of these report in the current business practice. We focus also on the analysis of regulators and non-governmental organizations involvement in the area of extended reporting.

### **Materials & Methods**

This work is based on the normative research method according to the statement of Ijiri [1975], that the purpose of the normative approach is to emphasize those areas where changes are most needed and where they are feasible. It is assumed that reporting process of companies needs improvements towards integrated reporting that should become one of the main areas of interest of today's management and accounting.

#### **Current state of knowledge**

CSR has its roots in the early social accounting concept, which emerged at the turn of the 50s and 60s of the twentieth century in the United States and resulted directly from this period's specific social conditions and ideological crisis, which prolonged duration required the use of innovative and radical ways of it overcoming.

*Social Responsibilities of the Businessman* of 1953 by HR Bowen [1953] could be considered as the first significant publication of the CSR. At that time the discussion on the creation of an internal and external reporting system embracing social responsibility was initiated. Accountability became its basis, which includes responsibility for the implemented activities and for providing the settlement of these actions. Since then, practitioners have started to make the first attempts in the implementation the social responsibility into business strategy and in measurement of their costs and effects, as well as in their reporting, creating this way a new level of accounting – social accounting. One of the first authors of publications about the importance of accounting for CSR were Epstein, Flamholtz and McDonough [1977], and Gordon [1978]. The need for extending the traditional model of business reporting is highlighted by Gray [1990], Guthrie and Parker [1989; 1990], Roberts [1992], Gray, Bebbington and Walters [1993], Deegan and Rankin [1997], Mathews [1997], Cordazzo [2007]. With regard to the activities regarding social responsibility, CSR report has become the primary way of communicating. It should “make a business dialogue with the environment, and the message should be complete, reliable, useful and comparable from period to period” [Fijałkowska J., 2012, p. 148].

Integrated Reporting has been the subject of literature studies for almost 20 years. In 1995 Eccles [Eccles, R.G. and Mavrinac, S., 1995] presented results of his research confirming market interest in nonfinancial information. Then, in two books [Eccles et al., 2001; DiPiazza S.A. and Eccles R.G., 2002] further evidence on

the need to supplement financial reporting with information on non-financial factors that were leading indicators of financial results was provided together with the indications how corporate reporting could be improved. In 2010 Eccles and Krzus [2010] showed that “Integrated Reporting” is an important concept of our times. According to Eccles’ definition [2011], Integrated Reporting “is reporting in a single document the material measures of financial and non-financial (i.e. environmental, social and governance) performance and their relationships to each other (...), establishes the discipline for integrated internal management of financial and non-financial performance. It is also the best way to report on a sustainable strategy”.

Publication of this book coincided with the date of the first Integrated Report - *Southwest Airlines One Report* disclosure and that was an evidence that the idea of Integrated Reporting had popped up simultaneously in academic theory and practice independently of each other.

While there have been significant advances in CSR reporting over recent years, no single body has so far brought all the different reporting pillars together in a single, mandatory, fully integrated and globally endorsed framework. This is the ambition of the International Integrated Reporting Committee (IIRC), which predecessors were „Accounting for Sustainability” and Global Reporting Initiative.

In 2004 HRH The Prince of Wales established a project called „Accounting for Sustainability” (A4S) which brings together the finance and accounting community from business, government, academia and the capital markets. A4S’s work focuses on ways to integrate measures of environmental health, social well-being and economic performance to provide a ‘future-proofed’ framework for decision making and build the capacity needed to take action. Its purpose is to assist in ensuring that the sustainable development would not only be discussed, but also embedded in organizations, to achieve a common approach in creating and implementing sustainable development strategies, to promote the idea of turning this strategy into the main organizational strategy and to incite to recognize information about sustainability in mainstream business reports.

The Global Reporting Initiative (GRI) is a non-profit multi-stakeholder, network-based organization. It developed a widely worldwide used comprehensive Sustainability Reporting Framework (included the Reporting Guidelines, Sector Guidelines and other resources, called The G3.1 Guidelines) which enables all interested organizations to measure and report four key areas of their sustainability: economic, environmental, social and governance performance to the greater organizational transparency.

IIRC is formed by financial standard setters, securities regulators and sustainability standard setters with representatives from companies,

investors and civil society, among them academics, whose mission is to create a globally accepted integrated reporting framework which brings together financial, environmental, social and governance, prospective and retrospective information in a clear, concise, consistent and comparable format to meet the needs of a more sustainable, global economy. In 2011, after a series of successful meetings around the globe resulting in the development of Integrated Reporting through regional roundtables, IIRC launched a discussion paper *Towards Integrated Reporting. Communicating Value in the 21st Century* in which the idea of Integrated Reporting was widely announced. In this work, the need to prepare an Integrated Report was argued and the benefits of its publication and the opportunities for reporting entities were outlined. The purpose of this document is to support the development of an International Integrated Reporting Framework that would meet the needs of the investor community as the primary audience for Integrated Reporting. As stated in this document, “Integrated Reporting brings together the material information about an organization’s strategy, governance, performance and prospects in a way that reflects the commercial, social and environmental context within which it operates. It provides a clear and concise representation of how an organization demonstrates stewardship and how it creates value, now and in the future. Integrated Reporting combines the most material elements of information currently reported in separate reporting strands (financial, management commentary, governance and remuneration, and sustainability) in a coherent whole, and importantly:

- shows the connectivity between them; and
- explains how they affect the ability of an organization to create and sustain value in the short, medium and long term” [International Integrated Reporting Committee, 2011, p. 6].

Taking into account an enormous amount of time and effort used to prepare an Integrated Reporting framework, it is reasonable to ask about the probability of its acceptance by business practitioners. For this purpose, in 2011 IIRC launched Pilot Programme Business Network which over 80 businesses from all over the world. This programme is designed to assist the IIRC in the development of the Integrated Reporting framework by testing the principles and practicalities of IR. In 2012 IIRC launched its next programme - Pilot Programme Investor Network, which purpose is to provide an investor’s perspective on the shortfalls of current corporate reporting, provide constructive challenge and feedback on emerging reporting from Pilot Programme reporting organizations and the International Integrated Reporting Framework being developed and engage with peers in the investor community on integrated reporting.

## Results

### 1. Integrated Reporting in business practice

Contrary to financial reporting, companies practice in CSR reporting is not long. Business reporting in the modern sense was implemented in 1970s and until now it has undergone many changes. Since 1973 financial statements have been drawn according to national laws, International Accounting Standards and American US GAAP standards. In 1980s and 1990s new business reports, i.e. Management Commentary, Intellectual Capital Statements, Governance and Remuneration and Environmental Reports emerged. Reports which would at the same time take into account the economic, social and environmental aspects of business activities were issued only after 1997, when J. Elkington [1997] presented his self-developed concept of *triple bottom line*. A few years ago companies began to take on a larger scale an initiative of the so-called Integrated Report publication.

Research on business reporting practices, which draw attention to the growing popularity of Integrated Reporting, which may imply major changes in business communications, are led by the world's largest consulting companies (e.g., the work of KPMG since 1993), institutions such as the World Bank, United Nations, European Commission, international accounting organizations (e.g. CIMA, and the Federation of European Accounting Experts).

Analysis of the reporting of CSR activities carried out by KPMG for the past 18 years clearly shows that it is becoming more and more common. In 1993, the percentage of companies reporting CSR among the 100 largest in the 34 countries (N100) surveyed was 12, in 2008 - 53, and in the last three years it reached the level of 64. On the other hand, 18 years ago, the percentage of companies that published a report on CSR among the 250 largest companies in the world (G250) was negligible, while in the last year it stood at 95 [KPMG International, 2011, p. 7].

According to the same study, the largest number in the world of CSR reports is produced in accordance with the GRI's Sustainability Reporting Framework and Guidelines. Business practice confirms their utility. In 2011, the reports were drawn up by 69% of companies in the N100 group and 80% of the G250 group [KPMG International, 2011, p. 20].

Currently, in the vast majority of countries, CSR reporting as well as Integrated Reporting are issued on the voluntary basis. However, some investors and sustainability activists continue their call for mandatory Integrated Reporting. Undoubtedly, a certain force in pulling Integrated Reporting forward was South Africa with its first requirements for Integrated Reports for years commencing on or after 1 March 2010 from companies listed

on the Johannesburg Securities Exchange (JSE). The driver for this was the King Code of Governance Principles for South Africa 2009 (King III) becoming a JSE listing requirement. King III recommends that organizations should adopt integrated reporting on an 'apply or explain' basis what means that they must issue the Integrated Report or explain why they are not doing so. Meanwhile, the highest degree of Integrated Reporting is practiced in Brazil, Germany, South Africa, Sweden and United Kingdom, therefore companies from these countries are recommended to continue to exercise leadership in order to help create a more sustainable global society [Eccles R.G. and Serafeim G., 2011].

The results of the interviews conducted for the European Commission (EC) have shown that many readers expect sustainability reports to be integrated with the financial statements [Wensen et al., 2011, p. 102]. They contend that the Integrated Reports provide a number of benefits but the barriers of their preparation cannot be ignored, which is undoubtedly a challenge to overcome for the reporting organization.

## **2. Determinants and Implications**

A fairly large CSR and IR reports popularity, especially in developed economies and among companies with relatively high capital, those that are open to changes, innovations, and above all aware of social responsibility, is thanks to the opportunities offered by these reports:

- they allow organizations to demonstrate interest in the state of the environment, social issues and their employees;
- they contribute to the overall preparedness and taking action related to sustainable development;
- they strengthen transparency;
- they build and maintain trust in the environment, including increasing the attractiveness of the organization as an employer (attracting highly skilled workers), convince socially responsible contractors (building a socially responsible supply chain), create interest in socially responsible investors;
- they allow to get some feedback from the environment on the action taken;
- they make it possible to make comparisons reporting organization;
- they highlight the relationship between the financial and non-financial results achieved;
- they incite innovation and promote the learning of organization;
- they provide an opportunity to explore new opportunities to improve business processes and implement continuous business improvement programs, including the construction and exploitation of synergies through increased collaboration between different departments involved in the implementation of CSR strategies;
- they help to identify, understand and overcome threats.

It should also be noted that in general CSR reports are still not a perfect tool of transparent communication with their users. As in the majority of countries there is no obligation to publish information on CSR and hence the lack of legally binding regulations relating to CSR reporting standards. This makes preparers of CSR/IR reports include the scope, form and frequency of information voluntarily and therefore causes some weaknesses of these publications, i.e.:

- too large and fragmentary material is included in a variety of themed reports (financial and non-financial) hence it is difficult to find cause-effect relationships between ESG indicators and financial performance;
- not very significant issues of the company are reported, and the key questions to assessing the scope and nature of its social responsibility are ignored, the lack of reliable information about the errors and lapses is evident, the report shows only successes (so-called "greenwashing");
- financial and non-financial information of the company are not comparable;
- reports of individual companies are not comparable;
- due to the absence of guidance as to the quality of non-financial information and external verification of non-financial reports - these reports can serve only as a marketing device.

Integrated Reports can be the remedy for the complaint about the lack of consistency between the financial information included in the financial statements and non-financial information contained in their satellite reports as well as the imbalance between this information and the fragmentation of the information. It also implies a number of other benefits that are presented in Table 1.

Table 1. The implications of integrated reporting

Benefits of integrated reporting	Challenge for reporting organizations
Stating the business strategy so users can understand the essence of these plans and where they will take the organization.	The inclusion of the social responsibility into main corporate strategy.
Showing targets and future performance.	Meaningful insight into management's plans and aspirations.

Benefits of integrated reporting	Challenge for reporting organizations
<p>The overall picture of financial achievements and social responsibility (environmental, social and corporate governance issues).</p>	<p>Integrated thinking about all the activities of the company. It is necessary to change the mentality of managers. Policy makers need to understand the need to act in accordance with social responsibility, include it in the company's strategy as well as convince and involve all employees.</p>
	<p>Integrated Reports should reflect meaningful interaction and engagement with stakeholders, filtering to material issues and demonstrating responsiveness in the business strategy and ultimately performance.</p>
<p>Clear and coherent view of success, shortcomings and challenges businesses face that let to understand how management is dealing with these issues.</p>	<p>Balance between financial and non-financial information.</p>
	<p>Use of all proper metrics for measurement of quantitative information.</p>
	<p>Proper presentation of qualitative information. Qualitative criteria need to consider issues including reputation, credibility, sensitivity and strategic relevance of matters. The structure of a well-designed Integrated Report provides a natural basis for determining the material qualitative issues.</p>
<p>A basis for companies to explain their value creation more effectively, especially to the capital markets.</p>	<p>Appropriate connection between elements of the report which leads to good linkage and logical flow between financial and non-financial information. Proper presentation of cause-effect relationships between ESG indicators and financial performance.</p>
<p>Material information useful for various groups of investors.</p>	<p>Identification of all financial and non-financial information needs of all stakeholder but presentation only that are material for key stakeholders. Selecting the right Key Performance Indicators (KPIs) and placing them in context.</p>
	<p>Application of the principle of continuity and comparability.</p>

Benefits of integrated reporting	Challenge for reporting organizations
The ability to analyze the value chain and the opportunities and important to it. Reflection of strategy chosen by the organization to create and maintain shareholder value.	Proper identification of all areas of the organization, the chain of values, as well as its chances or risks.
Ensuring accountability for expenditures on activities in the field of corporate social responsibility and their effects.	The designation of the person or unit responsible for carrying out the process of social responsibility and accounting of its costs and benefits. Entering the purposes of corporate social responsibility to the accounting processes of management and recruitment.
Reliability of communication as a key decision-making condition provided by the reporting organization and its stakeholders.	A combined (internal and external) assurance approach which needs to combine: <ul style="list-style-type: none"> <li>• governance – oversight and approval of the reporting strategy, structures and processes,</li> <li>• processes – establishment of appropriate processes, systems and controls at all levels of the integrated reporting process, including internal audit and external assurance providers,</li> <li>• data – assurance over quality of underlying data,</li> <li>• use of judgment – assessments of risk and materiality.</li> </ul>
In the Integrated Report social and environmental activities of the organization are presented in such a way that these activities seem to be important to the stakeholders, so they promote themselves, and may even encourage to them [Wensen et al. 2011, p. 103].	Support from governments, the finance and accounting community and wider stakeholder groups in promoting the idea of integrated reporting.

*Source: Authors' preparation.*

Supporters of Integrated Reporting argue that the inclusion of all material non-financial information into corporate reporting in a proper way would help steer business decision making in a more sustainable direction. They argue that the quality of reporting would improve because businesses would provide a more strategic picture of the issues that are critical to their long-term sustainability and success [Stevenson N., 2011].

Although Integrated Reports are beneficial to the organizations reporting, as well as to the business environment, it is noted that the transition from the existing reporting system into Integrated Reporting system will require a huge commitment from all market participants.

### Final remarks

Currently, business reports on various topics are more and more commonly used communication tool with the business environment; these reports are usually an addition to the mandatory financial statements, but it's slowly starting to change. Following the strategy of incorporating social responsibility into the overall enterprise strategy, Integrated Reports begin to emerge. According to the intentions of their creators they reflect all aspects of the unit in a given time and place - economic, social and environmental issues, already made, as well as intended to be implemented in the future. Therefore, they provide a sound basis for decision-making internally and by external stakeholders.

On the other hand extended business reporting poses great challenges for reporting staff and their stakeholders. Being aware of a number of Integrated Reporting benefits, every effort in development of this approach to companies communication is worth making. However, the success of CSR/IR reporting depends on the co-operation of a wide range of participants from different disciplines within the business. Today enterprises are therefore on the way towards Integrated Reporting, consequently it is not a fad but a sign of future times and we may assume that one Integrated Reporting system of communication of companies that would support both internal management and external users; decisions is the goal for business units.

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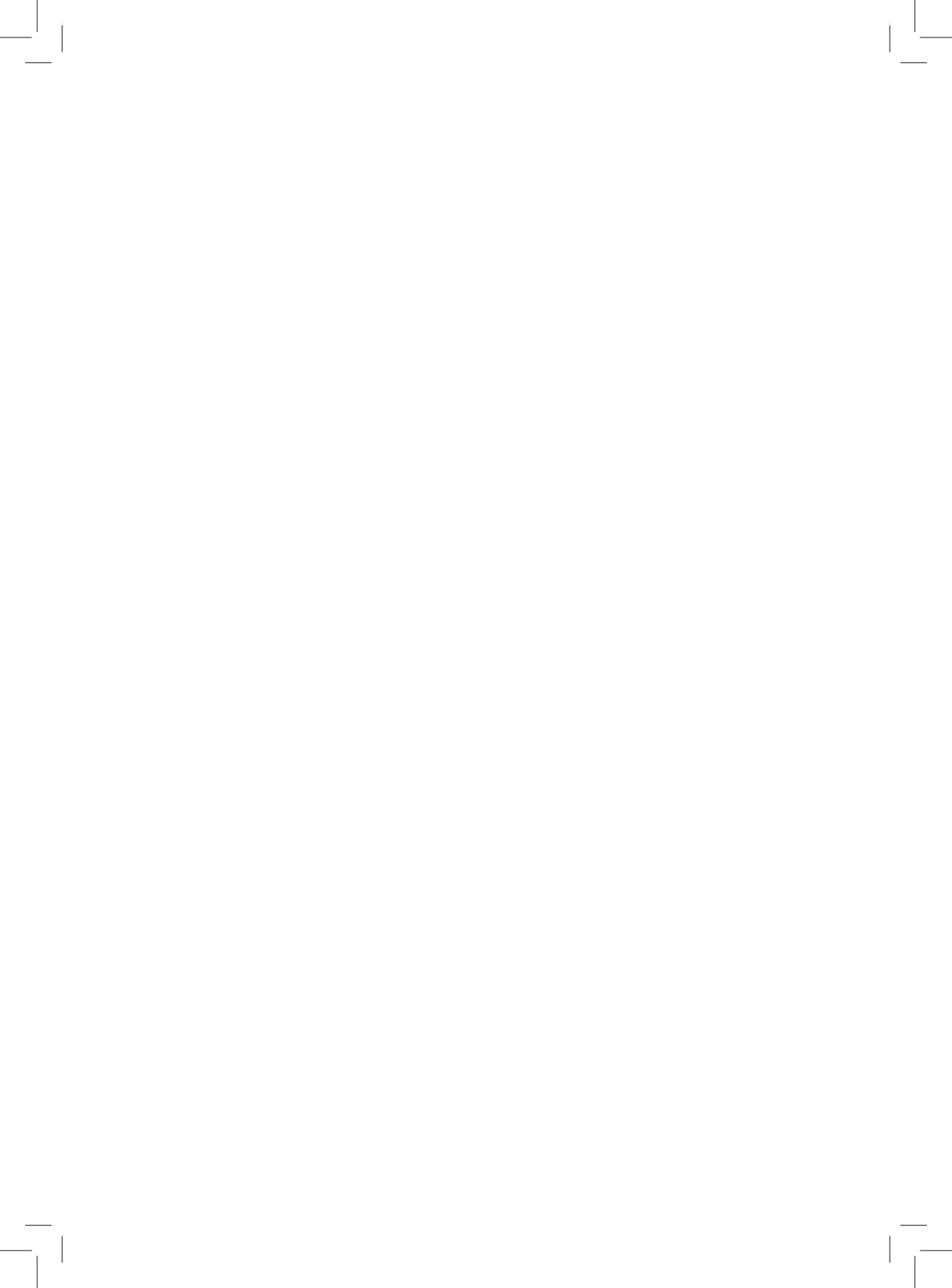
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## **The use of social media in Public Relations in Poland and the United Kingdom – case studies from automotive industry**

**Abstract:** Current changes in technology and the role of the Internet open up new opportunities for companies both to communicate with the public and organisational functionality of its own structure. The fact that Social Media entered the business landscape, can be globally experience in the novel ways of communication, particularly between all stakeholders in organisation's environment, but also in growing tendency in search for the new knowledge and expertise in digital environment. Organisations existing in brick-and-mortar landscape, observing ongoing and continues development of the digital technologies that ubiquitously transforming the way we perceive a role of marketing and making Public Relations more fascinating discipline in the XXI century. Becoming more exposed to the public, marketers needs to understand importance of their role in the new age of digital era but more importantly to be able to adapt to a new environment by building their digital presence with accordance to tomorrow's reality and prevailing expectations. Every geographical region has its own unique approach in practicing public relations and building their own understanding of that concept. What is more, one also has to take into consideration the relations between corporate culture and organizational environment and it's influence on certain managerial practices. Broadening the traditional perspective and communication by the new and growing acceptance of the dot.com era, internet is defining new rules, that continuously supported by the visionary and innovatory approach of modern organisations, not only modelling PR and marketing but companies as a whole. The aim of this article is to identify the changing trends of the new PR model that continuously evolve in the digital era and changing our way of building robust two-direction communication channel.

The article presents four case studies (Poland and the UK) of social media in PR on the automotive market.

**Key words:** Public Relations, social media, Poland, UK, automotive industry, car manufacturers

### Introduction

Public relations is more important than it used to be, mainly because of the prevailing perception that the world today is more media-driven than before. This new approach, is more visible in driving organisations towards more transparent and explicit utilisation of available communication channel, that on the other hand paradoxically creates a peculiar phenomena – customer's indifference. Audience feeling more overloaded with the media context and becoming reluctant to the new messages, that on the other side are strongly and more frequently broadcasted by the companies to build their brand position by selective utilisation of available communication medium. Therefore, in the era of ubiquities almost access to internet, it is not surprisingly that current transition of the media stream will have an ultimate impact on the way we communicate, and may forevermore alter the meaning of Public Relations and its role in the new age.

In the era where more individuals embracing the digital technology trends, every broadcasted information travels in a speed of light. Within seconds a press release originating in New York is read by thousands of people on their computer, mobile or PDA screens in China, Mexico, Norway, Poland etc. PR is experiencing a dramatic paradigm shift in the way we communicate, organise and perceive the information translated through bits channel in the e-world .

This shift caused by mainstream of Internet acceptance and globalisation, was effectively embraced by commonly known entities like Google, Facebook, MySpace, Twitter that have outgrown the vision of Marshall McLuhan's [McLuhan, 1965] global village and with it unprecedented expectations of public relations practitioners to service a new, intercultural, worldwide audience [Fitzgerald, Spagnolia, 1999, Compare Granys, Grandys, 2011].

The explosive growth of Internet and active participation in the process of many organisations, has initiated the embark of Web2.0 revolution, that harness the distributed and collaborative potential of the internet in the new way of connecting people around the globe, regardless of their origin. The new technology empowered customers in the way unseen before. With the media rich content, customers is in the position where they decides and controls the flow of the information in the way that suits them most, deciding when, where and how they wants particular message to be accepted. Being connected through the internet medium with virtually whole world, it encourage them to create their own content and disseminate by means of the same channel

as any organisation, concurrently influencing audience through peer-to-peer connection. We embarked in the era of Social Media, era in which new communication platform leverage customers presence in dot.com world and offers them tools to connect with every organisation in increasingly divert and relevant way.

### **Public relations**

Public relations play an important role in the world of international business. From a corporate standpoint, effective PR campaign enables companies to develop positive images for their businesses. From the marketing perspective, public relations also plays an important role as part of the overall marketing strategy offering numerous tools to position the company's product or brand on the market and build brand equity.

The formal practice of "public relations" dates to the early 20th century. In the relatively brief period leading up to today, public relations has been defined in many different ways. The definition often evolving alongside with public relations' changing roles and technological advances. The earliest definitions emphasized press agency and publicity, while more modern definitions incorporate the concepts of "engagement" and "relationship building."

Public relations has developed very rapidly in recent years, partly because management of various commercial and non-commercial organizations have discovered a need for public relations activities. There has also been a considerable increase in the means by which public relations messages can be conveyed.

In 2011/12, PRSA led an international effort to modernize the definition of public relations and replace a definition adopted in 1982. PRSA initiated a crowd-sourcing campaign and public vote that produced the following definition: **"Public relations is a strategic communication process that builds mutually beneficial relationships between organizations and their publics."** This definition focuses on the basic concept of public relations — as a communication process, one that is strategic in nature and emphasizing "mutually beneficial relationships." <http://www.prsa.org/aboutprsa/publicrelationsdefined/> 30.07.2012].

As a management function, public relations also encompasses the following [<http://www.prsa.org/aboutprsa/publicrelationsdefined/> 30.07.2012]:

- Anticipating, analyzing and interpreting public opinion, attitudes and issues that might impact, for good or ill, the operations and plans of the organization.
- Counselling management at all levels in the organization with regard to policy decisions, courses of action and communication, taking into account their public ramifications and the organization's social or citizenship responsibilities.

- Researching, conducting and evaluating, on a continuing basis, programs of action and communication to achieve the informed public understanding necessary to the success of an organization's aims. These may include marketing; financial; fund raising; employee, community or government relations; and other programs.
- Planning and implementing the organization's efforts to influence or change public policy. Setting objectives, planning, budgeting, recruiting and training staff, developing facilities — in short, managing the resources needed to perform all of the above.

We see traditional PR as a means of creating a mutual and collaborative platform, based on which we can build strong and long-lasting communication with all stakeholders. In the traditional approach, however, PR people were limited to certain channels, where they needed to relay on mainstream media that were mainly supporting large companies with high budgets projects or global initiatives. The exclusivity of the communication through the media stream in that respect, confined some organisations from experiencing the coverage of their press release, and opportunity to convey information and exposure of their new product or innovative service . With growing importance of the media role in building the company's presence on the market place, the relationship with PR organisations was even more critical for their further existence. Therefore prior to 1995 there was no significant option for company to benefits from the existing main stream channels and to be able to tell the story to the world, without large money investment and further financial support. Hence, it is not surprisingly that the new paradigm shift was only a matter of time:

**Old Rules of PR [Meerman 2011, p. 11]**

- Media was the only way to get airtime
- Organisations had to communicate with journalists via press release
- Organisations had to provide significant news if they wanted to be allowed to write press release
- Limited access to the news content for the buyer
- PR and Marketing were separate disciplines

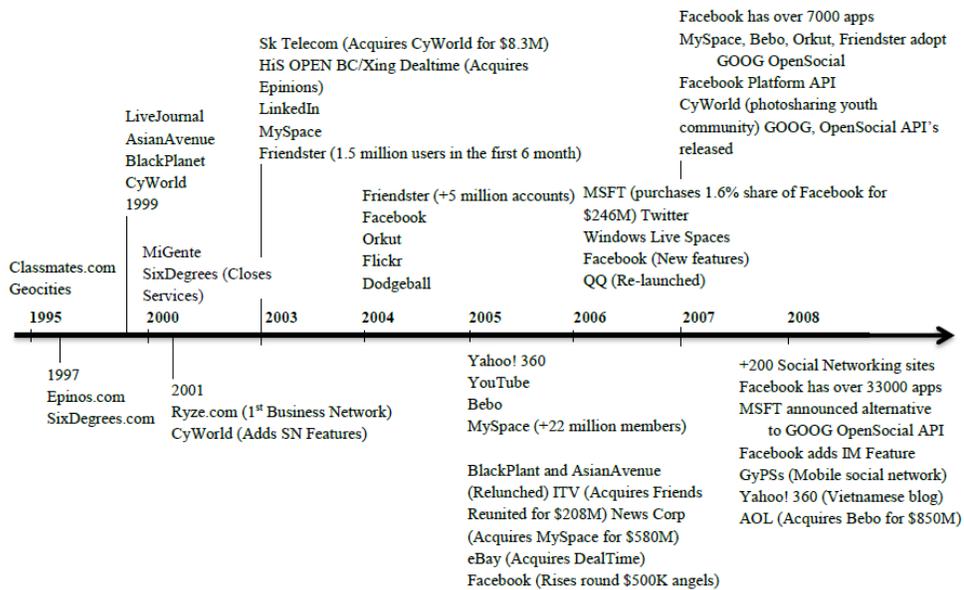
**Social media and Social Networking Sites**

Our economic and culture slowly shifting away from the mainstream markets and moving toward the broad number of niche products that are becoming more available through the existing channels. It is mainly experience due to new era of the prevailing existence of electronic platform, minimised constraints of the physical shelf and improvements of the distribution and cost optimisation. New economical model, described by Chris Anderson as

'Long Tail' [Anderson , 2009, pp. 53-54] is changing our current economical landscape that evolves fundamentally by growing acceptance of new medium, Internet. In this dispersed market, Social Media plays vital role.

Social media is a relatively new concept, therefore we continuously see evolution of its definition and ongoing efforts to capture the essence of the new medium as an universally accepted terminology. Even though it may sound impossible to achieve, reviewing existing literature we can explore the main frame of the new concept to straighten our understanding and knowledge in this area.

Figure. 1. Social media development from 1995 to 2008



Source: Trebnick [2008]

Safko and Brake [2009, p.6] observed that social media “refers to activities, practices, and behaviours among communities of people who gather online to share information, knowledge, and opinions using conversational media”. Weinberg [2009, p.1] notes that social media “relates to the sharing of information, experiences, and perspectives throughout community-oriented websites”. Comm [2009] believes that social media is content that has been created by its audience. The Universal McCann report refers to social media as “online applications, platforms and media which aim to facilitate interaction, collaboration, and the sharing of content”[Universal Mccann, 2009 p.10]. David Merman Scott adds that emphasising that Social Media differ from mainstream

media in that 'anyone can create, comments and add to the content' by different from of text, audio, video or community [Meerman 2011, p.38]. This extension to the original, articulated by many authors definition objectivise on 'sharing and garnering' information, by including the important ownership role of the content to virtually 'anyone', makes Social Media a powerful tool.

Palmer and Koenig-Lewis [2009, p.162] divide social media into following categories:

- blogs,
- social networks,
- content communities,
- forums/bulletin boards,
- content aggregators.

Zarella offers a basic definition that offers another inside to the term, looking at the concept through the prism of the technology According to him social media consists of online technologies that facilitate the creation and distribution of content. [Zarella, 2010]. Concise and simple, this definition lays the foundation for a proper understanding of additional facets of social media.

According to Zarella [2010], social media uses many forms:

- blogs,
- micro blogs,
- social networks,
- media sharing sites,
- social bookmarking and voting sites,
- review sites,
- forums,
- virtual worlds

Social Media, however, is not merely additional application to the existing PR or Marketing campaign, nor can be accepted as add-on to the current business model. Fully integrated Social Media can serve as a robust communication platform that with its continues evolution change the current interaction model between company and audience, but also amplify the organisation functionality as a whole. According to McKinsey Global Institute, integration of social technologies within the organisation can create significant value. Based on the research published in Harvard Business Review , the shift from one-to-one communication to one-to-many can improve employees productivity by 25% [[http://blogs.hbr.org/cs/2013/01/look\\_beyond\\_a\\_socia\\_media\\_presence.html](http://blogs.hbr.org/cs/2013/01/look_beyond_a_socia_media_presence.html) 21.01.2013].

Figure 2. Overview of the most popular Social Media Platform

Social Media Platform Popularity*	Social Network Platform	Overall Review	Future Trend* Where marketers are planning to increase efforts in %
49%	 Facebook	<b>Integrating over 600 million people</b> -features three entities: individual profiles, groups, pages -additional feature "Like" encouraging broader interactivity -engaging community through status updates, pictures, videos	<b>66%</b> growth compare to this year
16%	 LinkedIn	<b>Recruitments, Retantion, Industry Collaboration</b> - more than 100 milions users stricly professionals - greate inside of professionals around the world - Leverage HR activity and professional connectivity	<b>65%</b> growth compare to this year
14%	 Blogging	<b>Connecting deeply to your target audience</b> - more than 100 milions users stricly professionals - greate inside of professionals around the world - Leverage HR activity and professional connectivity	<b>66%</b> growth compare to this year
12%	 Twitter	<b>Rea-time consumer engagemet</b> -sharing through: general updates, replies, direct message -public way of connecting with audience through 140 characters - a way to monitor conversation about brand, promotion, and listening to consumers engagement	<b>64%</b> growth compare to this year
4%	 Youtube	<b>If a picture's worth a thousand words, how many is Video worth?</b> -great method of telling a story recarding brand, product, comopany -building the organisation presence by reaching the right people through its own TV channel	<b>69%</b> growth compare to this year

Source: based on information in Dave Kerpen Likeable, David Meerman Scott *The New Rules of Marketing & PR*

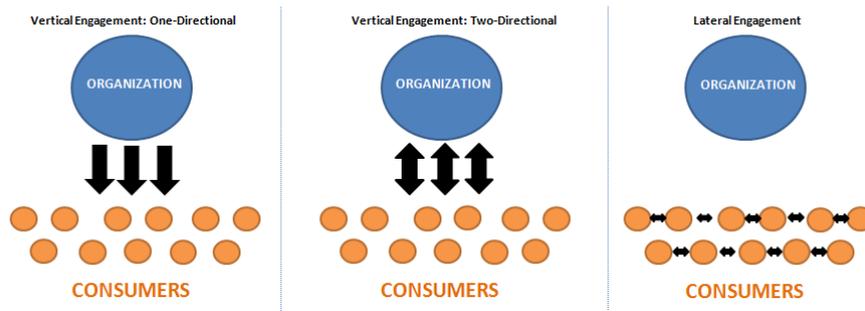
\*based on 2013 Social Media Industry Report - May 2013

New ways of communication and sharing content over the web is emphasised in every aforementioned definition. Looking closer into this aspects, Brian Solis examine this phenomena in details, differentiating communication tunnels into three different channels [Branchard 2011 pp. 8-11]:

- **Vertical Engagement (one-direction)**, broadly explored and practiced by company prior 1995, the eve of Social Media. This would mainly represent the 'Old Rules of PR' where organisation crafted message and broadcasted to the audience. Audience didn't have an effective way to communicate back to organisation
- **Vertical Engagement (two-direction)**, embarked in the transition to Web 2.0, with a birth of social networking. Audience is becoming empowered with a possibility of new channels to communicate back to Organisation, they had been given a voice

- **Lateral Engagement (worth of mouth)**, that is followed by significant change in the social network, by adding additional features into existing platforms (facebook 'Like') and connectivity between various different tools like blog, twitter, location-based applications – influence and trust in lateral communication is earned, not bought.

Figure 3. Communication channel: Lateral vs Vertical forces



*Based on Oliver Branchard Social Media ROI Person Education ltd, 2011 page 8-11*

The ability to influence the network based on your own subjective opinion creates the strong power of human engagement. This leverages the audience position in correlation with any organisation, regardless of their market value or geographical presence. This phenomena is broadly embedded within SNS (social networking site) acronym. This phrase is used to describe any Web site that enables users to create public profiles online and form relationships with other users through the internet by interaction with his profile. SNSs have different rules for establishing connections, but they often allow users to view the connections of a confirmed user link and even suggest further contact through the personally established network. Some social networking websites like LinkedIn are used for building professional connections, while sites like Facebook straddle the line between private and professional link and by use of specific algorithm formula that distil and filter incoming feeds through the web [Kerpen 2011 p. 42].

Social Media can be also broadly explained as an important element in the nowadays organisation. This evolution provided the new view on certain element of the organisation, that looking through the prism of dot.com era we can see the great influence on particular elements of the business function. Blanchard articulates five main areas where Social Media can enhance its functionality, additionally to aforementioned PR and marketing [Branchard 2011, pp.18-27; <http://www.socialmediaexaminer.com/>

SocialMediaMarketingIndustryReport2013.pdf 01.06.2013] :

- **Sales** – mainly by acquiring new customers through its reach and influence according to 2013 Social Media Marketing Industry Report, 62% marketers confirmed that integration of Social Media improved the sales
- **Customer Support** – the power to respond to customer in real time and building community of fans - according to 2013 Social Media Marketing Industry Report, 63% marketers found Social Media useful in developing loyal fans
- **Human Resources** – a broader choice of recruiting talented individuals - according to 2013 Social Media Marketing Industry Report, 92% found it useful to use LinkedIn
- **Business Intelligence** – easier, cheaper and faster and richer way of monitoring the web presence - according to 2013 Social Media Marketing Industry Report, 69% marketers use Social Media to gain marketplace intelligence

The heart of every enterprise is client, which empowered with a new communication medium, consciously exploring the new electronic channels to enhance his own experience towards specific brand or garner knowledge of the product of its own interest. Social media plays vital role in building dual channel communication between enterprise and client. Therefore, understanding the medium by the company is foremost paramount not only in order to gain quantifiable business profit in a long term perspective, but also to be able to effectively plan, measure and manage the whole engagement process. Therefore the ability to control the new medium as an integrated part of the company's structure have found its own point of tangency with CRM concept

With a growing tendency in the search for a definition and classification of new concept CRM 2.0 or less enigmatically Social CRM, we can experience visible debate around this topic, emerging mainly in U.S.A. One of its precursors, Paul Greenberg, urge that old CRM definition needs to encompass new medium with respect to new communication pattern, customer's expectation or empowerment and needs to change company's old perception towards new digital landscape. Therefore, he articulates in the new SCRM definition, importance of forging collaborative conversation with customers that will provide ultimate mutual value that emerge on trusted and transparent business environment [Greenberg 2010, pp.34-35]. Unlike the old CRM approach, that mainly focus on internal operational management level towards customers' relationship measurement, in SCRM focus shift towards more customer orientated sphere, where the main company's objective needs to meet the customers agenda and customer engagement with the company. This is area where we see companies adopting CRM technology with new business intelligence concept, where one

of the prime function is to concentrate on monitoring their web presence and act accordingly to the specific circumstances. Additional electronic channel is great source of the customers feedback that can be used as an integral part of the customer service strategy, where the diversion of the channel from the traditional bricks-and-mortar presence to dot.com environment can be effectively monitored and further resolved, building new engagement model between customer and company.

### **Research methods and findings**

Understanding the broad aspect of Social Media we need to explore this topic further and look at the practical expertise based on the company's presence in the real world. Through the further examination by exploring the presence and activity on few organisation established in both UK and Polish market, the author would like to elaborate the conclusion based on the following case studies. Although, these companies may be interconnected through existence of the market sector structure, operating in similar landscape of the business, they unique approach and understanding of the topic distinctively differ from each other.

Social Media is slowly becoming as an indispensable tool in the company's armoury. According to AICPA (American Institute of CPAs), social commerce sales totalled \$9.2 billion by the end of 2012, and there is strong evidence that will reach €14.25 billion by end of 2013 [Macarthy 2013, p. 4-5]. We see strong engagement of companies of introducing and integrating social media techniques and tools to leverage their business model, that based on this figures in North America should expand by over 50%. Can we see similar pattern on old continent, Europe?

### **Case Study 1 –UK Automotive Aftermarket industries – Aftermarket Distributor**

Author reviewed and examine closer presence of one of the biggest on UK aftermarket sector car park distributor. Company successfully operating in the brick-and-mortar environment successfully straightening their presence nationwide by rapid expansion of the branch network. With over 140 location nationwide company covers almost 92% of the UK region. This strong presence in the sector together with effective organisational and functional structure build their reputation as a leader in the industry.

Reviewing closer their operational element in the market sector, we can broadly view their potential strength mainly based on the robust and effective physical distribution channel, that supports the national network in the product availability level and communication channel that serve as an additional improvements in B2C and B2B structure. Understanding importance of the

new trend on the market, company continuously looking for new opportunities to explore the new digital technologies in leveraging their operational level and brand position on the market.

It's strongly emphasised throughout different functional level of the organisation, that ongoing efforts cannot be achieved without further improvement that will be solely based on the digital technology. This has been seen as the main objective in the following area:

- E-commerce External – Sales – building strong position on the market to support traditional distribution channel. It serves as effective tool in driving sales-leads towards website presence or alternatively to physical branch location. Integrated within the existing organisational structure serve as a strong vehicle in supporting the business objective. The electronic channel generates over 70,000 views every day and is considered as a powerful tool in accomplishing the ultimate goal – company's growth.
- E-commerce Internal – company see the strong influence of industry standards to improve the existing communication level within its own and between partnership organisations. It is broadly seen by integrating main peripheral operational system into one MIS platform. This provide the robust system of effective way of distributing and sharing companies marketing internal martial, reports, and analytical data including CRM and HR files. As an external to ERP system, is directly interconnected with main data server that serving as main repository, enables all key suppliers to communicate and exchange information data in the live presence.

E-commerce is strongly embedded in the company business function, however, Social Media should mainly serve as a new external communication model . Reviewing this aspect closer within the company, we can see that the utilisation of the program is more visible internal within the organisation, rather than external factor that would drive PR and marketing activity and adhering to the new trend. The main reason for that operational distinction can be sourced in Social Media ROI and metrics used to analyse important KPI or simple effectiveness of this channel. Let's look into that closer:

- Internal Organisational Function – one of the main objective is to improve the communication effectiveness within the organisation. Therefore company will be re-building the existing channel with replacing it with one-to-many platform, supported by IM system with live presence mode that will be build on existing MIS architecture. Frequently use of Webinars and Prodcast as an additional channel to convey important message. This is solely to improve the operational level within the company and connectivity between different organisational functions divisions. Which is easy to monitor and capture, by using the benchmark matrix

- External PR & Marketing – company have visible and active presence on facebook, youtoob and their own website, which they sole function is to support sales activity both on electronic & traditional channel. It understands importance of communicating with customers that appears on company's website, however, is only limited to the their own web page or on-line profile. There is strong Extensively exploring Social Media outside of the organisation will be difficult to measure from the effectiveness point of view and there are no current supporting evidences on the market that it would require to broaden company exposure on electronic channel.

Reinforced by the strong presence in the brick-and-mortar channel, company understands the changing environment that they need to operate in. They solid fundament on traditional operational level, however, provide them evidence to support the current model, rather than re-directing their efforts and solely exploring new way of communicating with the audience. Management strongly believe that traditional PR strategy, provides solid fundament to build adequate brand recognition and effective communication model with the audience. Any possible consideration of changing status quo would have to be mainly triggered by the transparent change in current market standards and landscape.

#### **Case Study 2 –UK Automotive Aftermarket industries – Suspension component Manufacturer**

Well positioned global brand, with 50 years heritage on the market, build their close partnership with main distributors around the world. It offers comprehensive product portfolio in suspension program, in both direct o.e. equivalent replacement and performance product category. It is known on the market by supporting for example NASCAR, where almost 90% of the vehicles are equipped with their products. Company is fully aware that being a global brand operating in the midst of the changing environment can make them more vulnerable in some sectors and become challenging to operate in others at the same time. Their operational presence on UK market, even considering the global brand recognition, was very unstable. Therefore, they have recently decided to change the distribution model, from the business partnership with local retailers that they had to strongly rely on, to direct distribution. Company re-enter the market by building their own presence through the investment of their own logistic infrastructure. This new more centre-controlled model, however, required building effective PR and marketing campaign to re-store their presence on the market and more importantly focus on customers to alter their brand perception to a solid local partner. Therefore, is not surprisingly, that mainly due to the very overall operational cost of launching the program, which directly limited expenditure budget on PR and marketing, organisation decided to use Social Media as the main and ultimate communication channel.

Their main strategy was to engage in every dialog triggered in the internet that would relate to their prime product. Concentrating on the forums blogs, or even twitter, they can actively monitor the company brand growth, public presence and listening to the audience by offering continues and complex support and advice. By using web monitoring systems like Radian6, or even free to download equivalent Technorati blog search, it offers instant and comprehensive toll to measure and engage with the client across the entire social Web. Company's main goals is to target specific clients group, structured by their closer analysis and understanding of the customer behaviour. It has been so far considered one of the most important tool in performing the PR and marketing activity. Firstly because of its resource requirements for program, that can be driven and controlled by even one person, but also comprehensive and effective PR toll that enable performing in-details search through the entire internet platform in exploring customers' needs to communicate with them adequately to their expectation.

The main company's objective is to broaden and strengthen their activity on the market through the further expansion and utilisation of the Social Media channel. The management understand the complexity and importance of being active in electronic presence, cultivating the principle of "maximum information for minimum cost".

### **Case Study 3. Polish Automotive Aftermarket industries – Aftermarket Distributor**

The emerging paradigm shift in the customer's service has been acknowledged by one of the biggest automotive aftermarket parts distributor on polish market. The company is offering replacement products and accessories to passengers and commercial cars. With its broad product portfolio, company supports DIY (Do it Yourself) sector and national repair centres, where understanding of the customers connection with the product and brand is important especially considering nature of the sector where the technology and component complexity is continuously evolving. Company has been recognised by the respected in the industries rankings published by the Money.pl and Gazeta Wyborcza as one of the leaders in the market. Their visible presence in dot.com has been also highly recognised as one of the most popular players in the industry, according Internet Standard and results of Gemius research. Their active engagement with all stakeholders on Facebook and Google+ resulted in building a large group of fans. Growing reputation of the company, was partly based on the closer utilisation of the international aftermarket parts catalogue software TecDoc, which with a daily information update system, offers solid framework in building own product catalogue application for the customers.

Company use social media to monitor customers activity as a part of the daily routine process framed within CRM strategy . This valuable source of information is archived in central data base, which that can serve as a general repository for all related operational departments. The process of monitoring the web presence creates an operational fundament for the company to understand the evolving characteristic of its customer and preparation for next marketing or PR campaigns. Social media also offers as a new sales channel, where effectively managed offers vast amount of promotions that that can attract customer and creates additional sales leads. Considering the large number of fans on Facebook each offer can broader the audience target by potential new customers, encouraged by their friends generating subsequent online post. There are also tangible benefits for fans like, 4% discount on the purchase or free delivery on the next on-line order.

#### **Case Study 4. Polish Automotive Industries – Car Manufacturer**

In the automotive industry, not only aftermarket sector see a growing potential in the Social Media and new communication channel. There is prevailing understanding and visible integration of the new medium also by the car manufacture, which especially in the highly competitive market understanding the customer's expectations is more important than before. It is paramount, however, to identify the right medium that can provide sufficient and most effective platform to communicate with audience. It is not surprisingly why Internet forum is one of the most popular places where customers gather together to share and garner information about specific vehicle, new features or even technical tips. Based on the released research in Social Press, over 94% [<http://socialpress.pl/2013/06/znaczenie-forow-internetowych-w-branzy-motoryzacyjnej/#> ]of respondents acknowledged that forums are one the most favourable platform by the customers. According the same research, that internet forums have immense impact on those vehicle models, that are highly influenced by ROPA effect (Research Online Purchase Offline), which is the customer's tendency to utilised internet as a medium in order to obtain viable information about the specific model of the vehicle before the final purchase. According to the same research, over 70% of the vehicles sold in Poland was subject to ROPA effect.

There are numerous forums available on the internet that are widely open for any new visitors. This transparency of the forum offers not only a great place to source a specific information about the particular topic pertaining to a specific vehicle model, but also effective platform to share subjective experience between those car users. One of the global car manufacture, offers forums as a great place to gather current or potential users to talk about their own experience from driving of the vehicle or even maintaining the car.

Professionally developed platform can be beneficial for all involved parties gather around the coherent topic, few examples:

- **Potential Customer** – relevant information about specific model, offered not in the form of marketing bulletin, but as a shared experience of the users and owners of the same vehicle.
- **Current Users** – provides a great source of shared experience and knowledge in day-to-day car maintains, repair tips, car parts or even technical support
- **Car manufacturer** – as a viable source of information on the current model and further R&D, customer characteristic and potential new market trends
- **Manufacture Franchise Distributer** – as a place to offer information regarding specific offer test drive or details of the vehicle option in store

Forum, as an effective channel, offers a great opportunity to meet your customer and understanding them better as a ordinary vehicle driver. Comprehensive monitoring activity and involvement in the communication between the users, company may offers its own professional support and what is also important, be alerted on specific topic that can potentially damage the reputation before the further escalation of the problem. As a source of information, Social Media offers viable feedback that can be used in crafting new marketing promotion or PR strategy that based on that mutual expertise can ultimately serve as a great channel of enhancing the company's position and presence on both internet and traditional market environment.

#### **Limitation**

This study covers a broad range of topics including PR and social media. It was therefore necessary to give just a general insight into each of these areas. This article does not cover the whole range of activities performed by managers and specialists from PR departments in organizations nor does it analyze the outsourcing of these activities. Social media was introduced although its broader uses and implications were not further examined.

#### **Summary**

On the one hand social media made PR more open and democratic on the other leaves open door for unethical practices. The good news is, any company that want to establish their presence through social media, needs to be transparent and authentic. Otherwise any unethical activity may undermine their presence rather than build artificial brand position. The research shows using this method alone that becoming more Social friendly it's first of all understanding the complexity of this topic and effective integration within the existing structure. Both UK and Polish market examples shows distinctively different approach to Social Media as a new concept. From one side we see strongly established entity on the traditional market that solely rely on the bricks-and-mortar presence, understanding new technologies but with

acceptable hesitation. As an entity that focus on capturing these elements of Social Media that is easier to monitor and gauge, shifting the organisational objective to focus on elements that mainly leverage the internal operational level of the company. And from the other hand, global brand that entering the market actively encompassing Social Media in their PR strategy to build brand position, listening to dialogue and actively engaging in communication to enhance their local and global presence. One of the most difficult aspects in any revolutionary and disruptive innovations, is changing the current status quo by company's adaption and adherence to the new prevailing model. It could be, therefore, considered as a difficult for one organisation cultivating strong, traditional business culture and old PR rules to comprehend the new paradigm shift, where it may requires time to understand the potential of Social Media before their fully embark the web presence. But even global companies, entering the new geographical market, realising the complexity of the topic and importance of integration of their operational CRM with Social Media to support PR strategy. The real question now is not if those considered traditional entities adapt the presence to the new model , but when, and whether it will not be too late before the whole market structure move towards a new, virtual word-of-mouth, leaving old players behind the new Social connection.

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## Women in the management – cases of Turkish women progress in the IT ranks

**Abstract:** It has been observed that Turkey, contrary to the country stereotypes, has high female participation in the IT, including professional and managerial positions. As in the women participation in the IT shows big differences among world's countries, it seems important to research the possible sources of higher women participation in the IT in some countries. Based on the pilot of in-depth interviews with Turkish IT professionals the article looks preliminary into the following subjects:

1. What economic, social and cultural factors influence females' IT choice in Turkey?
2. What were the success factors contributing to women employment and career in the IT in Turkey?
3. What barriers for IT management career progression have been identified by Turkish women?

The article also proposes approach into further research into the subject.

**Key Words:** Women career, gender equality in management, women in ICT Turkey

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### Summary

The objective of the article is to conduct preliminary analysis, based on the set of in-depth interviews with Turkish females who achieved independent or managerial position in the IT and literature reviews. The article:

1. Introduces the concept of women in the management and barriers in their managerial career.
2. Compares the level of women participation in the Turkish IT and how that compares with other countries?

3. Identifies major factors influenced interlocutors' choice of the IT career. How these factors can be classified?
4. Identifies interviewees perception of factors contributed to women success in the Turkish IT.
5. Identifies what are the major barriers in the IT career progression stated by the interlocutors.
6. Proposes how such initial research can be taken further to look into more cross-cultural aspects of women in the IT management.

### **Women in the management**

The issue of women progress in the management ranks became popular in the late 1980's and 1990's where it was commonly recognized that patterns for women life have changed and that women are taking more important position in the economy and business management [Schwartz, 1992]. Schwartz also made first arguments why having women in the management makes sound business case. While the corporate world of the management and in technology is still male-dominated as shown "Women in Management Worldwide" report [Davidson, Burke, 2011] there is a growing recognition of women role in the business management and Catalyst executes annual surveys showing women participation into Fortune 500 companies [Catalyst, 2012]. The increase of female managers, is significantly driven by perceived company performance impact, as confirmed e.g. by study conducted by Credit Suisse Research Institute [2012] of over 2,400 listed companies which shown that „(...) over the past six years, companies with at least some female board representation outperformed those with no women on the board in terms of share price performance”.

From the same perspective it can be stated that higher women participation results in increased diversity in the IT workforce and that in turn would lead to [Winkler, 2005] increased creativity, better decision making and business elasticity as observed in other businesses.

As early as 1976 it was noted [Wood, 1976] that „Women...have the same problems as men managers..., but the woman manager also has some unique problems because she holds a position that has long been considered a “man's job”.” The survey performed by Wood indicated on one hand the perceived benefits of women managers bringing „long-needed balance to the organization... valuable in marketing all products... making significant contribution in handling of customers”, but in those early days showed issues of women needing to „stop assuming male colleagues are superior...be more assertive with ideas and opinions...ask fewer questions” and pointing to „two critical faults... are their demanding nature at times and their unwillingness to “reach out and help other females”.” Wood predicted that „it would take years, possibly decades, before women will be found more commonly in management”

[Wood, 1976], but the number more than doubled from 15.9% in 1970 to 33% by 1985 [Catalyst, 2013] and the recent Catalyst research [Catalyst, 2013] shows that woman comprise 46.9% of US labor force and already 51.5% of the management, professional and related occupations.

While there is a growing numbers of females employed and becoming managers, Korn/Ferry Institute [Orr, 2013] identified that certain factors, mostly perceptual, inhibit women progress to the senior management/board level:

1. Different motivation at work, rather than formal position and influence
2. Higher standards of technical competence and performance expected
3. Lack of high-visibility experience
4. While women are rated higher on interpersonal skills they were rated lower on numerical, financial and strategic skills, which are considered a must at board level.

From that perspective IT industry that puts a high value to proven technical competence, but at the same time creativity and where relationships (particularly in new companies) are less formal, but more interpersonal should represent a fertile ground for women management career.

#### **Women in the IT in Turkey and worldwide**

The research into women careers in the IT started after internet boom and Galpin [2002] looked at women in computing. He noted that the following countries have relatively high participation of females taking graduate computing courses, though the numbers in the study are quite dated:

Table 1 – Countries with high women participation in the IT

<b>Country</b>	<b>Percentage</b>	<b>Comment</b>
South Africa	32.1%	Increase from none during the apartheid era
Zimbabwe	40.7%	
Nigeria	From 30% to 32.6%	
Malaysia	51.4%	
Singapore	>50%	
Thailand	55%	The South-East Asia countries have highest women participation in IT
Sweden	approx. 30%	Similar numbers for Norway and Sweden have been reported more recently by Hozer-Kocmiel and Zimoch [2012]
Norway	24% - 32%	
Iceland	24% - 28%	
Mexico	39.2%	
Guyana	54.5%	

Country	Percentage	Comment
Bolivia	34.1%	
Brazil	20% - 34.8%	
USA	26.7%	There is no data to students' ethnic background
Turkey	20.4%	In 2001, increase from 18% in 1997

Source: Galpin [2002]

The global trend shown in the analysis is that with the exception of Scandinavia the high participation of women in computing is more characteristic for developing countries, and many countries in developed Europe it is closer to 10%. Though the more recent European Commission Information Society [2009] shows narrowing gender gap, the report does not differentiate between IT jobs and high-tech manufacturing or services jobs, so there is still no reliable evidence of higher women participation in the IT in Europe.

Turkey with 20% in 2001 was not the leader, however it can be inferred from general trends in Turkish engineering [Smith, Dengiz, 2010] that currently in Turkey the percentage of females in engineering is closer to 27% and IT numbers are likely to be in line or even higher. The Turkish percentage of females ICT students in academic year 2008/9 was 37% [Gülseçen, Akman, Hatipoğlu, 2010]. The Galpin [2002] study also states that this trend is not really justified by cultural differences as same trends and same attitudes can provide different results in different countries, however that is being questioned by other research, which showed examples of relation between perception of women role and share in ICT employment [Gülseçen, Akman, Hatipoğlu, 2010].

Literature review shows that in spite of the low actual women participation in the workforce in Turkey – only around 29% [Turkish Statistical Institute, 2012] the social perception of women role in Turkey is quite different to what could be expected from Islamic culture. Kemal Ataturk – founder of Turkish Republic is famous for his quotations, which gave Turkey a sense of direction after republic foundation in 1923. Two of those quotations should be mentioned here: „Everything we see in the world is the creative work of women” in [Atillasoy, 2002] and „In Turkish society, women have not lagged behind men in science, scholarship, and culture. Perhaps they have even gone further ahead”. (cited in <http://www.argeus.com.tr/turkey/ataturk08.html>) and such perception was confirmed by Gülseçen, Akman and Hatipoğlu [2010].

### Research approach

The proposed research concentrates on analyzing professional women perceptions and opinions. Such views depends subjective experience of people involved in communication and back in the late 1970's [Morgan, 1980] it was argued that traditional quantitative approach stemming from functionalist

paradigm may not be fully suitable to such social situations. The interpretative approach which argues that social reality is the result of subjective and inter-subjective experience of individuals, while still believing in the underlying pattern and order of the social world brings “puzzle solving-activities” more focused on people perception and changing social circumstances. Matveev [2002] interestingly pointed that major disadvantage of quantitative research is “Limited outcomes to only those outlined in the original research proposal due to closed type questions and the structured form” and that qualitative research enables “Obtaining a more realistic feel of the world”. Further Sułkowski [2009] & [2010] discussed that for such initial investigation penetrating to potential influence of culture and meaning and where the objective is “Understanding, description, synthesis, changes stimulation” the qualitative method stemming from interpretative approach coming from humanistic roots seems to be most appropriate. Certainly as there is no initial hypothesis, the investigation objective was to uncover perceptions and human drivers we have to understand people’s feelings and their interpretation of reality, therefore applied method has to allow for freedom of expression and interaction with subjects.

Because of limited access to successful IT female professionals, author started with pilot of 5 phone in-depth with women employed in Turkish subsidiaries of international companies. The objective to indentify whether there any common issues affecting women choice of IT career, its perceived value and potential problems.

The interviewed female professionals were representing:

1. Senior Professional – person responsible for own work, formally recognized as professional in own company and on the market
2. Manager – person managing others, reporting within the company management chain
3. Director – person managing other managers, reporting only to highest-ranking person in the Turkish subsidiary or to mother company

The interviewed professionals are presented in the Table 2

Table 2 – Interviewed female professionals

<b>Id</b>	<b>Position</b>	<b>Department</b>	<b>Background</b>
P1	Senior Professional	IT Consulting	10+ years IT experience. Experienced in the research in the US, in Turkish software company in Turkey, presently in an international IT company. Business Administration Bachelor degree and Master in Computer Engineering
P2	Senior Professional	IT Pre-Sales	20 years experience, most in an international IT company and also in research. Started in support then in pre-sales. Computer Engineering education (Master level)

<b>Id</b>	<b>Position</b>	<b>Department</b>	<b>Background</b>
P3	Manager	IT Consulting	15+ years experience, developer background in various Turkish companies, for last 12 years in international IT company. Computer Engineering education (Master level)
P4	Director	IT Consulting	20+ years, international companies experience including working abroad, at present from 15 years at international IT company, played different roles including country consulting leader. Computer Engineering education (Master level)
P5	Director	IT Sales	15+ years experience, worked through all careers levels in marketing and sales in international companies, Business Administration degree (Master level)

*Source: Own research*

The interview was loosely built with the objective to get understanding:

1. Why interviewed woman has chosen IT career?
2. What factors influenced that choice?
3. What impact education had for the choice?
4. What in interviewed opinion is the perception of IT appropriateness as choice for woman?
5. What was their family and surrounding society view?
6. Does the gender make a difference for her in choosing co-workers, subordinates and managers?
7. Is she satisfied with the choice? How the choice of IT has influenced this person life outside work?

As the in-depth interviews were conducted question topics were added and interlocutors were contacted again to answer those additional questions. Generally the interview followed the free-format allowing for expression of interviewee perceptions and experience.

The following chapters present results obtained from the interviews.

### **Factors influencing choice of the IT career and their categorization**

For the interlocutors the choice of IT as career was not always evident from the start, however the common themes have emerged. The factors influencing such choice were grouped into three categories:

1. Economic Factors – Perception of IT as employment choice
2. Social & Cultural Factors – Perception of engineering as career choice
3. Social Factors – Society influence

Table 3 - Factors influencing IT choice

Factor	Influence
Perception of IT as employment choice – Economic Factors	
Attractiveness of the IT as dynamic business	<p>All women mentioned that IT is perceived as dynamic, changing business and that makes it for them interesting as sector of employment:</p> <p><b>P1</b> „And there is always something new – in IT changes are very rapid and you are constantly doing new things. It is so boring in banking, by comparison”.</p> <p><b>P2</b> „The reason I chosen IT? – it is very dynamic”.</p> <p><b>P3</b> „I like how the things are changing in the computers. You see so much progress in last years. You know next year it will be something new”.</p> <p><b>P4</b> „In the IT I can play different roles. I am there for 20 years, every few years doing completely different job”.</p> <p><b>P5</b> „Every year there is a new product and you must learn it. They enable customers to do new things. Your competition does not sleep either and you must be constantly aware and look for new ways to persuade customers to buy. Very exciting”.</p>
IT job security and job opportunities	<p>IT is perceived by them as sector where new jobs are created and when intelligent person can always find work. That provides with future job security:</p> <p><b>P1</b> „IT is also a very perspective business. There is always a job in the IT and you can move easily (...) new option can come next year”.</p> <p><b>P2</b> „There is always a job in the IT sector”.</p> <p><b>P3</b> „I don’t have to worry about having the job, even in crisis years. At worst I will get slightly lower position somewhere else”.</p> <p><b>P4</b> „There is plenty of options to choose from, at least up to certain career level”.</p>
IT salaries	<p>Interviewed woman perceived IT jobs as attractive from salary perspective and rewarding for the effort</p> <p><b>P1</b> „Also I wanted to make money and everybody in the IT was making decent money. I was then able to get a job and sustain myself”.</p> <p><b>P2</b> „IT pays high salaries”.</p> <p><b>P3</b> „If you want to become independent – IT pays good. If one wants you can always make more, it is just sometimes not worth that extra effort”.</p> <p><b>P4</b> „Money was of course important. We both work in the IT and it is a good income”.</p> <p><b>P5</b> „When you perform your variable salary can be very high. If your company products are good, they sell well and you can make lot of money. Much more than in marketing job. And it is important if you want to maintain living standards”.</p>

Table 3 - continuation

<b>Factor</b>	<b>Influence</b>
Perception of engineering as career choice – Social & Cultural Factors	
Close connection between education and the technical career choice	<p>For some of the women IT was a natural choice because of their strong interest in math and technology, which was supported by their high school education:</p> <p><b>P1</b> „I was very strong in mathematics in high school. I attended mathematics and science class. That given me good background to study IT. Standards for algebra teaching in my school were very high”.</p> <p><b>P2</b> „My education was key for getting IT job. In high school I chosen math and physics – and that mostly determines your future career, if you like more social science you choose literature. There were plenty of girls choosing that way – in my class it was approximately 50% females. I was very strong in math and had excellent results in state exams. Only by having such results you can get admitted to the Computer Science University”.</p> <p><b>P3</b> „I loved mathematics and was always interested in science. I still am. Studying engineering was for me the only choice”</p> <p><b>P4</b> „I always wanted to work in regular engineering, as IT was not that popular in my times, at school I of course chosen math class. You have to be good in math to pass the exams”.</p> <p>However, that was not necessarily always the case:</p> <p><b>P5</b> „No, I was very interested in literature and never thought of studying engineering. I studies Business Administration as it gives you lot of different possibilities. As I have told you – IT happened by chance”</p>
Perception of the technical career as better social choice	<p>Interlocutors recognize the perception whereby education and engineering career are not only socially acceptable, but even desired:</p> <p><b>P2</b> „In Turkey education and good job is one of main “social elevators” for people. You have to be born into rich or important family, to make political career or chose to get best education and good job. The last path is considered very appropriate progress for female and engineering jobs are also considered appropriate. Maybe not construction, but other engineering professions”.</p> <p><b>P2</b> „Typical job for female is to become a teacher. This is when you have no aspirations”.</p> <p><b>P3</b> “Education is necessary. If your parents are educated they want you to be educated and it is expected from their friends that their kids are educated. Engineering is in high regard. It is one of most difficult universities to get in. It shows brains”.</p>

Factor	Influence
IT as part of engineering more suitable for the females	<p>When choosing engineering career IT seemed for them to be more attractive to females:</p> <p><b>P1</b> „There is business side of IT which often attracts females – there are woman who are strong and want to drive something (...) In fact there is less competition for that kind of job then other more “female” business such as advertising or marketing. Men became developers”.</p> <p><b>P3</b> „What can I choose rather than IT? Construction or civil engineering? And then to work on construction site in Moscow or somewhere in Russia as my friends do?”</p> <p><b>P4</b> „IT is an office job. Clean. Mechanical engineering is still dominated by men”</p>
Society influence – Social Factors	
Family influence	<p>Choosing IT or at least engineering education was often recommended or supported by family members:</p> <p><b>P1</b> „I wanted to follow my father steps and to became scientist, academic, as he was and he initially pushed me in that direction. I tried, but I also seen how much he and my cousins struggled in academia world. Then my father introduced me to the IT to the management information systems. He showed me around couple of companies and I became fascinated”.</p> <p><b>P3</b> „Of course my parents wanted me to study engineering”</p> <p><b>P5</b> „My aunt and uncle both worked in the IT. They were recommending IT companies to me. So when I was looking for internship they arranged for me a summer job in the IT company, saying it will be good for me”. But sometimes, the IT choice was partially against the family:</p> <p><b>P4</b> „My parents wanted me to study proper engineering, not some novelty and strange IT, but with time they get slowly convinced that this is a future profession”.</p>

Source: Own research

So IT as business career was perceived by females as attractive, dynamic, well-paying and socially acceptable choice. The specific perception of engineering being a highly desired profession is in Turkey enhanced by the entry exams systems for the university. All candidates pass written exam test operated centrally by *Öğrenci Seçme ve Yerleştirme Sistem*, which are submitted anonymously and scored independently, with no information about applicant sex. All interviewees mentioned that such system creates no barrier in engineering / ICT entry for woman, but one has to be good as there are almost 4 times as many high school graduates as places at the state universities. To be admitted to the medical or engineering university requires highest number of points. That confirms engineering students standing as “crème de la crème” of the society. Further academia world in Turkey has sizeable women participation (40.9%) with highest proportion of female professors (27.6%)

[Healy, Ozbilgin, Aliefendioglu, 2005] and interlocutors mentioned that teachers were encouraging them to study, graduate and make further career.

### **Identified Success Factors for women in Turkey**

The following success factors were commonly cited by participants:

1. Culture-specific perception of women career – The women perception in Turkey was mentioned by interviewees as one of the significant success factors:
  - a. **P1** „You have to understand – it is like Turkish Mother, not only taking care of home, but actually sustaining and leading whole family. It is normal for girls to choose career”.
  - b. **P5** „We are not in the Middle East. In Turkey woman is expected to be educated and working. To be successful”
2. System of entry exams and relative feminization of Turkish universities – Turkey operates very unbiased entry exams system. P2 said : „I...had excellent results in state exams. Only by having such results you can get admitted to the Computer Science University.“ All respondents confirmed that during the University they experiences no competence bias towards men from teachers or colleagues.
3. IT being specific industry – according to interlocutors in the IT there are 3 kinds of jobs: sales, business-facing and development/programming. Though interviewed women have all three kinds of job background that all stressed that sales and business-facing jobs give women more chance for success:
  - a. **P1** „There is business side of IT which often attracts females – there are women who are strong and want to drive something. But they are not IT people – but they have business background. In fact there is less competition for that kind of job then other more “female” business such as advertising or marketing. And men they rather choose development side. (...) girls they join IT as they are able to manage multiple teams and drive the program”.
  - b. **P2** „IT females (...) they are more in customer-facing position or business-facing positions when men choose back office and development. (...) It is more difficult for a man to say no to female sales person, that is why we are successful”.
  - c. **P5** „We are just better in sales. We listen to the customer and establish relations, we investigate and understand what they really want. The most successful sales were women”.
4. IT meritocracy and job possibility to shape job to suit life – respondents mentioned that IT rewards actual job results, especially in sales-related

jobs. They feel that they will be recognized, rewarded and promoted if they achieve good results:

- a. **P5** „Your sales results speaks for themselves, no-one can question it. And that is recognized”.
  - b. **P1** „Why females are promoted? (...) they try harder and give more. The make it their own business – even if working for corporate. People see it”.
  - c. **P2** „What I see happening at client side is that females when they get closer to thirties they tried to move from developer or administrator job to something more business-related or managerial. They do it to have flexibility for family”.
  - d. **P4** „There is no problem for a consultant to arrange work in a way she wants. There are client demands, but there is also way around them”.
5. Managing people – the respondents in managerial and director position emphasize woman’s ability to motivate and manage people. They believe that as managers they listen more to their employees, take care of their concerns and motivate them to work harder. This in turn allows them to perform better and be successful. However, there is at the same time a strong negative perception of female managers as noted below in p. 2 in Barriers section.
6. Ability to delegate work at home – Turkish culture accepts use of house help. **P2** „In Turkey better doing woman has a permanent house help. It does not matter if you work or not”. House help is considered relatively affordable. Having such help, very often emigrants from former Soviet Asian republics, is indicated as great difference in ability to work. **P3** „At least I don’t have to worry about cooking”. **P2** „Men do not care who does the house work, as long as everything is done. Then my friends can work and house help does everything”. **P5** „Without a nanny I could not manage”. This is particularly important as still there is a perception that all work at home and bringing up the children is a woman’s sole responsibility. IT demands often long hours and woman needs someone to take care of children and home. House help is considered a good alternative.

In general interlocutors were satisfied with their career progress and position, which they achieved. They all, save one, believe that they still have career in the IT and want to stay there.

#### **Identified Career Barriers for women in Turkey**

Statistics shows that despite decent women share of professional jobs (36%) women’s share in the management across industries is only 10% [Turkish Statistical Institute, 2011].

Interviewees have identified some barriers, which they experienced or perceived in their career:

1. IT still being male-dominated industry – the respondents though acknowledge that there is no specific barrier created by the industry, it is still according to them for male. **P1** „When technology company hires – they hire men. (...) gender is very important. If competence is same they will hire man rather than woman. (...) In my previous company with 50 guys and 2 girls in development. Those 2 girls, they suffered a lot as they felt they have to prove themselves constantly”. However, interviewees mentioned that themselves they like to have female subordinates and colleagues and they do hiring based on merit **P1** „Doesn’t matter – when I build the team. I interviewed 47 people, chose 5 – 2 women, 3 men”. **P3** „When I hired, I have not thought of applicant sex. It was the competences. But, I just hired two men, maybe I should think about it”. **P4** „Almost all my consultants were female” See also p. 5 below
2. Perception of women as bad managers, which may negatively influence decision to promote women – interestingly enough all respondents stated their first preference is to work for man.
  - a. **P1** „Men also work better with men. There is no power struggle with man-woman as between women. Men do not go to personal level as female do, they do not get hurt when you say something. All my brothers and cousins who had females as bosses they changed jobs”.
  - b. **P2** „Will I choose female as a boss? I would prefer men. No, sorry, that is not true. I had three female bosses and they were all excellent. I was very lucky”.
  - c. **P3** „I think I work better with male boss”.
  - d. **P5** „When I changed my job our females struggle was one reason”.
3. Negative balance between work and family – having husband, children and willingness to spend time with them is perceived as a barrier in the IT career:
  - a. **P1** „Men (...) don’t take break because of children. (...) At least they have army service, which gives us some initial advantage. (...) With long hours your social life suffers”.
  - b. **P2** „My life is different. My husband [is now aboard] and my parents help me a lot with my baby. Most women take 1 year of unpaid leave thereafter and that affects their career”.
  - c. **P3** „I could get to my current position earlier, but my baby was a priority, I afforded to wait. Now I can also get better job and higher position elsewhere, but this will be struggle and I don’t want it. My priorities are now different”
  - d. **P4** „With both of us working it could have been really difficult. That is why I chosen more stable position, though international aspects and different timezones make it hard”

**e. P5** „Sometimes I feel my career was to blame for my health and family shattering”

The family-work struggle is the one, which interlocutors recognize as biggest barrier for themselves and most difficult issue to solve.

1. Some parts of IT industry being closed to females – though in general IT is open to females, it is perceived that women choice of company to work for is somehow limited:

**a. P2** „In IT I see females in all sectors – even in public sector, except army. Only religious-based companies are limit”.

2. Glass ceiling in international companies – because in international companies management is still male-dominated it is perceived that the potential for women advance in international structures (as opposite to Turkish market-related) is limited:

**a. P4** „At that stage there was only one female director in our company in the whole region – I. OK, there was this woman in Greece, but for a very short time. How many female directors you have met? Of course ones here in Turkey”.

Overall the interviewed women felt that there is more opportunities than barriers in the IT and that for women „Telecommunication and banking are there. Very successful (...) in business roles in IT in almost all sectors, even in logistics companies (...) she is going to be visible and drive something”.

#### **Proposed next research steps**

This initial insight into women in the IT management in Turkey gives starting point to further research the subject. The objective will be to further identify factors contributing or hindering women participation in the IT management ranks with potential particular cultural and country differences. This could be achieved by:

- a. Interviewing more female professionals in Turkey (at least up to 20-30) to have broader base for the views and see whether also exception show any patterns. That should be anchored with interviews (around 10) with male ICT directors and managers to get their views of women as subordinates, women career perspective and women as bosses.
- b. Similar interviews can be conducted with women in the ICT in another country with high female proportion in the IT – such as Sweden. That will give a perspective of developed country and the relative enablers and barriers for women in the management there.
- c. On the end interviews will be conducted with ICT female professionals in Poland, where women share is relatively low [Hozer-Kocmiel, Zimoch, 2012] to understand their perception of barriers and enablers for successful women managers in the IT.

This should enable to build and discuss hypothesis about women in IT management and identify factors that can help promote higher diversity in the IT management ranks.

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## **Sergiusz Hessen (1887 – 1950) – as creative European educationalist with no homeland**

**Abstract:** This article examines the life and scientific career of the prominent European educationalist and pedagogue Sergiusz Hessen. His pedagogical heritage is examined on the base of basic primary writing and archive sources prepared in different languages. We are trying to show the contribution of the Hessen's activity in the research methodology of multicultural societies and education, his philosophy of education, teaching knowledge, as well as in the real process of university and school education.

**Key words:** Sergiusz Hessen, distinguished international educator, pedagogical values, multicultural heritage.

### **Introduction**

Strange and complicated indeed was the life of Sergiusz Hessen, born on 16 August, 1887, in Ust'Sysolsk, a one-horse town with county rights which was named Syktykvar during the Bolshevik era to become the capital of the autonomous Komi Republic. It was there that his father served a three-year sentence of forced migration [Okoń 1997, p.11]. Admittedly, it seems that the parents of small Sergiusz were not a perfectly-matched couple, the fact being that, with the father having served his sentence, they separated, leaving the youngster to be cared for by his father's relatives in the countryside. There the boy stayed for 2 years. At the age of 5 he was sent to Odessa to live at the house of his father's new fiancée, who had also been through a peculiarly failed marriage which left her with three sons [Okoń 1997, p.12].

As put by W. Okoń, Sergiusz finally had a stroke of luck. At last he was surrounded by family, had a mother, whom he did not know was his stepmother until long into his life, as well as three brothers, and his father to care for him. Moreover, he was tutored by a governess to develop a good command of French [Okoń 1997, p.12].

At the age of 9, Sergiusz moved with his family to Saint Petersburg, where he attended a middle school to receive a comprehensive education – however, as W. Okoń points out - it was thanks to his family home, his father and his personal drive for self-improvement that he achieved most in his life. He also tried his skills at being a proof-reader for a weekly magazine “Prawo” (“The Law”) published by his father. This allowed the young Hessen to meet and engage with people both at the editorial office and at his father’s study, where the members of the editorial board gathered for meetings. There he also developed and fostered his interest in law and lawfulness. Over that period, Sergiusz went through a crisis of belief and started to take interest in Marxism, which led him to engage in political activity [Okoń 2000, s.147].

#### **The life of a wanderer – searching for a place in the world**

Already at the age of 18, as he recalled himself, he was a “zealous revolutionary.” It is no wonder, therefore, that in 1905 he was sent to study in Heidelberg, eventually moving to Freiburg, where he found himself under the considerate guidance of the much-renowned Heinrich Rickert, with whom he long thought and dreamt of cooperating. There he pursued his academic education under the guidance of eminent scholars, some of whom included G.Jellinek, E.Lasek, W.Windelband, J.Cohn and the previously mentioned H. Rickert. Together with a group of philosophers, he started the magazine called “Logos” which functioned as a press outlet for Neo-Kantians, with whom he himself ideologically identified. At 22, 4 years into his academic education, he wrote and defended an outstanding PhD dissertation entitled “Kausalitaet. Studien zum transzendentalen Empirismus” (“Causality. A study of transcendental Empirism”) under the academic supervision of H. Rickert. By doing so, in 1909, he made his reputation as a man with a perfect command of German. Eventually, the work was published in print, earning its author a summa cum laude honour [Sztobryn 2003, s. 192].

The hard-working nature of a man knowledgeable and interested in many fields was reflected in the fact that the PhD dissertation was not the only goal he was focussing on to pursue at that time. In 1908, he translated H. Rickert’s “Geschichtsphilosophie” (“The History of Philosophy”) from German into Russian, and wrote a preface to the Russian issue of the book. Moreover, he wrote a study to comment on the political views represented by the Girondists, and published its translation into French in print, as well as translated

from French into Russian a number of speeches by Girondists. He was also responsible for the pre-press preparation of the second edition of the *Theory of the Unification of States* by G.Jelinek. For such a young, albeit intellectually-robust scholar, this was an extraordinary achievement that made a strong case for the immensely positive impact that the involvement of foreign, experienced Professors can have on helping a young man find his way into self-development [Okoń 1997, p. 147-148].

In 1910 and 1911, he went on to study in Saint Petersburg, and paid another visit to Germany, this time to Marburg, for one term, to engage in cooperation with P. Natorp, H. Cohen and N. Hartmann. Three years later, this cooperation resulted in earning him the *Venia Legendi* title [Sztobryn 2003, p. 192]. As was the case over the earlier years, he gave lectures at various universities and translated books into Russian. What's more, he published his own thesis entitled "The Philosophy of Punishment" [Okoń 1997, p. 148].

Having passed all his exams, he started work as an independent lecturer. Over 1913-1917, he gave lectures at the University of Saint Petersburg. It was then, however, that he and his family in Heidelberg found themselves caught in the events of World War I, which broke out at that time. Despite being under arrest for a short time, he managed to make his way to the homeland. Over the period of 1915-1917, he lived in Tsarskoye Selo, where he focussed on preparing for lectures in pedagogy that he started to give in Autumn 1916 [Sztobryn 2003, p. 192].

He discontinued his work there to settle in Tomsk, where for 4 years he worked at the local university as the Head of his Department, as Deputy Dean, and, subsequently, as the Dean of the Department and lecturer in logic, the history of Greek philosophy, ethics, the philosophy of law and pedagogy. It was his academic work in the field of pedagogy there that enabled Hessen to develop a concept for his next book, this time focussing on the analysis of basic pedagogical subjects. Therewithin he laid down his pedagogical system [Okoń 1997, p. 148].

His so-far peaceful existence moved into a more turbulent phase as he went to Moscow and, subsequently, to Petersburg, where he was appointed the Head of the Department of Pedagogy at the local university. The city was in a state of misery, and revolutionary turmoil, combined with the risk of being detained, forced Sergiusz Hessen to move out with his family to Finland, and then to Germany, where at first he stayed in Berlin., to later settle in Jen. It was in Germany that he finished writing his book entitled "The Basics of Pedagogy", published in Berlin in 1923. At the same time, his other two works on F.W. Froeble and Maria Montessori were printed and published in Prague. Also, his dissertations on the concept of the laboratory school and Plato's plan

saw the light of the day [Okoń 1993, p. 148-149]. The previously-mentioned publications helped Sergiusz Hessen earn a Professor's degree at the Russian Institute of Pedagogy in Prague, and, following its discontinuance, received a small scholarship from the Czechoslovakian Government. The scholarship proved crucial in enabling the Hessens to stay in Czechoslovakia for 11 years until 1935. It needs a mention that during his stay in Prague Hessen also engaged in cooperation with the Russian People's Institute and the Russian Society of Philosophy. In 1925, he took an active part in re-launching the "Logos" magazine [Sztobryn 2003, p. 192].

1926 – 1932 was a period of remarkably extensive and effective research and ideological work by this, it goes almost without saying, amazing man. He was invited to give lectures in Paris, Berlin, Warsaw, Cracow, Vilnius, Dresden, Vienna, Leipzig and London. Additionally, he joined several local scientific clubs in Prague, including the Linguists Club, the Philosophy Club and the Czechoslovakian Slavic Institute. What is more, in 1931-1932, he worked at the German University in Prague where he frequently met and discussed issues with R. Carnap. Besides, his frequent visits to universities across Europe allowed him to strike up friendly and direct cooperation with such remarkable pedagogues as Georg Kerschensteiner and N.Hans, with whom he published a book entitled "Pedagogy and the school system in Soviet Russia." He also wrote and published a series of articles on "the issue of lawfulness in Socialism". The articles were presented in "Sowriemienne Zapiski", a newspaper printed and published in Paris. There he contrasted the concept of nationalising the economy with, as W. Okon put it, "lawfullising" the State and the economy. Hessen's robust academic activity abroad can be partly explained by his austere financial situation, as the scholarship he received from the Czech Government was regrettably very scant [Okoń 1997, p. 149].

Hessen also managed to establish enduring contacts with the Polish scholars Tadeusz Kotarbinski (1926) and A. Zieleńczyk (1930). These personal relationships and friendships were most probably crucial to his decision in 1933 to visit Poland with a series of lectures on school reform in Czechoslovakia, as well as on pedagogy in Soviet Russia. These appearances in front of an audience of 600 people encouraged him to accept the proposal to take up the position of Professor at the Free Polish University in Warsaw and the position of the Head of the Department of Philosophy of Education at the same university. This, however, did not mean that he was about to permanently settle in Poland. It was when family-related and financial problems started to mount up that he made up his mind to settle in Poland in 1936 and assume Polish citizenship. What he was confronted with was a problem analogous to that which he faced during his stay in Prague – there he had to learn Czech, here it was Polish.

A major help in that respect was provided to him by his numerous friends in Poland, in particular Maria Niemyska, who – having got divorced – became his wife. The stay in Poland also resulted in establishing connections with the “Gabriel Narutowicz” masonic lodge and active participation in the “Tusculum” club, where he elaborated on didactics-related issues. It is worth adding that the membership of the club was meant for those with a so-called higher level of insight [Okoń 1997, p. 149].

Thence a period of prosperity and peace, full of research, writing and didactic work, dawned in his life. All in all, this was the most prolific time in a life full of trials and tribulations which a man with no homeland like him to endure. As part of his didactic work at the Free University of Poland he had to travel between Warsaw and Łódź. Additionally, he held assigned seminars at Warsaw University and at the Institute of Special Pedagogy in philosophy of education, comparative pedagogy and educational psychology.

Over the first four years of his stay in Poland, two monographies by him were published in print: “The school and democracy at breaking point” and “Consistencies and Inconsistencies in Education”. “The structure and the content of the contemporary school”, another important work of his, was also brought to print. The book provided an competent outline of the philosophy of education. Yet, as World War II broke out in 1939 and Poland were invaded (the September Campaign), Hessen and his family were to experience extreme difficulties for the next 6 years. It was typical for a scholar in those times of wickedness to give private lessons to a miller’s or a teacher’s children, organise secret classes for children in the countryside and in Warsaw, attend illegal seminars, and supply the family with the essential victuals and materials for heating [Okoń 1997, p. 16]. Worth mentioning is the fact that Hessen resided in Warsaw as the war dawned, but – out of fear of being detained – he had to leave the city. He returned there in 1941, after the breakout of war between Hitler’s Nazi Germany and Stalin’s Soviet Union. And yet again clandestine scholarly meetings were held in his flat, involving numerous eminent scholars: Bogdan Suchodolski and Bogdan Nawroczyński as well as Tadeusz Kotarbiński, Władysław Tatarkiewicz and others. Moreover, S.Hessen provided refuge at his flat for many people who were being pursued by the Gestapo [Sztobryn 2003, p. 192].

Hessen was an up and doing underground activist. During the Nazi occupation, he held 20 series of illegal lectures, with 9-15 seminars for each. He established connections with the underground press, including the “Pismo Młodych” (The Youth Magazine) as an outlet of the Szare Szeregi (Grey Ranks). Unsurprisingly, therefore, he was arrested in 1943 and sent with his wife to the prison in Radom. It was by a lucky coincidence that they were released this

time, but a year later, during the Warsaw Uprising, they were captured at the hands of the Russian Liberation Army soldiers to one again face death [Ibidem, p. 193].

Being forced to continuously change his place of living and having to cope with a permanent threat to his existence, Hessen had a hard time continuing and developing his research and writer's work, yet he did not discontinue it totally. He made attempts at writing, but his works fell victim to an overwhelmingly cruel fate, perishing in the course of the Warsaw Uprising. Having miraculously escaped death during the Warsaw Uprising, the Hessens went to Czeladź, where a sister of Hessen's wife, Maria lived. There he undertook employment as a store-keeper at a warehouse for metal products run by some Volksdeutscher. There he went back to his creative work and wrote a piece on the essence and mission of the law. The first chapter of this work, entitled "Law and morality", was published in several languages, including Polish, published later, in 1948 [Okoń 1997, p. 17].

In the wake of the Nazi occupation within Poland's territories, the threads of destiny led Hessen Łódź, invited by the rector of the re-launched Free Polish University, to continue their cooperation. Despite the times being still harsh, it is here that he could finally find relative a peace of mind. It should be remembered, however, that the condition the wanderer of our interest was in as he came to Łódź was pitiable, being emaciated and sickly. Treated by doctors and cared for by his wife, as well as accommodated in a cosy apartment located in the city centre, though, he recovered quickly, to regain strength, both physical and mental. Nonetheless, he then received the sad news of the death of his first wife, and his son Eugeniusz, who was an up-and-coming talented poet. It was there that he also learned that his father and older brother had died as well, in Paris, at the hands of the Germans. All this distress, magnified by the harsh experiences he endured during the occupation, contributed to a severe heart condition, which this remarkable researcher and thinker regrettably downplayed. Despite having lost 50% of his health, he did not abandon his work, and went on to smoke tobacco and consume copious amounts of coffee [Ibidem, p. 17]. What the amazing wanderer of our interest did not choose to give up was also the editorial and writer's work that meant life to him. He introduced corrections to his monography entitled "The Structure and the Content of the Contemporary School", and had it published in 1947. He also wrote two more theoretical dissertations in English – "Slavonic Countries" (1948) and "Education and Economic Life" (1989). Both were published in print in the "International Yearbook of Education". Almost at the same time he managed to prepare a new piece entitled "The Rights of Man in Liberalism, Socialism and Communism." It was published in 1949 in London [Ibidem, p. 17-18].

When describing the life and scholarly work of Sergiusz Hessen one must mention his life as a wanderer, and a vast output both as a researcher and writer, as well as his special respect towards all people who thought independently and creatively at the same time. He lived his life in hard times, a life that abounded in highly-distressing experiences that lead to his health failure and, consequently, accelerated his death, as he, full of hope and zeal, seemed primed to pave his way into new fields of thought of his own and his students – who were abundant, particularly during the Łódź period. When holding seminars and scholarly meetings with fellow scholars he always had them in mind and treated them with due respect. He was a Master for them, and they felt greatly honoured by the possibility of associating with him. The effectiveness of his education is reflected in the fact that he taught a number of students who would later become titular Professors: Aleksander Kamiński, Janina Koblewska, Karol Kotłowski, Józef Kozłowski, Miron Krawczyk Tadeusz Nowacki, Wiktor Szczerba and Wincenty Okoń. It was they who went to work at the University of Łódź, the University of Warsaw, Maria Curie-Skłodowska University, and other universities, to keep a thankful memory of their Master alive [Ibidem, p. 18].

However, it was not Sergiusz Hessen's destiny to live a long and fully happy life. Having established his bond with Poland by settling there and assuming Polish citizenship, he would surely see – in particular during the time after World War II when our country fell within the sphere of influence of the Stalinist Moscow – the negative political and economic changes attributable to the Stalinist era. Confronted with reality, his dreams of the ideal socio-economic system that he wrote about in his dissertations must have been shattered, which surely must have caused his health to deteriorate. Having been additionally dismissed from the position of the Head of the Department of Pedagogy for obvious political reasons, all he could do was to start working as a lecturer in the Russian Philology Department, a position for which he was perfectly prepared as an expert in Russian literature and Slavic languages. Such a description of this period of his didactic work was described by A. Walicki: "As for a man of his age, it was remarkable to see his passion as he held seminars for freshmen. He contemplated the sagacity of the structure of language, its philosophical nature – his linguistic analyses were coupled with strictly philosophical digressions. It also had an air of aesthetic attitude. Hessen was particularly struck by the beauty of the Old Church Slavic archaisms, mostly by calques from Greek. His philosophical-linguistical analyses were based on Russian poetry." [Walicki 1968, p. 44].

His zeal and passion for work were relentless, something he probably achieved through going on vacation in Polanica Zdrój or Niechorz. A chronic angina pectoris, though, systematically undermined his health and, although

not discontinuing his work at the university and remaining in touch with the academic community until the end— as late as a few days before he died, he gave a lecture in Toruń – he died an unexpected, albeit painless and peaceful death. After his death he was taken to Warsaw, a city to which he was tied in many ways. At first he was buried at the Orthodox Church Cemetery in Łódź, but later his ashes were moved to Powązki cemetery in Warsaw [Okoń 1997, p. 153].

### **Sergiusz Hessen's wandering of mind following his life's wandering**

The scholar and homelandless scholar of our interest could not have anticipated that his stream of thought would continue to last and, it seems, will never cease to do so. For if we assume that Hessen's "life after life" is only a memory of himself and his works published both before his death and posthumously, that he belongs to the past, as with new times fresh challenges emerge for all the living, then what would be the response of those who were taught by him directly, those who were trying to keep the treasures of his thought in the memory of future generations. Why are there so few followers of Hessen, since his thoughts are addressed to pedagogues, philosophers, legal scholars and all professionals who deal with culture? Why is it that the country which allowed him to finally settle permanently for the remaining dozen years of his life, where Hessen's legacy, powerhouse of deep thought, insight and broadmindedness, acclaimed by many a foreign scholars, should be etched upon the memory of people, is so astonishingly reluctant to keep the legacy alive?

However, the one to blame for this deplorable fact is largely his mother country, which condemned him for criticising the political system of the Soviet Union, for his educational reforms, his views on the freedom of man and the political system of the Russian country, and for the mere fact of him deciding to stay an emigrant. This way Hessen, as a Russian and patriot, was sentenced to fall into oblivion for many years, almost until the collapse of the Soviet Union. Then, a natural chain reaction followed, erasing him into oblivion in the countries which were under the Soviet influence at that time. Is there any hope for Hessen's legacy to be objectively and reliably judged by contemporary Russian researchers? Admittedly, so many years after the Soviet Union collapsed to disperse into a profusion of new independent countries, it is difficult to assess precisely whether the process of bringing back the remarkable pedagogical and philosophical legacy of Sergiusz Hessen will gain momentum in the Russian Federation. For not all social and political transformations in this still largest country in the world may be seen as conducive to the process [Ibidem, p. 154].

The most eloquent assessment of his works' values was made by the Polish philosopher A. Walicki, who said: "As a testimony to the era – so close to us, and yet belonging to the historical past they were written in, these documents are definitely interesting and have educational value. We could learn a great deal from them – even if we dismiss the philosophical assumptions put forward in them. Last but not least, we may see them as an attempt at fostering certain principal values rooted in the tradition of humanities which, however differently explained, should be known to each of us" [Walicki 1968, p. 44]. A similar assessment of Hessen's creative legacy was recently provided by the recently-deceased Prof. Tadeusz Nowacki. He claimed the following: "A study of Hessen's theories and concepts is essential to the self-awareness of every pedagogue-theoretician, for such a demanding intellectual challenge as Hessen's theory of education constitutes requires those who explore it not only to get acquainted with it, contemplate it and derive what is most important from it, but also to develop one's own standpoint with regard thereto in order to overcome it at the next stage of its development, while keeping what is true and valuable about it, what resists the ever-growing inundation of the human thought as it continues to progress rapidly... Such was the dialectic of development from Hessen's point of view. And, given the fact that it is in many ways linked to idealism, it can be claimed that it should be an obligatory starting point for young materialistic pedagogues in order for them to attain important elements of theoretical self-knowledge." [Okoń 1997, p. 156]

Another monography published in Poland, fully dedicated to S.Hessen, was written by S.Sztobryn. Therein its author, who himself derived from the Łódź community, focussed on the issue of the philosophy of education by this European pedagogue [Sztobryn 1994, p. 201]. The end of the 20<sup>th</sup> century saw at last another volume of selected works by S. Hessen published in Poland. It was published in five volumes by the "Żak" publishing house, with the first volume featuring Hessen's "The Basics of Pedagogy" [Hessen 1997, p.23].

The memory of Sergiusz Hessen was kept not only in Russia, but also in foreign countries. It included studies by H.Meyer-Bohling, G.Broccolini, and Liga Volpicelli. Also the works by Hessen himself were published, especially in the interwar period. His elaborations were published in English, Bulgarian, Czech, French, Serbian, Slovakian, Russian (outside the territory of Russia) and – obviously – in Polish. In the wake of World War II, a number of smaller studies on Hessen by L.Froese and L.Liegle was published, in which the latter expressed touching words as he recalled Hessen as one of the greatest intermediaries between the Western and Eastern traditions of thought and political culture. As such, Hessen was always serving the truth, which he pursued persistently and had his own way of finding it, and when he did, was ready to share it with the readers of his books and articles published in many languages [Ibidem, p. 25].

### **The value and originality of Sergiusz Hessen's theories today**

We usually associate scholarly and research work with the methodology used by a given scholar in seeking truth. And there the methodological inspirations of Hessen are related to the works he translated from German. H. Rickert was his ultimate inspiration whose guidance helped Hessen prepare and defend his PhD dissertation. Already, in "The Basics of Pedagogy", Hessen's intellectual bond to Rickert's philosophy and the philosophy of his master W. Windelband, was evident. Hessen saw pedagogy as part of cultural sciences which led him to establishing its methodological status, for in his mind it was an idiographic science, with its sphere of exploration being values as individual and unique goods. With regard to pedagogy, its scope of research includes not only education and the environment, the educator and curriculum, but also their types and standards for their development, as well as their dynamic and the organisation necessary to fulfil educational goals and tasks. However, these educational goals are not something accomplished and ultimate, but are open to change, something which is not so much taken for granted as something which is assigned and requires further dynamic and development. Therefore, for him the goals were identifiable with unconditional values that in a particular constellation formed a culture.

Hence, what should be of interest to a pedagogue in an the individual biography of man and his personality is only the past facts bearing relation to extrapersonal tasks which are subject to a human's creation, his calling and service to extrapersonal values. In his opinion, what is individual remains irreplaceable and unique. Therefore, Hessen claims that the educator's task is not so much to provide knowledge and to develop skills as to make much more, to "make someone being like you." [Ibidem, p. 26-27]

In the course of his pedagogical research and analyses Sergiusz Hessen applied a dialectic method based on foundations drawn from Plato and elaborated by Hegel, from whom he adopted the idea of development as a three-stage process of overcoming contradictions, including a thesis, an antithesis and a synthesis. His assumption also was that another, higher, stage in this process is equal to a higher stage of development, which means not only the need to overcome the flaws of the previous stage, but at the same time to preserve the values imbued therein [Ibidem, p. 28].

Worth adding is the fact that the basic foundations of the pedagogic system developed by S. Hessen were already formed in the period of his stay in Tomsk to later be completed during his visit to Berlin. His "The Basics of Pedagogy" from 1923 set the general direction for pedagogical research within the respective sub-fields of pedagogy which he himself was interested in, that is, general pedagogy, comparative pedagogy, the history of pedagogical theory,

and didactics. The basic foundations of his philosophy of education were formed a lot earlier, and could already be observed in the PhD dissertation which he wrote under the guidance of H. Rickert. Hessen's "Philosophy of Punishment" also verified not only the concept of applied philosophy, but also indicated its presence in pedagogy. It also touched on the subject of the freedom and subjectivity of human beings.

As far as the philosophy of education is concerned, Hessen developed a very coherent system based on the Baden School of Neokantism. Rather than being a compilation of randomly-assumed hypotheses, his philosophy aimed at analysing the premises inherent in experience. Hessen called his standpoint Transcendental Empirism. In his mind philosophy was about values [Sztobryn 2003, p. 193].

Being an enquiring and crafty explorer of works by Wilhelm Dilthey, Heinrich Rickert and Wilhelm Windelband, Hessen placed pedagogy among cultural sciences, while at the same time positioning it in the indiographical field. To make things clear, it was precisely the values that his entire intellectual structure were revolving around, for they functioned as the creations of human work, both in material and spiritual terms, which made their nature objective. Hence, if through individual creative work people live their life to realise certain values that are not created by them, because they are only capable of interpreting these values and placing them in the context of their culture, then it means that both philosophy and other disciplines are at the heart of pedagogy and all its sub-disciplines. Hence from Hessens perspective the theory of moral and lawful education stems from philosophy and ethics, the history of pedagogical theory stems from the history of philosophy, and the theory of religious education is anchored in the philosophy of religion. Thus, the ultimate goal with regard to the education of new generations remains within the domain of the pedagogy of culture, which is intended to introduce them to the world of values and cultural goods, to foster their development at a hermeneutical level and consequently to allow them to use this insight in developing their individual personality and autonomy [Ibidem, p.194].

### **Instead of a conclusion**

Engaging in the analysis of pedagogical views formulated by Sergiusz Hessen is a difficult task in these contemporary times. However vital it may remain nowadays, it still is controversial and often makes new attempts at reinterpreting it fail. Nonetheless, Hessens remains an interesting figure whose ideas – known within the domain of European pedagogy – may be used for purposes which are not necessarily educational. His pedagogy, however, still provides a valuable contribution to the axiology and various pedagogical

fields in the contemporary world, and is of relevance to advocates of general global education [see to: Świdarska 2011, p. 7-8].

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## The model and role of online communication in intercultural management

**Abstract:** Communication via the Internet, regardless use of available tools, contributed significantly in reduced time of data flow and feedback reception. This is particularly important in case of companies with a complex structure and branches around the world. Information is available here for almost „at fingertips”, 24 hours a day, 7 days a week, regardless the time zone. Internet has also shortened the distance between message sender and recipient - in the form of direct information exchange (i.e. email exchange), as well as simplified the issue of indirect reach (i.e. via social networking sites or online campaigns).

Although in literature of the subject many authors performed the analysis of mass communication models, but to no avail would seek for the flow chart strictly dedicated to the electronic exchange information. This article aims to present the model of online communication, drawing on best practices of mass communication and at the same time implementing components of the electronic promotion. The paper is also contributed to show the universality of such model application in the exchange of information within electronic means, which seems important in case of intercultural management.

**Key words:** online communication, e-communication model, the Internet in multicultural management, cross-cultural management, communication

### Introduction

With the growing interest in globalization and workplace diversity, cross cultural management has today become an important element of organization and therefore requires adequate consideration. Due to previously mentioned increased globalization of working structures, today's managers need a more precise understanding of intercultural communication in an effective management strategy. According to findings of University of Notre Dame

academics [2013, online] managers shall proactively engage in communication skills assessment and make necessary adjustments in order to address the current needs of today's increasingly diverse workforce.

Within literature on the subject the issue of intercultural communication shall be viewed in two ways. The first approach puts emphasis on staff management within multinationals<sup>1</sup> and thus, the fact that in acts of information exchange and managerial behavior differentiating factors (including the culture of the country, shared values and beliefs, behavior, language, way of speech, gesture, dress code, etc.) should be taken into account. The second approach focuses not around global companies, but customers served by them. And although herein also similar aspects, as in the previously described case, are taken into account, it must be remembered that communication in this approach has completely different character. It is not about efficient workflow, neither project management, nor motivating employees, but it is about informing, building relationship with the brand and pure sale & promotional activities.

Regardless which of the abovementioned measures kinds of intercultural communication is considered, consistent values should always be purity, precision and clarity of the content. This in turn is inextricably linked with consensus building and collaboration encouraging, while providing instant feedback.

In multiculturalism there are so many components so it seems that „more is there to divide, than to combine”. Therefore every universal factor has the proverbial „weight in gold”. It makes, that from a proper perspective, the chaos randomness of seemingly unrelated factors begins to emerge coherent and logical picture. This is similar to pieces of colored glass, which are connected through a suitable binder into form a harmonious stained glass or mosaic. Such linker is a matter of clear, synchronous and instant communication, available 24 hours a day and 7 days a week.

It is possible, due to the Internet as channel of mass communication, with all of its tools. They are used in various ways - from informational websites, that may be a source of knowledge about the company for customers and potential customers, by probably the most popular communication via e-mail (in strictly informative purposes, in the form of a typical business correspondence, as well as commercial mailings), and display forms (purely sale and promotion character) up to social media actions (set equal to relationship building, communication and promotional activities).

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<sup>1</sup> Assuming that it could be the case of two kinds of companies – first with headquarter in a European country or in the U.S., and branches across the world, or about multicultural corporations - companies with many cultures representatives, which inter alia H. Gullestrup [2004, s.3] indicates

### **Internet - a milestone for bidirectional communication**

However, there would be no question of all these tools, if not the very idea of electronic medium - the Internet. Turning point in the deliberations concerning mass communication is October the 1969 [Morley D. and Parker C.S., 2010, p. 322, Lambert L., 2005, pp. 16-17] and the moment of the new channel implementation, with the first message sent by the ARPAnet<sup>2</sup>. Since then unilaterally sending remittances was ended, so did the possible backlash from traditionally passive audience.

New medium, that revolutionized mass communication, was established. According to D. L. Hoffman and T.P. Novak and P. Chatterjee [1995, online] Internet broke with classical one-to-many communication, depicting the one-way flow of information and signals within other mass media. It changed the paradigm of sender and recipient - individuals being source and destination of the message flow. The sender could be simultaneously the recipient, which until now was possible only as a sequence of particular events (receiver after receiving a message became the sender in order to give feedback). Here the phenomenon of information receipt and dispatch occurs at the same time, emphasizing additional advantages - low cost and virtually nil time of transmission.

Mass medium, such as the Internet, allows an immediate transition from the passive to the active state. The fact, that an individual is browsing the web in order to search for interesting information does not negate that in a moment it can begin the "active use" of this medium. This can occur by sending an e-mail or filling in the contact form, posting a post on the forum, or even reaching further activation: co-editing or full authorship of a website content [Tarabasz, A., 2012, p. 61]

Understood in this way communication via electronic media can play the binder role of this seemingly unrelated elements, which was mentioned in the article's introduction. For contemporary managers, managing within global enterprises, multicultural staff and acting for clients around the world, this channel of communication (regardless the tools used) is certainly very significant and valuable. Internet gives them, amongst others, the possibility of on-line brand management, all day access to visitor statistics, checking-to-date sales results, but also, perhaps most importantly, the ability to contact 24/7 with customers and employees and from any location, regardless time zone. Moreover not to underestimate is the fact, that information posted in this medium, may be available literally "always and everywhere" (so-called transparency of Internet resources).

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<sup>2</sup> ARPAnet – Advanced Research Projects Agency Network, existing until today the first wide area network, based on distributed architecture and TCP / IP protocol. It is considered to be a direct ancestor of the Internet.

All this allows managers, among others, fully synchronized launch of an advertising campaign, the possibility of immediate results monitoring and ongoing implementation of necessary patches. If given together the effectiveness of various marketing creations is verified on the basis of campaign results, quickly and easily changes could be made to ensure the action maximization. Simultaneously, new websites functionalities allow users to share particular site to the world in their native language, at no additional cost (due to on-line translators). Everything mentioned above, however, is the proverbial “tip of the iceberg” of online capabilities. Shall though not underestimated mail communication with employees in a different time zone, the fact of immediate alerts of coming correspondence, e-project management, videoconferencing, chats, instant messaging, etc... And all this is to allow for ongoing communication, faster, cheaper and easier than ever, almost at no extra cost and giving immediate feedback.

#### **In the search for a model of online communication**

Since the exchange of information by electronic means, regardless applied tools is so important in today's world and essential in the cross-cultural management, it was decided to formalize its flow diagram. Although the communication (in particular the mass-one) appears to be an idea relatively well described in the literature, it is difficult to find incorporation of the idea of communication via the Internet. Therefore, a verification of the existing schemes of mass communication in terms of relevance and direct application for e-reality was made. Unfortunately, in the course of conducted analysis of 12 mass communication models, it was found, that none of them was suitable for direct implementation in order to describe electronic communication with particular emphasis on online promotion. Therefore, it was decided to create such model, which, drawing on the best literature examples at the same time would be an attempt to expand on components absent from other models, which should, however, be taken into account in this study. In cross-sectional approach and view of very concise statement of schemes (cf. A. Tarabasz [2012, pp. 64-69]), it was found, that part of models cannot be taken into consideration, when creating original model of online communication. This are the models:

- Aristotle's art of rhetoric [1995, pp. 2152–2269],
  - S. Tchakotine's mniptence of propaganda [1952, pp. 40–70]
  - H. Laswell's act of persuasion [1948, pp. 37–51]
  - W. Schramm's interactive [1954, pp. 3–26]
  - M.W. Riley and J.W. Riley's sociologic [1955, pp. 537–598]
  - D.K. Berlo's S-M-C-R [1960, p. 72]
  - G. Gerbner's perception of communication [1966, pp. 171–199]
- Still, some of their components (such as the paradigm of sender and

recipient, the issue of encoding, decoding, organization of content in a specific form and the idea of feedback) are necessary elements and should be included in own model. There is also a second category of schemes, which shall not be applied directly. These are the models:

- C. Shannon and W. Weaver's transmission of [Shannon C., 1948a, p.2; Shannon C., 1948b, pp.379-423, 623-656; Weaver W., 2008, pp. 27-38]
- K. Lewin's topologic [1947, pp. 143-153]
- E. Katz and P. Lazarsfeld's two-step flow of information [1955, pp. 60]
- R. Hiebert, D. Ungurait and T.W. Bohn's vawe HUB [1991, p. 72]

Lack of this possibility of "direct implementation" would mean the use of previously proposed model without making any modifications. But this should not occur, as these schemes do not take into account the complexity and the "technical side" of information flow between sender and recipient. However, there are elements (largely in common with those mentioned above), which should be used in proposed model. This means that none of the previously mentioned models does not meet the established requirements. It does not reflect the content flow complexity and potential feedbacks, does not take into account the "technical side" of described issues, and usually puts the receiver in the passive role of broadcasted content obtainer. Due to the 2.5-year participant observation<sup>3</sup> it was confirmed, confirmed customers of institutions communicating its offer through the Internet do not remain passive recipients. They contact each other, consciously searching for deals, comparing and making a compilation of available information on presented offer. This underlies the need to formulate a new model of communication via the Internet, with particular regard to its narrower understanding of offer promoting.

Therefore, drawing from previously mentioned models of mass communication, the construction of own model was commenced, which could reflect the complexity of this phenomenon. At this point two things should be emphasized. First, although the proposed model aims to reflect dependence of communication between the company and its customers, however, in a broader sense, despite the apparent emphasis on promotion aspect, it also includes the idea of electronic information flow within the company itself (and thus refers to so called internal client). Secondly, despite the fact that in course of conducted research and participant observation, proposed model was built on the basis of polish banking sector, proposed solutions have utilitarian nature and can be (in the form of a diagram) implemented directly, and indirectly in

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<sup>3</sup> The author worked for BRE Bank SA as a web marketing specialist, e-commerce project manager, took part in reconstruction and reorganization project of information website of MultiBank 2.0, was responsible for sales, the consistency of the bank's image in the Internet channel, implemented included minisites, content designed for cooperating portals, such as Money.pl, Banker.pl, Onet.pl, Wirtualna Polska.pl, initiated promotional campaigns, worked with business lines and the marketing office of the bank in years 2005-2007.

narrative form, used under pain of preserving adequacy of relevant activities.

The proposed model of on-line communication is built in subsequent stages, and therefore should be considered in such a manner in order to make it more readable and easier to receive. Institution (called the advertiser) decides to undertake an advertising campaign for a specific purpose (customer acquisition, establishing a closer relationship, reminding about the product or informing about changes). But recognizes, that wishing to communicate with Internet users, who are its current or potential clients, have access only to part of them. Therefore it cooperates with external company (also called an advertisement publisher; in analyzed case these were horizontal portals and sites cooperating with media houses), to which it outsources carrying out a paid advertising campaign with previously specified parameters<sup>4</sup> after further brief<sup>5</sup> preparation. After agreeing on cooperation terms, advertisement publisher proposes to advertiser a specific mediaplan<sup>6</sup>, which after approval shall be implemented. At the same time the institution is preparing dedicated promotion webpage (so-called landing page), to which internet users clicking on the ad will redirect, regardless their source of acquisition.

It should be emphasized that the above description was simplified, as it was assumed that the entire external campaign is conducted by one company (advertisement publisher), who as the only has an adserver. Advertiser disposes only a server, on which promotional pages and landing page are created and to which all the campaign traffic is redirected. In addition, in order not to obscure information flow chart, it was assumed that institution in its internal operations decides only to use Internet, bypassing branches and customer service points, call center activity and other ways of product promotion (i.e. letter mailings, flyers, posters, outdoor etc.).

When an internet campaign is launched, usually synchronous all over the Web institution's advertising materials appear, issued by the advertiser and promoting company. An ongoing "battle for the customer" occurs within the real media zone of influence: newspapers, radio and TV. Designed along to previous description graphical model of online communication is presented above (cf. Fig. 1).

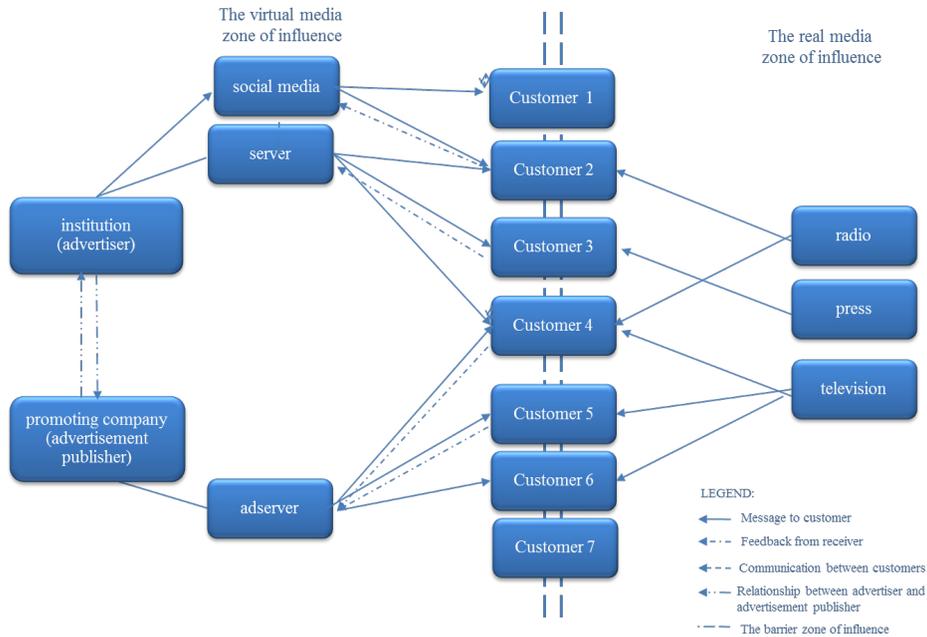
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<sup>4</sup> Thus targeting of campaign is defined, which in advance specifies its target group.

<sup>5</sup> Which acts as a plan of campaign. It concerns promoted product and its distinguishing features compared with its competitors, the target group, campaign duration, planned range, method of reaching, eventually planned use of promotional tools, etc.

<sup>6</sup> Summary of on-line promotion tools used along with precise emission dates and quantification of impressions per unique user, campaign range and the prices of such action.

Figure 1. The model of on-line communication



Source: Tarabasz, A., (2012) *E-komunikacja na rynku usług bankowych. Modele, narzędzia, zastosowanie*, Łódź: Wydawnictwo Uniwersytetu Łódzkiego, p.71

At the launch of campaign both institution and advertisement publisher begin presenting promotional content, directing their messages to customers. It should be noted, however, that to a certain group of customers reaches only the advertiser (in the diagram visible as clients 2 and 3), to the other only an external company (customers 5 and 6). There are also customers groups that receive both promotional messages from different senders. But the most important connections are those between clients themselves (1 and 3, 4 and 6), and the social media impact. This is usually the exchange of information via e-mail, forums, chat rooms, within newsgroups or in the virtual community or by knowledge sharing on the blog. Once again, for simplicity, the schema assumes omitting the possibility of telephone and personal contacts between customers, replacing them with virtual forms of communication. Very important role, particularly in the informal channels of communication, should be thus noted, which the Internet plays seen not from the company's point of view, but its customers. Very often the latter provide an opinion on products, services and functionalities, recommending each other mentioned above factors. Thus, the

Internet perceived in this way, becomes kind of “opinion superlider” through collective intelligence.

Particularizing social media tools, and isolating them from the whole package of electronic communication tools aimed at highlight their impact on communication with customers, and the interaction between them. In the course of conducted analysis it was found, that by adding social media tools, new connections between customers and the institution occurred (shown in the form of interaction between clients 1 and 3). Such action was also aimed at enhancing the flow of information between users. The procedure of implementation of this component was also resulting in emphasizing the importance of mutual interaction between customers and banks and thus, be an evidence of breaching the classic paradigm of one-way mass media communication. Interactivity available within social media tools is not only to facilitate contacts with the institution, but equally offers chance for a dialogue with the brand, its assessment and is the basis for relationships creation.

It is worth noting that despite the plethora of opportunities for contacts, obtaining knowledge, receiving messages from potential advertisers and advertisement emitters (so virtual and traditional), there is a group of customers who, although co-create target group of message transmission, remain out of reach (visualized as a client 7) most likely due to the lack of interest in such offer. To this group should also be included those, who theoretically had the opportunity to have contact with the message, but have not registered it in a conscious way (when the barrier of selective perception acted).

The descriptive part of the model has a much more complex character, as it is taking consideration the issues of responses to messages of a commercial and semi-advertising nature, as well as it rises the problem of total and partial feedback [cf. A. Tarabasz, 2012, pp.72-73.]. However, because these terms refer strictly to promotional activities idea, for the purposes of this article, it was decided to omit them, limiting the discourse only to highlighting the issue of the electronic messages transmission and presentation of the on-line communication model.

It should also be emphasized that the model of communication via the Internet presented here is not a purely theoretical. In light of participant observation results and on-line communication of largest banks in Poland activities analysis, it was decided on its empirical verification. It was done on the basis of:

- analysis of the available literature,
- available range of electronic communication tools,
- activities in the field of electronic communication of online banks,
- expertise of professionals actively taking part in building electronic

communication in two of the surveyed banks, belonging to the retail branch of the BRE Bank Group (MultiBank and mBank<sup>7</sup>).

Once again, it is worth noting, that although empirical analysis of the model was made for the banking sector, there is no impediment to propose its implementation in other industries. It is appreciated that the proposed model has some imperfections - from the assumption it was deprived of certain elements and relationships between participants in the process in order to obtain its maximum clarity. In addition, the a priori assumption was made, that each message broadcasting is accompanied by the process of coding and for receiving - decoding. It is also anticipated that messages recipients (clients) share (at least partially) with communicating with them institutions and companies (within the community of experiences) language, culture, symbols and reality surrounding them, which results in fact, that the message sent does not deviate much from the information received. Despite such assumptions, proposed model is not a closed form and thus, is worth, future engagement in polemical discussion for its maximum improvement.

### **Conclusion**

Communication is an integral part of human existence. Increasingly, interpersonal communication is done with the use of the most recent mass media - the Internet. It is fostered by many factors, the first of which appears to be steadily increasing number of its users - according to current data of Internet World Stats [2013, online] there are already more than 2.2 billion of internauts. Another are the advantages resulting from its electronic nature - the speed, immediacy, ease of feedback and full measurability. This medium is also a rich repository of knowledge about its users. Besides, not to be underestimated is the fact of the attractiveness of this audience to advertisers.

All this underlies the fact, that from a marketing point of view, more and more communication activities are based on electronic tools. However, the other side of the phenomenon is forgotten. This is not only a communication and promotional channel at the business-customer axe, but also medium of social communication, used largely for digital self-expression and entertainment. It is also mean of work, tool for effective management and business support solution in the inner aspect of its operation. It is mostly within the latter should be considered Internet and communication via it as an important aspect in the intercultural management. It provides managers with cheap, fast and direct contact with their subordinates; by definition reduces the separating distance and is also an extremely rich source of knowledge - so as an archive and as an information resource.

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<sup>7</sup> The 25<sup>th</sup> of November 2013 the process of rebranding BRE Bank and MultiBank for mBank brand begun. Its end is planned for the year 2018 [ISB News, 2013, online]

Therefore a reflection on the structuring and incorporation model of on-line communication was undertaken. These actions were based on cross-sectional analysis of the literature of the subject and its empirical verification based on expert knowledge, participant observation and activities of the largest banks in Poland in this regard. Nevertheless, the presented regularities are utilitarian and thus can be used to describe the activities in various industries and in a variety of capacities. This means not only the axe between the company and its customers, but also, which is of particular importance in intercultural management, in communication with corporate's internal customers.

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