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Barriers of Cross-cultural Interactions According to the Research Findings

1. Introduction

Transnational corporations (TNCs) are companies that encounter cultural barriers by their very nature. According to one of many definitions TNCs are entities that face the challenge of managing complex multi-environment system of multiple societies to balance sufficient unity and flexibility to adapt to varying circumstances [Westney, Zaheer 2003, pp. 349–350]. To achieve their goals TNCs need, among other things, to overcome cultural barriers in managing foreign subsidiaries. Thus, developing knowledge in this area is significant. There is a necessity to label major types of cultural barriers in theory and practice. Hence, this article presents a brief description of major problems in an intercultural setting with emphasis on the research findings in this matter. These are the aims of this thesis. At the same time, field researches that concentrate on cross-cultural issues in foreign subsidiaries, cultural barriers especially, are relatively rare.

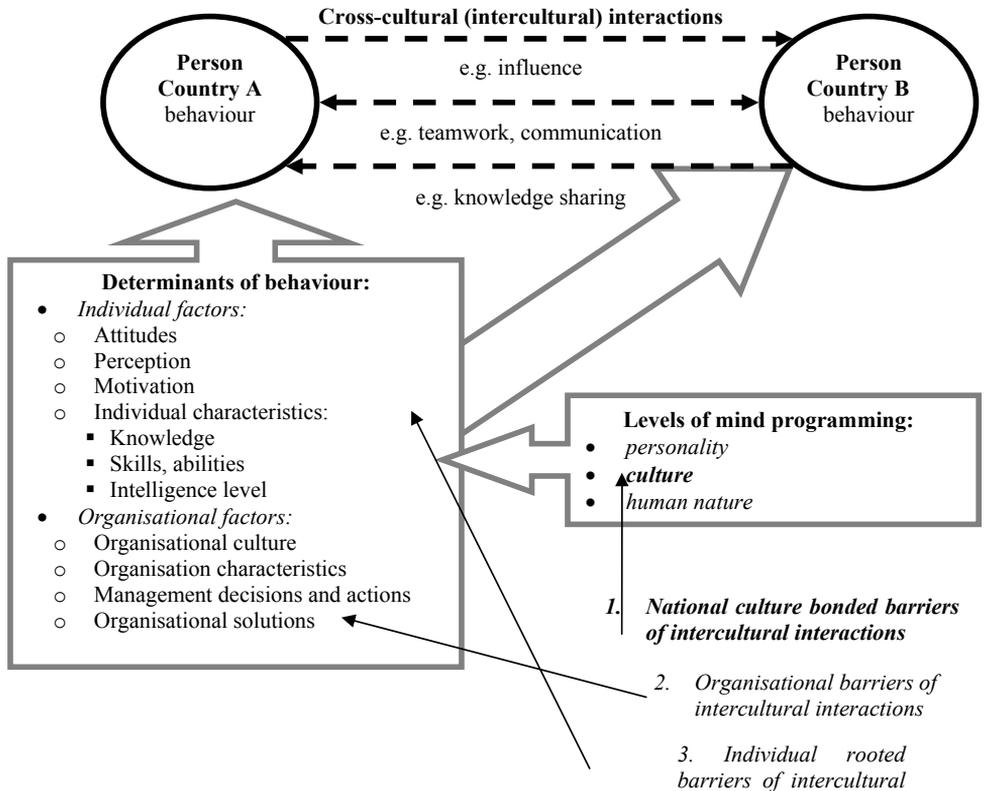
2. The concept and classification of cultural barriers

Cultural barriers in managing foreign subsidiaries are defined as “culturally determined factors that are obstacles in effective operating of a TNC as a whole as well as operating of its individual parts” [Rozkwitalska 2009, p. 144]. They include cultural contingencies as well as other factors impeding cross-cultural interactions. They hinder effective goals achievement of TNCs and their subsidiaries [Rozkwitalska 2010, chapter 2.1]. **A cross-cultural (intercultural) interaction** is a reciprocal influence (action) of a person from one national or organisational culture on another person or people from different national or organisational culture(s) [Rozkwitalska 2010, chapter 2.1]. Individual and organisational factors influenced by three levels of mind programming belong

to major determinants of human actions [see Kożusznik 2002, p. 16, Hofstede, Hofstede 2007, pp. 17–18]. The concept of cultural barriers is based on these elements (see fig. 1), which include [Rozkwitalska 2010, chapter 2]:

- *National culture bonded*, like cultural distance, cultural shock, cultural stereotypes and auto-stereotypes, prejudices, and national ethnocentrism,
- *Organisational factors*: TNC headquarters’ characteristics, institutional ethnocentrism, the cultural gap, and subsidiary’s characteristics,
- *Individual rooted factors*, like: ethnocentric attitude, perception barriers, low international experience of individual employees, their characteristics, insufficient level of cultural intelligence and cultural competences.

Figure 1. The model of cross-cultural interactions and sources of cultural barriers



Source: M. Rozkwitalska, 2010, chapter 2.1, fig. 2.1.

The national culture bonded barriers create environment for TNCs' and their subsidiaries' performance. They influence perceptions of other nations' representatives and attitudes towards them. The organisational barriers form boundaries within which human actions take place. They can facilitate or hamper cross-cultural interactions, strengthen or weaken other cultural barriers that are associated with national culture or people participating in intercultural interactions. For example, when top managers decide to enter a foreign market through an international joint venture, they can expect stronger cultural barriers than in subsidiaries owned by partners from just one country [Barkema, Bell, Pennings 1996, pp. 151–166]. The organisational barriers influence subsidiaries' management in the areas where cultural obstacles are likely to occur. The individual rooted barriers directly affect the behaviour of people in a cross-cultural setting. They can be associated with individual attitudes, perceptions, motivations, knowledge, skills, abilities, intelligence, personality, etc. For example, when a person assumes that cooperation with the Swiss will be well-organised and characterised by punctuality (like the stereotypical Swiss watches) he or she can underestimate potential problems related to possible poor time management skills of a potential Swiss partner.

3. Description of the research project

The research was conducted in foreign subsidiaries of TNCs operating in Poland, in most cases among top and middle level managers, in the winter at the end of the year 2009. Foreign subsidiaries are defined in the broad and narrow sense. According to the first concept **foreign subsidiaries** are the same as foreign affiliates (i.e. subsidiaries, associates, and branches) if the owner of at least 10% equity capital stake (or its equivalent for unincorporated enterprise) is a TNC. In the narrow sense, a **foreign subsidiary** is only a subsidiary. It means that a TNC holds more than 50% equity stake in this type of company [Rozkwitalska 2010, chapter 1.2]. For the sake of the research a **transnational corporation** is defined as an entity that has at least two direct investment enterprises in two various countries [Rozkwitalska 2010, chapter 1.2].

The non-probabilistic sample¹ consisted of 48 subsidiaries (all but one had more than 50% foreign equity stake, according to the REGON database). Half of them was green-field investment, and the other half included subsidiaries established by acquisitions. The capital in these entities originated from North-America, Europe (43.8% enterprises had their headquarters in the EU), and Asia. 1/5 of the subsidiaries had mixed capital. The sample mostly consisted of large incorporated subsidiaries. They represented various sectors including manufacturing and services. Most of them were located in the northern and

¹ A non-probabilistic sample was selected because there are no data available that would enable one to distinguish a foreign subsidiary of a TNC from a foreign subsidiary that does not belong to any TNC [see Rozkwitalska 2010, chapter 4.1].

central Poland and had run their operations for many years. In the majority of cases they were owned by mature TNCs boasting many years of experience on international markets [Rozkwitalska 2010, chapter 4.3].

Information were obtained from 45 managers and specialists working for TNCs, including Poles and two foreigners living in Poland for years and speaking Polish fluently. Most of them were middle level managers and represented various departments: technical/manufacturing, administrative, sales, Human Resources, finance, accounting, quality, logistics, and others. They worked for TNCs' subsidiaries for at least 1.5 years (more than 40% of the respondents had more than 4.5 years of work experience in TNCs). The information were acquired through semi-structured interviews.² Each interview lasted approximately 1.5 hours and most of them were conducted in company offices. The research problem was defined as follows: "Intercultural barriers in functioning of TNCs' foreign subsidiaries located in Poland." The author tried to explore major sources and areas of cultural barriers in cross-cultural interactions of subsidiaries [Rozkwitalska 2010, chapter 4.3]. The cross-cultural interactions that were scrutinised included [Rozkwitalska 2010, chapter 4.3]:

1. Interactions in multi-cultural teams, including virtual ones,
2. Subordinate-superior relationships, where one side was a foreigner,
3. Participation in cross-cultural negotiations,
4. Office contacts with other foreign affiliates of TNCs,
5. Office contacts with foreign partners,
6. Internships and training sessions in other foreign affiliates of TNCs,
7. Official trips abroad,
8. Participation in training sessions led by foreigner(s),
9. Participation in meetings with foreigner(s),
10. Official duties under the procedures of TNCs.

The respondents' most frequent types of cross-cultural interactions were as follows: 9, 7, 1, 4, 10, 2, 8, 5, and then 6 and 3. In most cases the interviewees participated in more than 7 types of cross-cultural interactions mentioned above. So they can be perceived as a reliable source of information in this area of research, especially with reference to internal cross-cultural relationships. The majority of respondents had had international experience before. Most of

² The method was chosen to ensure exploration of a so far poorly analysed area of cultural barriers. The method enables one to achieve deep and detailed observations. It provides more accurate data, however, as a type of qualitative research it does not allow for generalisation of the obtained results. Comparison of the data is also limited [Babbie 2008, pp. 40–41, 172–173, 212–215, 342–345; Brenner 2009, pp. 92–107].

them made frequent trips abroad, used to live abroad, used to work for foreign companies or used to work abroad [Rozkwitalska 2010, chapter 4.3]. This foreign experience could affect perception of the cultural barriers and influence the cultural competence of the interviewees.

4. Research findings³

This chapter gives a summary of the research findings concerning the following main question as well as additional research questions:

- *Main research question:* Have there been or are there any cultural barriers in the foreign subsidiaries the interviewees have worked in or work in?
1. If the answer is 'Yes' – what have been or are the major sources of cultural barriers?
 2. If the answer is 'Yes' – what have or what do the respondents perceived/perceive as cultural barriers?
 3. If the answer is 'Yes' – what organisational factors can strengthen cultural barriers?
 4. If the answer is 'Yes' – where have or do the cultural barriers occurred/ occur?
 5. If the answer is 'Yes' – what significance have or do the cultural barriers had/ have?

The answer to the main research questions is 'Yes'. It means that cultural barriers could have been or can be observed in the analysed subsidiaries. It can be proved by the analysis of the results achieved with reference to the additional questions mentioned above. The next paragraphs recapitulate these questions. Table 1 summarises major sources of cultural barriers according to the author's interpretation, based on empirical results obtained from the interviews. Table 2 gives answers to the second research question mentioned above.

³ This part summarises the research findings that are reported in detail in the forthcoming book entitled: Rozkwitalska 2010, chapter 5.

Table 1. Sources of cultural barriers in foreign subsidiaries of TNCs in Poland. Summary of the research findings

Cultural distance as a barrier to cross-cultural interactions
<p>Almost all respondents see differences in the behaviour of Poles and foreigners. For 63.6% of them, these differences are the reason behind some types of problems at work. However, the problems are not very frequent.</p>
Organisational factors as cultural barriers
<p>The analysis of the interviews allows to distinguish the most important cultural barriers that are affected by organisational factors. These include:</p> <ul style="list-style-type: none"> • Institutional ethnocentrism that was pointed out by 43.8% of the interviewees, • Insufficient understanding of the Polish general environment, mostly the law and economy, as well as the task environment, i.e. the specificity of particular Polish sectors by the central office or expatriates, • Strategic orientation of the central office, especially the dissonance between declarations and actions, • Strategic choices, i.e. problems with integration of organisational cultures in TNCs that use acquisitions, • Limitations of Human Resources practices, i.e.: formal defects in recruitment, promotion, and evaluation requirements for cross-cultural knowledge, inefficient selection and utilisation of expatriates, insufficient level of communication skills (use of a functional language) in foreign affiliates of TNCs and their headquarters.
Individual rooted cultural barriers
<p>The research proved significance of the following individual rooted barriers:</p> <ul style="list-style-type: none"> • A tendency to make assumptions in cross-cultural interactions, • Possible Pygmalion effect, • Ethnocentric attitude of the Polish employees towards employment policy in subsidiaries, except for the leadership of Polish entities, • Ethnocentrism of foreigners, • Weak communication in the functional language among TNCs' employees, • Lack of ability to communicate in the Polish language among expatriates working in Poland.

Source: M. Rozkwitalska, 2010. chapter 5.1, table 5.5.

Table 2. Impediments to cross-cultural interactions according to the interviewees

Cultural distance as a barrier to cross-cultural interactions
<p>Cultural differences were perceived by interviewees with reference to:</p> <ul style="list-style-type: none"> • Perception of superior roles and positions, as well as styles of leadership, • Preferences within the scope of authority, delegation and decision-making styles, • Preferences within the scope of information flow between job positions in a subsidiary and in contacts with the central office, • Behaviour towards women that is considered to be inappropriate, • Life priorities: work versus personal life dilemma, • Verbal and non-verbal behaviour, • Approach to necessity and scope of formalisation, • Importance of interpersonal relationships in an organisation and with partners, • Approach to Human Resource Management - hard or soft, problems with feedback, • Styles of communication, • Practices, styles of work, foreigners' expectations. <p>The factors mentioned above were perceived by the respondents as cultural barriers.</p>
Organisational factors as cultural barriers
<p>Interviewees tended to mention the following factors as barriers:</p> <ul style="list-style-type: none"> • Transfer of foreign patterns to the Polish environment, • Behaviours of headquarters revealing its domination and conviction that they are better than their subsidiaries, • Conflicts between declarations and actions, • Actions not in conformity with the Polish specificity, lack of understanding of the Polish reality, • Integration of organisational cultures and the culture gap, • Problems with using of the functional language (see also table 4): <ul style="list-style-type: none"> o Necessity of translation and difficulties with literal translation that can lead to communication noises, o Cross-cultural communication that is time-consuming and costly, • Geocentric point of view that can lead to (see also table 4): <ul style="list-style-type: none"> o Overwhelming belief in the universality of promoted solutions, o Rigidity of attitudes and solutions, o Tendency to force solutions without questioning, o Tendency to ignore subsidiaries' issues, • Ethnocentric policy of promotion (see also table 4).
Individual rooted cultural barriers
<p>With references to individuals, the respondents pointed out barriers are caused by:</p> <ul style="list-style-type: none"> • Ethnocentric foreigners – ethnocentrism affects communication and internal relationships (see also table 4), • Expatriates with insufficient qualifications or efficiency, • Employees and contractors who have difficulties in using of the functional language and insufficient skills.

Source: adapted from M. Rozkwitalska 2010, chapters 5.1 and 5.2.

In both tables the sources of the cultural barriers were arranged according to the concept described in the first part of this article. All types of the cultural barriers were identified in the analysed subsidiaries. The interviewees also indicated other impediments in TNCs' internal cooperation (see table 3). They can be associated with the nature of transnational corporations. They may be responsible for accumulation of negative attitudes towards the central office, e.g. suspicions about its motives or authenticity of actions (i.e. hidden motives). These can further affect the relationships with foreigners inside and outside of a TNC. Activities, norms, behaviour that are perceived as strange, difficult or incomprehensible whilst they are subconsciously associated with nationality or the nature of corporation can produce ethnocentric attitudes with their negative impact on cross-cultural interactions. Information included in table 3 refers to the answer to the third research question mentioned previously. The table includes some examples described during interviews.

Table 3. Organisational factors that can strengthen cultural barriers according to the interviewees

Corporate reporting, planning, and accounting systems
<p><i>Different approaches to reporting and planning in small and large organisations can cause tensions in a relationship between the central office and its subsidiaries:</i></p> <p>In a subsidiary of an English corporation Polish partners who run their office in Poland negatively assessed the corporate requirements to “fill tables” and prepare long-term plans. According to them, the specificity of the Polish market makes it impossible to formulate realistic assumptions. As a result, they see long-range planning as a time-wasting activity: “Statistics are useless, they cannot produce real effects. They only allow us to demonstrate the mass of clerks’ results to the central office” (from an interview). Meeting of the reporting and planning requirements of the central is a huge burden for a small Polish office hiring only a few employees. According to the top managers, this situation makes it impossible for the office to focus on attracting new clients. At the same time, this subsidiary is accountable for its results. This is one of the major factors that create problems in the cross-cultural interactions in this entity.</p> <p><i>Meeting the headquarters’ requirements can be a big strain for the subsidiary and can produce tensions in interactions:</i></p> <p>A manager working for a French corporation said that his central office loves reports and statistics. However, nobody controls whether the data in the tables are true. The investor also requires expanded administration for budgeting purposes. To meet this requirement the subsidiary makes savings in other areas. It affects the employees’ perception of the business competence of the French investor.</p>

Global efficiency imperative and cost pressure
<p><i>Division of company profits in a corporation can produce the feeling of inequity in a subsidiary and can decrease employees' motivation:</i></p> <p>Negotiations with global clients are conducted on the central basis in a small subsidiary. Competition forces the corporation to decrease the price level. Contracts are realised by local foreign subsidiaries. Part of the income achieved from the contracts is paid back to the headquarters. Low margin negotiated globally by the headquarters is the cause of low profitability of contracts for subsidiaries. It also puts pressure on the Polish office to increase its turnover. Thus, employees work harder but subsidiaries' profits are still the same. As a result it is difficult to compensate the employees for their growing efforts. Motivation and job satisfaction decrease. Employees cannot see any advantages of cooperation with a foreign investor. Aversion to the corporation increases.</p> <p><i>Some of corporation's activities produce suspicions among subsidiaries' employees as to the real motives of these actions and the competences of corporation's managers:</i></p> <p>In a subsidiary of an American corporation the eco-saving action was launched as an effect of the world crisis. As part of this action paper towels in toilets were replaced by electric dryers. According to a respondent, this action was more propaganda than helped to reach the planned objectives. No calculations or any assessment of the action's influence on the natural environment were made (at least subsidiaries did not receive any such information). As a result the employees do not believe in authenticity of these activities.</p> <p><i>Sometimes it is hard for subsidiaries' employees to accept the precedence of the corporate interest over the subsidiary interest:</i></p> <p>Global efficiency pressure can negatively influence subsidiaries' relationships with their clients. If the turnover generated by a client is too small in relation to the turnover of the whole group, this client is marginalised. From the central office point of view such a client is no longer attractive.</p>
Time zones
<p><i>Objective factors can also create barriers to task realisation in a corporation. Managers of subsidiaries are aware of the phenomenon:</i></p> <p>Time zones create problems in functioning of multi-cultural teams. Lack of physical presence of team members at one location hampers control and leading activities.</p> <p>Time zones had a huge impact on difficulties in implementation of a reporting system in a subsidiary of a Mexican corporation. According to the manager of this company: „(...) vast time differences require very intensive and time-consuming work on processing of data that have to be sent at the end of each reporting period.” (from an interview)</p>

Source: Extracted and adapted from Rozkwitalska 2010, appendix 5, table 17.

Table 3 shows the necessity of providing subsidiaries' staff with appropriate training that should raise awareness of the specificity and needs of a TNC. This can prevent or decrease the occurrence of problems described in table 3.

The next table provides the answer to the fourth question. A few examples in the table define the major areas where cultural barriers appeared in the analysed subsidiaries.

Table 4. Areas of occurrence of cultural barriers according to the interviewees

Communication
<p><i>Technical/branch language as a cultural barrier:</i></p> <p>The manager of a subsidiary in a Norwegian corporation paid attention to a communication barrier resulting from differences in technical vocabulary, meanings of terms, and mistakes associated with them. This problem may result from differences between the educational systems in Poland and Norway. Translations that are made by external translators are full of mistakes, because they do not know the branch vocabulary. Some managers also emphasise difficulties in finding staff with appropriate knowledge of the branch language.</p> <p><i>Colloquial language as a cultural barrier:</i></p> <p>In spite of good language skills of Vietnamese employees colloquial language was incomprehensible to them and had to be avoided. Due to time restrictions it was not easy to pay attention to vocabulary all the time. This caused problems in communication in a subsidiary of a Vietnamese corporation.</p> <p><i>Ambiguity of words as a communication barrier:</i></p> <p>This problem was raised in a subsidiary of a French corporation. According to the manager, translation from French to English created misunderstandings because English is more ambiguous.</p> <p><i>Barriers in written communication:</i></p> <p>In spite of the fact that English is the functional language, some documents and correspondence in a Belgian corporation are written in Flemish.</p> <p><i>Videoconference and teleconference as a cultural barrier:</i></p> <p>The quality of transmitted signals hampers communication during video- and teleconferences. Additional problems occur because of differences in accents and speech defects. Thus, employees often use emails after video- or teleconferences. This practice prevents mistakes but enlarges the amount of time spent on communication.</p> <p><i>Native speakers' syndrome:</i></p> <p>Some of the interviewees indicated that communication with native speakers is much more difficult than with non-native speakers. Non-native speakers tend to be more tolerant and pay more attention to being understood properly. However, presentations made by native speakers were evaluated higher, as one of the respondents noticed.</p> <p><i>Exclusion barrier:</i></p> <p>The interviewees said they experienced discomfort when foreigners were speaking in their native language during meetings or teamwork. They felt excluded from the group.</p> <p><i>Language barriers in sale:</i></p> <p>In spite of the law requirements, documents for clients are not always translated into a local language. A lack of a local name for a given product can also be a barrier in sale.</p> <p><i>Financial consequences of communication in a functional language:</i></p> <p>Costs of translation into the functional language and language courses are included in subsidiaries' budget and increase inputs.</p>

Application and use of corporate solutions

Corporate regulations sometimes hamper or block carrying out of tasks:

A manager of a small niche German corporation's subsidiary pointed out problems with acquiring of necessary documents that enable certification processes in Poland and launching of a product to our market. Stiff procedures pursued in the central office are the cause that problem. According to the respondent, the headquarters' managers use procedures to protect themselves or to reduce autonomy of the subsidiary in Poland.

Implementation of corporate solutions in a subsidiary without taking into consideration its specificity, can produce problems in mutual interactions and negatively affect perception of the central office:

Some problems with implementation of methods in technology management occurred in a subsidiary of a French corporation. Disparities between technology used in the Polish subsidiary and other affiliates and the central office were the reason behind incompatibility of methods and the subsidiaries' needs. Despite the above problems, the central office put pressure on the subsidiary to use the designed methods because they brought results in other affiliates. Implementation process was evaluated only by the reporting system. Polish managers could not argue with the central, so they decided to report results of the implementation they did not achieve. They filled the tables with data which represented results of implementation of the Polish, not the corporate, concept. If figures in rows tally, nobody in the headquarters is interested in whether the solution was applied or not.

Corporate culture

The sense of being a separate unit is not always perceived as a cultural barrier:

Not all respondents believe that being a separate unit means that cultural barriers in interactions between the subsidiary and the corporation exist. Such individual features can be a source of innovations, according to a manager working for a Norwegian corporation: "We must be separate if we are to be innovative." (from an interview)

Some Polish employees are sceptical about customs promoted in the organisational culture. Some of them are reluctant to accept corporate mores and behaviour:

According to interviewees, there were some problems in their subsidiaries with implementation of lunch break or open space. At the beginning, Polish employees had difficulties with receiving and giving feedback. Some engineers were reluctant to develop soft skills. Typical American political correctness is incomprehensible and seems to be strange and useless for some Polish employees. Not everyone believes in the sense of evaluation process and development plans. In a subsidiary of a Japanese corporation employees cannot accept the prohibition of listening to the radio during working hours.

Unreasonable implementation of corporate symbols in a Polish subsidiary can be a cultural barrier:

An English corporation wanted to unify the image of its local offices. Each subsidiary was to implement corporate symbols and a uniform interior design. Polish partners found this idea useless and costly (changes in decor were to be financed by the subsidiary). The reason was obvious. Clients of local offices do not visit them but usually contact them

via the telephone, email or meetings outside the company, because of the specificity of the sector.

Insufficient training courses on the corporate culture can create a cultural barrier:

A problem in implementation of 5S and *kaizen* methods occurred in a subsidiary of a Japanese corporation. According to the interviewee, the reason consisted in insufficient level of a corporate training course. Employees did not understand the importance of methods and their goals.

A dissonance between declarations and performance raises suspicions of subsidiaries' staff towards authenticity of promoted values and norms:

If there is a discrepancy between declarations and actual actions employees start to be suspicious and treat values as propaganda.

The range of universality of promoted values can be a cultural barrier in implementation of corporate culture:

Problems associated with promotion of corporate values among Polish employees (as well as other affiliates) could be observed. The employees tend to regard themselves as outstanding, due to the fact that they work for a famous international company in a subsidiary of an English-speaking corporation. As a result, young employees start to demand higher salaries.

Development of local personnel

Inefficient corporate training:

In a subsidiary of a French corporation a manager pointed out the lack of ability to analyse the training needs. People with good language skills are very often sent to language courses, and other employees who should attend them, are not.

Promotion paths as cultural barriers:

Flat organisational structure limits vertical promotion opportunities in a subsidiary of an American corporation. This company offers horizontal promotion to its other affiliates and other entities. Each year the employees declare their development plans and whether they want to be moved abroad. According to the respondent this practice does not solve the problem in the case of people who want to continue their career in Poland.

Ethnocentric promotion policy as a cultural barrier:

A manager pointed out that opportunities of pursuing an international career in a subsidiary of a Portuguese corporation are limited. According to the interviewee, the Portuguese have priority over other nations during recruitment proceedings

Insufficient parent-company language acquaintance as a barrier in an international career:

According to an interviewee, the French associate the French language proficiency with intelligence and competence. As a result, people with good French language skills were promoted in a subsidiary.

Another respondent told that only Poles who knew Swedish could pursue a career in the headquarters despite the fact that the functional language in this TNC was English.

Internal cooperation

Ethnocentrism and cultural distance as sources of cultural barriers in internal cooperation:

An Austrian subsidiary of a French corporation tends to blame a Polish subsidiary for their clients' complaints. There is a lack of willingness to examine this problem objectively.

There are a number of obstacles in the way of cooperation between a Turkish affiliate and another subsidiary. A respondent pointed out the following reasons: incomparable level of technical qualifications, differences in the scope of formalisation, and different approaches to discussion.

Taboo as a cultural barrier:

Cooperation between a Polish subsidiary and a Finnish corporation was problematic. The reason consisted in the management fee - it was too high for the Polish entity. Negotiations lasted for over half a year. The Finns found it inappropriate to question the level of the management fee. They treated it as a kind of taboo. They put pressure on the Polish director. The Polish party started to demand a detailed bill for the management fee. As a consequence, they began to demand payment for services that previously were free of charge. Finally, the crisis was reconciled. The management fee was reduced to the level accepted by the Polish party.

Source: Extracted and adapted from M. Rozkwitalska 2010, appendix 5, table 22–26.

According to the research findings the major areas where cultural barriers occurred included communication, organisational culture, Human Resource Management, that is development plans referring to local staff, and internal cooperation. Three sources of the cultural barriers could be observed in all these areas.

The last question stated at the beginning of this chapter refers to the significance of the cultural barriers noted in the analysed foreign subsidiaries. During the research it was assumed that the important cultural barriers might cause prejudices, lack of satisfaction from contacts with foreigners, and work dissatisfaction. The interviewees from 18.2% of analysed subsidiaries admitted that there were significant cultural barriers in their workplaces. They also confirmed the following view: "It is impossible to cooperate effectively with some nations." All of the above mentioned respondents were also dissatisfied with their jobs. However, one of the respondents noticed that the cultural barriers in the subsidiary he worked in helped him to develop his professional competences. Table 5 recapitulates information referring to self-assessment of job satisfaction and satisfaction from cross-cultural interactions according to the interviewees.

Table 5. The level of satisfaction in cross-cultural interactions and job content according to the interviewees

The level of satisfaction in cross-cultural interactions	Percentage of people (%)
satisfactory	54.5
highly satisfactory	38.6
neutral	6.8
dissatisfactory	4.5
Job satisfaction	Percentage of people (%)
Occurrence of job satisfaction	87.5
Reasons for job satisfaction	Reasons for job dissatisfaction
<ul style="list-style-type: none"> • Satisfaction of the need for fulfilment, • Work for TNC, • Contacts with foreigners, • Material incentives (salary, financial stability), • Atmosphere, • Material incentives other than salary, • Satisfaction of the need for esteem, • Satisfaction of the need for security. 	<ul style="list-style-type: none"> • Cultural barriers, • Burnout, • Slow growth of the Polish subsidiary.

Source: M. Rozkwitalska 2010, chapter 5.2, table 5.8.

Almost all respondents were satisfied with cross-cultural interactions. The same is true if we consider job satisfaction. The major reason for the job satisfaction is connected with the need for fulfilment consisting of approach to knowledge, promotion perspectives, challenging tasks, development of skills, and participation in management process etc. The respondents also said that working for a corporation was a source of their job satisfaction. They associated their work in a TNC with openness to the world, a sense of security as a result of professional management in a TNC, and their better situation on the labour market. The interviewees very often mentioned cross-cultural interactions as the reason behind their job satisfaction.

Only 12.5% of the respondents were dissatisfied with their work and some of them blamed it on the cultural barriers.

The analysis showed occurrence of cultural barriers in the studied subsidiaries. However, according to the interviewees they were not significant. In more than ten subsidiaries the culture barriers played an important part. The origin of capital was not the main reason behind the cultural barriers. Nevertheless, some

of the cultural barriers determinants could be indicated. The cultural barriers are likely to be greater if:

1. An entry option is an acquisition and type of foreign subsidiary in a joint venture with a local partner,
2. Foreign equity stake is less than 100%,
3. Strategic orientation of the central office is ambiguous,
4. TNC uses third language as a functional language.⁴

5. Conclusions

Cross-cultural interactions face various obstacles. TNCs are multicultural by nature and so are their subsidiaries. They need to handle different cultural barriers stemming from cultural distance, and organisational factors as well as factors ingrained in the minds of individuals.

In the article the author defined major types of cultural barriers and provided empirical evidence of their occurrences. Such classification can be used to design appropriate methods of solving problems in cross-cultural settings. It emphasises that a TNC can decrease importance of cultural barriers with appropriate decisions and structuring. It is necessary to use proper recruitment techniques to select employees who are open to cross-cultural interactions and to train local staff and expatriates. According to the research findings, the major areas of concern were communication, company culture, human resource practices, and interpersonal relationships.

The research findings also suggest that cross-cultural interactions or work in a multi-cultural environment can be a determinant of job satisfaction. Functioning in such an environment affects development of competence and influences satisfaction of the need for fulfilment.

Abstract

The aim of this article is to label major cultural barriers and to present results of empirical findings referring to barriers to intercultural interactions in foreign subsidiaries of transnational corporations (TNCs). The qualitative research was conducted in TNCs' foreign subsidiaries operating in Poland in the winter of 2009/2010. The article describes how the respondents perceived the problems in cooperation with foreigners, defines sources and significance of these problems and areas in which they occur.

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⁴ The majority of subsidiaries in the sample used third language as their functional language. Thus, the sample selection process could confuse real influence of this determinant on cultural barriers.

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